Banco de Comercio Exterior de Colombia S.A. - (Foreign Trade Bank of Colombia S.A.) Bancóldex and Subsidiary.

CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2023, and 2022 and Statutory Auditor's Report

Banco De Comercio Exterior De Colombia S.A. - Bancóldex And Subsidiary

Consolidated Financial Statements

For the years ended December 31, 2023, and 2022)

INDEX

Statutory Auditor's Report

To the stockholders of

BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX:

Opinion

I have audited the attached consolidated financial statements of BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. – BANCÓLDEX and its subordinates here on (the Group), which are:

- The consolidated statement of financial position as of December 31, 2023;
- The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year ended on that date, and;
- The explanatory notes to the consolidated financial statements and summary of significant accounting policies.

In my opinion, the attached consolidated financial statements, that were taken from the accounting books, present fairly in all material respects the financial position of the Group, as of December 31, 2023, as well as its consolidated results and cash flows, for the year ended on that date, in accordance with the Accounting and Financial Reporting Standards accepted in Colombia.

Basis of the opinion

I conducted my audit in accordance with the Accounting and Financial Reporting Standards accepted in Colombia. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* consolidated section of my report. I am independent of the Group in accordance to the Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants along with the ethical requirements that are relevant to my Audit of the consolidated financial statements in Colombia and I have fulfilled my other ethical responsibilities in relation to these requirements. I believe that the Audit evidence I have obtained provides me with reasonable basis to express my opinion.

Key Audit Matters

Key Audit matters are those matters that, in my opinion and judgement, were of the most significance in my Audit of the consolidated financial statements of the current period. These matters were addressed in the context of my Audit of the consolidated financial statements as a whole, and forming my opinion thereon, and I do not provide a consolidated opinion on these matters.

ASSESSMENT OF IMPAIRMENT OF CREDIT PORTFOLIO UNDER IFRS 9

Key Audit Matter

I considered the assessment of impairment of the credit portfolio as a key audit matter, which is the most important and complex estimate in the preparation of the Group's financial statements as of December 31, 2023, since it corresponds to the amount resulting from measuring the deterioration of its loan portfolio. The methodologies for calculating impairment of the credit portfolio incorporate significant complexity that requires judgmental factors in its measurement.

The component of the financial statements called "impairment" presents a balance as of December 31 of $170.912.074 thousand pesos, on a portfolio of $ 7.745.192.342 thousand pesos.

The Group uses the guidelines established in IFRS 9 (Financial Instruments) for estimating impairment of the credit portfolio, and the impairment measurement is based on the expected loss methodology.

Related Disclosures

View notes 10 of the accompanying consolidated financial statements.

Audit Response

My audit proceeds to approach the key audit matter included, among others, the following:

- I have involved internal specialists (an actuary) in the evaluation of the methodology and assumptions for determining the loss in accordance with compliance.

- Recalculation of the impairment estimate of the Group's credit portfolio under the IFRS 9 model to validate the reasonableness of the estimate.

- Evaluation of the design, implementation and operational effectiveness of the controls related to the calculation of the impairment models.

- Evaluation of IT controls for the information of the application that supports the calculations of the portfolio impairment model.

Responsibilities of Management and those Charged with Governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia; and for such internal control as management considers relevant for the preparation and correct presentation of the consolidated financial statements are free from material misstatement, weather due to fraud or error.

In preparing consolidated financial statements, management is responsible for assessing the Group's ability as a going concern, disclosing, as applicable, the matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and or cease operations, or has no realistic alternative but to do so.

Those charged governance are responsible for overseeing the Group financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objective is to obtain reasonable assurance weather the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with International Auditing Standards accepted in Colombia will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taking on the basis of this consolidated financial statements.

As part of an Audit in accordance with International Auditing Standards accepted in Colombia. I exercise professional judgment and maintain professional skepticism throughout the audit, I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity internal control.

- Evaluate the appropriateness of accounting policies used in the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that make cast significant doubt on the Group's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate to modify my opinion. My conclusions are based on the audit evidence report obtained up to the date of my auditor's report. However future events or condition may cause the Bank to cease to continue as going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance of the Group, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

For the matters that I have communicated to those charged with governance of the Group, I have identified those matters that are of most significance to the financial statements as a whole for the current period and, accordingly, have been determined to be key audit matters. Key audit matters are part of my report, unless legal or regulatory provisions prohibit public disclosure of the matter or, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Translated with DeepL.com (free version)
Other information

The management is responsible for the other information. The other information includes the information included in the Group's management report but does not include the consolidated financial statements or my corresponding audit report.

My opinion on the financial statements does not cover the other information, and I do not express any form of conclusion that provides a degree of assurance on it.

In relation to my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, to consider whether there is a material inconsistency between the other information and the financial statements, or the knowledge obtained by me in the audit, or whether there appears to be a material misstatement in the other information for some other reason.

If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report it. I have nothing to report in this regard.

Other matters

The Group's consolidated financial statements were prepared under the Accounting and Financial Reporting Standards accepted in Colombia, as of December 31, 2022, which are presented for comparative purposes, were audited by another auditor, in accordance with the International Auditing Standards accepted in Colombia, who expressed an unmodified opinion on them on February 27, 2023.

As detailed in note 2.2., the accompanying consolidated financial statements are an exact translation into English of those originally prepared by the Company in Spanish, presented in local Colombian pesos and performed in accordance with International Accounting and Financial principles accepted in Colombia.

The effects of any differences, between such International Accounting and Financial principles accepted in Colombia and the accepted accounting principles in the countries where the financial statements going to be used, have not been quantified.

VICTOR MANUEL RAMIREZ VARGAS
Statutory Auditor
Professional License 151419-T

Member of
BDO AUDIT S.A.S. BIC
99975-01-6710-24

Bogotá D.C., February 27, 2024

BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022
(In thousands of Colombian pesos)

ASSETS	Note	2023	2022
Cash and cash equivalent	7	$ 147.972.234	$ 166.340.454
Financial instruments			
Investments at fair value through profit or loss - debt instruments	8.1	105.496.609	37.446.183
Investments at fair value with changes in other comprehensive income - debt instruments	8.2	1.300.706.705	1.143.554.244
Investments at amortized cost	8.3	987.100.331	1.178.413.212
Investments at fair value through profit or loss - Equity instruments	8.4	1.024.368	24.722.932
Investments at fair value with changes in other comprehensive income - equity instrumer	8.5	432.732.898	391.517.843
Investments in joint agreements	8.6	23.851	24.052
Investment impairment	8.7	(10.264.003)	(10.379.152)
Derivate financial instruments	8.8	85.697.815	72.462.121
Other Financial assets	9	711.735.470	845.007.080
Loan portfolio and finance lease transactions at amortized cost, net	10	7.768.840.872	8.519.519.252
Trade and other accounts receivable, net	11	25.013.890	33.932.160
Current tax assets	28.1	22.570.129	47.319.347
Other non-financial assets	12	25.103.490	37.357.934
Assets held for sale, net	13	65.935.913	59.543.505
Property and equipment, net	14	51.870.328	47.137.000
Assets given in operating lease	15	10.866.080	7.838.800
Investment properties	16	12.017.858	11.675.832
Rights-of-use assets	17	9.025.517	11.878.848
Intangible assets	18	8.060.110	8.076.758
Total assets		$ 11.761.530.465	$ 12.633.388.405

LIABILITIES	Note	2023	2022
Customer deposits	19.1	$ 4.367.018.847	$ 4.269.423.019
Money Market Operations	19.2	44.659.611	-
Other deposits	19.3	29.411.954	27.910.778
Derivate financial instruments	8.8	80.018.886	85.493.802
Bank loans and other financial obligations at amortized cost	20.1	5.223.341.679	6.441.676.685
Financial lease liabilities	20.2	8.764.285	11.209.957
Trade and other accounts payable	21	45.179.992	39.801.371
Employee benefits	22	22.488.789	18.485.932
Estimated liabilities and provisions	23	734.074	779.585
Other liabilities	24	150.559.333	174.683.913
Deferred tax liabilities	28.7	93.832.518	48.543.836
Total liabilities		10.066.009.968	11.118.008.878
EQUITY			
Capital stock	25.1	1.062.594.968	1.062.594.968
Legal reserve	25.2	197.217.857	190.104.422
Occasional reserves	25.2	27.465.831	27.884.760
Statutory reserves	25.2	113.782.449	49.346.690
Premium in share placement		15.795	15.795
Other comprehensive income		356.665.959	221.965.721
Accumulated losses from previous years		(112.933.132)	(87.756.287)
Income for the year		45.515.053	46.045.639
Equity attributable to owners		1.690.324.780	1.510.201.708
Non-controlling company's share		5.195.717	5.177.819
Total Equity		1.695.520.497	1.515.379.527
Total liabilities and equity		$ 11.761.530.465	$ 12.633.388.405

The accompanying notes are an integral part of the financial statements

JAVIER DIAZ FAJARDO
Legal Representative

LUIS MIGUEL MORENO FRANCO
Accountant
Professional card 77514-T

VICTOR MANUEL RAMIREZ VARGAS
Statutory Auditor
Professional card 151419 -T
Member of BDO Audit S.A. BIC
(See my attached report)

BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX -

BANCOLDEX
PROMUEVE EL DESARROLLO EMPRESARIAL

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Colombian pesos, except net profit per share)

	Notes	2023	2022
INCOME FROM GENERAL ORDINARY OPERATIONS			
Portfolio financial income and financial leasing operations		$ 1.386.311.338	$ 809.832.277
Valuation of investments at fair value - debt instruments, net		117.302.480	38.664.445
Valuation of investments at fair value - equity instruments, net		2.195.927	-
Valuation at amortized cost of investments, net		-	199.661.258
Commissions and fees		47.288.632	40.711.397
Income from valuation of money market operations, net		-	979.126
Gain on sale of investments - debt instruments, net		799.269	565.153
Profit on the valuation of derivatives - speculative, net		-	161.530.115
Utilidad por venta de bienes recibidos en pago y restituidos, neto		202.618	-
Changes, net		374.834.078	-
Valuation of derivatives - hedging, net		-	21.714.559
		1.928.934.342	1.273.658.330
OPERATING EXPENSES:			
Interest on deposits and current liabilities		401.159.366	271.477.904
Interest on bank loans and other financial obligations		697.526.102	209.596.634
Financial expenses other interest, net		90.383.580	81.625.079
Loss on sale of assets received in payment and returned, net		-	915.859
Valuation at amortized cost of investments, net		138.848.105	-
Valuation of investments at fair value - equity instruments, net		-	1.172.870
Commissions		12.446.503	15.296.535
Valuation expenses for money market operations, net		1.236.482	-
Valuation of derivatives - speculation, net		241.454.253	-
Changes, net		-	396.485.319
Valuation of derivatives – hedging		14.283.920	-
		1.597.338.311	976.570.200
RECOVERY (IMPAIRMENT) OF ASSETS			
Loan portfolio and financial leasing operations, net		(20.818.005)	(33.098.152)
Leasing operations Operating, net		(1.677.638)	-
Accounts receivable, net		(20.118.098)	(11.154.596)
Assets received in payment and returned		(3.341.005)	80.545
Investments		115.148	(327.516)
Other assets		195.562	(2.000)
		(45.644.036)	(44.501.719)
DIRECT OPERATING INCOME		285.951.995	252.586.411
OTHER OPERATING INCOME AND EXPENSES - NET			
OPERATING INCOME			
Dividends and Shares		7.934.446	2.051.022
Equity method, net		-	51.633
Others	26	15.386.579	23.556.072
		23.321.025	25.658.727
OPERATIONAL EXPENSES			
Employee benefits		103.092.799	89.532.936
Fees		7.851.405	8.113.215
Taxes and rates		49.952.851	35.101.941
Leases		5.257.038	5.094.505
Depreciations		6.762.784	5.316.850
Amortizations		3.325.020	2.874.323
Others	27	41.466.341	36.762.944
		217.708.238	182.796.714
PROFIT, BEFORE INCOME TAX		91.564.782	95.448.424
INCOME TAX	28,2	46.049.729	49.402.785
PROFIT FOR THE PERIOD		$ 45.515.053	$ 46.045.639
EARNINGS OF NON-CONTROLLING COMPANY'S SHARE		1.192.555	92.436
EARNINGS ATTRIBUTABLE TO OWNERS		44.322.498	45.953.203
PROFIT FOR THE PERIOD		$ 45.515.053	$ 46.045.639
EARNINGS PER SHARE	25,3	$ 42,83	$ 43,33

The accompanying notes are an integral part of the financial statements

JAVIER DIAZ FAJARDO
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Professional card 151419 -T
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(see my attached report)

BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCOLDEX

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Colombian pesos)

	2023	2022
PROFIT FOR THE YEAR	$ 45.515.053	$ 46.045.639
OTHER COMPREHENSIVE INCOME		
Components of other comprehensive income that will not be reclassified to profit for the period		
Investments in equity instruments		
Valuation at fair value private equity fund	25.417.557	70.801.046
Valuation at fair value of equity instruments	8.125.649	5.783.412
Devaluation at fair value private equity fund in foreing currency	-	(20.593.961)
Total other comprehensive income that will not be reclassified to income for the period	33.543.206	55.990.497
Components of other comprehensive income that will be reclassified to profit for the period		
FINANCIAL ASSETS AVAILABLE FOR SALE		
Investments financial assets available for sale		
Valuation (devaluation) of debt instruments - fixed-rate TES	104.953.984	(34.958.111)
Valuation (devaluation) of debt instruments Green Bonds - TES	7.672.221	(11.247.600)
Valuation (devaluation) of debt instruments - fixed-rate CDT	1.246.168	(41.969)
Valuation of debt instruments Yankee Bonds	-	170.127.787
	113.872.373	123.880.107
CASH FLOW HEDGE		
Cash flow hedges, net of deferred tax	37.750.478	(28.382.900)
Other comprehensive income, cash flow hedges	37.750.478	(28.382.900)
Participation of other comprehensive income of associates and subordinates accounted for using the equity method that will be reclassified to the result of the period		
Investments in associates	76.554	117.055
	76.554	117.055
Others		
Deferred tax	(50.456.950)	(44.396.944)
Profits or losses from non-controlling interests	(8.870)	(31.147)
Gains or losses on controlling interests	(76.553)	(117.305)
	(50.542.373)	(44.545.396)
Total other comprehensive income that will be reclassified to income for the period, net of taxes	101.157.032	51.068.866
Total other comprehensive income	134.700.238	107.059.363
TOTAL COMPREHENSIVE INCOME	$ 180.215.291	$ 153.105.002
COMPREHENSIVE INCOME ATTRIBUTABLE TO		
COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY'S OWNERS	134.709.108	107.090.510
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING COMPANY'S SHARES	(8.870)	(31.147)
	$ 134.700.238	$ 107.059.363

The accompanying notes are an integral part of the financial statements

JAVIER DIAZ FAJARDO
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BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX

BANCOLDEX
PROMUEVE EL DESARROLLO EMPRESARIAL

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY, NET
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Colombian pesos)

			Reserves									
	Note	Capital Stock	Legal	Occasional	Statutory	Premium on placement of shares	Other comprehensive income	Accumulated losses from previous years	Earnings from the year	Total parent company's share	Non-controlling company's share	Shareholders equity
BALANCE AS DECEMBER 31, 2021		$ 1.062.594.968	$ 184.565.184	$ 32.606.525	$ 49.346.690	$ 15.795	$ 114.906.358	$ (58.668.483)	$ 26.230.504	$ 1.411.597.541	$ 5.318.285	$ 1.416.915.826
Transfer of the result of the period		-	-	-	-	-	-	26.230.504	(26.230.504)	-	-	-
Distribution of net income for the period	9.1	-	5.539.238	(4.721.765)	-		-	(55.318.308)	-	(54.500.835)	-	(54.500.835)
Movement in the year		-	-	-	-	-	(31.147)	-	92.436	61.289	(201.755)	(140.466)
Other comprehensive income		-	-	-	-	-	107.090.510	-	-	107.090.510	(31.147)	107.059.363
Earnings for the year		-	-	-	-	-	-	-	45.953.203	45.953.203	92.436	46.045.639
BALANCE AS DECEMBER 31, 2022		$ 1.062.594.968	$ 190.104.422	$ 27.884.760	$ 49.346.690	$ 15.795	$ 221.965.721	$ (87.756.287)	$ 46.045.639	$ 1.510.201.708	$ 5.177.819	$ 1.515.379.527
Transfer of the result of the period		-	-	-	-	-	-	46.045.639	(46.045.639)	-	-	-
Distribution of net income for the period	9.1	-	7.113.435	(418.929)	64.435.759		-	(71.130.265)	-	-	-	-
Movement in the year		-	-	-	-	-	(8.870)	(92.219)	1.192.555	1.091.466	(1.165.787)	(74.321)
Other comprehensive income		-	-	-	-	-	134.709.108	-	-	134.709.108	(8.870)	134.700.238
Earnings for the year		-	-	-	-	-	-	-	44.322.498	44.322.498	1.192.555	45.515.053
BALANCE AS DECEMBER 31, 2023		$ 1.062.594.968	$ 197.217.857	$ 27.465.831	$ 113.782.449	$ 15.795	$ 356.665.959	$ (112.933.132)	$ 45.515.053	$ 1.690.324.780	$ 5.195.717	$ 1.695.520.497

The accompanying notes are an integral part of the financial statements.

JAVIER DIAZ FAJARDO
Legal Representative

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(See my attached report)

BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A.- BANCÓLDEX

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Colombian pesos)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Earnings for the year	$ 45.515.053	$ 46.045.639
Adjustments to reconcile net income and net cash		
(used in) provided by operating activities:		
Income tax	46.049.729	49.402.785
Impairment of investment	12.893.675	2.924.855
Impairment of loan portfolio	85.270.965	97.509.116
Impairment of accounts receivable	30.499.280	12.308.772
Impairment of non-current assets held for sale	4.401.192	1.859.295
Impairment of property and equipment under operating lease	1.677.638	-
Impairment of other assets	166.790	2.000
Layoffs Expense	2.917.297	2.399.263
Depreciation of property and equipment	1.977.528	1.530.857
Depreciation of assets in use	4.325.998	3.411.223
Depreciation of property and equipment under operating leases	459.258	374.770
Revaluation of property and equipment	(342.024)	(987.532)
Amortization of intangible	3.325.020	2.874.323
(Ganancias) pérdida en venta de activos no corriente mantenidos para la venta, neto	(412.147)	2.779.299
Gains on sale of property and equipment, net	(877.046)	-
Gain on sale of investments, net	(799.269)	(565.153)
Reimbursement of loan portfolio provision	(13.008.823)	(2.597.339)
Reimbursement of credit portfolio provision	(62.775.322)	(64.410.964)
Reimbursement of accounts receivable	(10.381.182)	(1.154.176)
Reimbursement of provision for non-current assets held for sale	1.055.955	1.310.554
Bank restatement in foreign currency	609.526	8.882.390
Valuation of investments with changes in results	19.349.698	(237.152.834)
Equity method gaings with changes in results	-	(51.633)
Valuation (devaluation) of Derivative financial instruments with changes in results - Trading	241.454.253	(161.530.115)
Devaluation Financial instruments of Derivatives with changes in results - hedging	(22.571.461)	(24.389.306)
Increase (decrease) equity as a result of consolidation	(74.321)	(140.466)
Subtotal	345.192.207	(305.410.016)
Variation in operating accounts		
Increase in other comprehensive income	134.700.238	107.059.363
(Increase) decrease in derivative financial instruments	(237.593.402)	295.626.630
Decrease (Increase) in loan portfolio	728.182.736	(1.406.050.080)
(Increase) decrease in accounts receivable	(11.199.826)	8.007.927
Decrease (increase) non-current assets held for sale	1.439.396	(7.766.615)
Increase in property and equipment	(112.175)	(244.826)
Increase assets in use	(371.708)	(65.325)
Increase in intangible assets	(2.116.764)	(1.279.781)
Decrease in deferred tax asset	149.970.238	28.118.206
Decrease (Increase) in other assets	36.836.873	(7.599.638)
Increase (decrease) in customer deposits	97.595.829	(154.807.176)
(Decrease) increase in deferred tax liabilities	(104.681.556)	62.780.277
Decrease accounts payable	(40.671.108)	(46.673.879)
(Decrease) increase financial lease liability	(2.445.672)	4.491.563
Increase in employee benefits	3.534.085	8.722.172
(Decrease) increase provisions	(45.511)	86.924
Decrease others liabilities	(24.124.582)	(91.044.920)
Severence pay	(2.448.524)	(2.127.157)
Total adjustments	726.448.567	(1.202.766.335)
Net cash provided by (used in) operating activities	1.117.155.827	(1.462.130.712)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease(increase) in money market operations	133.271.610	(266.061.184)
Increase in investments	(69.956.725)	(591.698.242)
Additions of non-current assets held for sale	(13.995.006)	(16.309.156)
Purchase of property and equipment	(6.517.537)	(332.744)
Compra bienes en uso	(1.139.669)	(8.771.334)
Purchase of property and equipment under operating leases	(5.164.176)	-
Purchase of intangible assets	(1.191.609)	(1.277.683)
Proceeds from the sale of property and equipment	795.900	-
Proceeds from the sale of assets in use	38.710	317.683
Proceeds from the sale of properties and equipment under operating leases	-	5.127.794
Proceeds from the sale of non-current assets held for sale	1.118.200	8.488.946
Net cash provided by (used in) investing activities	37.259.698	(870.515.920)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase passive positions in money market operations	44.659.611	-
Increase (decrease) other deposits in guarantees	1.501.176	(32.161.198)
(Decrease) increase in bank loans and other financial obligations	(1.218.335.006)	2.448.085.637
Payment of dividends	-	(54.500.835)
Net cash (used in) provided by financing activities	(1.172.174.219)	2.361.423.604
Effect of exchange difference on cash and cash equivalents	(609.526)	(8.882.390)
(DECREASE) INCREASE NET IN CASH AND CASH EQUIVALENTS	(18.368.220)	19.894.582
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	166.340.454	146.445.872
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 147.972.234	$ 166.340.454

The accompanying notes are an integral part of the financial statements

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Legal Representative

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Staturoy Auditor
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Member of BDO Audit S.A. BIC
(See my attached report)

1. REPORTING ENTITY

1.1. Economic Entity - Banco de Comercio Exterior de Colombia S.A.- BANCÓLDEX (hereafter "the Bank" or "Bancóldex") is a national partially state-owned company incorporated as a bank credit institution. It is attached to the Ministry of Finance and Public Credit, established and organized pursuant to Colombian law as of January 1, 1992, in accordance with Law 7 and Decree 2505 of 1991. Its initial term is 99 years as of December 30, 1992, and, pursuant to Resolution Number 0652 of April 15, 1996, issued by the Financial Superintendence of Colombia (hereafter "SFC" or "Superintendence"), the term was extended to December 30, 2091. It is domiciled in the city of Bogotá, D.C., and has no branches or agencies.

Articles 58 and 94 of Law 795 of January 14, 2003, ratify the legal nature of the Bank, exempt it from the compulsory investment scheme, and authorize it to rediscount leasing transactions.

Bancóldex's corporate purpose is to finance, mainly but not exclusively, activities linked to exports and domestic industry by acting as a discount or acceptance house rather than as a direct intermediary. It may also carry out credit operations, including financing Colombian export buyers, discounting credits granted by other financial institutions, granting and receiving endorsements and collateral in legal or foreign currency, and performing other activities authorized by the Organic Statute of the Financial System and current regulatory standards.

The Bank is the manager of the Banca de las Oportunidades Investment Program. It derives from the National Government's strategy to reduce poverty, promote social equality, and stimulate economic development in Colombia through access to financial services for lower-income families, entrepreneurs, and MSMEs.

On July 31, 2020, the merger agreement was formalized by a public deed. Bancóldex absorbed its affiliate Arco Grupo Bancóldex Compañía de Financiamiento to complement the financial product offering for SMEs and incorporate the finance leasing, factoring, and direct credit products. Arco was integrated as a business unit that gave rise to the Vice Presidency for SME Direct Credit.

Bancóldex owns 89.62% of Fiduciaria Colombiana de Comercio Exterior S.A. – Fiducóldex, a stock corporation, a national indirect partially state-owned company. Fiducóldex is subject to inspection and surveillance by the SFC and was incorporated through Public Deed number 1497 of October 31, 1992, issued at Notary Office 4 of Cartagena (Bolívar) (operating license included in Resolution Number 4535 of November 3, 1992, issued by the SFC). Its headquarters are located in Bogotá, D.C., and its corporate purpose is to enter into a business trust agreement with the Nation (represented by BANCÓLDEX) in order to promote Colombian exports and fulfill other purposes established in Decree 663 of 1993, such as conducting all sorts of business trust agreements, as well as performing all operations, businesses, actions, orders, and services related to normal trust activities.

1.2. Amounts consolidated by Entity - Below is a list of the amount of the consolidated assets, liabilities, and equity broken down by entity and their share percentage on the consolidated amount, including eliminations as of December 31, 2023, and 2022 (figures stated in millions of Colombian pesos):

2023	Assets	Share %	Liabilities	Share %	Equity	Share %	Gain for the year	Share %
Bancóldex	$ 11,832,932	100.61	$ 10,144,328	100.78	$ 1,688,604	99.59	$ 44,322	97.38
Fiducoldex	78,723	0.67	12,119	0.12	66,604	3.93	11,484	25.23
Deferred tax assets	(89,313)	(0.76)	(89,313)	(0.89)	-	-	-	-
Net Effect of Eliminations	(60,812)	(0.52)	(1,124)	(0.00)	(59,688)	(3.52)	(10,292)	(22.61)
Consolidated	$ 11,761,530	100.00	$ 10,066,010	100.00	$ 1,695,520	100.00	$ 45,514	100.00

2022	Assets	Share %	Liabilities	Share %	Equity	Share %	Gain for the year	Share %
Bancóldex	$ 12,858,951	101.79	$ 11,349,378	102.08	$ 1,509,573	99.62	$45,898	99.68
Fiducoldex	64,750	0.51	8,829	0.08	55,921	3.69	890	1.93
Deferred tax assets	(239,283)	(1.89)	(239,283)	(2.15)	-	-	-	-
Net Effect of Eliminations	(51,030)	(0.40)	(916)	0.00	(50,114)	(3.31)	(743)	(1.61)
Consolidated	$ 12,633,388	100.00	$ 11,118,008	100.00	$ 1,515,380	100.00	$ 46,045	100.00

2. PRESENTATION STANDARDS OF FINANCIAL STATEMENTS

2.1. Accounting standards applied - The accompanying consolidated financial statements of the Bank and its subsidiary (hereinafter "the Group"), in accordance with the current provisions established by Law 1314 of 2009, which was regulated, compilated, and updated by Decree 1611 de 2022, Decree 938/2021 and previous Decrees, were prepared pursuant to the Accounting and Financial Reporting Standards (NCIF) accepted in Colombia. These standards are based on the International Financial Reporting Standards (IFRS), together with their interpretations, translated into Spanish and issued by the International Accounting Standards Board (IASB) as of December 31, 2018.

The Group has applied the significant accounting policies, judgments, estimates, and assumptions described in Notes 3 and 4.

2.2. Basis of preparation –

a. The Bank and its subsidiary have defined in its bylaws to close its accounts, prepare, and disseminate general-purpose financial statements once a year. For legal purposes in Colombia, the main financial statements are the separate financial statements expressed in Colombian pesos since this is the presentation currency for all purposes. The functional currency is the Colombian peso, which is the currency of the primary economic environment in which the Bank operates.

b. These financial statements are the exact English translation of those originally issued in Spanish. They are presented in accordance with International Accounting and Financial principles accepted in Colombia. It is possible that some accounting practices applied in Colombia, may not be equal with generally accepted accounting principles in other countries. The effects of any differences, of the generally accepted accounting principles in the countries in which these financial statements may be used against International Accounting and Financial principles accepted in Colombia, have not been quantified. In addition, these financial statements are not intended to present the information on the Bank's financial position, its financial performance and its cash flows for the year then ended, in accordance with International Accounting and Financial principles accepted in Colombia.

2.3. Going concern - The consolidated financial statements were prepared on a going concern basis. It was determined that there are no uncertainties about facts, events, or conditions that may cast significant doubt about the Entities' ability to continue as a going concern. The judgments used to determine whether the Entities are going concerns are related to evaluating the current financial position, ¬current intentions¬, the results of operations, and access to financial resources in the financial market, considering their impact on future operations. No situation was determined that would make it impossible for the Entities to operate as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the consolidated financial statements are summarized hereafter.

3.1. Consolidation and equity method - Under Colombian law and IFRS 10, Entities must prepare consolidated and separate financial statements. The separate financial statements serve as the basis for distributing dividends and other allocations by the shareholders. The consolidated financial statements are presented to the General Meeting of Shareholders and show the assets, liabilities, equity, income, expenses, and cash flows of the parent company and its subsidiary as if they were a single economic entity.

Controlled entities - Following IFRS 10, the Bank is required to prepare consolidated financial statements with Entities where it has control. The Bank has control over another entity if, and only if, it has all of the following elements:

- *Power over the investee that gives it the ability to direct the relevant activities that significantly affect the investee's returns*
- *Exposure, or rights, to variable returns from its involvement with the investee*
- *The ability to use its power over the investee to influence the amount of investor returns*

In the consolidation process, the Bank combines the assets, liabilities, and profit or loss of the Entities to exercise control after homogenizing their accounting policies. In this process, reciprocal transactions and unrealized profits between them are eliminated. The non-controlling interests in the controlled entities Aare presented in equity separately from the equity of the Bank's stockholders.

Homogenization of accounting policies. The Bank homogenizes accounting policies to apply them uniformly to transactions and other events that, being alike, have occurred in similar circumstances.

3.2. Foreign currency transactions - In order to present the financial statements, assets and liabilities in functional currency are expressed in Colombian pesos, using the exchange rates prevailing at the cut-off date of the balance sheet. Income and expense items are converted into the exchange rates at the date of the transactions.

On December 31, 2023 and 2022, the exchange rates were $ 3,822.05 y $ 4,810.20, respectively.

3.3. Cash and cash equivalents - Cash equivalents are intended to hedge short-term obligations and represent securities that are readily convertible into cash and do not result in a significant change in their value. A financial instrument will be a cash equivalent item, only if it is held to use the surplus and not for investment purposes. The Bank recognizes as cash and cash equivalents, for cash flow statement, the value of the resources it holds for immediate availability such as securities on hand, bank deposits (local and foreign accounts).

3.4. Money market transactions - Money market transactions are repo transactions, simultaneous transactions, temporary transfer of securities transactions and interbank fund transactions. Initial measurement: The Bank will recognize a financial asset at fair value, which is usually the value agreed at the beginning of the transaction. Transaction costs will be directly recognized in the profit and loss statement. Subsequent measurement: The Bank will subsequently recognize the financial assets at amortized cost using the effective interest rate method.

3.5. Financial assets - All regular purchases or sales of financial assets are recognized and derecognized on the trade date. Regular purchases or sales are purchases or sales of financial assets that require delivery of assets within the term established by regulation or by the market.

All recognized financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of financial assets.

3.5.1 Classification of financial assets - Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

- The contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value recognized in other comprehensive income:

- The financial asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss.

Notwithstanding the preceding, the Bank and its subsidiary may make the following irrevocable election at the time of initial recognition of a financial asset:

- The Bank and its subsidiary may irrevocably elect to present subsequent changes in the fair value of an equity investment in other comprehensive income if certain criteria are met (see 3.5.1.2); and

- The Bank and its subsidiary may irrevocably designate a debt investment that meets the amortized cost or fair value criteria recognized in other comprehensive income measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch (see 3.5.1.3).

3.5.1.1 Amortized cost and effective interest method: The effective interest method is a way to calculate the amortized cost of a debt instrument and allocate interest income over the relevant period.

For financial instruments other than acquired or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that are part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, over the debt instrument's expected life or, if shorter, the gross carrying amount on initial recognition. For acquired or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, at the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured on initial recognition less principal repayments, plus the cumulative amortization (using the effective interest method) of any difference between the initial amount and the maturity amount adjusted for any tolerable losses. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjustment for any provision for losses.

Revenue from interest is recognized using the effective interest method for debt instruments subsequently measured at amortized cost and fair value recognized in other comprehensive income. For financial instruments other than acquired or originated credit-impaired financial assets, revenue from interest is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that are subsequently impaired (see 3.5.3). For financial assets that are subsequently impaired, revenue from interest is recognized by applying the effective interest rate to the amortized cost of the financial asset. If in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For acquired or originated credit-impaired financial assets, the Bank and its subsidiary recognize interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset on initial recognition.

The calculation does not revert to the gross basis, even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

For financial instruments other than acquired or originated credit-impaired financial assets, the Bank and its subsidiary recognize revenue from interest by applying the effective interest rate without transaction costs if not material because Bancóldex is a second-tier bank.

3.5.1.2 Equity instruments designated as at fair value through other comprehensive income: On initial recognition, the Bank and its subsidiary may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at fair value through other comprehensive income. Designation at fair value recognized in other comprehensive income is not permitted if the equity investment is held for trading or if it is a contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

A financial asset is held for trading if:

- it is acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Bank manages together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). Investments in equity instruments at fair value recognized in other comprehensive income are initially measured at fair value.

Subsequently, they are measured at fair value with gains and losses from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to gain or loss on the disposal of equity investments. Instead, they will be transferred to retained earnings.

Dividends on these equity investments are recognized in profit or loss when the Bank's right to receive the dividends is established following IFRS 15 Income unless the dividends represent a recovery of part of the investment cost.

3.5.1.3 Financial assets at fair value through profit or loss: Financial assets that do not meet the criteria to be measured at amortized cost or at fair value recognized in other comprehensive income (see 3.5.1.1 and 3.5.1.2) are measured at fair value through profit or loss. Specifically:

- Investments in equity instruments are classified as measured at fair value through profit or loss unless the Bank and its subsidiary designate an equity investment that is neither held for trading nor has contingent consideration from a business combination at fair value recognized in other comprehensive income on initial recognition (see 3.5.1.2).
- Debt instruments that do not meet the amortized cost criteria or fair value through other comprehensive income criteria (see 3.5.1.1) are classified as fair value through profit or loss. In addition, debt instruments that meet the amortized cost criteria or fair value through other comprehensive income criteria may be designated at fair value through profit or loss on initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing gains and losses on them on different bases.

Financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period, with any fair value gain or loss recognized in profit or loss to the extent that they are not part of a designated hedging relationship (see 3.9).

3.5.2 Foreign currency gains and losses - The carrying amount of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss under "other gains and losses";

- For debt instruments measured at fair value recognized in other comprehensive income that are not part of a designated hedging relationship, exchange differences in the amortized cost of the debt instrument are recognized in profit or loss under other gains and losses. Other exchange differences are recognized in other comprehensive income in the investment revaluation reserve;

- For financial assets measured at fair value through profit or loss that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss under other gains and losses; and

- For equity instruments measured at fair value recognized in other comprehensive income, exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

3.5.3 Impairment of financial assets - The Bank and its subsidiary recognize a provision for expected credit losses on investments in debt instruments that are measured at amortized cost or fair value recognized in other comprehensive income, as well as on credit commitments. No impairment loss is recognized for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the financial instrument's initial recognition.

The Bank and its subsidiary always recognize expected credit losses over the life of the loan for the portfolio. Expected credit losses on these financial assets are estimated using a reserve matrix based on the Bank's and its subsidiary's historical credit loss experience, adjusted for factors specific to the obligors, general economic conditions, and an assessment of both current management and expected conditions at the reporting date, including the time value of money where applicable.

For all other financial instruments, the Bank and its subsidiary recognize expected credit losses over the life of the loan when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Bank, and its subsidiary measure the reserve for losses for that financial instrument at an amount equal to 12 months of expected credit losses over the loan's life. The assessment of whether to recognize expected credit losses over the loan's life is based on significant increases in the probability or risk of a default occurring since initial recognition rather than on evidence that a financial asset is impaired at the reporting date or an actual default occurs.

Lifetime expected credit losses represent the expected credit losses that will result from all possible events of default over the expected life of a financial instrument. In contrast, 12 months of lifetime expected credit losses represent the portion of lifetime expected credit losses over the loan's life that is expected to result from potential events of default on a financial instrument within 12 months of the reporting date.

The duration of expected credit losses over the life of other accounts receivable represents the expected credit losses that will result from a significant increase in credit risk. If the risk has not increased since initial recognition, the reserve for losses is measured at an amount equal to the expected credit losses for the next 12 months applying this simplified model for accounts receivable other than those related to the loan portfolio.

3.5.3.1 Significant increase in credit risk: In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank and its subsidiary compare the risk of default on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Bank and its subsidiary consider quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information available without cost or effort. Forward-looking information includes the future outlook for the industries in which the Bank's and its subsidiary's debtors operate. It is obtained from reports of economic experts, financial analysts, government agencies, relevant think tanks, and other similar organizations and consideration of various external sources of actual and forecast economic information related to the Bank's and its subsidiary's principal operations.

In particular, the following information is considered when assessing whether credit risk has increased significantly since initial recognition:

- A significant actual or expected deterioration in the external (if available) or internal credit rating of the financial instrument;

- Significant deterioration in external market credit risk indicators for a particular financial instrument; for example, a significant increase in the credit spread, the debtor's credit default of interest rate swap prices, or the time or extent to which the fair value of a financial asset has been less than its amortized cost;
- Existing or anticipated adverse changes in business, financial, or economic conditions that are expected to cause a significant decline in the debtor's ability to meet its debt obligations;
- A significant actual or expected impairment of the debtor's operating profit or loss;
- Significant increases in credit risk in other financial instruments of the same debtor;
- An actual or expected material adverse change in the debtor's regulatory, economic, or technological environment that results in a significant decrease in the debtor's ability to fulfill its debt obligations

Regardless of the outcome of this assessment, the Bank and its subsidiary presume that the credit risk of a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days overdue unless the Bank and its subsidiary have reasonable and reliable information to the contrary.

Notwithstanding the above, the Bank and its subsidiary assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have a low credit risk at the reporting date. A financial instrument is bound to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a high capacity to fulfill its contractual cash flow obligations in the short term, and iii) adverse changes in economic performance and business conditions over the longer term may, but do not necessarily, reduce the borrower's ability to fulfill its contractual cash flow obligations. The Bank and its subsidiary consider a financial asset to have a low credit risk when it has an internal or external credit rating of "investment grade" as defined globally.

For loan commitments and financial guarantee contracts, the date on which the Bank and its subsidiary become party to the irrevocable commitment is considered the date of initial recognition for assessing impairment of the financial instrument. In assessing whether there has been a significant increase in credit risk since the initial recognition of a loan commitment, the Bank and its subsidiary consider changes in the risk of default of the loan to which a loan commitment relates.

The Bank and its subsidiary regularly monitor the effectiveness of the criteria used to identify whether a significant increase in credit risk has occurred and review them as appropriate to ensure that the criteria can identify a significant increase in credit risk before the amount is past due.

3.5.3.2 Definition of credit in default: The Bank and its subsidiary consider the following to constitute an event of default for internal credit risk management purposes. Historical experience indicates that accounts receivable meeting any of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Bank and its subsidiary, in full (excluding any collateral held by the Bank and its subsidiary).

Regardless of this analysis, the Bank and its subsidiary consider that a default has occurred when a financial asset is more than 90 days overdue unless the Bank and its subsidiary have reasonable and supportable information to demonstrate that a default criterion with more overdue days is appropriate.

3.5.3.3 Impaired financial assets: A financial asset is credit-impaired when one or more events have occurred that have a detrimental impact on that financial asset's estimated future cash flows. Evidence that a financial asset is credit-impaired includes observable inputs on the following events:

a) Significant financial difficulty of the issuer or borrower;

b) A breach of contract, such as a default or delinquency (see 3.5.3.2);

c) The lender(s), for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

d) It becoming probable that the borrower will enter bankruptcy or other financial reorganization; or

e) The disappearance of an active market for that financial asset because of financial difficulties.

3.5.3.4 Write-off policy: The Bank and its subsidiary write off a financial asset when there is an indication that the counterparty is in serious financial difficulty and there is no realistic prospect of recovery; for example, when the counterparty has been placed in liquidation or has entered bankruptcy proceedings, or in the case of trade receivables, when balances are over two years past due, whichever is earlier. Derecognized financial assets may still be subject to performance activities following the Bank's and its subsidiary's recovery procedures, as legally advised. Any realized recoveries are recognized in profit or loss.

3.5.3.5 Measurement and recognition of expected credit losses: The measurement of expected credit losses is a function of the probability of default, the loss given default (i.e., the magnitude of loss if a default occurs), and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted for forward-looking information as described above. For exposure at default for financial assets, this is represented by the gross carrying amount of the assets at the reporting date. For credit commitments and financial guarantee contracts, the exposure includes the amount stated at the reporting date, together with any additional amount expected to be obtained in the future per default date determined based on historical trend, the understanding of the specific future of the Bank and its subsidiary, the debtors' financing needs, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows owed to the Bank and its subsidiary under the contract, and all cash flows that the Bank and its subsidiary expect to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used to determine expected credit losses are consistent with the cash flows used in measuring the lease receivable under IFRS 16 Leases.

If the Bank and its subsidiary have measured the provision for loss of a financial instrument at an amount equal to the expected lifetime credit losses in the prior reporting period but determine at the current reporting date that the conditions for expected lifetime credit losses are no longer met, the Bank and its subsidiary measure the provision for loss at an amount equal to 12-month expected lifetime credit losses at the current reporting date.

The Bank and its subsidiary recognize an impairment loss or gain in profit or loss for all financial instruments with an adjustment to their carrying amount through a provision for loss account, except for investments in debt instruments that are measured at fair value recognized in other comprehensive income, for which the provision for loss, other comprehensive income, and accruals are recognized in the investment revaluation reserve, without reducing the carrying amount of the financial asset in the statement of financial position.

3.5.4 Derecognition of financial assets - The Bank and its subsidiary derecognize a financial asset only when the contractual rights to the cash flows from the asset expire or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Bank and its subsidiary neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Bank and its subsidiary recognize its retained interest in the asset and an associated liability for amounts payable. If the Bank and its subsidiary retain substantially all the risks and rewards of ownership of a transferred financial asset, the Bank and its subsidiary continue to recognize the financial asset and a secured borrowing for the proceeds received.

Upon derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

3.6. Financial investment assets - The Bank and its subsidiary value most of its investments using the information provided by the price vendor, PRECIA S.A. The vendor provides inputs for the valuation of investments (prices, rates, curves, spreads, etc.).

Fair value estimate - Following IFRS 13 Fair Value Measurement, fair value is the price that would be received for selling an asset or paid for transferring a liability in an orderly transaction between market participants at the measurement date.
Accordingly, the fair value valuations of the Bank's and its subsidiary's investment financial assets are made as follows:

- The information provided by the price supplier, PRECIA S.A., is used for those instruments for which valuation inputs are published daily, under previously approved investment valuation methods.

- The fair value of financial assets that are not quoted in an active market is determined using valuation techniques. The Bank and its subsidiary use various methods and make assumptions based on market conditions existing at each reporting date. The valuation techniques used include the use of recent comparable and arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants, maximizing market data and minimizing unobservable inputs.

It generally applies to any type of asset that may be part of the investment portfolio. The way those investments are classified, valued, and accounted is detailed below:

Classification	Characteristics	Valuation	Accounting
Debt financial instruments	Portfolio to manage investments in fixed-income and variable-income debt securities in order to obtain profits due to fluctuations in the market value and in the purchase and sale of such securities.	Valuation of securities is conducted daily. Prices determined by PRECIA S.A. price provider are used for valuation. In cases where there is not fair value determined at valuation day, valuation should be conducted exponentially from the internal return rate. The fair market exchange value or price of the respective security should be calculated by adding the present value of future cash flows for yields and capital. In the case of securities traded abroad, when the price provider appointed as the official price provider for the corresponding segment does not have a valuation methodology for these investments, the dirty price of purchase (BID) published by an information supply platform at 16:00, official Colombian time, is used as an alternative source of information.	Accounting should be performed in Investment accounts at Fair Value with changes in Profit and Loss in the Single Financial Reporting Catalogue (CUIF) for monitoring purposes. The difference between the current fair value and the immediately preceding fair value is recorded as goodwill and negative goodwill, and its offsetting entry affects the profit and loss of the period. This procedure is carried out daily.
Instruments at amortized cost	Securities and any general type of investments the Bank and its subsidiary may have a serious purpose for as well as the legal, contractual, financial, and operational capacity to hold until	Exponentially, based on the internal return rate calculated at the time of purchase on a 365-day year basis. This procedure is carried out daily.	Accounting should be performed in the Investments accounts at Amortized Cost of the Single Financial Reporting Catalogue (CUIF) for Monitoring purposes.

Classification	Characteristics	Valuation	Accounting
	maturity or until the redemption period expires. Liquidity operations may not be undertaken on these investments, as well as monetary market operations (simultaneous repurchase agreements or repo or temporary transfer of securities), except in the case of forced or obligatory investments subscribed in the primary market and provided that the counterparty of the operations is the Central Bank of Colombia, the General Office for Public Credit and National Treasury or entities supervised by the Financial Superintendence of Colombia. Similarly, they may be provided as collateral in a central counterparty clearing house in order to support the accepted operation performance for offsetting and settlement and/or as collateral for monetary market operations.		The present value is accounted as investment goodwill and its offsetting entry is recorded in the profit and loss of the period. The uncollected receivable returns are recorded as investment goodwill and their collection is accounted as negative goodwill. This procedure is carried out daily.
Available-for-sale - in equity instruments	This category includes investments in subsidiaries, associates, private equity funds, Fondo Nacional de Garantías, Bladex and interests in joint ventures that give the Entities the status of co-owner of the issuer.	Investments in subsidiaries must be accounted for in Bancóldex or the controlling company's books using the equity method in the consolidated financial statements. In cases when the standards of the Code of Commerce or other legal provisions do not provide the accounting treatment of investments in subsidiaries, branches, associates, and shares in joint ventures, they should comply with the provisions set out in IAS 27, IAS 28, and IAS 11, as appropriate. Equity investments are valued at fair value. Changes in fair value are recorded directly	The effect of the investor's interest valuation is recognized in the respective Unrealized Profit or Loss (other comprehensive income) account, with a charge or credit to the investment. Dividends distributed in kind or in cash should be recorded as income, adjusting the corresponding Unrealized Profit or Loss account (maximum up to their accumulated value) and, if necessary, the value of the investment in the amount of the surplus on that account.

Classification	Characteristics	Valuation	Accounting
		through other comprehensive income until the financial asset is derecognized in the statement of financial position or impaired, when the amount recognized therein is charged to income for the period.	

Fiduciary rights – The Entities value these investments with the information provided by the relevant management company or PRECIA S.A. (unit value).

Investment repurchase rights - These are restricted investments that represent collateral for investment repurchase agreements. The Entities retain the economic rights and benefits associated with the security and all the risks inherent to it although they transfer legal ownership when carrying out a monetary market operation. These securities continue to be valued daily and accounted in the balance sheet or profit and loss statement as per the methodology and procedure applicable to investments classified as marketable, held-to-maturity and available-for-sale, according to the category in which they are classified prior to the acquisition of the repurchase agreement.

Investments delivered as collateral - These are investments in debt securities that are delivered as collateral to support operations performance accepted by a central counterparty clearing house for offsetting and settlement. These securities are valued daily and accounted in the balance sheet and profit and loss statement as per the methodology and procedure applicable to the category in which they were classified before they were delivered as collateral.

3.7. Loan portfolio and lease operations - The provision of criteria applicable to the presentation, classification, assessment, and valuation of the loan portfolio, credit risk, restructurings, portfolio impairment, portfolio write-offs, among others, will be recognized under IFRS 9. The resources used in granting loans come from own resources, the public as deposits, and other external and internal financing sources. Loans are posted at the disbursement amount, except for Bancóldex's discounted commercial portfolio accounted for at the discount.

Classification of the loan portfolio - The classification of the Entities' loan portfolio includes the following modalities:

- *Commercial* - granted to individuals or legal entities for the performance of organized economic activities other than microcredits. Bancóldex's portfolio is a rediscount portfolio, a traditional mechanism for the placement of second-tier banking resources. It consists of second-tier repurchase or discount of securities for entities of the Colombian financial system, which have made the initial discount of the security to individuals or legal entities.

  In the case of Bancóldex, it only applies to the financing of business activities. Currently, promissory notes signed with companies (legal entities or individuals with production activity) before an eligible financial entity, with a current and available limit in Bancóldex—which is assigned through endorsement—are rediscounted.

  This portfolio includes:

  Agreements: These are loans disbursed by Bancóldex under the modality of agreements with contributions from third parties. The Bank grants this portfolio in the following categories:

  - - With rate offset with third party resources due to the differential of market lending rates offered by the Bank

  - - With rate offset with third party resources and the Bank's resources due to the spread of market lending rates offered by the Bank

The contributor essentially assumes the resulting differential between the contractual rate and the market rate.

Discount of draft: Financial instrument that consists of purchasing at a discount and without recourse (eliminating the seller's responsibility for payment in the event of default by the bill acceptor) a percentage of the amount of securities originated in domestic commercial transactions for the sale of goods or services on credit, covered by an insurance policy issued by an eligible insurance company and duly authorized by the Bank.

Portfolio at market rates: This is a line of credit granted in Colombian or foreign currency aimed at Colombian financial intermediaries with a credit limit in force and available at the Bank so that they, in turn, may carry out active credit operations in the currency that are expressly authorized by Colombian legislation and aimed at financing operations with the business sector.

Special lines portfolio: These are the loans disbursed by the Bank under the special lines modality. This portfolio is granted by the Bank with rate offset directly. Due to the differential of the active rates offered in certain lines, the Bank will assume this rate differential in full.

- *Consumer and Housing* - They are loans to employees and former employees (granted before their retirement.)

    - *Interest accrual* - Revenue from interest on a financial asset is recognized when it is probable that the economic benefits associated with the transaction will flow to the Bank, and the amount of revenue can be measured reliably. Revenue from interest is recognized over time by reference to the principal outstanding and the applicable effective interest rate, which is the discount rate that exactly matches the estimated cash flows receivable or payable over the financial instrument's expected life to the net carrying amount on initial recognition.

    - Revenues are recognized on the following bases:

    - Interest is recognized using the effective interest method. The effective interest method calculates the amortized cost of an asset and allocates revenue or cost from interest over the relevant period. The effective interest rate is the rate that exactly equals the estimated future cash payments or receipts over the financial instrument's expected life, or when appropriate, for a shorter period, to the asset's net carrying amount on initial recognition. To calculate the effective interest rate, cash flows are estimated considering all contractual terms of the financial instrument without future credit losses and the initial transaction or grant balance, transaction costs, and premiums granted less commissions and discounts received that form an integral part of the effective rate.

    - From a legal point of view, default interest is contractually agreed and can be assimilated to variable interest caused by a debtor's default. Such interest is accrued from the time in which the contractual obligation to do so arises, independent of future credit losses, as established in the definition of the effective interest rate. Therefore, such balance is part of the total indebtedness with the customer assessed for impairment following the procedures for such purpose, either through individual or collective assessment.

    - *Impairment - IFRS 9 Expected Loss Approach* – The method used by the Entities to measure impairment of financial assets is based on the expected loss method. The Bancóldex Group follows the guidelines defined by IASB in IFRS 9 (Financial Instruments).

    - IFRS 9 establishes an expected loss model based on three components of credit loss: probability of default (PD), exposure at default (EAD), and loss given default (LGD).

    - *PD (probability of default)* - It is defined as the probability that a counterparty will not be able to fulfill its obligations within a certain period and thus be classified as default. To estimate default probabilities in the different segments, the Bancóldex Group used two methods: transition matrices and benchmark data. The transition matrices were used for the most representative part of the portfolio using as input the history of risk ratings of the debtors of the group's entities. The benchmark method is used when there is not enough historical information to calculate the probabilities of default. Therefore, the historical information of a similar entity is used.

- *LGD (loss given default)* - It represents the portion of the exposure that is not recovered when the borrower defaults. Several approaches were used to determine the LGD, considering the available information and the behavior of the portfolio. For the Bank, industry best practices (Basel, Financial Superintendence of Colombia, and regional Recovery Rates) were used as a reference to assign the LGD to the most significant segments.
- IFRS 9 establishes the calculation of the expected loss for credit risk based on a three-step classification of transactions:
- Stage 1.- Assets with no significant deterioration in their credit quality since their initial recognition or a low credit risk at the calculation date. The expected loss will be recognized over a 12-month horizon.
- Stage 2.- Assets with a significant increase in their credit quality since initial recognition or a low credit risk at the calculation date. The expected loss will be recognized over the life of the asset.
- Stage 3.- Assets with objective evidence of impairment. The expected loss will be recognized over the life of the asset.
- To establish the stage of each transaction, the rating deterioration from the initial recognition to the calculation date is considered; additionally, the overdue days of the transaction are considered. IFRS 9 defines the maximum overdue days for assigning the transaction to each stage, as follows:
- Stage 1.- Transactions with 0 to 30 days past due.
- Stage 2.- Transactions with 31 to 90 days past due.
- Stage 3.- Transactions over 90 days past due.
- *Write-offs of portfolio and receivables* - A loan or receivable is subject to write-off against impairment of loans or receivables, respectively, when all possible collection mechanisms have been exhausted, and it is considered unrecoverable. The Board of Directors defines periodic dates for authorization of write-offs.
- The write-off does not relieve the officers of the responsibilities they may have for the approval and management of the loan, nor does it exempt them from the obligation to continue collection efforts
- Recoveries of previously written-off financial assets are recognized in the statement of income.
- *Restructured loans* - The restructuring of a loan is understood as any exceptional mechanism implemented through any legal transaction, the purpose of which is to modify the conditions originally agreed for the debtor to adequately fulfill its obligation in the face of actual or potential deterioration of its payment capacity. Restructured loans are recognized at the time of restructuring at the present value of the future cash flows expected from the agreement, discounted at the original rate of the asset before the restructuring.

3.8. Derivative financial instruments –

3.8.1 Financial derivatives **-** A derivative is a financial instrument or another contract whose value changes over time in response to a given underlying variable (a specified interest rate, the price of a financial instrument, an exchange rate for foreign currency, etc.). It does not require an initial net investment or an investment lower than would be required by another type of contract for which a similar response to changes in the market conditions could be expected, and it is liquidated at a future date.

The Entities negotiate financial instruments for business purposes such as forward contracts, future contracts, and cash operations in order to develop its operations; and it negotiates future contracts for hedging purposes. Derivative operations are recognized at fair value. Subsequent changes in the fair value are adjusted by being charged or credited to profit and loss, as the case may be, unless the financial instrument is designated as hedge.

The derivative financial instrument is valued by considering the counterparty credit risk (CVA – Credit Valuation Adjustment) or the credit risk of the entity itself (DVA – Debit Valuation Adjustment). The difference in the calculation of the derivative financial instrument under risk-free circumstances and the risk-adjusted derivative financial instrument will be shown in the CVA or DVA adjustment, as appropriate.

It was decided to incorporate credit risk into the methodology to measure derivative instruments on the premise of affecting the discount rate within the valuation of said instruments at the corresponding closing date.

3.8.2 Embedded derivatives – An embedded derivative is a component of a hybrid contract that also includes a non-derivative host, with the effect that some of the cash flows of the combined instrument vary similarly to a standalone derivative. Derivatives included in hybrid contracts with a financial asset host within the scope of IFRS 9 are not treated separately.

Hybrid contracts are classified and subsequently measured at amortized cost or fair value, as appropriate.

Derivatives incorporated in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives if they meet the definition of a derivative, and their risks and characteristics are not closely related to those of the host contract. Contracts and host contracts are not measured at fair value with changes in profit and loss.

If the hybrid contract is a quoted financial liability, the Bank usually assigns the complete hybrid contract at fair value with changes in profit and loss instead of separating the embedded derivate.

An embedded derivative is classified as a non-current asset or liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is higher than 12 months and it is not expected to pay it or settle it within 12 months.

There are not embedded derivatives as per the analysis undertook by the Bank and its subsidiary.

3.9. Hedge accounting – The Bank and its subsidiary designate some hedging instruments, which include derivatives, embedded derivatives, and non-derivatives regarding foreign currency risk, as cash flow hedge. Hedges of the foreign currency risk of a firm commitment may be accounted as cash flow hedges.

At the inception of the hedging relationship, the Bank, and its subsidiary document the relation between the hedging instrument and the hedged item, along with their risk management objectives and strategy to undertake hedging transactions. Moreover, at the inception of the hedge and on an ongoing basis, the Bank, and its subsidiary document if the hedging instrument is effective to offset changes in fair values or cash flows of the hedged item attributable to the hedged risk. This is possible when hedging relationships fulfill the hedging effectiveness requirements below:

i. There is an economic relationship between the hedged item and the hedging instrument;

ii. The effect of credit risk does not control value changes resulting from that economic relationship; and

iii. The hedging ratio is the same as the one resulting from the hedged item amount covered by the Bank and its subsidiary and the hedging instrument amount used by the Bank and its subsidiary to hedge the hedged item amount.

If a hedging relationship fails to fulfill the hedging effectiveness requirement related to the hedging relationship, but the risk management objective for this hedging relationship is the same, the Bank and its subsidiary adjust the hedging relationship of the hedging relationship (i.e., the hedge is rebalanced) so that it fulfills the rating criteria again.

The Bank and its subsidiary designate the complete change in the fair value of a forward contract (i.e., it includes forward contract elements) as the hedging instrument for all hedging relationships that involve forward contracts. Note 8.8 includes details on the fair value of derivative instruments used for hedging purposes.

Cash flow hedges – The portion of changes in the fair value of derivatives that is determined to be an effective hedge for cash flows shall be recognized in other comprehensive income and accumulated as cash flow hedge reserve. The ineffective portion in profit or loss of the hedging instrument shall be recognized immediately in the profit and loss of the period in the "Valuation of hedging derivatives" item.

Securities previously recognized in other comprehensive income and accumulated in equity are reclassified to profit and loss of the periods when the hedged item affects the profit and loss in the same line of the recognized hedged item. Nonetheless, if the hedge of a forecast transaction subsequently generates the recognition of a non-financial asset or liability, profits or losses previously recognized in other comprehensive income and accumulated in equity are transferred and included in the initial measurement of the non-financial asset or liability cost.

Hedge accounting shall be discontinued when the Bank and its subsidiary cancel the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or the hedge fails to fulfill the requirements established for hedge accounting. The profit or loss that has been recognized in other comprehensive income and accumulated in equity shall remain in equity and is recognized when the forecast transaction is recognized in profit and loss. Any profit or loss accumulated in equity is recognized immediately as profit or loss when the forecast transaction is not expected to occur.

3.10. Non-current assets held for sale – Non-current assets and asset disposal groups are classified as held for sale if their carrying amount is recoverable through a sales transaction and not through continued use.

This condition is considered as fulfilled only when the Entities have a formal plan for its sale, which is highly likely, and the asset (or asset disposal group) is available for immediate sale in its current status only subject to common terms that are adapted to the sale of these assets (or asset disposal group). Non-current assets held for sale will be held for a maximum of one year from the classification date. However, there are facts and circumstances that may extend the period beyond one year. The extension of the period required to complete the sale does not prevent the asset from being classified as held for sale if the delay is caused by facts or circumstances beyond the control of the Entities and there is enough evidence demonstrating that the Entities remain committed to their plan to sell the asset.

The entities will recognize non-current assets held for sale at the lower value between their carrying amount or fair value minus sales costs. If the asset was acquired as part of a business combination, it will be measured according to its fair value minus sales costs. Sales cost only includes directly attributable incremental costs, excluding financial costs and income tax expenses. The subsequent measurement of non-current assets held for sale will be given by the initial recognition value, minus all sales costs that arise, which are not charged in the initial measurement, and subsequent value impairment losses of the asset.

In subsequent measurement, the value of non-current assets held for sale will be affected by the measurement and recognition established in IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

Non-current assets are reclassified from being held for sale to being held for use if they cease to fulfill the criteria required to be classified as held for sale. In the case of fixed assets that were previously transferred to the category of available for sale and those that require classification as held for use once again, this will be measured again at the lower value between their recoverable value and the carrying amount that would have been recognized if the asset had never been classified as held for sale.

3.10.1 Goods received in payment - It accounts for the amount of goods received by the Bank in payment of unpaid balances from loans and leasing operations. Goods received in payment are assets from which the amount is expected to be recovered through their sale rather than their use. Any real and personal property received in payment will be recognized under this category unless their allocation is provided or restrictions on the availability of the asset are identified, in which case their classification to other assets will be evaluated.

Initial measurement - Entities will measure goods received in payment (or groups of assets for disposal) classified as held for sale, at the lower of

- Their carrying amount; or
- fair value less cost of sales.

Subsequent measurement - Entities will measure goods received in payment at the lower of their carrying amount or fair value less costs of sales.

When the sale is expected to occur beyond the one-year period, the Entities will measure the costs of sales at present value. Any increase in the present value of those costs of sales arising from the passage of time is presented in the income statement as a financial cost.

Expenses incurred with goods received in payment should be recognized in the statement of income. Moreover, they should be measured at the lower of fair value and their carrying amount, less the costs of sales.

Impairment of goods received in payment

Entities will recognize an impairment loss for initial or subsequent write-downs of the asset (or group of assets for disposal) to fair value less costs of sales.

On the other hand, the Entities will recognize a gain for any subsequent write-up derived from the measurement of the fair value less costs of sales of an asset, but not exceeding the accumulated impairment loss that has been recognized (see Impairment of Assets Policy).

Entities will not depreciate (or amortize) goods received in payment while they are classified as held for sale, or while they form part of a disposal group classified as held for sale. However, interest and other expenses attributable to the liabilities of a group of assets held for sale will continue to be recognized.

Rules regarding the legal term for sale - The sale of goods received as payment in kind must be carried out within two years after their acquisition. Nonetheless, they may be recorded as fixed assets when necessary, for the ordinary course of business and they fulfill the asset investment limits. Deferral of their transaction may be requested before the Financial Superintendence of Colombia. In any case, it must be presented prior to the expiration of the established legal period and must be approved by the Board of Directors.

The respective request must demonstrate that even when management procedures for the transfer have been diligently followed, it has not been possible to sell the asset. In any case, under no circumstance may the extension of the period exceed two years as of the expiry date of the initial legal term. During this period, the labors relevant to the realization of these non-performing assets must also be continued.

3.10.2 Goods returned - It records the amount of goods returned to the Bank and its subsidiary, which have been used by the customer under leases when the parties freely agree to do so or when such restitution is the result of a procedure for non-payment of royalties.

The restitution of these assets should be accounted for at their carrying amount (cost less accumulated depreciation). These assets are not subject to depreciation.

3.11. Property and equipment - Property and equipment items will be registered if it is likely that future economic profits associated with the goods flow towards the Entities and the cost of the item can be measured reliably. As described in the last criterion for initial recognition, it will be necessary to identify all the property and equipment costs at the moment they are incurred.

Initial measurement: Initial recognition of property and equipment is at cost, and this cost will be the cash equivalent at the recognition date in the carrying amount, adding attributable costs.

It will also include import duties, non-recoverable indirect taxes and commercial deductions and reductions, and estimates related to the costs of the dismantling and withdrawal of goods, which may include rehabilitation of the place where the asset is located and the debenture incurred by the Entities either when it acquired the asset or as a result of having used the asset for purposes other than the productive operation of the Entities.

In order to capitalize on improvements, it will be necessary for costs to increase the useful life, its capacity, or the asset value. The repairs and/ or maintenance performed on the property and equipment which only repair or maintain the asset and therefore maintain the asset conditions in terms of useful life or expected future economic profits, for example, derived from the use of the item itself, must be recognized as expenses of the period when they are incurred. Therefore, they will have a net effect on the profit and loss statement.

Implementation costs cannot be capitalized as part of property and equipment cost, except where it is necessary to incur these costs to return the asset to its usual operation conditions, which, in all cases, will require the corresponding analysis prior to its recognition.

Subsequent measurement: After its recognition as an asset, an item of property and equipment shall be measured using two methods:

- Historical cost; or
- Revalued Cost

Accordingly, the measurement for the different groups of assets has been determined as follows:

Group description	Method
Buildings	Revalued Model
Land	Revalued Model
Fixtures and fittings	Cost Model
Computer Equipment	Cost Model
Network and communication equipment	Cost Model
Machinery and Equipment	Cost Model
Furniture	Cost Model
Transportation Vehicles	Cost Model
Assets on gratuitous loan	Cost Model
Art and cultural assets	Cost Model

Entities must review the revalued cost every three years to evaluate whether it is necessary that an expert appraiser determines a new revalued cost using the techniques in the International Valuation Standards (IVS). If there is reasonable assurance of an increase or decrease in the amount of the buildings, the new revalued cost must be determined.

In such a case, when there is an increase in the fair value from one period to another, it will be recognized as part of the cost of property and equipment through Other Comprehensive Income. When there are decreases in the fair value, the valuation in other comprehensive Income will be derecognized first. If there is a remainder, it will be recognized in the statement of income.

Depreciation - The depreciation of an asset begins in the month the asset is found in the location and necessary conditions to operate as intended by the management.

The depreciation charge for each period will be recognized in the profit and loss statement of the period, using the straight-line method, and based on the estimated useful lives that the Entities faithfully consider represent the time limit when it is expected that an item classified in this asset group would provide economic profit.

The real useful life corresponds to the period when the asset is expected to be used. The accounting policy describes the residual value as “the estimated value that the entity may currently obtain through the liquidation of an item, after deducting the estimated costs for this disposal if the asset has already matured and fulfilled other expected conditions at the end of its useful life”.

The residual value and useful life of an item of property and equipment will be reviewed at least annually and if expectations differ from previous estimates, the changes will be accounted for as a change in accounting estimates prospectively.

According to the appraisal carried out at the Bank’s offices in May, 2021 (based on International Valuation Standards), it was determined that the useful life is 100 years and the remaining useful life on the appraisal date is 57 years.

The useful lives and residual values determined by the Entities are as follows

Bancóldex

Group description	% Residual	Useful life Initial range	Useful life Final range
Buildings	15%	100 Años	
Fixtures and fittings	10%	5 Años	12 Años
Computer Equipment	10%	2 Años	5 Años
Network and communication equipment	10%	2 Años	6 Años

Machinery and Equipment	10%	6 Años	14 Años
Furniture	10%	5 Años	12 Años
Transportation Vehicles	10%	10 Años	20 Años
Terrain	0%	0 Años	0 Años
Assets on gratuitous loan	0%	0 Años	0 Años
Art and cultural assets	0%	0 Años	0 Años

Subsidiary- Fiducoldex

Asset group	Residual value	Useful life
Buildings	The amount of the land	According to the technical study.
Furniture and fixtures	0%	10
Computer equipment	0%	3
Vehicles	0%	5

The Entities perform an annual impairment review to assess whether it is necessary that a new revalued cost be determined by an expert appraiser, who will use the techniques established in the International Valuation Standards (IVS). If there is reasonable assurance about an increase or decrease in the value of the buildings, the new revalued cost must be determined.

In such case, when there is an increase in fair value from one period to another, it will be recognized as part of the cost of property and equipment through Other Comprehensive Income. Likewise, when there are decreases in the fair value, first the valuation recognized in Other Comprehensive Income will be derecognized and the remainder in the statement of income.

Moveable goods whose acquisition value is equal to or less than (50 UVT) are depreciated at the latest the month after they were acquired, regardless of their useful life.

Derecognition of property and equipment – The carrying amount of a property or equipment item is derecognized when no further associated economic benefits are expected in the future and the profits or losses of removal are recognized in the profit and loss statement of the period.

Impairment of property and equipment - Evaluations will be performed based on impairment evidence once there is evidence on the value impairment of non-financial assets or, at least, at the end of every reporting period. If there is evidence of impairment, the Entities will analyze if there is indeed impairment by comparing the net carrying amount of the asset with its recoverable value (the greater value between the fair value minus sales costs and the usage value of the asset). If the carrying amount exceeds the recoverable value, the carrying amount will be adjusted, modifying future charges on account of depreciation, in accordance with its remaining useful life.

3.12. Investment properties - Investment properties are those held to produce revenue and/or value capital (including investment properties under construction for such purposes) and are initially measured at cost, including transaction costs.

After initial recognition, investment properties are measured at fair value.

All ownership interests of the Bank and its subsidiary held under operating leases to earn revenue or to obtain capital appreciation are accounted for as investment property and measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in income during the period in which they arise.

An investment property is derecognized when it is disposed of or permanently withdrawn from use and no future economic benefits are expected to be received from its sale. Any gain or loss arising from derecognition of the property (calculated as the difference between the net proceeds from the sale and the asset's carrying amount) is included in profit or loss for the period in which the property was derecognized.

3.13. Intangible assets - The Entities shall record intangible assets once the following aspects have been identified. The existence of control, the separability of the asset and the fact that it is expected to produce a future economic benefit. For an asset to be recognized, it is essential that it fulfills all the previously mentioned characteristics.

Initial measurement - Intangible assets are initially measured at cost. However, it depends on how the Entities obtained the asset. An intangible asset may be obtained by different means; separate acquisition, as part of a business combination and through the development or generation of the asset internally developed by the Entities.

- Intangible assets acquired through a separate transaction are measured as the sum of the purchase price, including import duties and non-refundable acquisition taxes, after deducting discounts and reductions, and the cost directly attributable to preparing the asset for its intended use. It is also possible that a group of complementary intangible assets may be recognized as a single asset, provided that the individual assets have similar useful lives.

- In business combinations, the cost value shall correspond to its fair value on the acquisition date.

- In the case of internally generated intangible assets, only the costs of the asset's development stage shall be recognized as intangible. Costs derived from the research phase shall be recognized as an expense in the period when they are incurred.

Amortization should be adjusted to allocate the revised carrying amount of the intangible asset, minus any residual value on a systematic basis throughout its useful life.

Subsequent measurement: In subsequent recognition, intangible assets are amortized using the straight-line method throughout their estimated useful lives. The Entities shall assess whether the useful life of an intangible asset is finite or indefinite. The finite useful life of an intangible asset is amortized, whereas an intangible asset with an indefinite useful life is not amortized. After considering the determining factors to estimate the useful life of an intangible asset, the time measurement that best represents the expected term of use of the asset shall be used.

The Entities determine that intangible assets with a finite useful life are amortized based on the estimation of their useful life as follows:

Bancóldex

Group description	Method	Residual %	Useful Life	
Licenses	Cost model	0%	1 year	15 years
Computer programs and applications	Cost model	0%	1 year	15 years

Fiducoldex - The subsidiary makes cash payments to purchase licenses. The use of the licenses will be between 3 and 15 years, depending on the type of license. The useful lives and residual value established by the Fiduciary are listed below:

Asset group	Useful life	Residual value
Core	15 years	-
Software (licences)	3 years	-

Licenses with individual costs whose value is equal to or less than 50 Tax Value Units (UVT) shall be amortized in the same period as they were acquired.

Intangible assets shall be derecognized on sale or when no future economic benefits are expected from their use or sale. The resulting profit or loss is the difference between the carrying amount and the recoverable amount of the intangible asset.

3.14. Other assets - There are assets for which it is not possible to find similar recognition and measurement criteria to classify them within the available categories or groups of financial assets. These will be classified in the category of other assets, including prepaid expenses, assets to be placed in leases, among others.

3.14.1 Prepaid expenses - Prepaid expenses are the expenses incurred by the Entities in the conduct of its business, whose benefit is received in several periods, may be recoverable, and involve the successive performance of the services to be received.

The amortization term for prepaid expenses is as follows:

- Insurance during the term of the policy

- Other term during the period in which they are accrued or for duration of the contract

3.14.2 Properties for lease agreements - This item recognizes new assets acquired by the Bank whose agreement has not commenced due to any unmet requirement for its legalization.

3.15. Impairment of other assets - Identification of evidence of impairment should provide sufficient detail on the scenarios that, according to the management office, could or may potentially cause a reduction in the value of the assets; and thus, present it as a reduction in the book balance.

The criteria used to determine impairment indicators should aim at detailing possible internal or external events that lead to a loss in the value of the asset or in the expected economic benefits from its disposal. This evidence of impairment should be considered at least once by the end of the accounting period or when the relevant information for decision-making is submitted.

An impairment loss occurs when the carrying amount of an asset exceeds the recoverable amount. Identification of the impairment value of assets requires that the Entities consider and carry out an assessment of the impairment indicators. At the end of each reporting period, the entities shall assess whether there is any evidence of impairment of the value of any asset. If evidence is found, the Entities shall estimate the recoverable amount of the asset.

Impairment indicators may obey to observable internal or external sources of significant changes that cause a considerable impairment loss in the carrying amount of non-financial assets. The following factors shall be considered as impairment indicators: changes in the legal, economic, technological or market environment where the asset is operated; or changes in the market for which it is intended, internal reports indicating that the economic performance of the asset is, or shall be, worse than expected; changes in the market rates or rates of return that may affect the measurements of the recoverable amount (e.g. Increase in financing costs), evidence of obsolescence or physical impairment of an asset, changes in strategies (e.g. Office closures), significant changes in the market for Entities' assets (e.g. effects of demand, competition or other economic factors). Impairment indicators are not limited to those previously mentioned.

Once an impairment loss has been recognized, depreciation or amortization charges on the asset shall be adjusted in future periods in order to systematically allocate the revised carrying amount of the asset over its useful life.

If there is any evidence that an asset is impaired, the recoverable amount shall be estimated for the individual asset. However, if it is not possible to estimate the recoverable amount of the individual asset, the Entities shall determine the recoverable amount of the cash-generating unit to which the asset belongs (the cash-generating unit of the asset).

3.16. Financial liabilities – An instrument is classified as a financial liability when it contains a contractual obligation to transfer cash or other financial assets. When estimated, it will or may be settled within a variable number of own equity instruments. Financial liabilities are recognized and measured at amortized cost, except for derivatives measured at fair value according to IFRS 9 applicable requirements.

3.16.1 Financial liabilities at amortized cost - All financial liabilities are classified as measured subsequently at amortized cost using the effective interest method, except for those derivative financial instruments that are measured at fair value with changes in profit or loss. The amortized cost of financial liabilities in term deposit certificates, subordinated bonds and financial obligations is determined based on the nominal value of the obligation, including interest expenses payable as transaction costs are not associated since they are not material.

3.16.2 Financial liabilities at fair value through profit or loss - Any measurement inconsistency (accounting asymmetry) that may arise from the use of different measurement criteria is eliminated or significantly reduced on initial recognition. The Entities have chosen to designate the measurement of derivatives at fair value through profit or loss, considering the availability of information relating to the valuation of these instruments.

The Entities' initial recognition shall classify the issues of debt instruments as financial liabilities measured at amortized cost. Additionally, based on a cost/benefit and materiality analysis according to the provisions of the Conceptual Framework, transaction costs are recognized directly in the profit and loss statement of the period when they are incurred.

In subsequent measurements, the Entities shall measure the issues of debt instruments at amortized cost by using the effective interest method.

3.16.3 Derecognized financial liabilities: Financial liabilities shall be derecognized by the Entities if, and only if, the Entities' obligations expire, are canceled, or fulfilled. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profits or losses.

3.17. Income taxes – Income tax expense represents the amount of income tax payable and the amount of deferred tax.

3.17.1 Current tax – The current tax payable is based on tax profit recognized during the year. The taxable profit differs from the profit reported in the statement of income and other comprehensive income due to items of taxable or deductible income or expense in other years and items that are never taxable or deductible. The Bank's current tax liability is calculated using enacted tax rates as of the end of the reporting period.

A provision is recognized for those matters for which the tax assessment is uncertain, but it is considered probable that there will be a future outflow of funds to a taxation authority. Provisions are measured at the best estimate of the amount expected to be paid. The assessment is based on the judgment of tax professionals within the Bank supported by prior experience in such activities and, in some instances, specialized independent tax advice.

3.17.2 Deferred tax – Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities included in the consolidated financial statements and the relevant tax bases used to determine taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences will be utilized. These assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

A deferred tax liability for temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements should be recognized, except for those where the Bank is able to control the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that taxable profit will be available against which the temporary differences will be utilized and it is probable that the temporary difference will reverse in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period.

For measuring deferred tax liabilities and deferred tax assets arising from investment property that is measured using the fair value model, there is a rebuttable presumption that the carrying amount of the investment property will be recovered through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all economic benefits embodied in the investment property over time, rather than through sale. The Bank's investment property is held under a business model whose objective is to consume substantially all economic benefits embodied in the investment property over time, rather than through sale. Therefore, the Bank's Management has determined that the "sale" presumption established in IAS 12 is not rebutted. Accordingly, the Bank has not recognized any deferred tax for changes in the fair value of investment property as the Bank is not subject to any income tax on the sale of investment property.

Deferred tax assets and liabilities are offset if the Bank has a legally enforceable right to set off current tax assets against current tax liabilities when they relate to income taxes levied by the same taxation authority and the Bank intends to settle on a net basis its current tax assets and liabilities.

3.17.3 Current and deferred tax for the year – Current and deferred taxes are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, current and deferred taxes are also recognized in other comprehensive income or directly in equity. Where current tax or deferred tax arising from the initial recognition of a business combination arises, the tax effect is included as part of the accounting for the business combination.

3.18. Contingent Provisions and Obligations - These are recognized when the Entities:

- Have a present obligation due to a past event;
- Might have to dispose of resources that include economic benefits to settle the obligation;
- Can make a reliable estimation of the obligation value.

The amount recognized as a provision should be the best estimate of the disbursement required to settle the present obligation at the end of the reporting period. The best estimate of the disbursement required to settle the present obligation shall be the rationally assessed value that the Entities would have to pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that date.

Provisions should be reviewed at the end of each reporting period and adjusted to reflect the best available estimate. When it is no longer possible that resources including economic benefits will flow out of the entity to meet the obligation, the provision should be reversed and used to hedge only the disbursements for which it was originally recognized. Provisions on legal disputes shall be determined based on the probability established by the legal area for each proceeding described in the note of judgments and estimates.

3.19. Employee benefits - Employee benefits comprise all types of benefits provided to employees or to those who depend on or are beneficiaries of employees and may be paid in full. Employee benefits shall be classified into short-term benefits and long-term benefits. The Entities only have short-term employee benefits.

3.19.1 Short-term benefits - Benefits that are expected to be fully settled before the twelve months after the end of the annual reporting period. A liability and an expense are recognized as a result of contractual obligations acquired with the employee. Incurred liabilities shall be recognized without being discounted and at the amount at the measurement date.

The Entities' contractual or constructive obligation shall be limited to the recognition of the amount agreed with the employee and shall be calculated based on a reliable estimate of the amounts to be paid; the expense is generated only based on the occurrence of the consideration since the services rendered by the employees do not increase the amount of the benefits.

3.20. Other liabilities – It mainly records deferred payment letters of credit, deferred payments, income received in advance, the latter corresponding to securities received to address special agreements for financing loan portfolio operations with interest rate differential; as well as liabilities under Agreements representing resources received from Ministries, Governments and Municipalities for financing lines with rate differentials.

3.20.1 Agreements: The resources received from Ministries, Governor's Offices and Mayor's Offices result in a liability to the third party that delivers the resources to Bancóldex. Once loans are disbursed under the agreement, the rate differential between the Bank's market rate and the agreement rate is calculated. The result of this difference is discounted from the amount of the contribution in liabilities and recognized as prepaid income received, which is amortized over the life of the promissory note.

3.21. Leases –

3.21.1 *The Entities as lessors:* Leases are classified as financial leases when all risks and rewards incident to ownership are substantially transferred to the lessee under the lease terms. All other leases are classified as operating leases.

Amounts owed by lessees under financial leases are recorded as amounts receivable at the Company's net investment amount in the leases item. Income from financial leases is allocated in accounting periods to reflect a regular constant rate of return in the Company's outstanding net investment regarding leases.

Rental income under operating leases is recognized by using the straight-line method during the term corresponding to the lease. Initial direct costs incurred when negotiating and agreeing on an operating lease are added to the carrying amount of the leased asset and recognized during the lease term on a linear basis.

3.21.2 *The Entities as lessees* - The Entities shall assess whether the contract is or contains a lease at the inception of the contract. A contract contains a lease if it transfers the right to direct the use of an identified asset throughout the period of use in exchange for consideration.

At the beginning of the lease, the Entities shall recognize a right-of-use asset and a lease liability, except for short-term leases (12-month term or less) and leases whose underlying asset is a low value asset (such as tablets, laptops, small office products and telephones). For these leases, the Entities recognizes lease payments as an expense by using the straight-line method throughout the lease term.

The right-of-use asset is initially measured at cost; the cost of the right-of-use asset shall comprise:

(a) The amount equal to the lease liability at initial measurement.

(b) Lease payments made at or before the commencement date, less any lease incentives received.

(c) Initial direct costs incurred by the lessee, which may include commissions, legal fees (if they are contingent at the moment the lease arises) and collateral proceeding costs.

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease; unless those costs are incurred to produce inventories. The lessee incurs in obligations as a result of those costs either at the commencement date or as a result of having used the underlying asset throughout a given period.

The lessee shall recognize the costs involved in dismantling and removing the underlying asset as part of the cost of the right-of-use asset when it incurs in an obligation as a result of those costs.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by the rate implicit in the contract. If this rate cannot be readily determined, the Company shall use the rate of increase for lessee's loans.

Lease payments included in the lease liability measurement consist in:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives received;

- Variable lease payments that depend on a rate, which are initially measured by using the rate at the commencement date;

After the commencement date, the lessee shall measure its right-of-use asset by using the cost model. The Entities shall implement the provisions established in the asset impairment policy to determine whether the value of a right-of-use asset has been impaired and to record the impairment.

If the lease transfers the ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise the purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

After the commencement date, the lessee shall measure a lease liability by:

(a) Increasing the carrying amount to reflect the interest on the lease liability.

(b) Reducing the carrying amount to reflect the lease payments made.

(c) Measuring again the carrying amount to reflect new measurements or specified lease adjustments, and to reflect the in-essence fixed lease payments that had been reviewed.

After the commencement date, the lessee shall recognize in the profit and loss statement of the period (unless the costs may be included as an increase in the value of other assets):

(a) The interest on the lease liability.

(b) Variable lease payments not included in the lease liability measurement for the period when the event or condition occurs and generates such payments.

3.22. Revenue recognition - Revenues are measured at the fair value of the consideration received or receivable, represent amounts receivable for services rendered and are net of discounts and taxes.

The Entities recognize revenue when:

- Their amount can be measured reliably

- It is possible that future economic benefits shall flow to the Entities.

Income from dividends, interest, commissions, gain on sale of goods and other income

Dividends - Investment dividend income is recognized once the shareholders rights to receive this payment have been established (provided that it is probable that economic benefits shall flow to the Entities and that ordinary income can be measured reliably).

Interest - Interest income on a financial asset is recognized when the Entities are likely to receive the economic benefits associated with the transaction and when the amount of income from ordinary activities can be measured reliably. Interest income is recorded on a time basis, in accordance with the outstanding capital and the applicable effective interest rate, which is the discount rate that exactly matches the estimated cash flows receivable or payable over the expected life of the financial instrument with the net carrying amount of the financial asset on initial recognition.

Commissions - Commissions are measured based on the consideration specified in a contract and recognized in each period when the performance obligations associated with the service are met.

Equity method - Income is recognized by the equity method on the income generated in the period of the investee.

Other Income - When the definition of income according to the Conceptual Framework for Financial Reporting is met, the Entities recognize the income not included in the categories above in profit or loss for the period.

3.23. Joint ventures - Based on the Fiducóldex's analysis, it recognizes its interest in consortiums as a joint venture for the statement of financial position. Thus, Fiducóldex will account for the assets, liabilities, revenue and expenses related to the interest.

Fiducóldex recognizes the following in connection with its interest in a joint venture:

- Assets, including its interest in jointly held assets.
- Liabilities, including its interest in jointly incurred liabilities.
- Revenue from the sale of its interest in the product arising from the joint venture.
- Interest in the revenue from the sale of the product arising from the joint venture.
- Expenses, including its interest in jointly incurred expenses.
- Assets, liabilities, revenue and expenses related to the interest in a joint venture will be accounted for according to the policies applicable to Fiducóldex.

When Fiducóldex makes a transaction with a joint venture in which it is a joint operator, such as a sale or contribution of assets, it makes the transaction with the other parties to the joint venture. As such, Fiducóldex will recognize gains and losses from this transaction only to the extent of the other parties' interests in the joint venture.

When these transactions provide evidence of a reduction in the net realizable value of the assets to be sold or contributed to the joint venture or of an impairment of those assets, such losses are recognized in full by the joint venture.

Additionally, Fiducóldex has an interest in a joint venture, which is a jointly controlled company, through which the venturers have a contractual agreement that establishes joint control over all economic activities of such company. The contract requires that the agreement between the parties regarding financial and operating decisions be mutual.

Fiducóldex recognizes its interest in the joint venture using the proportional participation method. The Fiduciary combines in the consolidated financial statements its proportionate share of the assets, liabilities, income, and expenses of the joint venture with the relevant similar items, line by line. The financial statements of the joint venture are prepared for the same period as those of Fiducóldex and the necessary adjustments are made to homogenize any differences that may exist with respect to Fiducóldex's accounting policies.

Once joint control is lost, Fiducóldex values and recognizes the investments held at fair value. Any difference between the carrying amount of the jointly controlled investment and the fair value of the investment held plus the proceeds from the sale are recognized in the income statement.

When significant influence is exercised over the remaining investment, the investment is accounted for as an associate.

3.24. Operating Segments - In order to comply with the provisions of IFRS 8 - Consolidated Operating Segments, the following segments have been defined, which describe the activities carried out by each of the Group's Entities and whose results are permanently monitored internally by the Board of Directors as the highest authority in making operating decisions, through the Financial Vice-Presidency and the Corporate Finance Department.

- *Bancóldex* – The products will be framed within Bancóldex's strategy whose main objective is to promote the business and economic growth of Colombian companies through financial and non-financial products, considering the nature of the activities carried out as a Development Bank and which contribute to the generation of the financial margin.

  The products and/or concepts included in each of the segments with the factors identified for each of them are as follows:

  - *Loan portfolio*: Comprises the portfolio loans that the Bank disburses to promote business development. The factors considered to identify the portfolio operation segments are mainly based on the classification by currencies (COP and USD) and a subsequent grouping of the portfolio lines that the Bank promotes and that contribute to the financial margin. This differentiation is very important and is considered independently at the time of making the pricing and profitability models, since the type of support to the companies and the destination depend on the demand for resources in the currency they require, and this in turn also has repercussions on the funding for each type of portfolio (COP and USD), since Bancóldex, for the COP portfolio is funded in the capital market and with equity, while for the USD portfolio it is funded mainly with multilateral entities and with Correspondent Banking.

    Portfolio in pesos: It includes the commercial portfolio in pesos, including discount operations on documents in pesos, leasing, employee, and ex-employee portfolios.

    Foreign currency portfolio: It includes the commercial portfolio in foreign currency, including discount operations of documents in foreign currency.

  - - *Investments and treasury products*: In the factors for the identification of these segments, the Bank orients the Treasury operation to portfolio management with two objectives: liquidity management in the medium term and obtaining reasonable profitability and benefits through the negotiation of financial assets, framed within the risk guidelines established by the Board of Directors.

    Investment portfolio: Comprises the securities managed by the Bank's Treasury in treasury securities in local or foreign currency and Colombian private debt securities specifically of Issuers Supervised by the Financial Superintendence of Colombia.

    Treasury products: Includes products for the management of liquidity in pesos and foreign currency, derivative transactions, restatement of own position (foreign exchange), short transactions, spot transactions and foreign currency trading.

  - *Commissions*: It includes products of international banking operations, guarantee of issues, guarantee shared with the National Guarantee Fund, micro-insurance, amongst others.

  - *Other products:* It includes investments in private equity funds, investments in subsidiaries and affiliates, other assets and new products developed by the Bank, whose share is less than 10% of the asset or income.

- *Fiducoldex* – Trust Business: Corresponds to the segment of the Entities' trust business, which currently manages assets in excess of $9 billion in business in consortiums, investment trusts, private equity funds, collective investment funds, concessions, administration, and payment trusts, among others. In the latter, Procolombia, Fontur, Colombia Productiva and INNPULSA belonging to the Commerce, Industry and Tourism Sector stand out.

3.25. **Ganancia por acción básica y diluida -** La ganancia neta por acción básica se determina dividiendo el resultado neto del periodo atribuible a los accionistas de las Entidades entre el promedio ponderado de acciones ordinarias en circulación durante el periodo. Las ganancias diluidas por acción se determinan de la misma manera sobre la utilidad neta y el promedio ponderado de acciones en circulación, ajustados teniendo en cuenta los efectos dilusivos, en caso de que apliquen.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In applying significant accounting policies described in Note 3, the Management of the Entities is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that do not appear to arise from other sources. The associated estimates and assumptions are based on historical experience and other factors considered to be relevant. Actual results could differ from those estimates.

The underlying estimates and assumptions are reviewed regularly. Revisions to accounting estimates are recognized in the revision period if the revision affects only that period or future periods if the revision affects both current and subsequent periods.

The Management's judgments and estimates in applying of the Entities accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements are presented below.

4.1. Impairment of financial assets - For the measurement of impairment of financial assets, IFRS 9 establishes the expected loss model that allows Entities the possibility of estimating losses based on three components of credit loss: probability of default (PD), exposure at default (EAI) and loss given default (PDI). The standard establishes the calculation of the expected loss for credit risk based on a classification of transactions in stages according to the impairment of the asset since its initial recognition.

For the estimation of expected losses, both collective and individual methodologies are used. For losses under the collective methodology, the estimation methods are based on judgments and estimates that consider the use of historical information, the current situation, and reasonable and sustainable forecasts of future economic conditions. The estimation of impairment charges is a critical accounting policy due to the importance of this item, the sensitivity of the charges to changes in assumptions about future events and other judgments that are incorporated in the individual credit loss models.

The main risk factors included in the measurement of expected losses are: the definition of significant increase in credit risk, the definition of default, projections of the value of collateral, portfolio terms and projections of the main macroeconomic variables, for example: unemployment rates, GDP, interest rate levels, among others; it is also important to consider other variables that influence the payment expectations of customers.

In addition, the individual assessment methodologies consider assumptions about the customer's financial condition and future cash flow that could be affected by factors such as regulatory changes potentially impacting the customer's business, changes in the customer's business and operational dynamics and ability to successfully negotiate for financial difficulties and generate sufficient cash flow to repay debt obligations, changes in the value of collateral and any other internal or external factors of the customer.

The degree of judgment required to estimate expected credit losses depends on the availability of detailed information.

4.2. Deferred tax - Deferred tax assets and liabilities are recognized for deductible or taxable temporary differences between the tax bases and the accounting bases, considering the current tax regulations applicable to Colombia. Due to the changing conditions of the political, social, and economic environment, constant modifications in tax legislation and continuous changes in tax doctrine, determining the tax bases of deferred tax involves complex judgments to estimate future taxable income, offsets, or deductions.

The determination of the deferred tax is considered a critical accounting policy since it involves future estimates of profits or losses affected by changes in economic, exchange, social and political conditions and the taxpayers' and taxation authorities' interpretations.

The Entities assesses the realization over time of deferred income taxes, which represent income taxes recoverable through future deductions from taxable income and are recognized in the statement of financial position. Deferred tax assets are recoverable to the extent that the realization of the related tax benefits is probable. Deferred income tax assets will be recoverable based on the Entities's estimates of future taxable income.

Deferred tax liabilities are recognized on the temporary differences associated with profits not attributed by the subsidiary. The Entities estimates that the deferred income tax liability items will be paid on the income realized in future periods.

4.3. Fair value of financial instruments – The estimate of fair values of financial instruments reflects the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants. A fair value hierarchy categorizes the inputs used in valuation techniques into three levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).
The fair value measurement of financial instruments generally involves a high degree of complexity. It requires the application of judgments, mainly when the models use unobservable inputs (Level 3) constructed from assumptions used in the market to determine the price of the asset or liability.

The determination of what constitutes "observable" requires significant judgment by the Entities's Management. The Entities considers observable inputs to be market data that is already available, distributed, or regularly updated by the provider of reliable and verifiable prices and that is provided by independent sources actively participating in the relevant market.

4.4. Provisiones y contingencias – Una contingencia requiere clasificarse conforme a una fiable estimación de acuerdo con la probabilidad de ocurrencia de un hecho o un evento. A menos que la posibilidad de cualquier salida de recursos en la liquidación sea remota, las Entidades deberán revelar, para cada clase de pasivos contingentes, al final del período de reporte, una breve descripción de la naturaleza del pasivo contingente. Cuando exista la probabilidad de una entrada de beneficios económicos, las Entidades deberán revelar una breve descripción de la naturaleza de los activos contingentes al final del período de reporte y, cuando sea viable, un estimativo de su efecto financiero.

Las provisiones de las Entidades se determinan con base en la probabilidad establecida por el Departamento Jurídico para cada evento, hecho o proceso jurídico de la siguiente manera: procesos con probabilidad de ocurrencia entre 0 y 49% no se reconoce provisión, procesos con probabilidad de ocurrencia entre 50 y 100% se reconoce provisión según la guía establecida.

Recognition of Obligations and Disclosure of Liabilities - CGN (1)	Risk of Loss Rating - ANDJE (2)	Homologation under IFRS	Provision	Disclosure
Probable	High	Probable	-	-
Possible	Medium	Possible (eventually)	X	-
Remote	Low	Remote	X	X

(1) General Accounting Office of the Nation
(2) National Agency for State Legal Defense

5. NEW STANDARDS ISSUED, INTERPRETATIONS AND AMENDMENTS

5.1. 2023 improvements that have not been included in the Colombian accounting framework through any decree as of this date

a. Amendments to IAS 21 Lack of Exchangeability:

In August 2023, the International Accounting Standards Board (IASB) amended IAS 21—The Effects of Changes in Foreign Exchange Rates. The amendment provides guidance on when a lack of exchangeability between two currencies is not temporary and, therefore, the spot exchange rate is not observable. It also provides guidelines for determining the exchange rate for translation purposes.

The standard includes requirements that will help entities determine if a currency is exchangeable into another currency and other requirements applicable when a currency is not exchangeable, along with a new application appendix and a new illustrative example.

As mentioned, the amendment specifies when a currency is exchangeable and when it is not. It establishes that a currency is exchangeable when an entity is able to exchange it through markets or exchange mechanisms that preserve its value. Currency, however, is not exchangeable if an entity can only obtain an insignificant amount of the other currency.

Accordingly, the guidance suggests that the Entity considers the following aspects:
Assess whether the functional currency is exchangeable into another currency.

a. Determine the spot exchange rate when exchangeability is lacking:

   - If currency is not exchangeable, assess whether an observable exchange rate on the measurement date applicable for a purpose other than currency translation is used.

   - Otherwise, assess whether the currency is exchangeable into another currency after the measurement date.

   - If given the above, the first post-measurement exchange rate is determined to meet the conditions of paragraph 19A, which is incorporated as part of the amendment and provides that the estimated spot exchange rate must meet the following conditions:

     - A rate at which an entity would have been able to make an exchange transaction if the currency were exchangeable into another currency,
     - A rate that would have been applied to an orderly transaction between market participants; and
     - A rate that would faithfully reflect the economic conditions prevailing.

This allows the entity to decide whether the estimation technique proposed in the amendment will be used to determine the exchange rate or whether an observable exchange rate is allowed.
When a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the prevailing economic conditions.

The amendment also requires the disclosure of additional information that would enable users of financial statements to evaluate how a currency's lack of exchangeability affects its financial performance and financial position.
This amendment applies to annual reporting periods beginning on or after January 1, 2025. Depending on local regulations, earlier application is permitted. A retrospective application will not be required for this amendment. Any effect of initially applying the amendments as an adjustment to retained earnings will be recognized when the entity uses a functional currency other than its presentation currency.
Regarding its application, the IASB issued this amendment in August 2023; therefore, it is not regulated in Colombia through a decree.

The amendments to IAS 21 do not impact the Bank's financial statements, given that the disclosures that accompany the Entity's financial statement package for the years ended December 2023 and 2022 indicate that the Bank makes foreign currency transactions in US dollars (USD) and euros (EUR); therefore, for presentation purposes, assets and liabilities are expressed in the functional currency (COP).

b. Amendment to IAS 12: International Tax Reform—Pillar Two Model Rules

The IASB published the amendment in May 2023, and its applicability is retrospective and immediate after issuance.
The amendment introduces a mandatory exception to IAS 12 to recognize and disclose deferred tax assets and liabilities related to Pillar Two income taxes. It also requires disclosure requirements for affected entities to assist users in better understanding an entity's exposure to Pillar Two income taxes arising from such international legislation, particularly before its effective date.

The Pillar Two model published by the OECD aims to introduce the new "global minimum tax" regime to limit and regulate tax competition between jurisdictions and combat the erosion of tax bases by multinational companies. The adopted tax refers to global taxation of 15 % and will apply to multinational companies whose revenues exceed 750 million euros.

Therefore, the IASB also established that the amendments provide a timely exemption to the affected entities and prevent inconsistent interpretations of IAS 12 Income Tax in practice.
Regarding its application, the IASB issued this amendment in May 2023. Therefore, it is not regulated in Colombia through a decree.
The amendment to IAS 12 does not impact the Bank's financial statements because it will apply to multinational companies with revenues exceeding 750 million euros.

5.2. *The IASB issued improvements in 2021 and 2022 that will apply to January 1, 2023, and 2024*

According to the information available as of the reporting date about the amendments and improvements to the current International Financial Reporting Standards, no additional standards to those set forth above by the IASB or by a decree from the National Government of Colombia were issued.

1. 2021 improvements included in the Colombian accounting framework through Decree 938/2021, effective as of January 1, 2023

On the other hand, the amendments applicable as of January 1, 2023, were regulated by Decree 938/2021, for which a summary and applicability to the Bank are included below:

Standard	Amendment	Application
Amendments to IFRS 9, IFRS 7, and IAS 39: Interest Rate Benchmark Reform	The amendments provide several exemptions for all hedging relationships directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of cash flows based on the benchmarks of the hedged item or hedging instrument.	It impacts the current asset and liability portfolio of financial instruments.
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	The IASB amended paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify the following points: • The meaning of the right to defer the settlement of a liability. • The right to defer the liability settlement must be granted at the close of the fiscal year. • The classification is not affected by the probability that the entity exercises its right to defer a liability settlement. • Only if any derivative embedded in a convertible liability represents an equity instrument would the liability terms not affect its classification.	It has no impact as long as Bancóldex does not make transactions meeting the amendment's criteria.
Amendments to IFRS 3: Reference to the Conceptual Framework	The amendments are intended to replace the reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with the reference to the Conceptual Framework for Financial Reporting, issued in March 2018, without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the problem of potential "day 2" gains or losses arising from liabilities and contingent liabilities, which would fall within the scope of IAS 37 or IFRIC 21 Liens if incurred separately. At the same time, the Board decided to clarify existing IFRS 3 guidance regarding contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.	The amendments will be covered to the extent the Bank deems it appropriate; therefore, no relevant inputs are identified when applying the definitions described in the Conceptual Framework.
Amendments to IAS 16: Property, Plant, and Equipment—Proceeds before Intended Use	The IASB issued the Property, Plant, and Equipment—Proceeds Before Intended Use standard, which prohibits entities from deducting the cost of an item of property, plant, and equipment, that is, any proceeds from selling items produced while bringing an asset into the location and condition necessary to it to be capable of operating in the manner intended by management. Instead, the entity must recognize the proceeds from the sale of such items and the costs incurred in their production in profit or loss.	They do not impact Bancóldex's financial statement as long as they do not make transactions that meet the amendment's criteria.
Amendments to IAS 37: Onerous Contracts—Costs of Fulfilling a Contract	The IASB issued amendments to IAS 37 to specify what costs an entity should include when assessing whether a contract is onerous or loss-making.	They do not impact Bancóldex's financial statement as long as they do not make transactions

	The amendments state that a "directly related costs approach" should be applied.	that meet the amendment's criteria.
Amendment to IFRS 1: First-Time Adoption of International Financial Reporting Standards	The amendment allows subsidiaries that elect to apply paragraph D16(a) of IFRS 1 to measure accumulated exchange differences using the amounts reported by the parent based on the parent's date of transition to the International Financial Reporting Standards (IFRS). This amendment also applies to associates or joint ventures that choose to apply paragraph D16(a) of IFRS 1. ´	They do not impact Bancóldex's financial statement because the Bank already applies the IFRS regulatory framework.
Amendment to IFRS 9: Fees in the '10 percent' Test for Derecognition of Financial Liabilities	The amendment clarifies the fees that entities include when assessing whether the terms of any new or modified financial liability differ substantially from those of the original. These fees include only those paid or received between the borrower and the lender, including fees paid or received by the borrower or the lender on behalf of the other. Entities must apply the amendment to financial liabilities modified or exchanged from the beginning of the annual period in which they use this amendment for the first time.	The amendment for the derecognition of financial liabilities does not impact the financial statement since the Bank has not made transactions that meet the criteria listed in the amendment.
IAS 41 Agriculture: Taxation in Fair Value Measurements	This amendment eliminates paragraph 22 of IAS 41, which requires entities to exclude tax cash flows when measuring the fair value of assets within the scope of IAS 41.	The improvement made to IAS 41 does not apply to Bancoldex's activity.

2. 2021 improvements included in the Colombian accounting framework through Decree 1611/2022, effective January 1, 2024

The amendments that will come into force on January 1, 2024, were regulated by Decree 1611/2022; therefore, a summary and their applicability to Bancóldex are detailed below.

Standard	Amendment	Application
Amendments to IAS 1: Disclosure of Accounting Policies	The amendments clarify the following points: • The word "significant" is modified by "material." • The accounting policies must be disclosed in the notes to the financial statements: "An entity is now required to disclose its material accounting policy information." • When an accounting policy is considered material. • The following paragraph is incorporated: "Accounting policy information that focuses on how an entity has applied the requirements of IFRS to its circumstances provides specific details on the entity that is more useful to users of financial statements than information standardized or information that only duplicates or summarizes the requirements of the IFRS."	The amendments will be covered to the extent the Bank deems it appropriate in its accounting policies.
Amendments to IAS 8: Definition of Accounting Estimates	The IASB published the amendment in February 2021 and clearly defines an accounting estimate: "Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty."	The new definition of accounting estimates has no impact on Bancóldex's financial statements.
Amendments to IAS 12: Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	The amendment allows recognition of a deferred tax liability or asset other than in a business combination upon the initial recognition of an asset or liability that, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.	It has no impact as long as Bancóldex does not make transactions meeting the amendment's criteria.
Amendments to IFRS 16: COVID-19-Related Rent Concessions beyond June 30, 2021	The IASB issued amendments to IFRS 16 to extend from June 30, 2021, to June 30, 2022, the practical expedient for tenants affected by rent concessions caused by the COVID-19 pandemic.	It has no impact as long as Bancóldex does not make transactions meeting the amendment's criteria.

3. 2022 improvements not included in the Colombian accounting framework through any decree to date

The following amendments were issued by the IASB in 2022; however, no decree regulates them in Colombia. Therefore, a summary of the applicability to the Bank is included below.

Standard	**Amendment**	Application
Amendments to IAS 1: Non-current Liabilities with Covenants	The amendment requires an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current, and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The disclosures must include information about the nature of the covenants and liabilities in the explanatory notes.	It does not impact the Bank because it has not made transactions associated with non-current liabilities from loan agreements.
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	The amendment incorporates use and disclosure requirements for the seller-lessee when measuring the lease liability arising from the sale and leaseback transaction to prevent the seller-lessee from recognizing a gain or loss associated with the right of use it retains.	It does not impact Bancoldex's financial statement since it has not made transactions that meet the amendment.

6. FAIR VALUE ESTIMATION

The fair value of financial assets and liabilities traded in active markets (such as financial assets in debt securities, equity instruments and derivatives actively quoted in stock exchanges or in interbank markets) is based on dirty prices provided by an official price provider authorized by the Financial Superintendence of Colombia, which determines such prices through weighted averages of transactions occurring during the trading day.

An active market is a one where asset or liability transactions are carried out with the right frequency and volume to provide price information on an ongoing basis. A dirty price includes the accrued and outstanding interests on the security from the issuance date or last interest payment to either the compliance date of the purchase-sale transaction or the valuation date. The fair value of financial assets and liabilities not traded in an active market is determined through valuation techniques determined by the price provider.

Valuation techniques used for non-standardized financial instruments such as options, foreign currency swaps and over-the-counter (OTC) derivatives market include the use of interest rate or currency valuation curves constructed by price providers from market data and extrapolated to the specific conditions of the instrument that is valued, discounted cash flow analysis, option pricing model and other valuation techniques commonly used by market participants that use market data fully and place as little reliance as possible on specific data of entities.

The Entities calculate the fair value of fixed-income instruments and derivatives daily using price and/or input information provided by official price provider PRECIA S.A. This provider has been authorized after due compliance with the standards applicable to price providers for valuation in Colombia, including its purpose, operating regulations, approval process of valuation methodologies and required technological infrastructure, among other aspects. After evaluating the methodologies of the price provider PRECIA S.A. it is concluded that the fair value calculated for derivative instruments based on prices and inputs delivered by the price provider is appropriate.

The fair value of non-monetary assets, such as investment properties, is determined by independent experts using the replacement cost method.

Fair value hierarchy is based on the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities which the entity may access at the measurement date.

- Level 2 inputs are different from the quoted prices included in Level 1, which may be observable for the asset or liability either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy where the fair value measurement is entirely classified is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Therefore, the importance of an input is assessed in relation to the fair value measurement in its entirety.

Financial instruments quoted on markets that are not considered active but are valued using quoted market prices, quotations from price providers or alternative price sources supported by observable inputs are classified in Level 2.

A Level 3 fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs. Assessing the importance of a particular input to the fair value measurement in its entirety requires professional judgment, and consideration of specific factors of the asset or liability.

The Entities deem as observable data the market data that is already available, distributed or regularly updated by the price provider, reliable and verifiable; data that does not have ownership rights, and is provided by independent sources that actively participate in the relevant market.

6.1. Fair value measurements on a recurring basis

The Entities' assets and liabilities (by class) measured at fair value as of December 31, 2023 and 2022 on recurring basis and within the fair value hierarchy are shown in the following table:

	2023			
Recurring assets at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments at fair value through profit or loss Debt instruments				
In COP				
TES treasury bonds	$ 56,584,580	$ -	$ -	$ 56,584,580
Other titles issued by the national government	2,630,510	-	-	2,630,510
Other national issuers - financial institutions	-	46,281,519	-	46,281,519
Investments at fair value through profit or loss - Equity instruments				
In COP				
National issuers	-	1,024,368	-	1,024,368
Investments at fair value through OCI Equity instruments				
In COP				
National issuers - private equity funds	-	233,342,871	-	233,342,871
National issuers – FNG	-	-	153,194,236	153,194,236
In foreign currency				
Foreign issuers – Bladex	46,195,791	-	-	46,195,791
Investments at fair value through OCI Debt instruments				
In COP				
TES treasury bonds	1,195,205,535	-	-	1,195,205,535
Other domestic issuers – financial institutions	-	105,501,170	-	105,501,170
Trading derivative financial instrument				
Forward contracts				
Currency Forward	-	58,503,737	-	58,503,737
Future Contracts				
Currency Futures Rights	-	2,887,510,620	-	2,887,510,620
Currency Futures Obligations	-	2,887,510,620)	-	2,887,510,620)
Hedging derivative financial instruments				
Future Contracts				

Currency Futures Rights	-	47,323,378	-	47,323,378
Currency Futures Obligations	-	(47,323,378)	-	(47,323,378)
Swaps				
Swaps IRS - Interest rate Swaps	-	27,194,078	-	27,194,078
Non-financial assets				
Investment properties	-	12,017,858	-	12,017,858
Total recurring assets at fair value	$ 1,300,616,416	$ 483,865,601	$153,194,236	$1,937,676,253

	2023			
Recurring liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Trading derivative financial instruments				
Forward				
Currency Forward	-	79,394,899	-	79,394,899
Hedging derivative financial instruments				
Swaps				
Swaps IRS - Interest rate Swaps	-	623,987	-	623,987
Total recurring liabilities at fair value	$ -	$ 80,018,886	$ -	$ 80,018,886

	2022			
Recurring assets at fair value	**Level 1**	**Nivel 2**	**Nivel 3**	**Total**
Investments at fair value through profit or loss Debt instruments				
COP				
TES treasury bonds	$ 1,535,860	$ -	$ -	$ 1,535,860
Other national issuers – financial institutions	-	35,910,323	-	35,910,323
Investments at fair value through profit or loss - Equity Instruments				
In COP				
National issuers	-	24,722,932	-	24,722,932
Investments at fair value through OCI Equity Instruments				
In COP				
National issuers - Private Equity Funds	-	215,293,896	-	215,293,896
National issuers – FNG	-	-	138,153,805	138,153,805
In foreign currency				
Foreign issuers – Bladex	38,070,142	-	-	38,070,142

Investments at fair value through OCI Debt instruments				
In COP				
TES treasury bonds	1,043,072,594	-	-	1,043,072,594
Other national issuers – financial institution	-	100,481,650	-	100,481,650
Trading derivative financial instruments				
Forward contracts				
Currency forward	-	72,462,121	-	72,462,121
Future contracts				
Currency Futures Rights	-	5,031,451,955	-	5,031,451,955
Currency Futures Obligations	-	(5,031,451,955)	-	(5,031,451,955)
Hedging derivative financial instruments				
Future contracts				
Currency Futures	-	38,930,787	-	38,930,787
Currency Futures	-	(38,930,787)	-	(38,930,787)
Non-financial assets				
Investment properties	-	11,675,832	-	11,675,832
Total recurring assets at fair value	$1,082,678,596	$ 460,546,754	$ 138,153,805	$1,681,379,155

	2022			
Recurring liabilities at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Trading derivative financial instruments				
Forward Contracts				
Currency Forward	-	70,826,054	-	70,826,054
Hedging derivative financial instruments				
Swaps				
Swaps IRS - Interest rate Swaps	-	14,667,748	-	14,667,748
Total recurring liabilities at fair value	$ -	$ 85,493,802	$ -	$ 85,493,802

a. Determination of fair values

The price provider receives the information from all external and internal sources of negotiation and registration within the fixed schedules according to the methodologies approved by the Financial Superintendence of Colombia. In order to determine the hierarchy level 1 and 2 of the fair value, an instrument-by-instrument assessment is carried out according to the calculation type information reported by PRECIA S.A., the expert judgment of the Front and Middle Office which issue their concepts by considering the following aspects: Continuity in the historical publication of prices, circulation amount, record of operations performed, number of price contributors as a measurement of depth, market knowledge, steady quotations by one or more counterparties of the specific security, and bid-offer spreads, amongst others.

The methodologies applicable to the most common derivative instruments are:

- Valuation of foreign currency forwards: The provider publishes curves assigned according to the currency of origin of the underlying. These curves are made up of nominal rates for the past due period associated with forward exchange rate contracts.

- Valuation of bond forwards: In order to determine the valuation of the forward at a given date, the theoretical future value of the bond is calculated from its price on the valuation day and the risk-free rate of the reference country of the underlying. Then, the present value of the difference between the theoretical future value and the bond price agreed in the forward contract is obtained by using the risk-free rate of the reference country of the underlying to the term of days for expiration of the contract for the discount.

- Valuation of swap operations: The provider publishes curves assigned according to the underlying, basis swap curves (exchange of payments associated with variable interest rates), domestic and foreign curves, implicit curves associated with forward exchange rate contracts.

- Valuation of OTC options: The provider publishes curves assigned according to the currency of origin of the underlying, the forward exchange rate curve of the domestic currency which is subject of the operation, implicit curves associated with forward exchange rate contracts, swap curves assigned according to the underlying, matrix and implicit volatility curves.

- Investment property: The fair value is calculated based on appraisals by Nestor Mora & Asociados. This independent firm has the capacity and experience in appraising the sites and types of assets valued using the comparison or market method and the analysis of price appraisals in the same area.

6.2. **Fair value measurements classified as Level 3 -** The following table presents a reconciliation of fair value measurements classified as Level 3:

	2023	2022	
	FNG Investment	**FNG Investment**	**Private Equity Funds (foreign) Investment)**
Balance at the beginning of the period	$ 138,153,805	$ 102,276,938	$ 70,611,238
Valuation adjustments through profit or loss	-	-	(457,340)
Valuation adjustments through OCI	15,040,431	35,876,867	303,641
Purchases/calls	-	-	1,460,384
Carryovers	-	-	(71,538,475)
Restatement	-	-	(379,448)
Balance at the end of the period	$ 153,194,236	$ 138,153,805	$ -

The fair value of the position in a foreign currency equity fund is updated quarterly based on the net asset value (or "NAV") reported by the general partner or fund administrator of the relevant fund. This NAV is calculated as of the end of March, June, September, and December. However, it is obtained approximately two months after the quarterly reporting date, so the fair value also includes the positive (called capital) or negative activity (distributions) between the quarterly reporting date and the date of NAV update.

It should be noted that this NAV reflects Bancóldex's participation in the movements of flows and accruals for the period of the accounts that affect the equity amount of the invested fund. The accounts that are flows include new contributions from investors, distributions to them, payments to advisers and commissions, among other fund expenses. Accounts that are usually accruals include increases in value or impairments in assets that remain on the balance sheet and those generated at the time of investment sales.

7. CASH AND CASH EQUIVALENTS

The cash and cash equivalent balance comprises the following as of December 31, 2023 and 2022:

	2023	2022
Legal currency		
Cash	$ 10,079	$ 9,959
Central Bank		
Checking account [1]	91,072,258	76,208,316
Banks and other financial institutions [2]	44,307,670	79,349,416
Foreign currency		
Banks and other financial institutions	12,582,227	10,772,763
	$ 147,972,234	$ 166,340,454

(1) These funds are allocated to the Nation under the borrowing contract entered into between Bancóldex and the Inter-American Development Bank (IDB), through which Bancóldex pledges the income it receives from the collection of the credit portfolio up to an amount of 130% for agreements 2983/TC-CO, 3003/TC-CO, 3661/TC-CO, 2949/OC-CO, 4439 /OC-CO, 4939 /OC-CO and 5169/TC-CO.

(2) The following is the disaggregation of reconciling items pending regularization for more than 30 days at December 31, 2023 and 2022:

	2023		2022	
	Quantity	Amount	Quantity	Amount
Legal currency				
Outstanding credit notes in books	61	1,976,820	36	2,044,686
Outstanding debit notes in books	-	-	1	8,786
Non-bank debit items	16	348,844	-	-

There are restrictions on the Bank's cash caused by attachments ordered by municipal and government agencies; as of December 31, 2023 and 2022, it amounts to $79,144 and $79,137, respectively. The breakdown of the funds frozen by attachments is as follows:

Banking Institution	Account Type	2023	2022
AV Villas Bank	Savings account	$ 79,144	$ 79,137

8. FINANCIAL INSTRUMENTS

The balance of the investment portfolio as of December 31, 2023 and 2022 is as follows:

8.1. Investments at fair value through profit or loss - debt instruments

	2023	2022
Legal tender		
Securities issued by the Nation		
Ministry of Finance FIXED RATE TES	$ 56,584,580	$ 1,535,860
Ministry of Finance TIDIS	2,630,510	-
	59,215,090	1,535,860
Securities issued by entities supervised by the Financial Superintendence of Colombia		
Term Deposit Certificates - IBR - TF	16,351,290	799,447
Term Deposit Certificates - IBR	6,128,925	2,267,656
Term Deposit Certificates - IPC	9,937,841	1,533,345
CPI Bonds	5,715,463	13,767,795
DTF Bonds	-	9,995,200
IBR Bonds	8,148,000	7,546,880
	46,281,519	35,910,323
	$ 105,496,609	$ 37,446,183

By the end of 2023, our trading strategy had significantly increased investments in TES by $68,050,426 compared to 2022. The balance in investments in TES stood at $56,584,580, and investments in securities supervised by the Financial Superintendence of Colombia (SFC, for its acronym in Spanish) saw a boost of $10,371,196.

8.2. Investments at fair value with changes in other comprehensive income - debt instruments

	2023	2022
Legal tender		
Securities issued by the Nation		
Ministry of Finance FIXED RATE TES	$ 1,195,205,535	$ 1,010,820,990
Ministry of Finance TES – UVR	-	32,251,604
	1,195,205,535	1,043,072,594
Securities issued by entities supervised by the Financial Superintendence of Colombia		
Term Deposit Certificates CDTS - TF	105,501,170	100,481,650
	105,501,170	100,481,650
	$ 1,300,706,705	$ 1,143,554,244

The portfolio in this classification saw a substantial increase of $157,152,461 compared to the end of 2022. This was primarily due to the rise in market prices and valuations of positions in fixed-rate TES securities, coupled with a general drop in the yield curve of approximately 330 bps during 2023.

We took new positions throughout the year as part of the liquidity portfolio rebalancing, a proactive measure to maintain the Bank's liquidity indicator standards. In February 2023, the TES UVR matured, leaving a balance of $32,251,604 at the end of 2022.

8.3. Investments at amortized cost

	2023	2022
Legal tender		
Securities issued by the Nation		
Ministry of Finance FIXED RATE TES	$ 239,020,288	$ 239,772,469
Solidarity securities	5,317,629	5,257,915
	244,337,917	245,030,384
Securities issued by entities supervised by the Financial Superintendence of Colombia		
Term Deposit Certificates CDTS - TF	5,159,088	-
Foreign Currency		
Securities issued by the Nation		
Yankee Bonds	737,603,326	933,382,828
	$ 987,100,331	$ 1,178,413,212

Investments classified at amortized cost decreased by $196,471,970 at the end of 2023 compared to 2022. This was mainly due to the restatement of the investment to Colombian pesos, which was significantly affected by the exchange rate variation, dropping from $4,810.20 in 2022 to $3,822.05 in 2023.

8.4. Investments at fair value through profit or loss - Equity instruments

	2023	2022
National issuers	$ 1,024,368	$ 24,722,932

Out of the subsidiary's total investments, a reserve of $28,638 and $23,985,143 was established at the end of 2023 and 2022, respectively

Fonpet Stabilization Reserve - Fiducóldex acts as legal representative of the CONFIAR FONPET Consortium, initially managing 10% of FONPET's resources. It is made up of Fiducóldex and Itau Fiduciaria with shares of 45.5% and 54.5%, respectively, under agreement number 6-003-2012 dated October 2012 signed with the Ministry of Finance and Public Credit.

As provided in Article 7 of Decree 1861/2012, the FONPET managing consortiums must set up a stabilization reserve to guarantee the minimum profitability of the trust resources. Thus, Fiducóldex has set up with its own resources a reserve always equivalent to 1% of the total managed resources, according to its share in the consortium. It is calculated on the monthly average amount at market prices of the assets that comprise the managed portfolio.

This reserve is calculated according to the provisions of Chapter I-1 of SFC External Notice 100/1995 and administered jointly with the Trust Funds. It must be maintained until the termination of the contract between the CONFIAR FONPET Consortium and the Ministry of Finance and Public Credit, which is in the settlement process.

The decrease in the reserve is due to the termination of the contract as of April 2023, with the delivery of public debt securities, which caused the dismantling of the reserve to begin. This process culminated in June with the delivery of the position of foreign currency securities.

8.5. Investments at fair value with changes in other comprehensive income - equity instruments

	2023	2022
Banco Latinoamericano de Exportaciones S.A. – BLADEX [1]	$46,195,791	$ 38,070,142
Fondo Nacional de Garantías [2]	153,194,236	138,153,805
Private Equity Funds [3]	233,342,871	215,293,896
	$ 432,732,898	$ 391,517,843

(1) The investment in Bládex closes in 2023 with a variation of $8,125,649 compared to 2022. Despite the drop in the representative market rate of $988.15, the amount of the investment increased by USD 8.54, going from USD 16.20 in 2022 to USD 24.74 in 2023, due to movements in the share value.

(2) The investment in the National Guarantee Fund shows an increase of $15,040,431 during 2023 as a result of an appreciation in the share price that went from $6,883.61 at the end of 2022 to $7,633.01 at the end of 2023.

(3) At the end of 2023, investments in Private Capital Funds increased by $18,048,975 compared to 2022, mainly due to capital calls for $9,808,058, redemptions for $1,069,625, and the valuation effect from movements in the unit value for $10,377,127. Moreover, on September 25, 2023, the General Meeting of Investors of the SME Debt Subfund requested the liquidation of the subfund. This caused a loss of $1,066,585 due to the realization of the OCI accrued since its establishment.

The investments that the Bank maintains in Private Equity Funds are presented below:

2023
COP Portfolio

Entity	Investment commitment	Capital Call	Redemption	Invested	Accumulated valuation (loss) profit	Annual valuation (loss) profit	% Executed	Fair value
Escala	$ 11,000,000	$ 10,999,332	$ 1,127,138	$ 11,000,000	$ (7,259,646)	$ (203,565)	100.00	$ 8,339
Aureos	14,000,000	9,993,120	17,371,615	10,011,948	149,854	445,831	71.51	284,348
Progresa Capital	3,723,480	3,723,480	2,371,337	3,723,480	(1,161,168)	176,135	100.00	228,737
Fondo de Fondos Bancóldex - Compartimento Bancóldex Capital [1]	185,447,004	168,721,702	2,400,000	168,721,702	89,118,974	12,035,965	90.98	189,972,599
Fondo de Fondos Bancóldex - Compartimento capital para Emprender [1]	63,000,000	40,994,424	-	40,994,424	2,012,553	(2,677,480)	65.07	42,848,848
	$ 277,170,484	$ 234,432,058	$ 23,270,090	$ 234,451,554	$ 82,860,567	$ 9,776,886	84.59	$ 233,342,871

2022
COP Portfolio

Entity	Investment commitment	Capital Call	Redemption	Invested	Accumulated valuation (loss) profit	Annual valuation (loss) profit	% Executed	Fair value
Escala	$ 11,000,000	$ 10,999,332	$ 678,051	$ 11,000,000	$ (7,056,081)	$ (5,583)	100.00	$ 660,991
Aureos	14,000,000	9,993,120	16,829,396	10,011,948	(295,977)	(6,851)	71.51	380,736
Progresa Capital	3,723,480	3,723,480	2,294,631	3,723,480	(1,337,303)	(999)	100.00	129,308
Fondo de Fondos Bancóldex - Compartimento Bancóldex Capital (1)	185,447,004	168,721,702	2,400,000	168,721,702	77,083,009	11,614,933	90.98	177,936,634
Fondo de Fondos Bancóldex - Compartimento capital para Emprender (1)	63,000,000	31,633,436	-	31,633,436	4,690,033	2,431,406	50.21	36,165,339
Fondo de Fondos Bancóldex - Compartimento deuda privada Pyme (2)	100,000,000	621,129	-	621,129	(600,241)	(594,771)	0.62	20,888
	$ 377,170,484	$ 225,692,198	$ 22,202,078	$225,711,694	$ 72,483,440	$13,438,135	59.84	$ 215,293,896

(1) In July 2023, the private equity fund Bancoldex Capital Fondo de Fondos completed four years of operation as a natural evolution of the Bancóldex Capital Program, in which the Bank acts as a Professional Manager. The Fund pooled resources at the end of 2023 for $323,539 million, where Bancóldex acts as anchor investor with an amount of $230,447 million, distributed in two subfunds:

a. Capital para Emprender Subfund: It aims to invest in entrepreneurial equity funds, which invest in Latin American ventures in the early stage (Pacific Alliance approach), which have financed their first operational phases and have a proven product.

This subfund pooled resources for $138,092 million. In addition to the Bank, iNNpulsa Colombia, MinCiencias, a multilateral entity, a Japanese corporation, and a Colombian insurance company participated in this subfund.

Regarding investments, the subfund comprises nine entrepreneurial equity funds, with USD 26.5 million in investment commitments signed. These funds have managed to make 192 investments (40 of which are Colombian) for USD 238 million.

b. Bancóldex Capital Subfund: With the strategic objective of pooling all the Bank's investments in equity funds, the Bank's management decided to transfer these investments from the balance sheet to Fondo de Fondos. This process was carried out in 2022. This subfund is $185,447 million. It has a portfolio of 11 equity funds with a total investment commitment of $164,622 million. These funds have made 173 investments (70 are Colombian) for $3 trillion.

(2) During its session on September 25, 2023, the General Meeting of Investors of the Deuda Pymes Subfund requested the liquidation of the subfund, choosing Fiducoldex as the liquidation agent. This procedure was completed in October 2023. The disposal of this investment was mainly due to the following reasons:

- The Deuda Pymes Subfund was created in 2021 to invest in private equity funds. Its thesis was to offer structured debt to small and medium-sized Colombian companies. Thus, it complemented the Bank's credit offer.

- At the beginning of the subfund's operation, a sufficient pipeline was identified to implement the strategy. However, the increase in rates and the low appetite of institutional investors for this type of equity fund caused many managers to give up their efforts to obtain resources, thus leaving a market with few investment alternatives.

- In this context, the Bank focused on studying the remaining funds more inclined to offer debt for medium and small companies. Thus, the approval of the Subfund Investment Committee of two (2) equity funds was gained, the formalization of which was subject to these funds achieving their initial closing.

- During subsequent sessions of the Subfund Investment Committee, it was reported that the first approved fund had not obtained sufficient resources for its initial closing. This led the fund manager to give up on continuing the initiative, thus canceling this approval.

- The Investment Committee was subsequently informed that the second approved fund had not reached its initial closing within the expected time (September 2023), rendering its previous approval invalid.

- Because of these situations and the absence of private debt funds aligned with the Subfund strategy, it was concluded that continuing this investment line was not viable

8.6. Investments in joint agreements

	2023	2022
Collective investment funds joint transactions	$ 23,851	$ 24,052

The 10% share held by the subsidiary Fiducóldex in the investments of the SAYP Consortium in the Collective Investment Funds.

8.7. Impaired investments: The following is the breakdown of impaired investments:

	2023	2022
Balance at the beginning of the period	$ (10,379,152)	$ (10,051,637)
Creations (charges to profit or loss)	(12,893,675)	(2,924,854)
Recoveries (credits to profit or loss)	13,008,823	2,597,339
Balance at the end of the period	$ (10,264,004)	$ (10,379,152)

8.8. **Derivate financial instruments** **-** The disaggregation of the fair value of trading derivative instruments as of December 31, 2023, and 2022, is as follows:

	2023			2022		
	Active position	Passive position	Total derivates	Active position	Passive position	Total derivates
Trading Forward Contracts						
Currency Forward	$ 58,503,737	$ 79,394,899	$ (20,891,162)	$ 72,462,121	$ 70,826,055	$ 1,636,066
Total trading forward contracts (4)	58,503,737	79,394,899	(20,891,162)	72,462,121	70,826,055	1,636,066
Trading Future Contracts						
Currency Futures Rights	2,887,510,620	-	2,887,510,620	5,031,451,955	-	5,031,451,955
Currency Futures Obligations	(2,887,510,620)	-	(2,887,510,620)	(5,031,451,955)	-	5,031,451,955)
Total trading Futures Contracts	-	-	-	-	-	-
	58,503,737	79,394,899	(20,891,162)	72,462,121	70,826,055	1,636,066
Future hedging contracts						
Currency future rights	47,323,378	-	47,323,378	38,930,787	-	38,930,787

Currency Futures Obligations	(47,323,378)	-	(47,323,378)	(38,930,787)	-	(38,930,787)
Total Futures Hedging Contracts	-	-	-	-	-	-
Hedging SWAP contracts						
Swaps Interest rate swap	27,194,078	623,987	26,570,091	-	14,667,747	(14,667,747)
Total Hedging SWAP contracts (5)	27,194,078	623,987	26,570,091	-	14,667,747	(14,667,747)
	27,194,078	623,987	26,570,091	-	14,667,747	(14,667,747)
	$ 85,697,815	$ 80,018,886		$ 72,462,121	$ 85,493,802	

(4) Trading derivatives show a decrease of $22,527,228, originating from the Treasury's strategy in this type of operation. The number of synthetic indices in 2023 closes USD 50 million above the balance in 2022, with operations impacted by market curve movements.

(5) The Bank has recently issued social bonds under the following conditions:

- On May 11, 2022, social bonds were issued for $500,000 million at 24 and 36 months and fixed cut-off rates of 11.50 % EA and 11.96 % EA, respectively.
- On October 25, 2023, it issued social bonds for $600,000 million with terms of 18, 24, and 36 months and fixed cut-off rates of 14.85 % EA., 14.19 % EA, and 13.60 % EA, respectively.

To offer bond investors the indicator of their preference (fixed rate) and index Bancóldex's liabilities to the primary indicator of its assets (IBR 1 month), the Bank contracted interest rate hedging swaps (IRS) for each of the issues.

These operations allowed Bancóldex to hedge base risk and match its assets and liabilities. The Bank obtained significant savings in its cost of funds by taking advantage of the arbitration window in the market. The hedging IRS swaps closed with a net position of $26,570,091 as of December 2023, delivering a positive variation of $41,861,825 compared to the end of 2022.

8.9. **Creditworthiness of debt securities -** Creditworthiness information of debt securities is presented below according to the international risk rating assigned by recognized rating agencies:

	2023	2022
BB+	$ 2,231,551,183	$ 2,221,485,805
No rating	117,273,566	131,279,145
Total	$ 2,348,824,749	$ 2,352,764,950

In 2023, there was a slight increase in the amount of the investment portfolio. There were two reclassifications of investments at maturity TES 34 securities, however, the proportion above 90% of these investments is maintained at a BB+ rating in accordance with the assignment issued by international rating agencies.

Below is a disaggregation of the credit quality of the counterparties with which derivative operations, according to the international risk rating assigned by recognized rating agencies:

Investment Grade	$ 113,980,938	$ 108,442,728
No rating	74,059,842	455,406,835
Total	$ 188,040,780	$ 563,849,563

As of December 31, 2023, and 2022, 39% and 61% of the exposure, respectively, is in counterparties with an international investment grade rating. Those that do not have a rating are mostly local pension and severance funds.

The credit exposure of transactions with derivative financial instruments increased due to greater exposure and volatility of the exchange rate.

The Trust Company's investment grading for 2023 is show below:

	2023		2022	
Rating	Market Value	% Share	Market Value	% Share
BB+	$ 3,469,060	7.88%	S 1,535,860	4.91%
AAA	15,067,546	34.23%	1,751,290	5.59%
BRC1+	3,835,607	8.71%	1,297,312	4.14%
VrR1+	3,165,025	7.19%	957,835	3.06%
F1+	17,503,324	39.76%	1,780,566	5.69%
No rating	981,422	2.23%	23,985,143	76.61%
Total	$ 44,021,984	100.00%	$ 31,308,006	100.00%

8.10. **Financial assets by maturity date:** The following is a summary of financial assets by maturity dates as of December 31, 2023, and 2022:

BLANK SPACE

	2023							
	Up to three months	More than three months and less than one year		More than one year			Total
	More than one month and less than three months	More than three months and less than six months	More than six months and less than one year	Between one and three years	More than three years and less than five years	More than five years	
Investments at amortized cost							
Nation issued securities - TDS	$ -	$ 4,266,847	$ 1,050,782	$ -	$ -	$ -	$ 5,317,629
Nation issued securities - TES	-	-	-	-	-	239,020,288	239,020,288
Securities issued by entities surveilled by the Financial Superintendence	-	-	1,050,550	4,108,538	-	-	5,159,088
Nation issued securities - Yankee bonds	-	-	-	-	-	737,603,325	737,603,325
Investments at fair value through profit or loss - Debt instruments							
Nation issued securities - TES	-	-	2,630,510	55,746,030	-	838,550	59,215,090
Securities issued by entities surveilled by the Financial Superintendence	3,034,675	8,197,690	14,576,191	11,055,618	9,417,345	-	46,281,519
Investments at fair value with changes in OCI - Debt instruments							
Nation issued securities - TES	-	-	160,142,000	550,881,010	163,024,225	321,158,300	1,195,205,535
Securities issued by entities surveilled by the Financial Superintendence	-	31,595,760	73,905,410	-	-	-	105,501,170
	$ 3,034,675	$ 44,060,297	$ 253,355,443	$ 621,791,197	$ 172,441,570	$ 1,298,620,463	$2,393,303,645

	2022						
	Up to three months	More than three months and less than one year		More than one year			Total
	More than one month and less than three months	More than three months and less than six months	More than six months and less than one year	Between one and three years	More than three years and less than five years	More than five years	
Investments at amortized cost							
Nation issued securities – TDS	$ -	$ 5,257,915	$ -	$ -	$ -	$ -	$ 5,257,915
Nation issued securities – TES	-	-	-	-	-	239,772,469	239,772,469
Nation issued securities - Yankee bonds	-	-	-	-	-	933,382,829	933,382,829
Investments at fair value through profit or loss - Debt instruments							
Nation issued securities – TES	-	-	-	862,220	-	673,640	1,535,860
Securities issued by entities surveilled by the Financial Superintendence	14,092,541	10,885,887	-	7,546,880	3,385,015	-	35,910,323
Investments at fair value with changes in OCI - Debt instruments							
Nation issued securities – TES	32,251,604	-	-	801,148,820	32,992,125	176,680,045	1,043,072,594
Securities issued by entities surveilled by the Financial Superintendence	-	-	100,481,650	-	-	-	100,481,650
	$ 46,344,145	$ 16,143,801	$ 100,481,650	$ 809,557,920	$ 36,377,140	$1,350,508,982	$ 2,359,413,639

9. OTHER FINANCIAL ASSETS

The balance of money market transactions comprises the following as of December 31, 2023, and 2022:

	2023			2022		
	Trading Term Days	**USD Amount**	**Amount**	**Trading Term Days**	**USD Amount**	**Amount**
Legal tender (1)						
Interbanks						
Banks	9	-	$ 60,100,150	5	-	$ 65,075,863
Financial Corporations	-	-	-	4	-	35,032,503
Simultaneous transactions						
Investment transfer commitments	10	-	651,635,320	5	-	701,590,949
Total local currency			711,735,470			801,699,315
Foreign Currency (2)						
Overnight						
Banks	-	-	-	5	5,002	24,060,119
Other Financial Institutions	-	-	-	5	4,001	19,247,646
Total foreign currency		-	-		9,003	43,307,765
		-	$ 711,735,470		9,003	$ 845,007,080

(1) Money market operations in legal tender show a decrease in the balance of December 2023 compared to December 2022. In December 2022, the MIGA secured loan resources were received, which generated liquidity surpluses in money market operations. However, by December 2023, the Bank had liquidity, but not in the same proportion, as a result of inflows in the savings accounts due to the market's high liquidity.

(2) At the end of 2023, the Bank did not have a balance in overnight operations; this decrease was due to liquidity needs in December 2023.

10. LOAN PORTFOLIO AND FINANCE LEASE TRANSACTIONS AT AMORTIZED COST, NET

10.1. **Loan portfolio by type -** The following was the breakdown of the loan portfolio by type as of December 31, 2023, and 2022:

Type	Principal	Interest	Principal impairment	Interest impairment	Net amortized cost	Accounts receivable	Impairment of accounts receivable	TOTAL
				2023				
Business	$7,722,334,625	$247,525,165	$(170,754,092)	$(53,098,416)	$7,746,007,282	$ 9,603,354	$(2,654,405)	$7,752,956,231
Consumer (1)	2,117,029	9,611	-	-	2,126,640	26	-	2,126,666
Housing (1)	20,740,688	148,368	(158,002)	(24,104)	20,706,950	7,312	(4,322)	20,709,940
Balance	$7,745,192,342	$247,683,144	$(170,912,094)	$(53,122,520)	$7,768,840,872	$ 9,610,692	$(2,658,727)	$7,775,792,837

Type	Principal	Interest	Principal impairment	Interest impairment	Net amortized cost	Accounts receivable	Impairment of accounts receivable	TOTAL
				2022				
Business	$8,482,666,262	$201,713,810	$(152,937,781)	$(31,508,743)	$8,499,933,548	$6,102,666	$(1,075,040)	$8,504,961,174
Consumer (1)	1,510,332	12,335	-	-	1,522,667	12	-	1,522,679
Housing (1)	17,993,151	145,038	(65,342)	(9,811)	18,063,036	5,545	(3,121)	18,065,460
Balance	$8,502,169,745	$201,871,184	$(153,003,123)	$(31,518,554)	$8,519,519,252	$6,108,223	$(1,078,161)	$8,524,549,314

(1) The consumer and housing portfolio are loans granted to employees and former employees before their retirement.

10.2. **Loan portfolio by type and age -** The following is a breakdown of the loan portfolio by type and age as of December 31, 2023, and 2022:

Local currency portfolio and accounts receivable	Principal	Interest	Amortized cost	Accounts receivable	Total
			2023		
Suitable business portfolio guarantee:					
Effective	$ 892,811,358	$ 40,199,296	$ 933,010,654	$ 2,620,435	$ 935,631,089
Overdue 1 to 3 months	24,130,219	1,201,534	25,331,753	161,106	25,492,859
Overdue 3 to 6 months	28,725,783	4,110,162	32,835,945	189,973	33,025,918
Overdue 6 to 12 months	67,621,460	20,964,402	88,585,862	946,928	89,532,790
Overdue more than 12 months	80,185,629	27,508,155	107,693,784	2,586,852	110,280,636
	1,093,474,449	93,983,549	1,187,457,998	6,505,294	1,193,963,292
Other business portfolio guarantees:					
Effective	6,020,372,054	61,933,245	6,082,305,299	223,749	6,082,529,048
Overdue 1 to 3 months	36,176	15,581	51,757	-	51,757
Overdue 3 to 6 months	119,530	5,416	124,946	7	124,953
Overdue 6 to 12 months	2,470,369	700,505	3,170,874	472,270	3,643,144
Overdue more than 12 months	56,780,582	78,645,954	135,426,536	2,402,034	137,828,570
	6,079,778,711	141,300,701	6,221,079,412	3,098,060	6,224,177,472
Suitable consumer portfolio guarantee:					
Effective	2,108,457	9,556	2,118,013	23	2,118,036
Overdue 1 to 2 months	8,572	55	8,627	3	8,630
	2,117,029	9,611	2,126,640	26	2,126,666
Suitable housing portfolio guarantee:					
Effective	20,136,859	114,544	20,251,403	1,268	20,252,671
Overdue 1 to 4 months	403,601	1,768	405,369	298	405,667
Overdue 4 to 6 months	69,286	321	69,607	109	69,716
Overdue 6 to 12 months	42,657	397	43,054	925	43,979
Overdue more than 18 months	88,285	31,338	119,623	4,712	124,335

	Principal	Interest	Amortized cost	Accounts receivable	Total
	20,740,688	148,368	20,889,056	7,312	20,896,368
Total local currency	7,196,110,877	235,442,229	7,431,553,106	9,610,692	7,441,163,798
Foreign currency portfolio and accounts receivable:					
Suitable business portfolio guarantee:					
Effective	65,079,423	651,172	65,730,595	-	65,730,595
Overdue 1 to 3 months	2,443,722	-	2,443,722	-	2,443,722
Overdue 3 to 6 months	1,224,153	-	1,224,153	-	1,224,153
	68,747,298	651,172	69,398,470	-	69,398,470
Other business portfolio guarantees::					
Effective	480,334,167	11,589,743	491,923,910	-	491,923,910
Total foreign currency	549,081,465	12,240,915	561,322,380	-	561,322,380
Total gross portfolio and accounts receivable	7,745,192,342	247,683,144	7,992,875,486	9,610,692	8,002,486,178
Impairment of portfolio and accounts receivable	(170,912,094)	(53,122,520)	(224,034,614)	(2,658,727)	(226,693,341)
Total net portfolio and accounts receivable	$7,574,280,248	$194,560,624	$7,768,840,872	$ 6,951,965	$7,775,792,837

2022

Local currency portfolio and accounts receivable	Principal	Interest	Amortized cost	Accounts receivable	Total
Suitable business portfolio guarantee					
Effective	$1,079,165,619	$41,400,256	$1,120,565,875	$ 2,454,031	$1,123,019,906
Overdue 1 to 3 months	38,388,076	3,459,542	41,847,618	75,823	41,923,441
Overdue 3 to 6 months	38,948,482	5,339,104	44,287,586	195,153	44,482,739
Overdue 6 to 12 months	37,151,156	6,782,045	43,933,201	481,823	44,415,024
Overdue more than 12 months	53,981,426	24,621,366	78,602,792	1,946,509	80,549,301
	1,247,634,759	81,602,313	1,329,237,072	5,153,339	1,334,390,411
Other business portfolio guarantees:					
Effective	6,227,426,989	57,982,796	6,285,409,785	171,019	6,285,580,804
Overdue 1 to 3 months	1,469,391	149,255	1,618,646	542	1,619,188
Overdue 3 to 6 months	3,645,393	293,730	3,939,123	1,066	3,940,189
Overdue 6 to 12 months	13,971,633	1,851,031	15,822,664	33,544	15,856,208
Overdue more than 12 months	36,493,336	44,137,691	80,631,027	743,156	81,374,183
	6,283,006,742	104,414,503	6,387,421,245	949,327	6,388,370,572
Suitable consumer portfolio guarantee:					
Effective	1,510,332	12,335	1,522,667	12	1,522,679
Suitable housing portfolio guarantee:					
Effective	17,808,854	130,226	17,939,080	1,250	17,940,330
Overdue 1 to 4 months	97,174	1,730	98,904	134	99,038
Overdue more than 18 months	87,123	13,082	100,205	4,161	104,366

	17,993,151	145,038	18,138,189	5,545	18,143,734
Total local currency	7,550,144,984	186,174,189	7,736,319,173	6,108,223	7,742,427,396
Foreign currency portfolio and accounts receivable:					
Suitable business portfolio guarantee:					
Effective	57,631,935	460,366	58,092,301	-	58,092,301
Overdue 1 to 3 months	1,157,127	-	1,157,127	-	1,157,127
	58,789,062	460,366	59,249,428	-	59,249,428
Other business portfolio guarantees:					
Effective	893,235,699	15,236,628	908,472,327	-	908,472,327
Total foreign currency	952,024,761	15,696,994	967,721,755	-	967,721,755
Total gross portfolio and accounts receivable	8,502,169,745	201,871,183	8,704,040,928	6,108,223	8,710,149,151
Impairment of portfolio and accounts receivable	(153,003,123)	(31,518,554)	(184,521,677)	(1,078,161)	(185,599,838)
Total net portfolio and accounts receivable	$8,349,166,622	$170,352,629	$8,519,519,252	$ 5,030,062	$8,524,549,314

At the end of December 2023, the portfolio balance at amortized cost in Colombian pesos was $304,766,068, lower than the volume recorded in 2022. This is explained by: a) an increase in disbursements, $5.63 trillion so far this year compared to disbursements reported in 2022 for $5.47 trillion; b) an increase in payments and prepayments, $5.67 trillion in 2023 compared to $3.9 trillion in 2022.

The portfolio balance at amortized cost in US dollars at the end of December 2023 registered a reduction of $406,399,375 in local currency compared to the previous year. This variation is explained by a disbursement volume of USD 165.5 million in 2023 compared to USD 343 million in 2022 and total payments and prepayments of USD 208.19 in 2023 compared to USD 441 million in 2022.

10.3. **Loan portfolio by risk classification** - The following is the disaggregation of the loan portfolio by risk classification:

	2023						
	Principal balance	**Interest balance**	**Impairment of principal**	**Impairment of interest**	**Net amortized cost**	**Accounts receivable**	**Impairment of accounts receivable**
Business							
Category A	$ 7,279,419,936	$ 92,392,271	$ (29,248,382)	$ (559,091)	$ 7,342,004,734	$ 677,880	$ (157)
Category B	129,735,173	11,079,826	(9,433,757)	(2,063,557)	129,317,685	369,711	(315)
Category C	48,359,212	5,392,230	(7,045,831)	(55,633)	46,649,978	1,211,009	(2,982)
Category D	187,361,333	42,744,052	(92,399,978)	(11,845,923)	125,859,484	4,955,892	(2,079,661)
Category E	77,458,971	95,916,786	(32,626,144)	(38,574,212)	102,175,401	2,388,862	(571,290)
	7,722,334,625	247,525,165	(170,754,092)	(53,098,416)	7,746,007,282	9,603,354	(2,654,405)
Consumer							
Category A	2,117,029	9,611	-	-	2,126,640	26	-
Housing							
Category A	20,275,664	113,825	-	-	20,389,489	1,471	-
Category B	136,080	1,694	(7,832)	(63)	129,879	81	(13)
Category C	234,443	1,511	(83,957)	(538)	151,459	1,048	(775)

Category E	94,501	31,338	(66,213)	(23,503)	36,123	4,712	(3,534)
	20,740,688	148,368	(158,002)	(24,104)	20,706,950	7,312	(4,322)
Total	$ 7,745,192,342	$ 247,683,144	$(170,912,094)	$(53,122,520)	$ 7,768,840,872	$ 9,610,692	$(2,658,727)

	2022						
	Principal balance	**Interest balance**	**Impairment of principal**	**Impairment of interest**	**Net amortized cost**	**Accounts receivable**	**Impairment of accounts receivable**
Business							
Category A	$ 8,108,331,546	$ 99,867,649	$ (36,779,895)	$ (390,704)	8,171,028,596	$ 476,966	$ (216)
Category B	123,987,379	10,376,722	(9,780,636)	(1,102,135)	123,481,330	949,771	(2,165)
Category C	64,874,075	8,855,295	(19,315,561)	(514,150)	53,899,659	398,334	(2,696)
Category D	126,636,052	24,489,070	(62,004,998)	(5,478,261)	83,641,863	2,517,006	(582,018)
Category E	58,837,210	58,125,074	(25,056,691)	(24,023,493)	67,882,100	1,760,589	(487,945)
	8,482,666,262	201,713,810	(152,937,781)	(31,508,743)	8,499,933,548	6,102,666	(1,075,040)
Consumer							
Category A	1,510,332	12,335	-	-	1,522,667	12	-
Housing							
Category A	17,597,706	130,096	-	-	17,727,802	1,166	-
Category B	198,843	1,839	-	-	200,682	218	-
Category C	102,101	21	-	-	102,122	-	-
Category E	94,501	13,082	(65,342)	(9,811)	32,430	4,161	(3,121)
	17,993,151	145,038	(65,342)	(9,811)	18,063,036	5,545	(3,121)
Total	$ 8,502,169,745	$201,871,184	$(153,003,123)	$(31,518,554)	$8,519,519,252	$6,108,223	$(1,078,161)

10.4. **Portfolio distribution by geographic area and economic sector -** The loan portfolio is distributed by areas and economic sectors as of December 31, 2023, and 2024

	2023									
Economic Sector	**Antioquia and Chocó**	**Bogotá D.C.**	**Central**	**Atlantic Coast**	**Coffee Belt**	**Abroad**	**West**	**Santanderes**	**South-east**	**Grand total**
Artistic, entertainment, and recreational activities	$ 2,367,117	$ 8,026,915	$ 540,792	$ 3,041,863	$ 4,947,500	$ -	$ 2,197,271	$ 42,602	$ 161,973	$ 21,326,033
Hospitality and catering activities	38,705,994	38,744,673	7,479,172	43,031,008	5,007,872	-	7,908,855	3,051,396	3,352,872	147,281,842
Homes as employers activities	54,296	7,861	36,948	31,783	-	-	-	-	-	130,888
Administrative and assistance service activities	22,934,781	94,680,922	12,004,123	243,698,551	3,351,386	-	11,510,011	8,607,665	3,376,783	400,164,222
Financial and insurance activities	166,465,086	474,015,400	487,791,178	71,013,717	25,086,360	182,289,546	370,923,960	125,774,827	1,840,398	1,905,200,472
Real estate activities	10,020,796	47,640,185	3,429,102	15,144,879	3,569,689	-	14,633,232	4,997,239	1,963,006	101,398,128
Professional, scientific, and technical activities	23,591,615	77,001,856	12,263,282	58,874,388	7,448,315	-	20,960,573	8,223,023	2,906,561	211,269,613
Public administration - defense; social security	172,980	400,004	259,628	9,195,340	1,213,527	-	124,170	1,580,693	-	12,946,342
Agriculture, livestock, forestry, fishing	15,937,197	14,038,135	8,470,716	19,345,483	5,243,443	187,591	20,930,571	9,686,153	1,741,025	95,580,314
Employees	-	23,015,695	-	-	-	-	-	-	-	23,015,695
Human health care and social care	43,588,014	31,440,135	28,417,032	61,435,620	10,583,145	-	31,270,805	15,822,025	13,761,898	236,318,674
Retail and wholesale; car repair	293,839,946	432,917,728	147,401,116	232,090,393	65,595,758	101,804,951	189,189,859	145,440,833	74,078,410	1,682,358,994
Construction	57,020,085	171,737,025	30,346,286	68,590,309	16,611,600	120,377	33,272,418	27,560,671	17,932,095	423,190,866
Teaching	20,271,729	16,194,342	8,476,488	9,875,241	1,392,406	-	5,444,988	3,239,657	2,247,443	67,142,294
Mining and quarrying	2,906,893	14,302,197	9,111,620	1,531,743	2,471,344	-	2,267,718	4,485,167	890,909	37,967,591
Manufacturing industries	348,186,224	320,733,976	103,160,155	114,685,504	87,062,435	148,062,125	148,325,213	86,193,525	12,571,099	1,368,980,256
Information and communications	18,548,615	61,174,926	8,661,900	6,694,918	2,035,042	-	7,683,765	1,943,557	3,457,340	110,200,063
Other service activities	87,691,903	50,883,946	9,757,279	6,641,024	13,809,018	-	115,080,902	3,357,889	5,474,722	292,696,683
Other classifications	-	-	-	5,392	-	-	16,840	-	-	22,232
Water supply; wastewater, waste	5,382,813	3,189,962	8,031,650	107,977,788	1,020,473	-	6,419,540	3,259,651	6,513,293	141,795,170
Energy, gas, steam, air conditioning supply	957,369	25,407,303	1,254,600	7,023,271	1,563,683	-	6,198,785	1,229,568	553,820	44,188,399
Transport and storage	111,066,714	143,215,199	102,488,625	97,613,031	17,379,046	13,654,891	71,546,198	54,789,605	57,947,406	669,700,715
Grand total	**$1,269,710,167**	**$2,048,768,385**	**$989,381,692**	**$ 1,177,541,246**	**$275,392,042**	**$446,119,481**	**$1,065,905,674**	**$509,285,746**	**$210,771,053**	**$7,992,875,486**

	2022									
Economic Sector	**Antioquia and Chocó**	**Bogotá D.C.**	**Central**	**Atlantic Coast**	**Coffee Belt**	**Abroad**	**West**	**Santanderes**	**South-east**	**Grand total**
Artistic, entertainment, and recreational activities	$ 4,612,275	$ 8,957,431	$ 917,542	$ 2,559,246	$ 5,660,920	$ -	$ 1,692,813	$ 304,503	$ 306,736	$ 25,011,466
Hospitality and catering activities	22,867,716	44,824,551	11,225,259	41,579,398	6,216,486	-	9,580,918	4,465,952	4,173,371	144,933,652
Homes as employers activities	72,173	32,329	5,618	55,963	2,930	-	462	1,179	-	170,655
Administrative and assistance service activities	25,127,325	43,998,028	8,382,677	238,024,027	4,294,671	-	8,528,824	5,761,423	3,539,583	337,656,559
Financial and insurance activities	277,389,816	828,712,783	472,079,457	54,134,621	21,982,718	212,429,766	463,471,007	108,484,836	2,894,651	2,441,579,654
Real estate activities	18,140,680	45,290,800	6,079,419	14,995,544	3,405,314	-	14,680,357	5,083,010	1,161,820	108,836,943
Professional, scientific, and technical activities	35,817,948	80,804,219	9,511,364	60,540,948	6,975,967	-	24,345,190	8,648,375	2,359,915	229,003,926
Public administration - defense; social security	138,639	1,505,998	131,317	10,251,608	1,354,856	-	189,506	1,853,724	-	15,425,649
Agriculture, livestock, forestry, fishing	18,745,838	12,574,879	8,702,950	18,311,069	5,453,171	-	19,454,640	7,993,770	2,567,464	93,803,782
Employees	1,043,196	19,762,140	-	-	-	-	-	-	-	20,805,336
Human health care and social care	42,825,776	28,337,317	26,948,546	51,281,324	9,339,601	-	24,300,294	12,942,317	8,190,355	204,165,531
Retail and wholesale; car repair	310,922,677	466,996,492	145,342,805	221,618,672	60,142,587	82,188,679	206,622,438	134,850,135	83,136,030	1,711,820,514
Construction	64,497,942	138,359,534	28,160,682	50,328,417	11,323,932	-	33,754,221	26,746,285	9,053,337	362,224,351
Teaching	15,495,499	6,819,603	12,203,870	10,214,638	1,663,294	-	4,369,658	5,947,906	1,336,021	58,050,488
Mining and quarrying	1,236,178	4,253,785	6,237,652	397,523	-	-	2,489,621	3,102,817	439,509	18,157,085
Manufacturing industries	316,811,288	290,407,778	116,915,512	107,007,714	84,600,360	332,701,545	192,116,854	84,166,685	12,342,669	1,537,070,405
Information and communications	17,373,393	51,653,223	4,429,587	7,664,018	2,533,504	-	7,811,047	2,452,076	1,876,356	95,793,204
Other service activities	99,254,350	37,680,087	4,648,282	7,919,152	13,873,618	-	73,659,349	1,965,288	4,719,866	243,719,993
Other classifications	582,051	4,872,458	159,398	865,420	-	-	730,686	260,684	735,052	8,205,749
Water supply; wastewater, waste	4,460,663	1,737,850	1,932,644	100,257,703	586,012	-	1,647,953	2,347,968	1,836,781	114,807,573
Energy, gas, steam, air conditioning supply	3,218	9,292,955	3,979,044	11,065,660	1,172,498	-	11,566,009	461,455	1,081,783	38,622,622
Transport and storage	161,748,113	200,252,317	125,919,814	93,548,404	21,170,628	17,160,268	88,500,609	58,278,524	57,370,319	823,948,996
Individual capital rentiers	5,838,175	30,921,928	7,311,762	11,709,533	1,051,028	-	7,474,568	2,893,324	3,026,478	70,226,796
Grand total	**$1,445,004,930**	**$ 2,358,048,485**	**$1,001,225,202**	**$1,114,330,602**	**$ 262,804,095**	**$ 644,480,258**	**$1,196,987,023**	**$479,012,237**	**$ 202,148,097**	**$8,704,040,929**

2023

Economic Sector	Business	Consumer	Housing	Finance lease	Total	Share
Artistic, entertainment, and recreational activities	$ 20,124,638	$ -	$ -	$ 1,201,395	$ 21,326,033	0.27%
Hospitality and catering activities	135,760,588	-	328,900	11,192,354	147,281,842	1.84%
Homes as employers activities	130,888	-	-	-	130,888	0.00%
Administrative and assistance service activities	366,898,841	-	-	33,265,381	400,164,222	5.01%
Financial and insurance activities	1,893,504,048	-	10,535,002	1,161,422	1,905,200,472	23.84%
Real estate activities	78,323,837	-	-	23,074,291	101,398,128	1.27%
Professional, scientific, and technical activities	194,183,076	-	-	17,086,537	211,269,613	2.64%
Public administration -defense; social security	12,946,342	-	-	-	12,946,342	0.16%
Agriculture, livestock, forestry, fishing	82,493,683	-	4,919,683	8,166,948	95,580,314	1.20%
Employees	-	2,126,640	-	20,889,055	23,015,695	0.29%
Human health care and social care	192,675,305	-	-	43,643,369	236,318,674	2.96%
Retail and wholesale; car repair	1,574,424,092	-	-	107,934,902	1,682,358,994	21.05%
Construction	382,281,959	-	-	40,908,907	423,190,866	5.29%
Teaching	61,601,108	-	-	5,541,186	67,142,294	0.84%
Mining and quarrying	33,837,185	-	-	4,130,406	37,967,591	0.48%
Manufacturing industries	1,189,964,020	-	6,145,672	172,870,564	1,368,980,256	17.13%
Information and communications	100,869,419	-	-	9,330,644	110,200,063	1.38%
Other service activities	286,731,091	-	-	5,965,592	292,696,683	3.66%
Other classifications	22,232	-	-	-	22,232	0.00%
Water supply; wastewater, waste	139,676,705	-	-	2,118,465	141,795,170	1.77%
Energy, gas, steam, air conditioning supply	36,175,708	-	-	8,012,691	44,188,399	0.55%
Transport and storage	634,526,765	-	27,752	35,146,198	669,700,715	8.38%
Grand total	**$ 7,417,151,530**	**$ 2,126,640**	**$ 21,957,009**	**$ 551,640,307**	**$ 7,992,875,486**	

Economic Sector	Business	2022 Consumer	Housing	Finance lease	Total	Share
Artistic, entertainment, and recreational activities	$ 23,518,435	$ -	$ -	$ 1,493,031	$ 25,011,466	0.29%
Hospitality and catering activities	130,452,542	-	-	14,481,110	144,933,652	1.67%
Homes as employers activities	170,655	-	-	-	170,655	0.00%
Administrative and assistance service activities	327,894,790	-	-	9,761,769	337,656,559	3.88%
Financial and insurance activities	2,431,280,061	-	-	10,299,593	2,441,579,654	28.05%
Real estate activities	79,408,031	-	-	29,428,912	108,836,943	1.25%
Professional, scientific, and technical activities	211,765,013	-	-	17,238,913	229,003,926	2.63%
Public administration - defense; social security	15,425,649	-	-	-	15,425,649	0.18%
Agriculture, livestock, forestry, fishing	81,410,255	-	-	12,393,527	93,803,782	1.08%
Employees	196,127	1,522,679	18,143,734	942,796	20,805,336	0.24%
Human health care and social care	163,520,098	-	-	40,645,433	204,165,531	2.35%
Retail and wholesale; car repair	1,600,306,485	-	-	111,514,029	1,711,820,514	19.67%
Construction	315,021,008	-	-	47,203,343	362,224,351	4.16%
Teaching	52,393,901	-	-	5,656,587	58,050,488	0.67%
Mining and quarrying	17,251,249	-	-	905,836	18,157,085	0.21%
Manufacturing industries	1,378,878,370	-	-	158,192,035	1,537,070,405	17.66%
Information and communications	90,450,413	-	-	5,342,791	95,793,204	1.10%
Other service activities	243,719,993	-	-	-	243,719,993	2.80%
Other classifications	2,173,970	-	-	6,031,779	8,205,749	0.09%
Water supply; wastewater, waste	114,260,643	-	-	546,930	114,807,573	1.32%
Energy, gas, steam, air conditioning supply	36,386,571	-	-	2,236,051	38,622,622	0.44%
Transport and storage	813,544,689	-	-	10,404,307	823,948,996	9.47%
Individual capital rentiers	33,649,761	-	-	36,577,035	70,226,796	0.81%
Grand Total	**$ 8,163,078,709**	**$ 1,522,679**	**$ 18,143,734**	**$ 521,295,807**	**$ 8,704,040,929**	

10.5. Portfolio by monetary unit

2023					
Modalities	Legal tender	Foreign currency	Gross amortized cost	Impairment	Net amortized cost
Business	$ 7,408,537,410	$ 561,322,380	$ 7,969,859,790	$ 223,852,508	$ 7,746,007,282
Consumer	2,126,640	-	2,126,640	-	2,126,640
Housing	20,889,056	-	20,889,056	182,106	20,706,950
Total	$ 7,431,553,106	$ 561,322,380	$ 7,992,875,486	$ 224,034,614	$ 7,768,840,872

2022					
Modalities	Legal tender	Foreign currency	Gross amortized cost	Impairment	Net amortized cost
Business	$ 7,716,658,317	$ 967,721,755	$ 8,684,380,072	$ 184,446,524	$ 8,499,933,548
Consumer	1,522,668	-	1,522,668	-	1,522,668
Housing	18,138,189	-	18,138,189	75,153	18,063,036
Total	$ 7,736,319,174	$ 967,721,755	$ 8,704,040,929	$ 184,521,677	$ 8,519,519,252

10.6. Portfolio by maturity period -

2023								
	0 to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	More than 10 years	Gross Portfolio	Impairment	Net Portfolio
Business	$1,434,257,271	$ 3,600,934,529	$1,515,607,253	$1,129,150,600	$ 289,910,137	$ 7,969,859,790	$ 223,852,508	$ 7,746,007,282
Consumer	-	6,638	66,408	2,053,594	-	2,126,640	-	2,126,640
Housing	-	-	10,809	228,918	20,649,329	20,889,056	182,106	20,706,950
Total	$1,434,257,271	$ 3,600,941,167	$1,515,684,470	$1,131,433,112	$ 310,559,466	$ 7,992,875,486	$ 224,034,614	$ 7,768,840,872

2022								
	0 to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	More than 10 years	Gross Portfolio	Impairment	Net Portfolio
Business	$1,681,392,102	$ 3,548,019,625	$ 1,694,396,547	$1,015,352,612	$ 745,219,187	$ 8,684,380,073	$184,446,524	$8,499,933,549
Consumer	15,305	342,533	1,095,273	69,566	-	1,522,677	-	1,522,677
Housing	32,593	95,805	826,353	4,377,929	12,805,499	18,138,179	75,153	18,063,026
Total	$1,681,440,000	$ 3,548,457,963	$ 1,696,318,173	$1,019,800,107	$ 758,024,686	$ 8,704,040,929	$184,521,677	$8,519,519,252

10.7. **Portfolio write-offs** - During 2023 and 2022, there were no portfolio write-offs.

10.8. **Recovery of written-off portfolio -** The breakdown of written-off portfolio is as follows

	2023	2022
Business	$ 308,380	$ 2,814

For 2023, the recovery corresponds to $276,666 from customer Eduardo Canon Bravo y Cía. S.E. and $31,714 from Banco Santos Brazil. For 2022, it corresponds to a recovery from customer Confecciones Altieri Ltda.

10.9. **Impairment of loan portfolio -** The following is the disaggregation of the impairment of the loan portfolio:

	Business		Consumer		Housing		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Balance as of December 31, 2021	**$120,165,397**	**$22,454,714**	**$ 5,121**	**$ 1**	**$ 64,716**	**$ 1,641**	**$120,235,234**	**$22,456,356**
Expense	96,514,430	10,634,144	-	-	626	8,170	96,515,056	10,642,314
Recovery	(63,742,046)	(1,580,115)	(5,121)	(1)	-	-	(63,747,167)	(1,580,116)
Balance as of December 31, 2022	**152,937,781**	**31,508,743**	**-**	**-**	**65,342**	**9,811**	**153,003,123**	**31,518,554**
Expense	80,189,561	30,148,041	-	-	92,660	14,293	80,282,221	30,162,334
Recovery	(62,373,250)	(8,558,368)	-	-	-	-	(62,373,250)	(8,558,368)
Balance as of December 31, 2023	**$170,754,092**	**$53,098,416**	**$ -**	**$ -**	**$158,002**	**$ 24,104**	**$170,912,094**	**$53,122,520**

The increase in business loan impairment is supported by the rise in the portfolio classified in stage 3, mainly caused by the temporary reclassification during the second half of customers in the SME segment who completed the grace periods granted under the defined reliefs, as per SFC Notices 007/2020, 014/2020, and 022/2021.

10.10. Portfolio by stage: The breakdown of the portfolio by stage is as follows:

2023				
Type	Stage 1	Stage 2	Stage 3	Total
Business	$ 7,528,120,383	$ 68,410,972	$ 373,328,435	$ 7,969,859,790
Consumer	2,118,014	8,626	-	2,126,640
Housing	20,251,404	394,842	242,810	20,889,056
Gross portfolio at amortized cost	7,550,489,801	68,814,440	373,571,245	7,992,875,486
Impairment	(35,630,557)	(5,999,300)	(182,404,757)	(224,034,614)
Net portfolio at amortized cost	$ 7,514,859,244	$ 62,815,140	$ 191,166,488	$ 7,768,840,872

Type	2022 Stage 1	Stage 2	Stage 3	Total
Business	$ 8,304,500,444	$ 103,905,849	$ 275,973,779	$ 8,684,380,072
Consumer	1,522,668	-	-	1,522,668
Housing	17,934,784	99,039	104,366	18,138,189
Gross portfolio at amortized cost	8,323,957,896	104,004,888	276,078,145	8,704,040,929
Impairment	(40,144,516)	(8,980,500)	(135,396,661)	(184,521,677)
Net portfolio at amortized cost	$ 8,283,813,380	$ 95,024,388	$ 140,681,484	$ 8,519,519,252

11. TRADE AND OTHER ACCOUNTS RECEIVABLE, NET

The following is the breakdown of trade and other receivables, net, as of December 31, 2023 and 2022:

	2023	2022
Commissions	$ 5,221,780	$ 2,058,391
Leases	57,121	39,949
Rentals of assets under operating leases	87,245	31,159
Debtors	266,875	-
Payments from customers (1)	9,610,692	6,108,223
Advances to contracts and suppliers (2)	4,659,163	8,160,467
Advances to employees	536,503	516,557
Security deposits (3)	4,109,902	13,263,854
Other accounts receivable from SMEs (4)	1,227,097	745,788
Reimbursable expenses of trusts	1,017,747	923,963
Joint ventures	1,295,797	1,490,843
Sundry (5)	2,895,405	5,141,167
	30,985,327	38,480,360
Less impairment of accounts receivable:	(5,971,437)	(4,548,200)
	$ 25,013,890	$ 33,932,160

(1) Include amounts paid by the Bank and charged to the customer, such as insurance, fees, and commissions from the National Guarantee Fund. They also include the freezes of Law 1116 that are transferred as accounts receivable.

(2) It is mainly due to advances paid to suppliers for the acquisition of goods to be leased.

(3) Represented mainly in guarantee deposits for forward/OTC operations with entities abroad.

(4) Corresponds to amounts receivable from clients that do not present portfolio balances, including amounts due for statements, accounts receivable after reinstating the contracts; Additionally, it corresponds to the value receivable from VAT for operational leasing contracts.

(5) The variation corresponds mainly the $2,072,753 payment the Comptroller General of the Republic made for principal and interest on the 2012 fiscal control fee.

12. OTHER NON-FINANCIAL ASSETS

The following is the breakdown of other non-financial assets as of December 31, 2023, and 2022:

	2023	2022
Prepaid expenses	$ 9,990,029	$ 14,611,242
Art and cultural assets	33,216	33,216
Machinery and equipment to be leased [1]	9,228,139	18,411,984
Vehicles to be leased	3,273,406	1,090,291
Real estate to be leased	1,914,950	2,578,111
Activities in joint ventures	13,310	14,075
Taxes	316,306	283,463
Other	500,924	335,552
Impairment [2]	(166,790)	-
Total	$ 25,103,490	$ 37,357,934

[1] The variation corresponds to the activation of leasing contracts.
[2] Corresponds to the provision of a balance of seized accounts of the Client Clínica Rey David Sincelejo

13. NETO ASSETS HELD FOR SALE, NET

Non-current assets held for sale include real and personal property received in payment from and returned by loan portfolio debtors, and other non-current assets such as vehicles transferred from the property and equipment group.

The Bank's intention for these assets is to sell them immediately, including special sales plans through posts on the website, management of the internal sales force, real estate brokers, and direct management. There are agreements with real estate agents operating throughout the country and sales agents that facilitate the relevant procedures, in which case the external contracting and the payment of applicable commissions will be the responsibility of the relevant approval body.

	2023	2022
Goods received in payment		
Personal property	$ 60,639	$ 409,061
Real estate for housing	7,866,716	8,021,548
Real estate other than housing	14,307,033	13,957,035
Other non-current assets	362,352	-
	22,596,740	22,387,644
Less: Impairment of goods received in payment	(2,894,287)	(2,188,134)
Total revalued cost of goods received in payment	$ 19,702,453	$ 20,199,510
Returned goods		
Machinery and equipment	$ 3,770,346	3,681,645

Computer equipment	48,542	48,542
Real estate	51,320,581	41,884,965
	55,139,469	45,615,152
Less: Impairment of returned goods	(8,906,009)	(6,271,157)
Total revalued cost of returned goods	$ 46,233,460	$ 39,343,995
Total	$ 65,935,913	$ 59,543,505

In 2023, there is a variation of $6,392,410 compared to 2022, mainly concentrated in the following items:

- The additions recorded in 2023 are mainly due to assets received in payment related to rights in the Bosques de Karon trust business, where the Bank has a 4.83 % share for $362,351, a real estate property located in the municipality of Santana (Boyacá) for $350,000, and returned assets related to machinery and equipment for $255,894 and real estate for $13,010,864.

- The sale of goods received in payment related to a vehicle and real estate property intended for housing located in the city of Barrancabermeja, valued at $171,500 and $215,000, respectively, generated a loss on the sale of vehicles received in payment for $72,059 offset by a gain on the sale of real estate for $44,273. Meanwhile, the sale of returned assets corresponding to machinery and real estate other than housing located in the city of Ibagué, valued at $246,700 and $485,000, respectively, generated a loss in returned personal property worth $59,082, offset by a profit on the sale of returned real estate of $289,486.

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14. PROPERTY AND EQUIPMENT NET

The following is the breakdown of property and equipment, net, as of December 31, 2023, and 2022:

BLANK SPACE

Cost of property and equipment

	Land and Buildings	Machinery, Furniture and Fixtures, and Office Equipment	Transportation Vehicles	Computer, Networking, and Communications Equipment	Total
Cost					
Balance as of December 31, 2021	$ 49,551,332	$ 8,629,026	$ 423,757	$ 7,675,184	$ 66,279,299
Acquisitions	21,497	315,056	-	241,639	578,192
Balance as of December 31, 2022	49,572,829	8,944,082	423,757	7,916,823	66,857,491
Acquisitions (1)	-	58,678	720,847	6,651,587	7,431,112
Derecognitions / Withdrawals	-	-	(962,803)	-	(962,803)
Balance as of December 31, 2023	$ 49,572,829	$ 9,002,760	$ 181,801	$ 14,568,410	$ 73,325,800

Accumulated depreciation and net carrying amount of property and equipment

	Land and Buildings	Machinery, Furniture and Fixtures, and Office Equipment	Transportation Vehicles	Computer, Networking, and Communications Equipment	Total
Depreciación acumulada					
Balance as of December 31, 2021	(4,235,626)	(6,491,120)	(378,72	(7,084,419)	$ (18,189,891)
Depreciation	(899,416)	(477,838)	(32,411)	(121,191)	(1,530,856)
Balance as of December 31, 2022	$ (5,135,042)	$(6,968,958)	$ (411,137)	$ 7,205,610)	$ (19,720,747)
Depreciation	(903,357)	(435,576)	(10,804)	(627,791)	(1,977,528)
Derecognitions	-	-	241,955	-	241,955
Balance as of December 31, 2023	$(6,038,399)	$ (7,404,534)	$ (179,986)	$ (7,833,401)	$ (21,456,320)
Joint ventures 2022	-	256	-	-	256
Joint ventures 2023	-	848	-	-	848
Net carrying amount					
Balance as of December 31, 2022	$44,437,787	$ 1,975,380	$ 12,620	$ 711,213	$ 47,137,000
Balance as of December 31, 2023	$43,534,430	$ 1,599,074	$ 1,815	$ 6,735,009	$ 51,870,328

(1) Additions include capitalizable purchases and disbursements that meet the recognition criteria for items of property and equipment, goods received from third parties, and costs for dismantling and removing items of property, plant, and equipment.

The parent company acquired computer equipment worth $4,573,842 related to servers, expansion libraries, and IBM switches, and network and communications equipment worth $1,793,621 associated with Aruba Instant On access point equipment, which improves device connection and increases speed.

(2) The parent company exercised the purchase option on the seven (7) leased vehicles for $720,847, which were sold together with a KIA Carnaval 2009 for $800,747.

As of December 31, 2023, and 2022, the assessment made by the Bank and its subsidiary indicates no impairment of their properties and equipment.

Property and equipment ownership is not restricted as of December 31, 2023, and 2022.

15. ASSETS GIVEN IN OPERATING LEASE

This item corresponds to real estate contracts placed under operating lease. Its structure is as follows:

	2023	2022
Cost		
Initial balance	$ 8,950,983	$ 14,091,953
Additions (*)	5,164,176	-
Transfer to returned	-	(5,140,970)
Ending balance	14,115,159	8,950,983
Depreciation		
Initial balance	(1,112,183)	(750,589)
Depreciation	(459,258)	(374,770)
Transfer to returned	-	13,176
Ending balance	(1,571,441)	(1,112,183)
Impairment		
Initial balance	-	-
Impairment expense	(1,677,638)	-
Ending balance	(1,677,638)	-
Net carrying amount	$ 10,866,080	$ 7,838,800

(*) The additions are due to a transfer of an asset under a finance lease in the name of Fabrica de Hielos Barranquillita for $2,427,123 to an operating lease for $2,737,153 and a transfer of property and furniture to an operating lease, creating a provision of $1,677,638.

16. INVESTMENT PROPERTIES

The following is the disaggregation of investment properties as of December 31, 2023, and 2022:

	Land and buildings	
	2023	**2022**
Cost	$ 1,866,556	$ 1,866,556
Revaluation	10,151,302	9,809,276
Total	$ 12,017,858	$ 11,675,832

The variation in the Revaluation item for 2023 is due to the update of the technical appraisal of the 21st and 37th floors of Bancóldex in Bogotá, which generated an increase of $342,026 in the fair value of this property. The appraisal was carried out by the firm Néstor Mora & Asociados in June 2023.

There are no restrictions on the disposal of or income in the realization of investment properties.

The amounts recognized in income and expenses as of December 31, 2023, and 2022 are broken down below:

	2023	**2022**
Lease income (1)	$ 1,873,123	$ 1,655,278
Direct Expenses (2)	(287,204)	(229,794)
Total	$ 1,585,919	$ 1,425,484

(1) There is a variation of $217,845 compared to 2022, which is mainly due to the adjustment in the rental fee received for the use of the 21st floor, rented to the Banca de las Oportunidades Program, whose income increased by $126,564, going from $803,004 to $929,568, and the lease of the 37th floor to Fiducoldex, whose income increased by $91,281, going from $852,273 to $943,554.

(2) In 2023, the expenses are those incurred in the properties located on the 21st and 37th floors of the Centro de Comercio Internacional building, such as utilities for $42,531, condominium fees for $96,357, property tax for $108,627, and other miscellaneous for $39,689.

17. RIGHTS-OF-USE ASSETS

The following is the disaggregation of right-of-use assets as of December 31, 2023, and 2022:

	Computer equipment	Vehicles	Machinery and equipment	Real Estate	Total
Cost					
Balance as of December 31, 2021	$ 6,723,278	$ 948,051	$ 188,816	$ 2,962,903	$ 10,823,048
Acquisitions	6,993,601	84,847	-	1,758,212	8,836,660
Derecognitions	(1,257,796)	-	(188,816)	(947,315)	(2,393,927)
Balance as of December 31, 2022	12,459,083	1,032,898	-	3,773,800	17,265,781
Acquisitions (*)	237,599	1,184,330	-	158,204	1,580,133
Derecognitions	-	(720,847)	-	(166,266)	(887,113)
Balance as of December 31, 2023	$ 12,696,682	$1,496,381	$ -	$ 3,765,738	$ 17,958,801

Accumulated amortization

Balance as of December 31, 2021	$ 2,110,131	$ 615,682	$ 188,816	$ 1,137,324	$ 4,051,953
Amortization expense	2,665,188	193,758	-	552,277	3,411,223
Derecognitions	(1,233,117)	-	(188,816)	(654,310)	(2,076,243)
Balance as of December 31, 2022	3,542,202	809,440	-	1,035,291	5,386,933
Amortization expense	3,332,552	222,805	-	770,640	4,325,997
Derecognitions	(1,389)	-	(645,388)	(132,869)	(779,646)
Balance as of December 31, 2023	$ 6,873,365	$ 1,032,245	$ (645,388)	$ 1,673,062	$ 8,933,284
Net carrying amount					
As of December 31, 2022	$ 8,916,881	$ 223,458	$ -	$ 2,738,509	$ 11,878,848
As of December 31, 2023	$ 5,823,317	$ 464,136	$ 645,388	$ 2,092,676	$ 9,025,517

(*) In 2023, finance leases for six vehicles were signed for five years, and the server lease was renewed, integrating right-of-use contracts at $1,184,330 and $237,599, respectively. The main variation in 2022 occurs as a result of the Bank signing the lease of the Medellín regional office property, the improvements made to the properties leased for the Cali and Medellín regional offices, and the signing of new computer equipment leases for infrastructure solutions, integrating right-of-use contracts for $1,563,460 and $6,928,275, respectively.

According to the analysis of the contracts for goods and services within the scope of IFRS 16, properties taken on lease for the operation of the regional offices, a warehouse for storing goods received in payment, returned goods, computer equipment leases, and finance leases for vehicles were included as right-of-use assets. The amounts of obligations payable derived from finance leases are detailed in Note 20.2.

18. INTANGIBLE ASSETS

As of December 31, 2023, and 2022, the balance of this account is broken down as follows:

	Licences	Computer Software	Total
Balance as of December 31, 2021	$ 2,199,947	$ 6,193,670	$ 8,393,617
Acquisitions / additions (1)	2,029,113	1,171,141	3,200,254
Transfer	-	(642,790)	(642,790)
Amortization expense	(450,138)	(2,424,185)	(2,874,323)
Balance as of December 31, 2022	$ 3,778,922	$ 4,297,836	$ 8,076,758
Acquisitions / additions (1)	2,964,145	432,221	3,396,366
Transfer (2)	0	(87,995)	(87,995)
Amortization expense	(467,420)	(2,857,599)	(3,325,019)
Balance as of December 31, 2023	$ 6,275,647	$ 1,784,463	$ 8,060,110

(1) The acquisitions of the parent company for 2023 correspond to the purchase of licenses and computer programs for the Bank's operation, which include 90 Aruba central licenses and 4 Aruba Clear licenses valued at $66,799 for wireless connectivity, the implementation of the technological platform intended to support and restore the structured and unstructured information produced and processed by the Bank for $970,402, and the development of an API for the prequalification of SMEs integrated into the Digital Leasing platform worth $42,000.

The 2022 additions are owing to the purchase of licenses and computer programs for the Bank's operation, including ORACLE licenses worth $250,841, computer programs for neo-credit worth $392,685, and Conecta Digital for $175,000.

(2) The transfers made in 2023 correspond to the activation of the technological development of a digital exchange hedging platform for SME customers worth $450,000.

For the affiliate, intangible assets record the items related to the supply and installation of the SIFI technological solution and the licensing and consulting required for the installation and start-up of the system. Oracle Data Base licenses are also recognized.

The main licenses acquired during 2023 correspond to the third parties Nimbutech SAS, worth $428,380, and Gamma Ingenieros SAS, worth $298,326.

As of December 31, 2023, and 2022, the Entities do not have intangible assets with restricted ownership.

19. LIABILITIES FROM FINANCIAL INSTRUMENTS AT AMORTIZED COST

19.1. **Customer deposits:** The following is the disaggregation of financial instruments at amortized cost as of December 31, 2023 and 2022:

	2023	2022
Term Deposit Certificates (1)		
Issued for less than 6 months	$ 367,787,420	$ 759,061,021
Issued for 6 to 12 months	715,839,303	399,550,086
Issued for 12 to 18 months	361,360,640	243,845,889
Issued for more than 18 months	728,671,491	1,515,649,778
	2,173,658,854	2,918,106,774
Savings deposits (2)	911,340,557	240,970,868
Common bonds for more than 18 months (3)	1,282,019,436	1,110,345,377
	2,193,359,993	1,351,316,245
Total	$ 4,367,018,847	$ 4,269,423,019

(1) At the end of 2023, term deposit certificates showed a decrease of $744,447,920 compared to 2022, caused by securities maturities throughout the year. Additionally, the issuance of Social Bonds in October replaced the funding for these deposits.

(2) This item increased by $670,369,690 compared to the end of 2022, generated by the high liquidity in the market and investors holding significant resources in the Bank's savings accounts.

(3) The bond conditions are as follows:

Lots	Placement date	Issue date	Maturity date	Interest rate	Interest payment modality	Issue amount	Balance 2023	Balance 2022
Social Bonds	24-may-18	25-may-18	24-may-23	Indexed to IPC	Quarterly	$ 100,000,000	$ -	$ 101,533,889
Business Recovery Bonds	27-may-21	28-may-21	27-may-24	Indexed to IBR	Monthly	159,000,000	159,242,237	159,227,371
Business Recovery Bonds	27-may-21	28-may-21	27-may-23	Fixed rate	Quarterly	100,000,000	-	100,409,066
Business Recovery Bonds	27-may-21	28-may-21	27-may-23	Indexed to IBR	Monthly	241,000,000	-	241,340,086
Social Bonds	11-may-22	11-may-22	11-may-24	Fixed rate	Quarterly	209,000,000	212,204,010	212,204,419
Social Bonds	11-may-22	11-may-22	11-may-25	Fixed rate	Quarterly	291,000,000	295,630,523	295,630,546
Social Bonds	25-oct-23	25-oct-23	25-oct-26	Fixed rate	Quarterly	300,000,000	307,213,626	-
Social Bonds	25-oct-23	25-oct-23	25-oct-25	Fixed rate	Quarterly	100,000,000	102,502,393	-
Social Bonds	25-oct-23	25-oct-23	25-abr-25	Fixed rate	Quarterly	200,000,000	205,226,648	-
						$1,700,000,000	**$1,282,019,436**	**$1,110,345,377**

- Issuance of Social Bonds: In May 2018, Bancóldex successfully conducted its first issuance of Social Bonds through the Colombian Stock Exchange for $400 billion and a term of three and five years, obtaining demands for 4.17 times the amount issued and cut-off rates of IBR+1.15%, TF 6.05% for three years, and CPI+2.85% for five years.

  This issuance constitutes the first issuance of this kind in the Colombian public securities market and its main objective is to promote Financial Inclusion of micro- and small-sized enterprises, focusing on financing rural companies, women business owners, and victims of the armed conflict who own companies. These projects contribute significantly to social development in Colombia, mainly by meeting objectives such as generating income, creating jobs, reducing income inequality, promoting financial inclusion, and fostering integration and job creation in groups vulnerable to social exclusion. This issuance had the technical cooperation of the IDB and the SECO.

  The 5-year term bonds, with a nominal value of $100 billion, will mature in May 2023. As of June 30, 2023, the bonds issued in 2018 have been fully paid.

- Issuance of Business Recovery Bonds: In May 2021, Bancóldex conducted the first issuance to finance business recovery in Colombia, which is part of the "Línea Adelante" product portfolio. Thus, the Bank remains a pioneer in the issuance of tagged bonds. With these resources, the banks seeks to leverage credits so that companies can resume their business and grow after the economic contraction in 2020 due to the COVID-19 pandemic.

  This issuance was made for $500 billion, awarded in two-year terms for $341 billion with cut-off rates of 4.35% EA and IBR + 1.53% nominal monthly in arrears, and over three years for $159 billion with IBR cut-off rate + 1.70% nominal monthly in arrears. The auction registered an excess demand of more than 1.2 trillion COP, equivalent to 3.1 times the amount that was initially offered. The operation involved 214 investors among individuals, legal entities, and foreign investors.

  The $341 billion bonds awarded for a 2-year term mature in May 2023, leaving the $159 billion three-year bonds in force until May 2024.

- Issuance of Social Bonds to Grow with Equity: In May 2022, Bancóldex conducted its second issuance of Social Bonds to finance leading empowered women's companies and inclusive businesses in rural areas affected by the conflict, thus contributing to reducing the income gap and promoting micro- and small-sized enterprises to be more productive and competitive. With this, the Bank contributes to fulfilling the Sustainable Development Goals

(SDG) of the 2030 Agenda: 1. No poverty, 5. Gender equality, 8. Decent work and economic growth, 9. Industry, innovation, and infrastructure and 10. Reduced inequalities.

This issuance was conducted in the Colombian public stock market for an amount of $500 billion, awarded in terms of two years for $209 billion with a cut-off rate of 11.50% EA and three years for $291 billion with a cut-off rate of 11.96% EA. The auction registered a demand for $781,444 million, equivalent to a bid to cover of 1.95 times the initial amount of the offer of $400,000 million. The issuance received 380 demands from investors among individuals, legal entities, and foreign investors.

- Issue of Social Bonds: On October 25, 2023, Bancóldex made its third issue of social bonds in the public securities market for $600,000 million. The securities were offered in series of 18, 24, and 36 months and were oversubscribed 3.7 times compared to the initial offer. The auction was awarded $200,000 million at a fixed cut-off rate of 14.85 % EA for 18 months, $100,000 million at a fixed rate of 14.19 % EA for 24 months, and $300,000 million at a fixed rate of 13.60 % EA for 36 months. With this issue, the Bank will continue to drive the growth of micro and small businesses, focusing on those led by women, victims of the armed conflict, and those located in rural areas affected by the conflict.

The following is the summary of the financial liabilities by maturity date to the remaining term as of December 31, 2023, and 2022:

BLANK SPACE

	2023						
	Up to three months	More than three months and less than one year		More than one year			Total
	More than one month and less than three months	More than three months and less than six months	More than six months and less than one year	Between one and three years	More than three years and less than five years	More than five years	
Instruments at amortized cost							
Term deposit certificates	$ 739,185,726	$ 377,752,380	$ 1,055,309,981	$ 1,410,767	$ -	$ -	$ 2,173,658,854
Securities issued - General bonds	-	371,446,247	-	910,573,189	-	-	1,282,019,436
	$ 739,185,726	$ 749,198,627	$ 1,055,309,981	$ 911,983,956	$ -	$ -	$ 3,455,678,290

	2022						
	Up to three months	More than three months and less than one year		More than one year			Total
	More than one month and less than three months	More than three months and less than six months	More than six months and less than one year	Between one and three years	More than three years and less than five years	More than five years	
Instruments at amortized cost							
Term deposit certificates	$ 1,416,427,544	$ 534,366,631	$ 640,719,016	$ 326,593,583	$ -	$ -	$ 2,918,106,774
Securities issued - General bonds	-	443,283,042	-	667,062,335	-	-	1,110,345,377
	$ 1,416,427,544	$ 977,649,673	$ 640,719,016	$ 993,655,918	$ -	$ -	$ 4,028,452,151

19.2. Money Market Operations

	2023			2022		
	Negotiation Term Days	USD Amount	Amount COP	Negotiation Term Days	USD Amount	Amount COP
Foreign Currency:						
Overnight Banks	7	2,502	$ 9,560,911	-	-	$ -
Legal tender:						
Short Operations Simultaneous short operations CRCC		-	35,098,700		-	-
			$ 44,659,611			$ -

At the end of 2023, overnight operations were made because the Bank had liquidity needs, funded partly with overnight liabilities and partly with cash resources from the forward portfolio.

As part of the trading portfolio strategy, the Bank closes 2023 with simultaneous short operations for $35,098,700

19.3. Other deposits:

	2023		2022	
Entity	USD Amount (Thousands)	Amount COP (Thousands)	USD Amount (Thousands)	Amount COP (Thousands)
Other guarantee deposits				
Legal tender	-	$ 5,946,462	-	$ 5,481,783
Foreign currency	6,140	23,465,492	4,663	22,428,995
Total other deposits	6,140	$ 29,411,954	4,663	$ 27,910,778

USD collateral deposits varied by $1,036,497 compared to the end of 2022, caused by movements in the valuation of derivatives whose positions generated higher guarantees required from offshore counterparties.

20. BANK LOANS AND OTHER FINANCIAL OBLIGATIONS

20.1. Bank loans and other financial obligations[1]:

	2023	2022
Legal Tender		
Finagro	$ 275,891	$ 732,652
Loans from other banks and local financial institutions	-	200,294,892
Credits with foreign banks (1), (2), (3)	2,314,447,071	2,250,144,633
Inter-American Development Bank	320,258,761	318,759,549
Andean Development Corporation	633,717,323	851,789,355
	3,268,699,046	3,621,721,081
Foreing Currency		
Credits with foreign banks (1), (2), (3)	519,162,862	666,783,098
Bank acceptances (4)	266,875	-
International organizations	177,683,325	773,771,270
Inter-American Development Bank	1,005,328,449	1,273,504,487
Andean Development Corporation - CAF	252,201,122	105,896,749
	1,954,642,633	2,819,955,604
	$ 5,223,341,679	$ 6,441,676,685

(1) By 2023, financial obligations close with a drop of $1,218,335,006; this variation is mainly explained by: a) the maturities of COP operations with Banco Santander for $200,000 million and capital amortizations with CAF for $408,358 million, offset by a new agreement with this entity for $191,050 million; b) the portfolio of USD financial obligations dropped $865,312,971 owing to a lower requirement for foreign currency resources, which resulted in a decrease of USD 74,833, coupled with a drop in the exchange rate of $988.

(2) The following is the summary of bank loans and other financial obligations by maturity dates and entity as of December 31, 2023 and 2022:

BLANK SPACE

	2023						
	Up to three months	More than three months and less than one year		More than one year			Total
	More than one month and less than three months	More than three months and less than six months	More than six months and less than one year	Between one and three years	More than three months and less than five months	More than 5 years	
Finagro	$ 3,794	$ 55,152	$ 23,387	$ 193,558	$ -	$ -	$ 275,891
Foreign banks	39,368,462	85,325,523	394,468,877	2,314,447,071	-	-	2,833,609,934
Andean Development Corporation CAF	-	223,444,297	662,474,148	-	-	-	885,918,445
Inter-American Development Bank IDB	-	-	320,258,761	-	-	1,005,328,449	1,325,587,210
International organizations	-	1,688,789	175,994,536	-	-	-	177,683,325
Bank acceptances	266,875	-	-	-	-	-	266,875
	$39,639,131	$310,513,761	$1,553,219,708	$2,314,640,630	$ -	$1,005,328,449	$5,223,341,679

	2022						
	Up to three months	More than three months and less than one year		More than one year			Total
	More than one month and less than three months	More than three months and less than six months	More than six months and less than one year	Between one and three years	More than three months and less than five months	More than 5 years	
Finagro	$ 14,009	$ 34,237	$ 102,549	$ 581,857	$ -	$ -	$ 732,652
Financial entities in the country	-	200,294,892	-	-	-	-	200,294,892
Foreign banks	312,915,722	-	802,981,306	404,152,243	1,396,878,461	-	2,916,927,732
Andean Development Corporation CAF	9,037,040	-	96,859,709	851,789,355	-	-	957,686,104
Inter-American Development Bank IDB	-	-	-	318,759,549	-	1,273,504,487	1,592,264,036
International organizations	242,469,378	330,609,619	194,316,643	6,375,629	-	-	773,771,269
Total	$564,436,149	$530,938,748	$1,094,260,207	$1,581,658,633	$1,396,878,461	$1,273,504,487	$6,441,676,685

20.1. Lease liabilities

	2023	2022
Initial Balance	$ 11,209,957	$ 6,718,394
Additions [1]	1,548,195	8,072,177
Interest accrual	2,501,211	2,039,761
Less payments	(6,421,261)	(5,596,693)
Restatement	(73,817)	106,247
Withdrawals	-	(129,929)
Ending balance	$ 8,764,285	$ 11,209,957

(1) In 2023, the main variation occurs as a result of the signing of vehicle finance leases worth $937,430 and $246,900 of the parent company and the subsidiary, respectively, as well as the renewal of the warehouse lease in which the goods received in payment from the parent company worth $197,814 are stored. In 2022, the main variation was exhibited by the parent company as a result of the signing of the lease for the Medellín regional office property for $729,530 and the renewal of the server lease, with which right-of-use contracts for $6,243,074 were integrated.

20.2. **Reconciliation of liabilities arising from financing activities**—The following table details the changes in liabilities arising from the Bank's financing activities, including changes and non-changes in cash. Liabilities that arise from financing activities are those for which cash flows were used; they will be classified in the Bank's statement of cash flows as cash flows from financing activities.

BLANK SPACE

2023

	2022	Cash flows from financing activities	Accrual	Payment of principal and interest	Exchange Rate impact	Profit for the year	Increase (decrease) on consolidation	Other comprehensive income	2023
Money market operations	$ -	$25,847,036,627	$ 20,998,277	$25,822,185,772	$ (1,189,520)	$ -	$ -	$ -	$ 44,659,611
Credits and other financial obligations	6,441,676,684	2,493,899,272	695,004,828	3,836,100,597	(571,138,516)	-	-	-	5,223,341,671
Equity cash dividends	1,515,379,527	-	-	-	-	45,515,053	(74,321)	134,700,238	1,695,520,497
Total	$ 7,957,056,211	$28,340,935,899	$ 716,003,105	$29,658,286,369	$(572,328,036)	$ 45,515,053	$ (74,321)	$134,700,238	$6,963,521,779

2022

	2021	Cash flows from financing activities	Accrual	Payment of principal and interest	Exchange Rate impact	Profit for the year	Increase (decrease) on consolidation	Other comprehensive income	2022
Money market operations	$ -	$17,099,283,329	$ 6,350,419	$17,118,938,327	$ 13,304,580	$ -	$ -	$ -	$ -
Credits and other financial obligations	3,993,591,048	6,064,252,333	207,556,477	4,406,934,515	583,211,340	-	-	-	6,441,676,684
Equity cash dividends	1,416,915,825	-	-	54,500,834	-	46,045,639	(140,466)	107,059,363	1,515,379,527
Total	$ 5,410,506,873	$23,163,535,662	$ 213,906,896	$21,580,373,676	$ 596,515,920	$ 46,045,639	$ (140,466)	$ 107,059,363	$ 7,957,056,211

21. TRADE AND OTHER ACCOUNTS PAYABLE

The following is the breakdown of accounts payable, as of December 31, 2023, and 2022:

	2023	2022
Commissions and fees [1]	$ 1,232,339	$ 763,027
Costs and expenses payable	180,600	77,775
Taxes	3,848,480	3,459,216
Dividends	398,846	404,989
Leases	3,762	7,280
Promising buyers	230,402	200
Contributions on transactions	13,443	9,190
Suppliers	12,909,448	9,560,799
Withholdings and labor contributions	11,816,114	8,410,827
Insurance	1,075,550	308,931
Accounts payable in joint ventures	360,857	549,037
Accounts payable for NPV unused Award [2]	16,109	4,086
Future Contract Liquidation CRCC [3]	2,863,802	3,898,017
Payable PTP Agreement (4)	163,902	163,902
Payable GIZ - NAMA Agreement (5)	7,778,436	9,119,031
Payable MINCIENCIAS Agreements (6)	129,408	252,863
Credits for applying credit portfolio	160,761	301,773
Payable in Foreign Currency	305,290	736,617
Sundry	1,692,443	1,773,811
	$ 45,179,992	$ 39,801,371

(1) The main variation is due to the increase in commissions payable to the National Guarantee Fund, amounting to $335,224.

(2) It is the amount of resources not used by the receivers of loans of the credit lines created with the benefit of a reduced loan rate. It occurs when the customer repays early or settles the entire obligation with Bancóldex due to final maturity and did not request this benefit. These unsolicited resources are returned to the agreement contributor that provided the resources for this type of transaction.

(3) In this type of transaction, the Central Counterparty Clearing House (CCP) settles daily. It informs the result of the clearing so that the participating entities record the accounts receivable or payable. See the asset portion in Note 11.

(4) Under Inter-Administrative Framework Agreement 375, signed between Bancóldex and the Ministry of Industry, Trade, and Tourism (MinCIT), a transfer was received through Resolution 1946 dated October 27, 2016, for $1,500,000 from the National Planning Department's (DNP, for its acronym in Spanish) budgetary support for the PRODUCTIVE TRANSFORMATION PROGRAM (PTP, today Colombia Productiva). Its purpose was to contract the development of the second stage of the Atlas of Economic Complexity for Colombia (DATLAS 2.0) to enhance and enrich the tool, allowing the alignment of the information it provides with the new strategy of the MinCIT. Of these funds, $1,336,098 have been used. Potential performance is expected for the remaining resources, $163,902, during 2024.

(5) On October 23, 2020, Bancóldex and GIZ signed Agreement 81253328 framed in the project "NAMA Support for the Domestic Refrigeration Sector in Colombia." In November 2023, Bancóldex signed the third addendum to extend the program's term until June 2024. This project seeks to structure financial mechanisms that promote the production and marketing of domestic refrigeration with low environmental impact, the results of which aim to contribute to the country's climate change goals. At the end of 2023, GIZ had disbursed 2.03 million euros to

Bancóldex divided as follows: (a.) the first transfer was for an amount of 1.2 million euros, which entered Bancóldex on January 5, 2021, and (b .) the second transfer took place on August 12, 2022, for an amount of 830 thousand euros. Notably, as of December 31, 2023, $7,778 million is being used.

(6) Under the Special Cooperation Agreement 80740-421-2021 concluded between Fiduciaria La Previsora S.A. FIDUPREVISORA S.A., acting as spokesperson and manager of the National Financing Fund for Science and Technology, and the Bank, these resources were allocated to hire a third-party expert to assess and monitor Science, Technology, and Innovation projects to be financed by the line of credit "MinCiencias CTeI Line – Promotion of Investments in Science, Technology, and Innovation for the Bioeconomy" (Notice 003 dated March 7, 2022). The third-party expert was hired at the end of 2022, and $47,137 fees were paid. During 2023, under the agreement, $123,455 was spent. The remainder payable is $129,408, which will be returned to the contributor, considering that in December 2023, the line of credit was closed, and the agreement started the settlement process.

22. EMPLOYEE BENEFITS

The information of the balances by employee benefits as of December 31, 2023, and 2022, is as follows. Of note is that the Bank only has short-term employee benefits:

	2023	2022
Payroll to be paid	$ 159,817	$ 187,635
Severance pay	2,765,451	2,296,678
Interest on severance payments	321,360	265,863
Vacations	8,462,314	7,575,681
Legal bonus	237	3,235
Other Accounts Payable to employees	10,070,905	7,436,146
Current Provisions	708,705	720,694
	$ 22,488,789	$ 18,485,932

23. ESTIMATED LIABILITIES AND PROVISIONS

The following is the disaggregation of the provisions, as of December 31, 2023 and 2022:

	2023	2022
Labor lawsuits (1)	$ -	$ 27,480
In joint operations (2)	624,060	642,091
Other provisions (3)	110,014	110,014
	$ 734,074	$ 779,585

(1) During 2023, the amount of the judgment condemning the Bank to pay litigation expenses amounting to $25,480 in the lawsuit against Carlos Helí Gomez Bravo and $2,000 in the lawsuit against Salud Total was transferred to accounts payable to the plaintiff. Subsequently, the payment was made according to the court's orders.

(2) The following is the detail of the litigation provisions held by the subsidiary Fiducoldex as a result of joint operations as of December 31, 2023 and 2022:

December 31, 2023	Litigious	Total

Carrying amount as of January 1, 2023	$	642.091	$	642.091
Additions		95.413		95.413
Reversals. unused amounts		(113.444)		(113.444)
Carrying amount as of December 31, 2023	$	624.060	$	624.060

December 31, 2022		Litigious		Total
Carrying amount as of January 1, 2022	$	577.181	$	577.181
Additions		81.651		81.651
Reversals. unused amounts		(16.741)		(16.741)
Carrying amount as of December 31, 2022	$	642.091	$	642.091

The main assumptions considered in the calculation of the provision are:

Provisions—As of December 31, 2023, the balance of the provision is $600,796 for Consorcio Fosyga, which corresponds to a 3.57 % share, and $23,264 for Consorcio Coldexpo 2020.

Five (5) lawsuits are currently underway against Consorcio Fidufosyga 2005 en Liquidación. They deal with the recognition of late payment interests for the EPS accrued by apparent delays in payments of medical service benefits. According to applicable regulations, these benefits should have been covered by the FOSYGA subaccount despite having been supplied by the plaintiffs, along with the relevant monetary update derived from the application of the CPI.

These lawsuits currently total an estimated amount of $33,967,033, for which there is an accounting provision, as recommended at the time by the Consortium Management Unit based on the procedural risk rating granted by the attorneys hired to defend the interests of the Consortiums. They established the risk of loss of such lawsuits as contingent and probable and the share of the Trust Company in the Consortium, which amounts to 3.57 %.

Proceeding No.	Plaintiff	Claim Amount		Provision Calculated 100 % Dec 2023		Provision share Dec 2023	
2010-0119	Sanitas Eps	$	862.453	$	1.676.885	$	59.865
2010-00772	Coomeva Eps		196.769		382.582		13.658
2012-00616	Sanitas Eps		20.163		36.632		1.308
2012-00467	Coomeva Eps		1.153.877		2.096.379		74.841
2010-00807	Cafesalud Eps-Cruz Blanca Eps y Saludcoop Eps		6.499.215		12.636.564		451.125
	Total	$	8.732.477	$	16.829.042	$	600.797

(3) The established provision is owing to the costs incurred when dismantling or restoring the properties leased for the regional offices. The latest dismantling costs were updated in 2022 to inform the dismantling amount of the Medellín and Cali offices.

24. OTHER LIABILITIES

The following is the breakdown of other liabilities, as of December 31, 2023, and 2022:

	2023	2022
Prepaid income [(1)]	$ 111,452,109	$ 133,181,381
Interest arising from restructuring processes	2,337,038	2,176,418
Credits to apply to obligations receivable [(2)]	3,549,178	4,472,664
Income received for third parties	364	401
Sundry - Agreements [(3)]	33,220,644	34,853,049
	$ 150,559,333	$ 174,683,913

(1) The disaggregation of prepaid income is as follows:

	2022	Charges	Amortization	2023
Interest	$ 133,181,381	$ (51,724,510)	$ (29,995,238)	$ 111,452,109

Interest corresponds to the amortization of prepaid income from the agreements that calculate NPV in the specific lines of credit for this purpose

(2) It refers to payments made by customers for surpluses of regular, extraordinary, and prepaid fees. These are permanently monitored and discussed with customers to define their proper application.

(3) These balances are mainly due to the resources received from Ministries, Governments, and Mayor's Offices for financing lines with rate differentials. As of December 31, 2023, and 2022, there were 142 and 88 agreements, respectively.

25. EQUITY

25.1. Capital stock: The following is the breakdown of capital, as of December 31, 2023 and 2022:

	2023	2022
Bicentenario Group S.A.S.	$ 1,059,563,515	$ 1,059,563,515
Private parties	3,031,453	3,031,453
	$ 1,062,594,968	$ 1,062,594,968

The number of subscribed and paid-in shares is as follows:

	2023	2022
Bicentenario Group S.A.S. (Class "A" Shares) Common	$ 1,059,563,515	$ 1,059,563,515
Private Investors (Class "B" Shares) Common	2,118,779	2,118,779
Private Investors (Class "C" Shares)	912,674	912,674
	$ 1,062,594,968	$ 1,062,594,968

The shares of the C series have a minimum annual preferential dividend equivalent to 3.5% of the equity value of the share at the beginning of the year, charged to the profits the General Assembly decrees for calculation. This minimum preferential dividend will be effective in principle for eight (8) years. At the end of such period, the Bank will compare the average value of the share registered in the Colombian Stock Exchange during the twelve (12) months prior to the month of the comparison, against the average equity value of the share during the same period.

If the average value on the Stock Exchange is equal to or greater than 110% of the average equity value, the privilege will be extinguished and, as a result, the preferred minimum dividend will be suspended. Otherwise, the privilege will be extended for five (5) years, at the end of which the Bank will perform again the comparison of average values in the same order. If the average value in the stock market continues to be less than 110% of the average equity value, the privilege will be extended for three (3) successive periods of two (2) years, under the understanding that at the end of each of such periods the Bank will perform the comparison of average values. If the indicated periods have expired and the average value in the Stock Market continues to be less than 110% of the average equity value, the privilege will be extended for one (1) more year, after which it shall be extinguished.

The extinction of the privilege, regardless of the moment it occurs, will cause these shares to become ordinary and give rise to the consequent substitution of the securities. If the General Assembly provides for the recognition of a dividend higher in value to the preferential minimum, the payment of the latter shall prevail over the former.

Regarding the settlement of the privilege enshrined in the preceding paragraphs, Bancóldex will proceed in accordance with the following formula:

Minimum Preferential Dividend = Equity Value of the Share at the beginning of year N x 3.5%.

Where:

Equity Value of the Share at the beginning of Year N = Total equity as of December 31 of year N - 1 / Total shares outstanding.

The payment of the anticipated minimum preferential dividend is ordered by the General Assembly of Shareholders of the Bank and charged to the net profits of the respective period. Therefore, notwithstanding the provisions established in section 2 of Article 381 of the Commercial Code, the payment dates of the preferred dividend correspond to the dates indicated by such instance and, if the Bank does not yield profits in a given fiscal year, or they are not enough to meet the foresaid payment, the total or partial value of the unpaid dividend will be accumulated to be paid from the net profits of the following period. If there are not profits during the foresaid fiscal year, or if they are not sufficient, they will be accumulated in the same manner and so on.

An economic privilege was established for the shareholders of the “C” series and for a period of eight (8) years starting in 1994. It consists in an annual preferential minimum dividend equivalent to 3.5% of the equity value of the share at the beginning of the year, charged to the profits decreed by the General Assembly for its calculation. By decision of the General Assembly of Shareholders of August 21, 2002, March 31, 2008, March 22, 2013 and March 26, 2018, the privilege has been extended for a term of five more years; considering that the listing value is a simple reference to know whether the privilege is extended or not, in principle for five years and then for three successive periods of two years. The General Shareholders Assembly ordered to take zero (0) as the listing value in stock exchanges and continue with the privilege for five additional years.

25.2. **Reserves:** the information on reserves as of December 31, 2023 and 2022

	2023	2022
Legal		
Appropriation of liquid profits	$ 197,217,857	$ 190,104,422
Statutory		
Protection - Private Capital Funds	113,782,449	49,346,690
Occasional		
For loan portfolio protection	-	-
Tax provisions	27,465,831	27,884,760
	$ 338,466,137	$ 267,335,872

Legal reserve: By legal provisions, every credit establishment must create a legal reserve, allocating ten percent (10.0 %) of the liquid profits of each year until reaching fifty percent (50.0 %) of the subscribed capital. The legal reserve may not be intended to pay dividends or cover expenses or losses when the Bank has undistributed profits.

Statutory and occasional reserves: They are approved by the General Meeting of Shareholders. Section 376(10), Valid and Repealing Provisions, of Law 1819 dated December 29, 2016, repealed Section 1 of Decree 2336/1995, establishing the obligation to create tax reserves on income not realized at the tax level. However, the General Meeting of Shareholders approved an occasional reserve supported by tax regulations on profits that have not been realized, such as the valuation of an investment portfolio, the valuation of private capital funds, and the valuation of operations with financial derivatives.

25.3. **Net earnings per share -** The following table summarizes the net earnings per share for the periods ended December 31, 2023 and 2022:

	2023	**2022**
Circulating common shares	1,062,594,968	1,062,594,968
Profit for the year	$ 45,515,052	$ 46,045,639
Earnings per Share (in Colombian pesos)	42.83	43.33

The Entities do not have shares with dilutive effects.

26. OTHER INCOME

The breakdown of other income is as follows:

	2023	**2022**
Reversal of impairment loss	$ 4,533	$ 90,137
Own property leases	1,846,899	1,611,863
For sale of property and equipment	877,046	-
Activities in joint operations	5,164,538	2,889,204
Prepaid income from portfolio operations (1)	4,251,648	-
Income from the F.N.G	825,484	1,073,221
Reimbursement of expenses from previous periods (2)	883,909	12,714,094
Others	1,532,522	5,177,553
	$ 15,386,579	$ 23,556,072

(1) For 2023, it comprises the recognition of penalties for prepayment in second-tier credit operations and operations under the direct credit mechanism for microfinance with Bancóldex's resources that are paid partially or totally before maturity, as provided in Bancóldex's Notice 017 dated October 27, 2022.

(2) For 2022, it comprises mainly the credit balance reported by the Ministry of Finance and Public Credit due to the change in the methodology used for the settlement of the commissions that the Bank must pay to the Contingency Fund of State Entities for credit operations with the IDB. The excess contributions made by the Bank from 2015 to 2019 amount to $7,298,464. Additionally, the Council of State's registration of ruling 17032022 favors the Bank in the contentious administrative proceedings against the Comptroller General of the Republic for $5,203,936, corresponding to the 2012 fiscal control fee.

27. OTHER EXPENSES

The disaggregation of other expenses is as follows:

	2023	2022
Contributions and affiliations	$ 4,343,597	$ 3,679,844
Administration services	86,225	95,082
Legal and notarial	99,025	24,067
Insurance	3,476,566	3,137,076
Maintenance and repairs	7,870,775	6,946,905
Adaptation and installation of offices	241,056	296,381
Activities in joint venture	2,905,990	2,115,769
Fines and penalties	2,320	3,008
Cleaning and security services	1,484,300	1,230,277
Staffing services	1,248,684	495,415
Advertising and publicity	525,191	827,222
Public relations	119,935	72,075
Public services	1,203,276	1,088,461
Travel expenses	1,120,923	863,235
Transportation	965,764	898,668
Supplies, stationery, and reference books	123,480	118,267
Publications and subscriptions	472,990	416,344
Photocopying service	829	2,346
Working lunches	160,580	182,412
Cafeteria supplies	110,674	92,842
Toiletries	110,459	80,157
Postage and courier services	149,240	163,448
Telex data transmission. tas. SWIFT	1,525,645	1,428,685
Building management	1,311,618	1,101,108
Minor fixtures and fittings	4,556	21,018
Commercial information	1,116,958	1,111,980
Storage and custody of magnetic files	114,574	163,223
Bancóldex Contact Center	2,233,484	1,814,099
Stock exchange registrations	88,000	72,200
Alternate contingency processing service	689,108	711,294
Institutional notices and announcements	56,960	48,584
Corporate communications	186,215	132,650
Internet services and electronic communications	1,213,532	1,370,047
Withholdings and taxes borne	171,194	179,818
Disaster recovery service	220,000	247,309
Prior period expenses	1,922,511	1,456,188
Events and refreshments, business training, and strategic planning	528,341	589,521
Goods received in payment and returned	2,450,148	2,209,690

Reversal of prior years' income	14,620	1,011,767
Others	796,998	264,462
Total	$ 41,466,341	$ 36,762,944

28. INCOME TAX

Income tax expenses include current income and ancillary taxes and deferred taxes and are accounted for in accordance with IAS 12, Income Taxes.

Current Income Tax

Current income and ancillary tax assets and liabilities for the current period are measured as the amount expected to be recovered from or paid to tax authorities. The tax rate and laws used to account for the amount are those in force or nominally in force.

The tax provisions applicable to the Entities set the income tax rate for 2022 and subsequent years at 35 %. Law 2155/2021 provided that financial institutions should pay additional points to the income tax for 2022 to 2025, equivalent to 3 %. However, Law 2277/2022 established that financial institutions should pay additional points to the income tax for 2023 to 2027, equivalent to 5 %. Thus, Bancóldex determined the income tax expense for 2023 and 2022 at 40 % and 38 %, respectively.

Deferred Income Tax

Deferred income and ancillary taxes are recognized for temporary differences between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax assets are recognized to the extent that it is probable that temporary differences, the carrying amount of unused tax credits and unused tax losses can be used.

Deferred taxes are measured at the tax rate expected to be applied to temporary differences when they are reversed based on laws that have been enacted or substantively enacted as of the reporting date.

Accordingly, the deferred tax must be measured for 2023 to 2027 at a general income tax rate of 35% and some additional points for being a financial institution of 5%, for a total rate of 40%, which was modified by Law 2277 of December 13, 2022.

Finally, Decree 2617 of December 29, 2022, issued by the Ministry of Trade, Industry, and Tourism, provided an accounting alternative to mitigate the effects of the income tax rate change in the 2022 taxable period. It consists of recognizing the amount of the deferred tax derived from the change in the rate of additional points applicable to financial institutions in accumulated profit or loss for prior periods within an entity's equity; that is, the two additional points of going from a rate of 3% to 5%. As background, Decree 1311/2021 gave the same option for the effect caused by the modification of the income tax rate and additional points enshrined in Law 2155/2021. By Circular 002 of December 17, 2021, Grupo Bicentenario S.A.S. established as a guideline for all subordinate entities not to take the alternative of recognizing it in the accumulated profit or loss for prior periods within an entity's equity. Thus, the effects of the rate change were recognized in profit or loss.

28.1. Current tax assets and liabilities: The following is the disaggregation of current tax assets and liabilities:

	2023	2022
Current tax assets		
Other self-withholdings and withholdings by third parties	$ 73,788,127	$ 50,220,593
Current tax liabilities		
Income tax payable	51,217,998	2,901,246
Total	$ 22,570,129	$ 47,319,347

28.2. Income tax

For 2023 and 2022, the Bank calculated the provision for income tax based on ordinary income.

The main items of income tax expense for the twelve-month periods ended December 31, 2023, and 2022, respectively, are as follows:

	2023	2022
Current tax:		
Income tax for current year	51,217,998	2,901,246
Deferred tax:		
Current period	(5,489,314)	39,417,046
Adjustments to deferred taxes attributable to changes in tax laws and rates	321,045	7,084,493
	(5,168,269)	46,501,539
Total income tax recognized in the period	$ 46,049,729	$ 49,402,785

28.3. Reconciliation between profit before taxes and net income

The reconciliation between income before taxes and taxable net income for 2023 and 2022 is as follows:

	2023	2022
Income tax:		
Earnings before tax	$ 91,564,782	$ 95,448,426
Plus items that increase income		
Non-deductible taxes	10,804,248	14,679,469
Non-deductible debit tax (GMF)	10,001,962	7,330,735
Non-deductible provision for loan portfolio and returned assets	7,742,119	15,600,462
Restatement of unrealized foreign currency liabilities for tax purposes	(317,663,024)	81,062,213
Revenue from tax realization of financial derivatives	(47,196,151)	94,098,166
Loss on valuation of financial derivatives	89,144,853	47,170,318
Tax income from investment portfolio at nominal rate	116,607,715	87,238,118
Higher non-deductible accounting depreciation expense	1,123,189	939,049
Recovery depreciation sale of fixed assets	651,599	-
Effects of the sale of fixed assets	(715,628)	164,174
Other non-deductible expenses / expenses abroad subject to limits	5,991,067	3,138,522
	(123,508,050)	351,421,225

Less items that decrease income		
Untaxed dividends	(6,548,569)	(75,856)
Non-tax equity method income	(10,291,784)	(849,577)
Untaxed income from portfolio valuation at market prices	(130,058,119)	(79,184,738)
Restatement of unrealized foreign currency assets for tax purposes	316,565,292	(198,673,360)
Recovery of untaxed provisions	(6,356,161)	(12,460,530)
Revaluation of untaxed properties and equipment	(342,025)	(987,532)
Effect of sale of fixed assets/exempt income	(3,004,383)	-
Tax credit amortization	-	(130,818,494)
	159,964,252	(423,050,087)
Net income taxable	$ 128,020,983	$ 23,819,564
Revenue from capital gains - sale of fixed assets	1,589,100	4,348,571
Tax cost of the sale of fixed assets	(1,525,071)	(4,512,745)
Occasional taxable income	64,029	-
At the legal tax rate	35%	35%
Income tax	44,807,344	8,336,847
Additional points for financial institutions 5% - 3%	6,401,049	714,587
Income tax 10%	9,604	-
Tax discount- 50% ICA PAID	-	(6,310,860)
Current tax	$ 51,217,998	$ 2,901,246

28.4. Tax loss compensation

The Entities do not have tax losses to compensate.

28.5. Accumulated presumptive income and accumulated tax losses

The Entities do not have tax losses to compensate.

28.6. Income tax recognized in other comprehensive income

	2023	2022
Deferred tax		
From income and expenses recognized in other comprehensive income:		
Revaluations of available-for-sale financial assets	$ 649,248	$ (39,206,083)
Revaluations of financial instruments treated as cash flow hedges	(2,916,710)	(12,483,378)
Financial lease contract	(150,250)	(150,250)
Valuation (devaluation) at fair value of private equity fund	30,266,622	26,634,625
Profit (loss) from exchange difference on investments in investments abroad	823,271	2,032,815
Property revaluations	4,799,839	4,799,839
Valuation (devaluation) of investments in associates	439,635	1,827,134
Other - Expected loss impairment	69,117	69,117
Total income tax recognized in other comprehensive income	$ 33,980,772	$ (16,476,181)

28.7. Deferred tax balances

The following is an analysis of the deferred tax assets/liabilities presented in the Statement of Financial Position:

	2023	2022
Deferred tax assets	$ 89,312,623	$ 239,282,860
Deferred tax liabilities	(183,145,141)	(287,826,696)
Total	$ (93,832,518)	$ (48,543,836)

2023	Opening balance			Activity		Closing balance		
Deferred tax items	**Assets**	**Liabilities**	**Net**	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Assets**	**Liabilities**	**Net**
Derivative financial instruments - valuation	$ 31,362,763	$ (13,905)	$ 31,348,858	$ 16,779,481	$ (9,566,669)	$ 38,562,719	$ (1,049)	$ 38,561,670
Financial assets at fair value through profit or loss	8,600,137	-	8,600,137	(7,094,553)	-	1,951,718	(446,134)	1,505,584
Available-for-sale financial assets	39,206,083	-	39,206,083		(39,855,331)	-	(649,248)	(649,248)
Financial assets at fair value through OCI - Equity instruments	-	(32,874,657)	(32,874,657)	189,777	(2,244,498)	-	(34,929,378)	(34,929,378)
Exchange difference of foreign currency assets and liabilities	152,971,552	(156,878,294)	(3,906,742)	2,628,102	1,209,544	39,091,109	(39,160,206)	(69,097)
Loan portfolio and accounts receivable		(58,876,488)	(58,876,488)	(11,296,566)	-		(70,173,054)	(70,173,054)
Property, plant, and equipment	379,004	(16,148,658)	(15,769,654)	(95,240)	-	446,740	(16,311,634)	(15,864,894)
Non-current assets		(15,905,801)	(15,905,801)	(1,847,160)	-		(17,752,961)	(17,752,961)
Finance leases	4,751,473	(4,868,827)	(117,354)	139,687	-	3,439,539	(3,417,209)	22,330
Intangible assets	441,309	(155,430)	285,879	(28,517)	-	492,516	(235,154)	257,362
Provisions (administrative expenses)	379,254		379,254	(13,668)	-	365,586	-	365,586
Impairment of other accounts receivable	1,191,283	(69,117)	1,122,166	(4,386)	-	1,186,897	(69,117)	1,117,780
Agreements	-	(2,035,518)	(2,035,518)	5,811,311	-	3,775,799	3	3,775,802
	$ 239,282,858	$ (287,826,695)	$ (48,543,837)	$ 5,168,268	$ (50,456,954)	$ 89,312,623	$ (183,145,141)	$ (93,832,518)

2022	Opening balance			Activity		Closing balance		
	Assets	Liabilities	Net	Recognized in profit or loss	Recognized in other comprehensive income	Assets	Liabilities	Net
Deferred tax items								
Derivative financial instruments - valuation	$ 6,197,678	$ (35,762,133)	$ (29,564,455)	$ 54,625,297	$ 6,288,015	$ 31,362,763	$ (13,906)	$ 31,348,857
Financial assets at fair value through profit or loss	1,890,722	-	1,890,722	6,709,415	-	8,600,137	-	8,600,137
Available-for-sale financial assets	82,564,121	-	82,564,121	-	(43,358,038)	39,206,083	-	39,206,083
Financial assets at fair value through OCI - Equity instruments	-	(26,629,185)	(26,629,185)	88,435	(6,333,907)	-	(32,874,657)	(32,874,657)
Exchange difference of foreign currency assets and liabilities	138,813,946	(82,542,338)	56,271,608	(59,163,564)	(1,014,786)	152,971,552	(156,878,294)	(3,906,742)
Loan portfolio and accounts receivable		(47,011,433)	(47,011,433)	(13,900,573)			(60,912,006)	(60,912,006)
Property, plant, and equipment	348,946	(14,973,463)	(14,624,517)	(1,166,909)	21,772	379,004	(16,148,658)	(15,769,654)
Non-current assets		(15,155,901)	(15,155,901)	(749,900)	-	-	(15,905,801)	(15,905,801)
Finance leases	2,796,053	(2,694,008)	102,045	(219,399)	-	4,751,473	(4,868,827)	(117,354)
Intangible assets	611,394	(208,841)	402,553	(116,673)	-	441,310	(155,430)	285,880
Provisions (administrative expenses)	121,263		121,263	257,992	-	379,255	-	379,255
Impairment of other accounts receivable	303,469	(69,117)	234,352	887,814	-	1,191,283	(69,117)	1,122,166
Agreements	3,113,788	-	3,113,788	(3,113,788)	-	-	-	-
	236,761,380	(225,046,419)	11,714,961	(15,861,853)	(44,396,944)	239,282,860	(287,826,696)	(48,543,836)
Tax losses	30,639,686	-	30,639,686	(30,639,686)	-	-	-	-
Total	$ 267,401,066	$(225,046,419)	$ 42,354,647	$ (46,501,539)	$ (44,396,944)	$ 239,282,860	$ (287,826,696)	$ (48,543,836)

The deferred tax expense (income) related to changes in tax rates for 2023 and 2022, which went from 38 % to 40 %, is due to the increase in the general income tax rate and surtax applicable to financial institutions (3 %), according to Law 2277/2022, is the following:

	2023	2022
Derivative financial instruments - valuation	$ -	$ (943,274)
Financial assets at fair value through profit or loss	-	(213,199)
Exchange difference of foreign currency assets and liabilities	321,045	5,261,234
Loan portfolio and accounts receivable	-	2,943,824
Finance leases	-	13,943
Intangible assets	-	(1,005)
Provisions (administrative expenses)	-	(18,963)
Impairment of other accounts receivable	-	(59,843)
Agreements	-	101,776
Total	$ 321,045	$ 7,084,493

29. CONTINGENCIES

As of December 31, 2023, and 2022, the Bank dealt with lawsuits in favor and against. The claims of the lawsuits were assessed based on the analysis and opinions of the lawyers, and the following contingencies were determined:

Contingencies payable (lawsuits against)

As of December 31, 2023, and 2022, employment litigation totaling $287,388 was recorded. The following table details the lawsuits classified as possible (medium).

Parties	General Information	Status of the Lawsuit	2023	2022
JORGE MARIO JARAMILLO CARDONA v. BANCÓLDEX AND OTHERS	Nature: Ordinary labor lawsuit Identification: Administrative Court 25 of Bogotá	It intends to order the defendant entities to make labor payments derived from failure to make timely pension contributions for Mr. Jaramillo between 1990 and 1992 at the commercial offices of the Government of Colombia in Los Angeles. A judicial decree rejects the lawsuit. 8-24-23: The plaintiff files a motion for reconsideration with a supplementary appeal. 8-31-23: The document submitted by the plaintiff is notified. 9-8-23: It is set for judicial decision. A judicial decree rejects the lawsuit. 8-24-23: The plaintiff files a motion for reconsideration with a supplementary appeal against the order that rejected the lawsuit. 8-31-23: The document submitted by the plaintiff is notified. 9-8-23: It is set for judicial decision.	**287,388**	**287,388**
ANDRÉS ESPINOSA FENWARTH v. BANCÓLDEX and Colpensiones	Nature: Administrative Litigation. Identification: Administrative Court of Cundinamarca	The lawsuit seeks to order the defendant Colpensiones to recognize the plaintiff's old-age pension, to which he has been entitled since he turned 60, and the Bank to pay the contributions not made to Colpensiones from August 16, 1989, to December 15, 1993. 7-18-2022: The lower court ruling is notified, denying the lawsuit claims with no order to pay court costs. 10-31-22: The appeal is admitted and referred to the Court. 3-21-23: The lawsuit is set for judicial decision.	-	-

ALBERTO RIVADENEIRA TELLEZ v. COLPENSIONES AND OTHERS	Nature: Ordinary labor lawsuit Identification: Labor Court 37 of the Bogotá Circuit	It intends to order the defendant entities to make labor payments derived from failure to make timely pension contributions. 8-4-22. An initial hearing is set up in which the conciliation stages, with prior exceptions, take effect under Section 77 of the Labor and Social Security Procedural Code. The exception of lack of jurisdiction proposed by the Nation/Ministry of Foreign Affairs is rendered unproven. The latter files an appeal, so the case is ordered to be submitted to the Court. 1-20-2023: The appeal is reviewed, and the appealed decision is confirmed, so the competent jurisdiction is the ordinary labor court. 8-3-23: The lawsuit is set for judicial decision. 6-9-23: The hearing is set for February 15, 2024, at 8:30 am.	-	-
Total			**287,388**	**287,388**

Contingencies receivable (lawsuits in favor)

Employment litigation—As of December 31, 2023, and 2022, the valuation result of the lawsuit claims amounted to $714,188 and $1,096,098, respectively, with the following variation due to the withdrawal of the following lawsuits.

The following table details the litigation:

Parties	General Information	Status of the Lawsuit	2023	2022
BANCÓLDEX v. ALIANSALUD E.P.S. - ADRES	Nature: Ordinary labor lawsuit Identification: Labor Court 5 of the Bogotá Circuit 11001310500520190017300	9-2-21: The appeal is admitted. 9-1-21: Closing arguments are submitted by the Bank's attorney. 4-11-22: The lawsuit is forwarded to the secretary of the Court so that it can be distributed to another Office under Agreement PCSJA22-11978 dated July 29, 2022 (Case Expedition) 12-15-22: The closing arguments are notified. 1-12-23: A writing is received from Bancóldex's attorney. 1-19-23: A writing is received from Aliansalud. 9-28-23: The lawsuit is set for judicial decision.	68,275	68,275
BANCÓLDEX v. CAFESALUD E.P.S. - ADRES	Nature: Ordinary labor lawsuit Identification: Labor Court 47 of the Bogotá Circuit 11001310501520190017100	4-4-2022: Rectification of the response to the lawsuit by the UGPP is provided. 7-7-22: The lawsuit is deemed answered, and the amended lawsuit is notified. 4-26-23: Considering that the answers are available, Bancóldex files a burden to advance the legal proceedings memorial. 5-16-23: The lawsuit is ordered to be submitted to Labor Court 47 of the Circuit to continue with the proceedings and hold the hearing under Section 77 of the Labor Procedural Code. 5-23-23: A motion for reconsideration is filed against the judicial decree dated May 16, 2023. 5-30-23: The judicial decree is not reconsidered, and the appeal is not admitted. Hence, the decision remains final, and the lawsuit is forwarded to Labor Court 47 of the Bogotá Circuit. 6-16-23: The lawsuit is forwarded to Labor Court 47 of Bogotá. 7-24-23: Substitution of the defendant's power of attorney is provided. 11-24-23: Labor Court 47 of the Circuit acknowledges it and sets the initial hearing date for November 21, 2024, at 2:00 pm.	565,515	565,515
BANCÓLDEX v. COMPENSAR E.P.S. - ADRES	Nature: Ordinary labor lawsuit Identification: Labor Court 12 of the Bogotá Circuit 11001310501220190016500	7-21-22: A hearing is held in which the stages of conciliation, litigation establishment, decree, evidence examination, and closing argument submission are exhausted. The trial hearing is set for September 9, 2022, at 8:00 am. 9-9-22: Judgment is issued in favor of the Bank. ADRES is ordered to pay through Compensar the sum of $87 billion, and Compensar is ordered to pay the sum of $30 billion, with the interest accrued since June 28, 2018, under Section 4 of Decree 1281/2002. The defendants file an appeal. 10-18-22: The appeal is admitted. 11-1-22: Closing arguments are submitted by the Bank and Compensar. 11-3-22: ADRES submits closing arguments.	-	132,811

BANCÓLDEX v. SURA E.P.S. - ADRES	Nature: Ordinary labor lawsuit Identification: Labor Court 25 of the Bogotá Circuit 11001310502520190018500	4-21-23: A judgment is issued in favor of Bancóldex, and EPS SURA is ordered to pay court costs for $1,800,000. 5-9-23: The Superior Court of Bogotá - Labor Chamber admits the appeal. 10-11-23: Closing arguments are notified. 10-18-23: The Bank's attorney submits closing arguments.	-	55,701
BANCÓLDEX v. FAMISANAR E.P.S. - ADRES	Nature: Ordinary labor lawsuit Identification: Administrative Court 42 of Bogotá 11001333704220220029600	2-28-22: The response to the lawsuit by ADRES and Famisanar is inadmissible. 8-8-22: The claim is deemed answered. 6-6-22: The initial hearing is held, rendering a lack of jurisdiction. Therefore, it is decided to refer it to the Administrative Courts. 10-4-22: A motion for reconsideration is filed by the Bank's attorney, considering that the matter does not fall under the jurisdiction of the Administrative Judge but of the Ordinary Justice. 12-15-22: The judicial decree is not reconsidered, and the appeal is denied. 1-16-23: Rectification of the lawsuit is submitted. 6-16-23: The lawsuit is again rendered inadmissible, and ten days are granted for rectification. 6-23-23: Rectification of the lawsuit is submitted. 9-11-23: The lawsuit is rejected due to the expiration of the action. 9-22-23: An appeal is filed against the judicial decree that rejected the lawsuit. 10-20-23: An appeal barring the execution of the judicial decree that rejected the lawsuit is admitted.	61,374	61,374
BANCÓLDEX v. SANITAS E.P.S. - ADRES	Nature: Ordinary labor lawsuit Identification: Labor Court 32 of the Bogotá Circuit 11001310503220190072300	2-21-21: Sentence. The defendant files an appeal, which is ordered to be sent to the court. 5-19-22: The appeal ruling is notified, which partially revokes the initial ruling and orders the payment of $27,117,900. 6-8-21: Bancóldex files an appeal. 9-12-22: Court denies appeal. 2-5-23: Sanitas pays Bancóldex the amount ordered in the ruling.	-	145,997
BANCÓLDEX v. Cruz Blanca E.P.S. - ADRES	Nature: Ordinary labor lawsuit Identification: Administrative Court 42 of Bogotá 11001333704220220009500	6-29-22: Under Section 139 of the General Code of Procedure, it is considered that the judicial decree whereby a lack of jurisdiction to hear the matter is rendered does not allow an appeal. It is ordered to forward the lawsuit to the Administrative Courts again. 8-23-22: The Bank's attorney files a motion for reconsideration against the order that did not admit the lawsuit. 11-10-22: The judicial decree is not responded to, and the appeal is denied, so the term for rectifying the lawsuit starts to run. 11-25-22: Rectification of the lawsuit is submitted by Bancóldex. 2-27-23: The administrative court admits the lawsuit and orders notification. 3-14-23: Response to the lawsuit is received from Cruz Blanca. 4-18-23: Response to the lawsuit is received from the ADRES. 6-30-23: The exception of an improper lawsuit due to lack of formal requirements is rendered proven, and the lawsuit is terminated. 7-5-23: The Bank's attorney files an appeal against the judicial decree that terminates the lawsuit. 9-8-23: The appeal is admitted and forwarded to the Administrative Court of Cundinamarca. 10-6-23: It is set for judicial decision.	19,024	19,024
BANCÓLDEX v. SALUDCOOP E.P.S. - ADRES	Nature: Ordinary labor lawsuit Identification: Labor Court 20 of the Bogotá Circuit 11001310502020190019800	On October 10, the notification was received at the court, and on October 31, the case was set for judicial decision. The lawsuit was answered on May 14 by judicial decree, and a hearing date was set for June 1, 2021, at 10:00 a.m. 6-9-21: Sentence. The appeal barring the execution of judgment is granted, and the case is forwarded to the Court. 7-12-23: The Court admits the appeal and notifies the parties of closing arguments. 7-26-23: The Bank's attorney submits closing	-	-

		arguments. 8-1-23: The defendant submits closing arguments.		
BANCÓLDEX v. Servicios Occidentales de Salud E.P.S. - ADRES	Nature: Ordinary labor lawsuit Identification: Small Labor Claims Court 3 of Cali, Valle del Cauca. 76001410500320190041500	4-8-22: Initial hearing is held and adjourned, and the ADRES is ordered to be notified of the lawsuit at the plaintiff's attorney's request. The hearing is set to be resumed on July 2, 2022. 11-10-22: A ruling is issued in favor of the Bank, and ADRES is ordered to pay the sum of $6,301,600 through EPS SOS for the refund of social security health contributions paid in error. SOS is ordered to pay interest on the sum of $6,301,600 accrued from June 28, 2018, to the date of payment of the obligation under Section 4 of Decree 1281/2002. Legal representation costs are $700,000, and the UGPP is released. 5-4-2023: EPS SOS pays Bancóldex the amount ordered in the ruling.	-	6,302
BANCÓLDEX	Nature: Ordinary labor lawsuit	The notification was received at the court on October 10, and on October 31, the case was set for judicial decision. The lawsuit was answered on May 14 by judicial decree, and a hearing was set for June 1, 2021, at 10:00 a.m. 06-09-21: Sentence. The appeal barring the execution of judgment is admitted, and the case is set for judicial decision.	-	41,099
Total			714,188	1,096,098

Civil litigation—As of December 31, 2023, and 2022, the valuation result of civil claims include:

	2023	2022
Carlos Guillermo Rojas Prieto	Withdrawn	$ 17,903
Boyacá Province	$ 26,932	-

Executive litigation—As of December 31, 2023, and 2022, the valuation result of executive claims amounted to $3,647,740 and $6,432,420, respectively.

Counterparty	**Action**	**2023**	**2022**
Comercializadora Seul Fd Ltda.	Executive	219,515	-
Majolica Trading C.I S.A.	Executive	1,113,883	-
Estudios De Ingeniería Y Construcciones Escinco	Executive	766,049	-
Jaime Guinovart Avendaño	Executive	1,548,293	-
Giraldo y Duque S.A. y C.I. Giraldo Duque Ltda. (Cartera Internacional C.F.)	Executive	-	320,833
ALVARO PIO ARCINIEGAS ESPAÑA	Executive	-	43,793
IKONOS INMOBILIARIA S.A.S., MARIA ANGELICA NIÑA PEÑA, CAMPO ELÍAS LÓPEZ DAZA, and DIANA JUDITH LOPÉZ CAICEDO (Cartera Internacional C.F.)	Executive	-	1,860,336
TRITURADOS Y PREFABRICADOS	Executive	-	2,407,407
José Luis Ovalle (Cartera Internacional C.F.)	Executive	-	50,000
Reimpex S.A.S. (Internacional C.F.)	Executive	-	88,430
Centro Internacional de Biotecnología - CIBRE (Internacional C.F.)	Executive	-	270,000
Districacharrería la 13 S.A.S.	Executive	-	381,421
Artefacto Constructores S.A.S.	Executive	-	106,470

Comercializadora Seul FD LTDA. - Francisco Oriel Duque Zuluaga	Executive	-	219,515
ASOCIACION ONG AVANSAR	Executive	-	589,571
OSCAR WILLIAM VARGAS	Executive	-	34,552
COMERCIALIZADORA FUNDIALUMINIOS ALVARO HERNANDEZ GIRALDO MARIA FERNANDA HERNANDEZ MEDINA	Executive	-	60,092
Total		**3,647,740**	**6,432,420**

The amounts decreased for the specified years due to a change in the risk rating of some executive proceedings.

Restitution litigation—The following is the disaggregation of the restitution processes classified as possible*:*

Counterparty	Action	2023
Manufacturera De Grandes Cocinas S.A.S. (Internacional C.F.)	Oral - Restitution of Leased Property	1,084,256
El Universo Del Ajo	Oral - Restitution of Leased Property	2,104,378
Ici Inversiones Y Construcciones Industrializadas S.A.S.	Oral - Restitution of Leased Property	1,256,424
H.A.C. Constructora S.A.S.	Oral - Restitution of Leased Property	213,394
Balanceados del Magdalena	Oral - Restitution of Leased Property	957,529
Bamocol S.A.	Oral - Restitution of Leased Property	21,318
Industria Colombiana De Salsas Y Sazonadores S.A.S.	Oral - Restitution of Leased Property	567,880
Unitel Sa Esp	Oral - Restitution of Leased Property	248,278
Nestor Eduardo Ariza	Oral - Restitution of Leased Property	490,850
Zona Franca Sur Colombiana	Oral - Restitution of Leased Property	200,563
Manuel Barreto Urrego	Oral - Restitution of Leased Property	477,295
Proturismo De Colombia S.A.S.	Oral - Restitution of Leased Property	-
Flamingo Mar Ltda.	Oral - Restitution of Leased Property	210,000
Ferreteria Puntialambres S.A.S.	Oral - Restitution of Leased Property	-
Soluciones Globales Y Logisticas De Transporte S.A.S.	Oral - Restitution of Leased Property	-
Jby Servicios S.A.S.	Oral - Restitution of Leased Property	-
Plasticos Y Desechables C M Cía. Ltda.	Oral - Restitution of Leased Property	-
Fantasias Y Accesorios Holguin S.A.S.	Oral - Restitution of Leased Property	-
Fabrica De Hielo Barranquillita Ltda.	Oral - Restitution of Leased Property	2,059,864
Generamos Del Caribe S.A.S.	Oral - Restitution of Leased Property	1,524,706
Tecnobloques S.A.	Oral - Restitution of Leased Property	17,318
Inversiones Trout Lastra, Jorge Enrique Trout Guardiola	Oral - Restitution of Leased Property	399,334
Inversiones Ch & D Ltda.	Oral - Restitution of Leased Property	
Lagomar San Jose	Oral - Restitution of Leased Property	-
Ingenieria Servicios Y Logistica Isl S.A.S.	Oral - Restitution of Leased Property	-
Yamhure Acosta S.A.S.	Oral - Restitution of Leased Property	1,159,235

Productos Alimenticios Alapresa S.A.	Oral - Restitution of Leased Property	144,518
Modulor S.A.S.	Oral - Restitution of Leased Property	
Jm Security Advisors	Oral - Restitution of Leased Property	-
Transportes Alto Nivel S.A.S.	Oral - Restitution of Leased Property	-
Click Distribuciones S.A.S.	Oral - Restitution of Leased Property	410,468
Industrias Alimenticias La Reina S.A.S.	Oral - Restitution of Leased Property	88,560
Distribuidora Y Comercializa	Oral - Restitution of Leased Property	40,374
Dora Festival S.A.S.		
Reencahucadora Hercules S.A.	Oral - Restitution of Leased Property	1,396,420
Redecom Ot S.A.S.	Oral - Restitution of Leased Property	-
Empresa Internacional De Soluciones De Energia Electrica Temporal S.A.S. Enertem S.A.S.	Oral - Restitution of Leased Property	214,978
Comercuializadora La Rochela S.A.S. - Comercializadora Disfruver Nueva Era S.A.S.	Oral - Restitution of Leased Property	50,054
Familia Indutobon	Oral - Restitution of Leased Property	105,000
Presmo Integral Zomac S.A.S.	Oral - Restitution of Leased Property	-
Diseños Creativos D.C. Ltda.	Oral - Restitution of Leased Property	-
Marketing Store S.A.S.	Oral - Restitution of Leased Property	-
Construcciones Lar Y Cia S.A.S.	Oral - Restitution of Leased Property	-
Sanseu S.A.S.	Oral - Restitution of Leased Property	1,569,859
Grupo All Digital S.A.S.	Oral - Restitution of Leased Property	91,347
Patacol S.A.S.	Oral - Restitution of Leased Property	1,320,223
M&M Defense Ltda.	Oral - Restitution of Leased Property	128,880
Formetacol	Oral - Restitution of Leased Property	3,300,000
Cms Arquitectos S.A.S.	Oral - Restitution of Leased Property	392,763
Todo Plasticos Bogota S.A.S.	Oral - Restitution of Leased Property	540,000
Soluciones Empresariales Pw S.A.S.	Oral - Restitution of Leased Property	20,349
Enmetalica S.A.S.	Oral - Restitution of Leased Property	348,000
Multinacional De Productos S.A.S.	Oral - Restitution of Leased Property	330,000
Productos De Seguridad Industrial Ltda. - Prodesein.	Oral - Restitution of Leased Property	43,056
Soluciones Outsourcing Bpo. S.A.S.	Oral - Restitution of Leased Property	2,682,286
Inmejosa S.A.S.	Oral - Restitution of Leased Property	181,629
Gayco Ingenieros Constructores S.A.S.	Oral - Restitution of Leased Property	92,445
Maderas Y Manufacturas S.A.S.	Oral - Restitution of Leased Property	92,445
Movicon Constructores S.A.S.	Oral - Restitution of Leased Property	4,422,000
Distribuciones Ores S.A.S.	Oral - Restitution of Leased Property	-
Sabys Garcia Hnos. Y Cía. Ltda.	Oral - Restitution of Leased Property	-
Clinica Del Sistema Nervioso	Oral - Restitution of Leased Property	-
		30,998,276

The return proceedings are classified as possible due to the existence of an asset underlying the incumbent leasing transaction owned by the Bank and over which possession is intended to be recovered.

The following is the disaggregation of the main contingencies to which Fiducoldex is a party as of December 31, 2023, which are classified as contingent and must be disclosed:

Settlement of Trusteeship Contract 467/2011: Entered into between Consorcio SAYP 2011 and the Ministry of Health and Social Protection (MSPS, for its acronym in Spanish), this contract ended in August 2017. However, during the settlement and handover process of the entire operation to the ADRES (acronym in Spanish for Resource Manager of the General Social Security System for Healthcare) as the new entity in charge of managing FOSYGA, a disagreement arose between the consortium and the MSPS/ADRES because the MSPS partially failed to fulfill the obligations contained in the contract concerned by not having paid Consorcio SAYP 2011 the higher costs related to the management of technological infrastructure, which has delayed the bilateral or mutual agreement settlement. Consorcio SAYP 2011 en Liquidación and the Trustees that comprised it initiated legal action against the MSPS to settle these disagreements.

The ADRES unilaterally settled the contract through Resolution 544/2021, seeking payment of $1,340,155. On May 31, 2023, the parties signed the conciliation agreement, which, among other things, fully settled the disputes caused by the economic effects of Resolution 544 of May 4, 2021, and Resolution 609 of May 28, 2021.

•Consorcio SAYP 2011, made up of Fiduprevisora and Fiducoldex, undertakes to reimburse the ADRES, under the settlement of the Trusteeship Contract 467/2011, the amount of SEVEN HUNDRED AND SIXTY MILLION FIVE HUNDRED AND THIRTY-SIX THOUSAND COLOMBIAN PESOS ($760,536,000). Fiduprevisora will cover the sum of SIX HUNDRED AND EIGHTY-FOUR MILLION FOUR HUNDRED AND EIGHTY-TWO COLOMBIAN PESOS ($684,482,000), corresponding to its ninety percent (90 %) share percentage in the consortium. Fiducoldex will contribute the sum of SEVENTY-SIX MILLION FIFTY-THREE THOUSAND COLOMBIAN PESOS ($76,053,000), corresponding to its ten percent (10 %) share percentage in the consortium. The agreed amount will be paid by each of the trust companies that are members of Consorcio SAYP 2011 in two equal installments, in the percentages established above, as follows:

a. The first for THREE HUNDRED AND EIGHTY MILLION TWO HUNDRED AND SIXTY-EIGHT THOUSAND COLOMBIAN PESOS ($380,268,000) within ten (10) business days of the date on which the order whereby the Administrative Court of Cundinamarca approves the relevant conciliation agreement is confirmed.

b. The second for THREE HUNDRED AND EIGHTY MILLION TWO HUNDRED AND SIXTY-EIGHT THOUSAND COLOMBIAN PESOS ($380,268) on the first business day of February of the following calendar year of such order.

Within the framework of the out-of-court conciliation procedure, whose convener was Consorcio SAYP 2011, made up of Fiduprevisora S.A. and Fiduciaria Colombiana de Comercio Exterior S.A. FIDUCOLDEX and the party summoned was ADRES, filed under number SIGDEA E-2022-422346 of 07/28/2022, which was submitted to the Attorney General's Office 55 for administrative matters, the conciliation hearing was held on June 1, 2023. This Office approved the conciliation agreement between Fiduprevisora and Fiducoldex, members of Consorcio SAYP 2011, and the ADRES.

The Attorney General's Office sent the conciliation agreement to the Administrative Court of Cundinamarca for legal compliance checks. As of the reporting date, the status of the proceeding remains pending the decision of the competent judge.

The Fiscal Responsibility Proceeding against Consorcio Pensiones Cundinamarca 2012, of which Fiducoldex is a member, may become a contingent liability. As of December 2022, it is underway, and its information is the following:

Consortium	Fiducoldex's Share	Total Amount	Fiducoldex's Amount
Cundinamarca Pensions Consortium 2012	45%	$ 3,285,544	$ 1,478,495

Current Status: As reported by the attorney in his report as of December 2023, the Delegate Comptroller's Office is studying the matter. On January 27, 2023, the attorney of the Ministry of Education filed an appeal against the sentence. Moreover, on February 2, 2023, the attorney of the trust company filed a response to the appeal filed by the Ministry of Education and the ruling that granted it. On November 16, 2023, an order was issued admitting the appeal filed by the Ministry of Education against the lower court ruling. Through a document dated December 6, 2023, the Intervention Delegate Prosecutor's Office 6, the first before the Council of State, issued a ruling regarding the appeal filed by the Ministry of National Education against the sentence handed down by the Administrative Court of Cundinamarca, requesting to confirm this ruling on December 7, 2022, which was favorable to the interests of the trust company.

30. BUSINESS MANAGED BY THE FIDUCIARY

The amount of the assets and liabilities for all the businesses managed by Fiducóldex as of December 31, 2023, and 2022 is broken down below:

Business category	Number of businesses	Assets	Liabilities
Management and Payments			
Real Estate Business	2	$ 30,262,308	$ 7,652,117
Management and Payment Business	122	4,487,335,209	2,100,136,934
Total Management and Payments	**124**	4,517,597,517	2,107,789,051
Guarantee Trust			
Guarantee Trust Business	42	256,495,567	832,100
Total Guarantee Trust	**42**	256,495,567	832,100
Pension Liabilities			
Pension Liability Business	7	324,077,887	13,104,557
Total Pension Liabilities	**7**	324,077,887	13,104,557
Collective Investment Fund			
Fics Fiducóldex	1	$ 584,064,572	$ 614,593
Fics 60 Moderate	1	21,133,050	27,292
Total Collective Investment Fund	**2**	605,197,622	641,885
Fondo Capital Privado			
Fondo Áureos Colombia	1	$ 4,179,040	$ 1,740,915
Bancóldex Fund of Funds	3	285,265,084	1,500,414
Total Private Equity Fund	**4**	289,444,124	3,241,329
Total	**179**	$ 5,992,812,717	$ 2,125,608,922

2022

Business category	Number of businesses	Assets	Liabilities
Management and Payments			
Real Estate Business	2	$ 30,263,802	$ 7,652,116
Management and Payment Business	81	2,444,568,646	489,640,861
Total Management and Payments	**83**	**2,474,832,448**	**497,292,977**
Securitizations			
Securitization Business	1	217,124,145	4,762,151
Total Securitizations	**1**	**217,124,145**	**4,762,151**
Guarantee Trust			
Guarantee Trust Business	46	44,204,612	902,599
Total Guarantee Trust	**46**	**44,204,612**	**902,599**
Pension Liabilities			
Pension Liability Business	7	5,338,175,246	14,230,056
Total Pension Liabilities	**7**	**5,338,175,246**	**14,230,056**
Collective Investment Fund			
Fics Fiducóldex	1	20,946	58
Fics 60 Moderate	1	17,812,733	22,013
Total Collective Investment Funds	**2**	**17,833,679**	**22,071**
Fondo Capital Privado			
Fondo Áureos Colombia	1	5,278,957	2,192,437
Bancóldex Bancóldex Fund of Funds	3	525,323,838	10,859,782
Total Private Equity Fund	**4**	**530,602,796**	**13,052,220**
Total	**147**	$ 8,622,772,925	$ 530,262,074

31. OPERATING SEGMENTS

Operating segments are defined as a component of an entity: (i) that carries out business activities from which it can obtain revenue and incur expenses; (ii) whose operating results are reviewed on a regular basis by the highest authority in making the entity's operating decisions on the funds that should be allocated to the segment and assess its performance; and (iii) for which differentiated financial information is available.

In accordance with this definition, the Board of Directors, the highest authority in making operational decisions, regularly reviews and evaluates a variety of information and key financial figures of the Bank's results as a whole to assess the performance and make decisions related to the investment and allocation of funds. So, the Bank operates in the following business segments as of December 31, 2023 y 2022:

December 31, 2023 Figures in thousands of pesos	Bancoldex Business	Fiducóldex Fiduciary Business	Subtotal	Eliminations		Consolidated Statement
				Debit	Credit	
Related Principal Asset Amount	**11.832.931.808**	**78.723.315**	**11.911.655.123**	**0**	**60.812.037**	**11.850.843.087**
Assets managed (Trust management business)	-	5.992.812.717	5.992.812.717			5.992.812.717
INCOME STATEMENT:						
Financial income generated	3.824.707.202	6.076.840	3.830.784.042	0	0	3.830.784.042
Financial expenses	3.533.263.356	8.495.451	3.541.758.808	0	16.433	3.541.742.374
Other Financial Income or Expenses (including commissions)	-5.208.096	38.771.951	33.563.855			33.563.855
Gross financial margin	**286.235.749**	**36.353.340**	**322.589.089**			**322.605.522**
Provisions for portfolio balance	20.676.414	-	20.676.414	0	0	20.676.414
Net financial margin	**265.559.334**	**36.353.340**	**301.912.674**			**301.929.107**
Operating expenses:						
Administrative expenses	130.455.552	32.508.018	162.963.569		927.121	162.036.448
Financial business taxes (*)	47.591.148	2.361.703	49.952.851			49.952.851
Other provisions(**)	38.073.669	28.100	38.101.769			38.101.769
Operating income	**49.438.965**	**1.455.519**	**50.894.485**			**51.838.039**
Net other income/expenses (including dividends) (***)	34.559.232	16.402.849	50.962.081	11.235.339	0	39.726.743
Income before tax	**83.998.198**	**17.858.368**	**101.856.566**			**91.564.782**
Income Tax	39.675.700	6.374.029	46.049.729			46.049.729
Utilidad neta	**44.322.498**	**11.484.339**	**55.806.837**			**45.515.053**

December 31, 2022 Figures in thousands of pesos	Bancoldex Business	Fiducóldex Fiduciary Business	Subtotal	Eliminations		Consolidated Statement
				Debit	Credit	
Related Principal Asset Amount	**12.858.951.217**	**64.750.319**	**12.923.701.536**	**0**	**51.030.270**	**12.872.671.266**
Assets managed(Trust management business)	-	8.973.372.983	8.973.372.983			8.973.372.983
INCOME STATEMENT:						
Financial income generated	3.531.711.446	32.835.471	3.564.546.917	0	0	3.564.546.917
Financial expenses	3.256.335.745	216.388	3.256.552.134	0	103.429	3.256.448.704
Other Financial Income or Expenses (including commissions)	-6.187.084	126.619	-6.060.465			-6.060.465
Gross financial margin	**269.188.617**	**32.745.701**	**301.934.319**			**302.037.748**
Provisions for portfolio balance	33.095.338	28.212	33.123.550	0	0	33.123.550
Net financial margin	**236.093.279**	**32.717.489**	**268.810.768**			**268.914.198**
Operating expenses:						
Administrative expenses	116.338.475	30.101.133	146.439.608		803.831	145.635.777
Financial business taxes (*)	33.256.641	1.552.259	34.808.900			34.808.900
Other provisions (**)	14.680.426	0	14.680.426			14.680.426
Operating income	**71.817.738**	**1.064.097**	**72.881.835**			**73.789.095**
Net other income/expenses (including dividends) (***)	22.312.415	997.132	23.309.547	1.650.217	0	21.659.330
Income before tax	**94.130.153**	**2.061.229**	**96.191.381**			**95.448.424**
Income tax	48.231.719	1.171.066	49.402.785			49.402.785
Net profit	**45.898.434**	**890.163**	**46.788.596**			**46.045.639**

December 31, 2023 Figures in thousands of pesos	Bancoldex Business	Fiducóldex Fiduciary Business	SUB-TOT	Eliminations		Consolidated Statement
				Debit	Credit	
Assets	**11.744.440.135**	**77.902.366**	**11.822.342.501**	-	60.812.037	**11.761.530.465**
Liabilities	**10.055.835.940**	**11.298.186**	**10.067.134.126**	1.124.158		**10.066.009.968**

December 31, 2022 Figures in thousands of pesos	Bancoldex Business	Fiducóldex Fiduciary Business	SUB-TOT	Eliminations		Consolidated Statement
				Debit	Credit	
Asset	**12.620.621.553**	**63.797.122**	**12.684.418.675**	-	51.030.270	**12.633.388.405**
Liabilities	**11.113.587.556**	**5.337.546**	**11.118.925.102**	916.224		**11.118.008.878**

32. RELATED PARTIES

The Entities consider the participation of the related parties in profit generation; the existence of the relationship with related parties such as: shareholders, members of the Board of Directors and Directors are clear examples of persons or Entities that influence or may influence and the financial situation of the Entities. It was also considered that the listed parties could carry out transactions that other parties, lacking relationship, could not. Therefore, a register is kept with the balances of assets and liabilities resulting from the reconciliation of balances, as well as the income and expenses incurred in each period corresponding to operations with related parties, as explained in detail below:

- Shareholders: set of transactions performed as a related party as defined in IAS24.

- Administrators: the President and Vice-Presidents of the Entities as well as Directors and Managers of Fiducóldex subsidiary are considered administrators.

Transactions with related parties – The Entities may carry out operations and enter into agreements or contracts with related parties, under the understanding that any such operations will be carried out at fair values in accordance with market conditions and rates.

During the periods completed on December 31, 2023 and 2022, none of the following operations were carried out between the Entities and its related parties:

- Loans that imply an obligation for the borrower that does not correspond to the essence or nature of the loan contract.

- Loans with interest rates different from those that are ordinarily paid or charged to third parties under similar conditions of term, risk, etc.

- Operations whose characteristics differ from those conducted with third parties.

The grouping of balances and operations with shareholders, administrators, and members of the Board of Directors is as follows:

Matriz

Transactions with shareholders

	2023	2022
EQUITY		
Subscribed and paid-in capital		
Grupo Bicentenario S.A.S.	$ 1,059,563,515	$ 1,059,563,515

Between the Bank and the aforementioned shareholder, there were no free or compensated services, loans without interest or any consideration, or operations whose characteristics differ from those carried out with third parties.

Operations with administrators

	2023	2022
ASSET		
Loan portfolio		
Housing	$ 2,415,514	$ 1,433,267
Consumer	117,576	89,642
Accounts receivable		
Interest receivable	14,748	14,872
Social welfare	16,680	16,400
Others	17,727	19,764
	$ 2,582,246	$ 1,573,945
LIABILITIES		
Accounts payable		
Social welfare	$ 6,087	$ 737,080
Others	986,002	-
Other liabilities		
Vacations	828,207	819,889
	$ 1,820,295	$ 1,556,969

INCOME		
Portfolio income		
Loan interest	$ 284,787	$ 199,043
Income - Sundry		
Profit in furniture sales	662,251	-
Other income	9,029	22
	$ 956,067	$ 199,065
EXPENSES		
Employee benefits		
Personnel Expenses	$ 5,794,003	$ 5,208,704
Expenses - Sundry		
Other	97,483	91,812
	$ 5,891,487	$ 5,300,516

The assets correspond mainly to housing and vehicle loans, to the accounts receivable on them, granted in accordance with the term and rate conditions in force in the internal regulations for housing and vehicle loans of the Bank's employees.

Transactions with the Board of Directors members:

	2023	**2022**
ASSET		
Accounts receivable - Other	$ -	$ 3,391
	-	3,391
LIABILITIES		
Suppliers	-	27,802
	-	27,802
EXPENSES		
Fees	1,388,060	1,354,662
Others	-	1,817
	$ 1,388,060	$ 1,356,479

It corresponds to fees paid for attending meetings of the Board of Directors, Credit Committee, GAP Committee, Audit Committee and Capital Funds Committees, among others. Neither free-of-charge services nor paid services were offered between the Bank and the members of the Board of Directors. Neither were interest-free loans nor operations different from those carried out with third parties.

Fiducoldex - The total amount of transactions carried out by Fiducóldex with related parties during the relevant period is presented below:

Disaggregation of balances of transactions with related parties:

	2023	2022
Operating expenses		
Cámara de Comercio de Bogotá Renewal, Membership, Certificates	$ 4,332	$ 6,715
Total	**$ 4,332**	**$ 6,715**

Remuneration to key personnel Fiducóldex – Key personnel members of the Fiducóldex include shareholders, managers, and members of the board of directors.

The amounts disclosed are those recognized as a cost or expense during the reporting period for compensation of the subsidiary's key personnel:

	2023	2022
Transactions with members of the Board of Directors		
Operating expenses		
Board of Directors Fees	$ 380,484	$ 282,550
Audit Committee Fees	12,734	4,780
Investment Committee Fees	18,560	-
Risk Management Committee fees	33,093	7,000
Total	**$ 444,871**	**$ 294,330**

	2023	2022
Transactions with directors		
Salaries	$ 5,410,861	$ 5,008,020
Incapacity	36,466	80,366
Vacations	396,147	273,182
Bonuses	9,375	14,891
Benefits and others	839,321	257,423
Special loans	-	391
Health aid	73,397	67,050
Compensations	15,279	42,234
Total	**$ 6,780,846**	**$ 5,743,557**

33. RISK MANAGEMENT

The Bank's risk management is a "cross-cutting" process across the organization. It is carried out comprehensively in compliance with current regulations and the internal guidelines defined by the Board of Directors. Risk management includes identifying, measuring, monitoring, controlling, and minimizing risks in pursuing the Bank's financial sustainability. It is supported by an organizational structure that ensures the independence of functions between the front-, middle-, and back-office areas. This management materializes in implementing and applying

SIAR, which is interrelated with credit, market, liquidity, operational, environmental, and social risk management. The Strategic Risk Management System (SARE, for its acronym in Spanish) and the Money Laundering and Terrorist Financing Risk Management System (SARLAFT, for its acronym in Spanish) are part of comprehensive risk management. Each system includes policies, risk measurement and monitoring methodologies, and clear identification of processes and procedures.

The Board of Directors is the main body responsible for the Bank's risk management and as such it is responsible for the risk and organizational structure that supports the Bank's management procedures through the different risk systems on an individual and consolidated basis.

The organizational structure includes committees and dedicated areas whose priority is the activities related to risk management. They also support the definition of guidelines and strategies and the monitoring and control of such management. Similarly, the internal audit (on behalf of the Internal Comptroller Officer) and the Tax Auditing Office are informed of the operations carried out by the Bank and regularly submit reports related to their assessments on risk management.

Committees are decision-making bodies that support the Board of Directors for the management of different risk categories:

Instance	Risk category	Main functions
Risk Management Committee of the Board of Directors	Credit Risk Operational Risk Liquidity Risk Market Risk Strategic Risk Environmental and Socials Risks	• Analyze policy proposals to address credit risk, market risk, liquidity risk and operational risk and recommend their adoption or rejection before the Board of Directors. • Approve general guidelines for credit risk management methodologies. • Provide input about the Bank's operational risk profile. • Approve contingency and business continuity plans and arrange necessary resources for their timely implementation.
External Credit Committee	Credit Risk	• Approve the counterparty credit limit for financial entities. • Recommend to the Board of Directors the approval of direct credit operations, in accordance with the defined attributions. • Approve direct credit operations with companies, in accordance with the defined attributions.
SME Credit External Committee		• Approve direct credit operations with companies, in accordance with the defined attributions
Audit Committee	Credit Risk Operational Risk Liquidity Risk Market Risk AL/FT Risk Strategic Risk	• Analyze audit results for risk management process. • Monitor risk exposure, its implication for the entity, mitigation measures and control measures implemented

Instance	Risk category	Main functions
Internal Credit Committee	Credit Risk	• Approve direct credit operations with companies, according to attributions.
Portfolio Rating Committee	Credit Risk	• Approve debtors' credit ratings to calculate provisions. • Monitor debtors risk profile.
Asset and Liability Management Committee	Market Risk and Liquidity Risk	• Approve procedures and methodologies for managing market and liquidity risks. • Approve strategies for resource mobilization, resource attraction and hedging • Monitor the Bank's liquidity position
Inter-institutional Management and Performance Committee	Operational Risk and Strategic Risk	• Monitor the effectiveness and performance of SARO, MECI, and the Quality Management System by acting as the body that integrates and strengthens these management systems. • Acting as a body that is subordinate to the Board of Directors, recommend and approve risk profile measures, methodologies, and procedures for the management of operational risks. • Monitor the Bank's operational risk profile. • Analyze and approve information security policies and business continuity policies. • Recommend, control, and monitor the implementation of the Information Security Plan at the Bank. • Decision making in administrative processes and document management strategies.
Conglomerate Risk Committee	Credit Risk Operational Risk Liquidity Risk Market Risk SARLAFT Risk Strategic Risk	• Appear before Bancóldex' Board of Directors to propose the general policies on risk management that will apply to the entities of Bancóldex Group. • Monitor exposure to different types of risk, both for each entity of the Group and at a consolidated level..
Receivables Normalization Committee	Credit Risk	• Assess and make decisions to recover overdue receivables or anticipate non-payment situations derived from the financial condition up to the level of powers assigned as appropriate to reprofiling, modifications, restructuring, and portfolio arrangements.

Risk appetite framework statement—The Bank incorporates the risk appetite framework statement into the SIAR, which is approved and periodically reviewed by the Board of Directors. The Bank has limits and indicators for consolidated risk and each type of risk (top-down and bottom-up approaches). These estimates consider adverse scenarios and assess the negative impact on the Bank's profitability, solvency, and liquidity levels if any of them materialize. The risk appetite framework incorporates a governance structure that establishes responsibilities and powers to create action plans and procedures to maintain the defined risk profile.

As far as the Bank is concerned, risk appetite, risk tolerance and risk capacity are determined based on three variables that are essential for financial sustainability: profitability, measured through ROE; capital, measured with the solvency margin; and liquidity, defined in terms of assets required to meet short-term obligations.

The established metrics and limits are reviewed on an annual basis; however, compliance with risk appetite limits is monitored regularly and its results are submitted before the respective authority. Should breaches for the limits defined in the risk appetite framework arise, these should be reported to the pertinent instance together with the actions to be taken to correct them.

a) Credit risk

Qualitative information - Credit risk management at the Bank is aligned with the standards established by the Financial Superintendency of Colombia, principles framed in best international practices. For this purpose, the Bank manages credit risk in compliance with the provisions of the Comprehensive Risk Management System – SIAR, which incorporates policies, processes and procedures, granting and monitoring methodologies and audit processes, which cover the different products and segments served by the Bank.

Within the policies are those of a general nature that frame the Bank's credit operation, such as business strategy, provisions, write-offs, restructuring, among others, and specific policies for each of the Bank's products and segments that define the granting criteria, monitoring, maximum credit exposure and guarantees to be required.

The Bank has credit risk analysis methodologies and models that support specialized granting and monitoring processes for the different segments it serves. For local credit establishments, foreign financial intermediaries and entities focused on microenterprise credit, the models are based on the CAMEL methodology and incorporate quantitative, qualitative aspects and prospective analysis.

These models incorporate statistical information and are complemented with expert judgment. For direct loans to companies, the Bank has a granting and monitoring methodology that is based on the client's financial information, their payment behavior with the financial system in general and on the evaluation of the debtor's payment capacity and their future generation of funds. For SME segment loans, the Bank has methodologies, both for granting and monitoring, that, based on specific models, incorporate quantitative, qualitative, financial, sectoral elements and technical considerations, in addition to the sensitized and projected cash flow of the loans. clients for each of the products (Leasing, credit and factoring), which allow their payment capacity to be determined by the credit factory to be submitted for consideration by the different credit committees. The Vice Presidency of Risk and Credit is responsible for proposing to the Board of Directors the methodologies and models used for the origination and monitoring of credits. These models must be validated periodically in order to measure their effectiveness.

In 2023, adjustments were made to strengthen the credit granting and monitoring processes aligned with the strategies required by the organization. In the intermediary credit segment, country risk methodologies, entities aimed at microenterprise credit and Fintech were strengthened. In the SME segment, the new statistical model for granting credit was launched. On the other hand, the storage of SME direct credit granting information in the Bank's databases was strengthened.

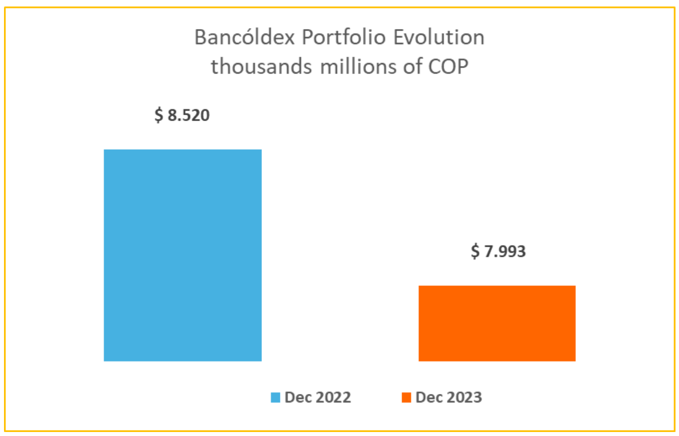
The Vice Presidency of Risk and Credit periodically reports to the Board of Directors and the different Committees on the results of the credit risk analysis and the evolution of the risk profile of both the Bank's credit operations and the counterparties. As part of the follow-up and monitoring process, the entire credit portfolio must be qualified monthly applying regulatory guidelines, which take into account the financial condition and payment capacity of each debtor. According to the rating assigned, the constitution of required provisions is defined. The methodology used by the Bank to measure the deterioration of financial assets is based on the expected loss methodology. The provisions established in the guidelines defined by the IASB in IFRS 9 (financial instruments) are followed.

IFRS 9 establishes an expected loss model, based on three components of credit loss: probability of default (PI), exposure at the time of default (EAI) and loss given default (PDI) under the guidelines of the accounting standard. IFRS 9.

During 2023, the processes and technology adopted by the Bank have been optimized and allow it to continue managing any credit operation in the granting, monitoring and recovery stages.

Quantitative information - Consolidated exposure to credit risk. The maximum exposure to credit risk of the Bancóldex Group is reflected in the value of the financial assets in the Statement of Financial Position as of December 31, 2022 and 2021 as indicated below

		2023		2022
Loan Portfolio	$	7,992,875,486	$	8,519,519,252
Debt securities		2,348,824,749		2,352,764,950
Equity securities		57,828,585		443,372,641
Derivates		188,040,780		563,849,564
Financial guarantees		4,618,250		191,840,520
Active money market operations		711,735,469		845,007,080
Maximum credit risk exposure	**$**	**11,303,923,319**	**$**	**12,916,354,007**



Risk concentration – The Bancóldex Group monitors credit risk concentration through different portfolio groupings such as type of entity, type of portfolio, risk category, and country, as shown below:

Distribución por tipo de cartera

Type of Portfolio		2023		2022
Business	$	7,969,859,790	$	8,499,933,548
Consumer		2,126,640		1,522,667
Housing		20,889,056		18,063,037
Total	$	7,992,875,486	$	8,519,519,252

The structure of the Bank’s loan portfolio mainly contemplates the business loan modality. This type of portfolio is divided into business portfolio under the rediscount mechanism and direct business portfolio for provision estimation models. Notwithstanding the preceding, and in compliance with External Circular Letter 054/2009 issued by the Financial Superintendence of Colombia, the Bank has housing and consumer portfolio corresponding exclusively to loans to officers and former officers granted before their retirement.

Distribución por calificación de riesgo

Rating	2023	2022
A	$ 7,394,328,336	$ 8,190,279,066
B	140,952,773	123,682,012
C	53,987,396	54,001,781
D	230,105,385	83,641,863
E	173,501,596	67,914,530
Total	$ 7,992,875,486	$ 8,519,519,252

Portfolio quality indicators

Portfolio quality		2023	2022
Risk profile	Indicator[1]	7.49%	3.86%
	Coverage (times)	0.37	0.56

1. Risk profile indicator = portfolio rated B-E/gross portfolio

2. Coverage= provisions/ portfolio rated B-E

As of December 2023, the balance of the net portfolio amounted to $7.9 trillion, with a 6.4% decrease compared to the previous year. The past-due portfolio indicator was 4.9%, higher than that in December 2022 due to general market conditions mainly for the direct portfolio of SME companies.

Impairment indicators::

Impairment is understood as the recognition of the expected loss of the credit portfolio under IFRS 9.

Impairment	2023	2022
Impairment amount	$ 224,034,614	$ 184,521,677
Impairment indicator	2.80%	2.12%

Credit risk management – Other financial instruments: The basic policies and rules for managing credit operations also cover treasury operations, particularly counterparties with which interbank and derivative transactions are carried out, among others. For each position that make up the investment portfolio, the Bancóldex Group has policies and limits that seek to minimize exposure to credit risk, including:

- *Credit and term limits for each counterparty* - defined by Bancóldex’s Risk Management Committee according to the results of the risk rating model for each counterparty

- *Trading limits* - verified by the front office before closing operations to ensure enough available to carry out the transaction.

- *Local master agreements and ISDAs/Credit Support Annex* - these bilateral agreements describe the handling of transactions between counterparties following international best practices and limit the legal and financial risk in the event of non-compliance. These documents establish risk exposure mitigation mechanisms (threshold), the procedures to be followed in the event of default, and the special conditions per type of transaction applied to derivatives.

- *Alerts by counterparty* – the Bancóldex Group has alert indicators that allow timely identification of changes in the financial position of counterparties. Bancóldex's Risk Vice-Presidency submits periodic reports to the Risk Management Committee on the financial position of the counterparties with an assigned limit to operate.

b) Market risk

Qualitative information - Market risk is defined as the possibility of incurring losses, reducing the financial margin, or decreasing the economic value of equity due to changes in the price of financial instruments in which on- or off-balance sheet positions are held. These changes in the price of the instruments may occur as a result of changes in interest rates, exchange rates, and other important variables on which the economic value of such instruments depends.

Market risk management - In the Bancóldex Group, market risk is managed by identifying, measuring, monitoring, and controlling the different exposures to interest rate risk, exchange rate, positions in collective portfolios, stock price risk, and investment funds. Market risk management is permanent and generates daily, weekly, and monthly reports to senior management and all front, middle and back-office officers to make timely decisions for the adequate mitigation of the risks assumed and guarantee the risk appetite and risk limits approved by the Board of Directors. Such management falls within the guidelines of the Financial Superintendence of Colombia (Chapter XXXI of the CBCF) and is supported by internal methodologies to monitoring the exposure of the different products traded in the Bank's Treasury. The above is consolidated in the Manual of the Comprehensive Risk Management System - SIAR, which defines: policies, organizational structure, methodologies, etc.

In addition to the guidelines established for market risk management, Bancóldex complies with the guidelines established in Chapter XVIII – Derivative Financial Instruments and Structured Products and the provisions of External Circular 031 of 2019 regarding credit exposure for derivative financial instruments. .

Additionally, the Bank has the proper segregation of front, middle and back office areas that allow it to identify, measure and analyze the market risk information inherent to the different operations.

The businesses carried out by the Bank in which it has exposure to market risks are: purchase and sale of fixed income products in legal currency and foreign currency, positions in the cash and forward markets, Bonds and TDs of the financial sector with indexation in variable rates such as CPI, DTF and IBR. The Bank has a treasury business strategy and derivative financial instruments, ensuring that the risks assumed do not affect the Bank's soundness and equity stability.

At Bancóldex, the Vice-Presidency of Risk and Credit is responsible for proposing, developing, and ensuring adequate compliance with the policies, methodologies, procedures, and general guidelines approved by the Board of Directors and the Risk Management Committee of the Board of Directors for market risk management. It is also responsible for measuring, analyzing, and controlling the risks inherent to the business and the periodic review and assessment of the valuation methodologies for the different products traded in the Treasury.

The Asset and Liability Management Committee is the body to which the Board of Directors has delegated the responsibility of approving the maximum levels of exposure to market risks that the Bank may take on in each Treasury product.

To know the level of risk assumed in the treasury book transactions, The Bank uses the standard value at risk (VaR) methodology in Chapter XXXI of the Basic Accounting and Financial Circular Letter by the Financial Superintendence of Colombia. According to Annex I of said circular, the calculation of the total value at risk of the investment portfolio results from the sum of the exposure to interest rate risk, share price risk, collective portfolios and exchange rate risk. This value is calculated daily by the Financial Risk Department. The calculated VaR is included in the solvency level under current regulations

In addition to regulatory compliance, the Bank uses an internal value-at-risk measurement model, the results of which are used as a complementary analysis and management mechanism. These internal models allow daily monitoring of the market risk exposure of the Treasury's product portfolio, the results of which are permanently reported to the areas and Committees involved. The results of the market risk assessment are the starting point for daily negotiations. The VaR calculation with the internal model is performed daily according to market conditions and risk factors defined in such methodology. The internal model is back tested and stress-tested to determine the validity of the model and know how accurate the forecasts of losses are compared to the accounting reality and estimate the possible losses in situations of market stress.

Market Risk Appetite - The Bank's market risk appetite is defined based on the value at risk (VaR) calculated for all Treasury products, according to the methodology approved to determine each limit. VaR is defined as the possibility of incurring economic losses due to fluctuations in interest rates, exchange rates, and share prices, among others, which have an (adverse) impact on the income statement and, therefore, on the solvency level. The value-at-risk limit is approved by the Board of Directors.

A stress scenario of the Value at Risk (VaR) is considered to define tolerance to market risk. This involves recalculating the VaR using the average of the volatilities calculated for tolerance and capacity of the most relevant reference asset in each portfolio.

To establish the capacity to market risk, a stress scenario of the Value at Risk (VaR) is considered, which entails the recalculation of the VaR of the most relevant reference asset in each portfolio with the maximum historical volatility in the last three years.

Quantitative information - The Bank's investment portfolio as of December 31, 2023 and 2022 is presented below:

	2023	Share	2022	Share
At amortized cost	$ 794,296,960	33.80%	$ 1,178,413,212	42.94%
At Fair Value with changes in other comprehensive income	1,300,706,705	55.3%	1,535,072,087	55.94%
At Fair Value	255,173,725	10.9%	30,797,495	1.12%
Total	$ 2,350,277,390		$ 2,744,282,794	

At the end of 2023, there is a decrease of 14.0% in the total value of the fixed income investment portfolio compared to the previous year, explained by the reclassification of TES 2034 public debt securities denominated in pesos to the portfolio at amortized cost.

The investment portfolio of the subsidiary Fiducóldex as of December 31, 2023 and 2022 is presented below:

	2023	Share	2022	Share
At Fair Value	$ 38,891,534	88%	$ 31,308,005	100%
Investments to Maturity	5,159,088	12%	-	0%
Total	$ 44,050,622		$ 31,308,005	

The amount of the investment portfolio at fair value increased 24.22% with respect to 2022.

Maximum, minimum, and average amounts of the investment portfolio:

	2023			2022		
Investments	**Maximum**	**Minimum**	**Average**	**Maximum**	**Minimum**	**Average**
At fair value	$ 38,891,534	$ 28,849,848	$ 33,543,066	$ 32,678,837	$ 28,988,403	$ 30,632,518

Total market risk - The Bank's total market risk exposure consolidates exposures to interest rate risk, exchange rate risk, share price risk and collective portfolio risk.

The total variation of market risk for Bancóldex and its components is shown below:

	2023				2022			
Module	**Maximum**	**Minimum**	**Average**	**Year end**	**Maximum**	**Minimum**	**Average**	**Year end**
Interest rate	75,694,978	40,978,852	55,106,134	65,752,761	86,767,739	43,331,161	56,812,566	43,331,161
Exchange rate	8,837,203	84,076	2,691,097	731,800	6,299,047	73,005	2,390,399	2,024,761
Share price	3,231,667	2,625,703	2,938,542	3,198,574	2,603,149	1,805,820	2,108,184	2,537,161
Collective Portfolios	34,091,086	2,540,893	12,916,027	2,936,097	31,288,317	27,070,370	29,093,687	31,288,317
Total	$121,854,934	$46,229,524	$73,651,800	$72,619,232	$126,958,252	$72,280,356	$90,404,836	$79,181,400

The Bank's average exposure to market risk registered a decrease of 19% compared to 2022, which is explained by the recomposition of the available-for-sale portfolio and the modification of the methodology for calculating the value at risk of collective portfolios, generating This means that interest rate and collective portfolio risk factors decrease significantly.

Fiducóldex's total exposure to market risk is calculated by applying the Financial Superintendence of Colombia methodology in Annex 7, Chapter XXXI of the Basic Accounting and Financial Circular Letter (called standard methodology).

The disaggregation of the risk factors for exposure to market risk of the regulatory model is shown below (figures in thousands of COP):

	2023				2022			
Risk Factor	**Maximum**	**Minimum**	**Average**	**Year end**	**Maximum**	**Minimum**	**Average**	**Year end**
Interest rate CEC COP - component 1	74.712	17.700	37.590	70.300	33.469	16.028	23.206	28.248
Interest rate CEC COP component 2	15.561	6.386	11.122	11.757	10.237	4.599	6.471	5.532
Interest rate CEC COP - component 3	9.242	1.787	4.645	6.372	5.293	1.595	2.950	3.731
Interest rate DTF - node 1 (short term)	12.639	589	6.227	4.903	1.317	0	297	933
Interest rate CPI	334.981	181	125.931	284.084	10.603	0	3.023	7.627
Collective portfolios (FICs)	11.757	835	5.313	1.516	192.756	9.954	68.947	9.954
Non-diversified VaR	441.842	36.292	190.838	378.896	235.198	24.340	102.100	56.025
Diversified VaR	344.948	15.698	135.272	300.128	190.378	15.683	71.246	23.013

c) *Liquidity Risk*

Qualitative information—The process for liquidity risk management is framed in the segregation of functions and the observance and adoption of the best practices and requirements of regulators and control entities. The Bank's Treasury manages cash flow, considering funding costs and short-term cash commitments. The Financial Risk Department prepares and applies methodologies to alert, monitor, and forecast possible liquidity risk scenarios. The Operations Department ensures operational compliance with the Bank's cash movements, and the Internal Comptroller evaluates compliance with the standards, policies, and processes related to the liquidity risk management system.

To measure liquidity risk, the Bank uses the SFC's benchmark methodology. It establishes the degree of exposure to this risk by calculating the Liquidity Risk Indicator (IRL) and the Net Stable Funding Ratio (NSFR). The Bank also has an internal liquidity measurement model, early warning indicators, and stress scenarios.

The Bank's early warning system simulates scenarios, allowing room for maneuver in timely decision-making. These alerts are integral to the liquidity contingency plan and the tools and procedures to mitigate potential liquidity risk situations. Liquidity risk management also includes periodic reports (daily, weekly, and monthly) to monitor various indicators and alerts and, thus, the exposure to this risk.

On an annual basis, the Bank reviews the policies, limits, processes, methodologies, and tools for assessing exposure to liquidity risk to establish their validity and corroborate their alignment with current regulations, the structure of balance sheet positions, and best market practices. The internal model is also checked through backtesting to determine its level of reliability and, if necessary, adjust the business model environment.

The liquidity risk appetite framework statement is made through the level of liquid assets that the Bank must have to cover short-term needs or obligations, for which it uses the 30-day liquidity risk index (IRL30). Historical information from the Bank is used to define the indicators and metrics, and the limits of appetite, tolerance, and capacity were established, considering confidence levels of 99, 99.9, and 99.99 %, respectively.

In 2023, liquidity indicators remained appropriate, and the risk appetite and internal and regulatory limits set in the liquidity risk management manual were met. The Bank's liquidity availability satisfactorily covered short and medium-term needs. The funding managed by the Treasury made it possible to comfortably fulfill the contractual commitments and the Bank's funding requirements.

Quantitative information

Liquid assets—The following table presents the liquid assets on the market (discounting the haircut) discriminated by their degree of liquidity. The Bank shows a high percentage of high-quality assets that could be delivered to the Central Bank if repo operations are required.

Discriminated liquid assets

Liquid Assets	**2023**	**2022**
Available	$ 129,718,658	$ 147,598,339
Investments High Quality Securities	1,738,704,899	1,603,289,805
Other liquid assets	99,776,896	69,137,893
Total liquid assets	$ 1,968,202,475	$ 1,820,026,037

Liquid assets increased 8.14 % compared to the end of the previous year and, on average, were at $1,434,247,422. Part of the increase in these liquid assets occurred due to the increase in strategic and trading investment portfolios. These portfolios are made up of TES treasury securities, considered high-quality investments.

Fiducoldex's liquid market assets increased compared to the previous year, as the portfolio increased due to the release of the FONPET reserve.

	2023	2022
Liquid assets		
Available	$ 3,073,588	$ 3,706,610
High liquidity	28,985,909	6,116,297
Total Liquid assets	$ 32.059.497	$ 9.822.908

High-quality liquid assets (HQLA) indicator—In 2023, the HQLA indicator remained at 89.4 % on average. In other words, many of those assets can be used in money market operations, with the Central Bank applying the haircuts published by the latter.

High - quality liquid assets

Liquidity risk indicator—As of December 31, 2023, the Bank recorded a seven-day IRL of $1,849,474,668, while the same indicator reached $1,615,657,279 in 2022, which represents an increase of 14.5 %. For its part, the 30-day indicator reported $1,618,462,939, while the same indicator reached $1,430,264,188 in 2022, representing an increase of 13.2 %.

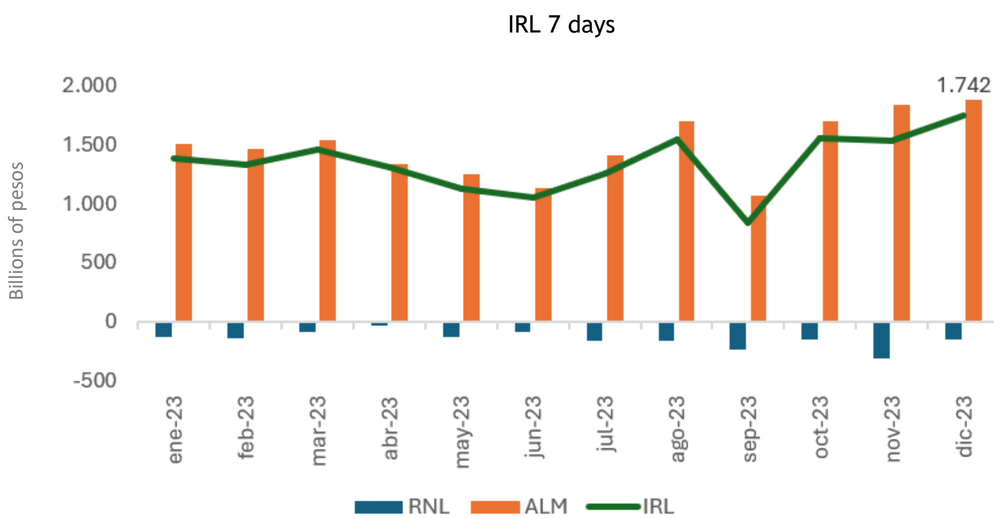
Net liquidity requirements registered stable behavior in 2023 (7-day average, $151,775,022, and 30-day average, $357,940,433). This liquidity allowed the Bank to meet the necessary commitments to cover the maturities of TDs, bonds, and loans and support its credit and treasury activity.

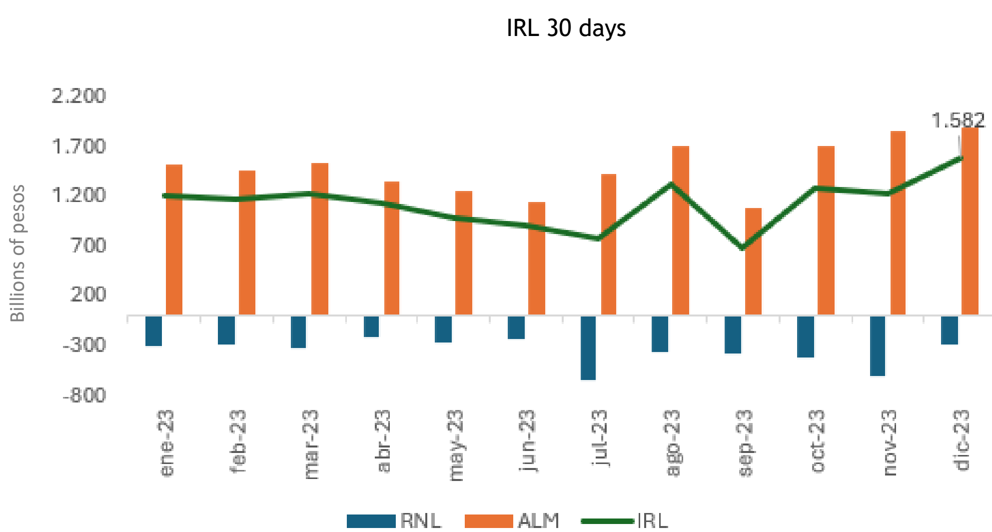
IRL 7 DAYS	2023	2022
Liquidity risk indicator	$ 1,849,474,668	$ 1,615,657,279
Liquid market assets	1,965,482,691	1,820,026,037
Net liquidity requirements	116,008,023	204,368,758
IRL	1694%	891.00%

IRL 30 DAYS	2023	2022
Liquidity risk indicator	$ 1,618,462,939	$ 1,430,264,188
Liquid market assets	1,965,482,691	1,820,026,037
Net liquidity requirements	347,019,752	389,761,849
IRL	**566%**	**467%**

At the end of 2023, the Bank's ample liquidity condition to cover its short-term obligations is reflected.

The following graphs show the evolution of liquid assets and the liquidity requirement during the last year, as well as the behavior of the IRL.





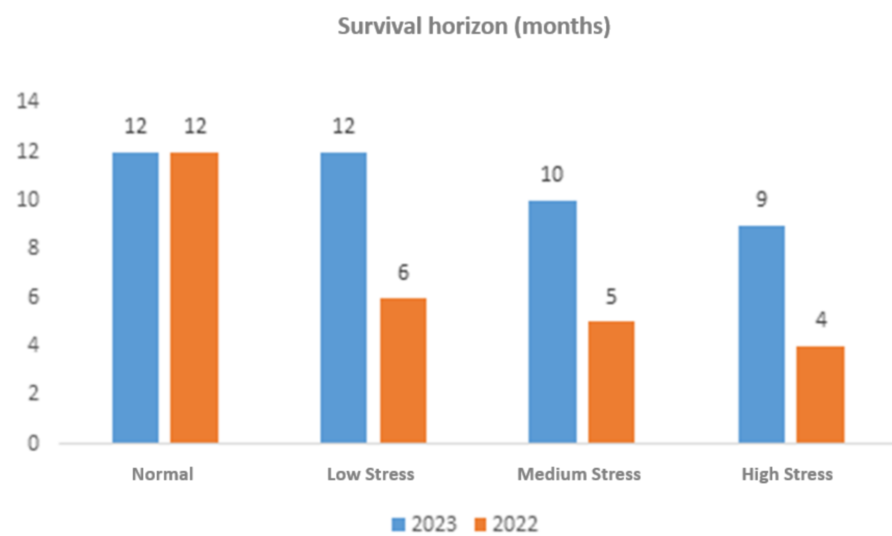
As of December 31, 2023, Fiducóldex had a thirty-day percentage IRL of 4.35%.

IRL 30 Days	December 2023	December 2022
Liquid market assets	$32,059,497	$ 9,822,908
Net withdrawals factor	1,393,511	(852,939)
IRL (Liquidity Requirement Indicator)	4.35%	-8.68%

Internal liquidity risk measurement model: Survival Horizon - The survival horizon indicates the time (in months) in which liquid assets cover forecast payment commitments for some time. The survival horizon is calculated based on 12-month cash flow forecasts, including contractual obligations and the annual budget approved by the Board of Directors at the end of each year.

On the other hand, this model has a series of alerts, defined under different scenarios, as follows:

	Scenario	Stress Level	Funding Level	Alert
Normal	Normal course of business		100%	12 months
Stress	• TD renewal rate = 0% • Limited access to the estimated funding	Low	80%	12 months
		Medium	65%	10 months
		Several	50%	9 months



At the end of 2023, the internal model results show an adequate liquidity position. Liquid resources and portfolio prepayments make it possible to broadly and sufficiently cover the payment of liabilities both in the normal scenario and in various stress scenarios.

Net Stable Funding Ratio - (NSFR / CFEN, acronym in Spanish)

Within the convergence towards international standards and best practices, the SFC complemented liquidity risk management with an indicator called Net Stable Funding Ratio - CFEN, starting in 2020. The main objective of this indicator is to limit excessive dependence on unstable sources of funding for strategic assets, which are often illiquid, and to maintain a stable funding profile concerning assets.

			dec -22	Weighted	dec - 23	Weighted	% variation
Sources of funding		Patrimonial	1.239.432	1.239.432	1.542.864	1.542.864	24,48%
	Short term debt	Deposits	268.881	68.591	940.726	236.661	245,03%
		Short term CDT	2.591.513	1.273.261	2.172.248	1.022.793	-19,67%
		Short term Bond	443.283	221.642	371.446	185.723	-16,21%
		Créditos corto plazo	2.661.777	716.464	2.702.549	972.011	35,67%
	Long-term debt	Long term CDT	326.594	326.594	1.411	1.411	-99,57%
		Long term Bond	667.062	667.062	910.573	910.573	36,50%
		Long term credits	3.779.167	3.779.167	2.520.517	2.520.517	-33,30%
	Other Items	Deferred tax	207.517	0	93.567	0	0,00%
		Net derivative assets	21.029	0	12.761	0	0,00%
		Total	**12.206.255**	**8.292.213**	**11.268.662**	**7.392.553**	

			dec -22	Weighted	dec - 23	Weighted	% variation
Assets in need of financing		Liquid assets	1.917.495	90.535	2.068.771	101.902	12,55%
	Loan Portfolio	Short term	1.714.946	257.242	1.317.378	197.607	-23,18%
		Medium term	1.964.692	982.346	1.915.458	957.729	-2,51%
		Long term	4.583.712	4.397.450	4.259.631	4.106.006	-6,63%
		Default	113.261	113.261	107.268	107.268	-5,29%
	Assets subject to charges	Non-liquid shares	440.461	440.461	490.561	490.561	11,37%
		Assets subject to charges	990.704	990.704	794.297	794.297	-19,82%
		Other assets	254.005	254.005	145.298	145.298	-42,80%
	Derivates	Contingent obligations	158.556	7.928	114.320	5.716	-27,90%
		Derived guarantees	205.104	174.339	196.372	166.917	-4,26%
		Passive derivatives 5%	3.450	3.450	3.795	3.795	10,02%
		Total	**12.346.387**	**7.711.721**	**11.413.150**	**7.077.095**	

Net Stable Funding Ratio – (NSFR / CFEN, acronym in Spanish)	**107,50%**	**104,50%**

At the end of 2023, the indicator decreases compared to the previous year due to a lower value in financing sources.

d) *Operational Risk*

Qualitative information—The policies and methodologies by which the Entities frame operational risk management are recorded in the SIAR Manual. These follow the bases and guidelines required by the SFC.

Measurement parameters have been established to effectively manage operational risk in the Bancóldex Group, based on each entity's structure, size, corporate purpose, and processes. They are aligned with the best practices for managing operational risk in an operating model built on the principles developed by the Basel II Committee.

Each entity's operational risk management is based on general and specific policies determined by the Board of Directors and supported by an organizational structure that guarantees appropriate segregation of functions between the front, middle, and back offices. Suitable methodologies allow operational risk identification, measurement, control, and monitoring.

Given that this type of risk is dynamic and susceptible to constant changes in the business and its environment, monitoring schemes facilitate the rapid identification of new risks and the mitigation of current ones by implementing action plans.

Regarding the operational risks of fraud and corruption, the guidelines adopted are those established by the Transparency Secretary's Office of the Presidency of the Republic, the DNP, the DAFP, and the United Nations Office on Drugs and Crime (UNODC), "Strategies for Building the Anti-Corruption and Citizen Service Plan." This guide was published in compliance with the provisions of the Anti-Corruption Code, Section 73 of Law 1474/2011, "Whereby regulations are issued to strengthen the mechanisms of prevention, investigation, and penalization of acts of corruption and the effectiveness of public management control."

Quantitative information—The main activities carried out around the operational risk management system during 2023 are described below:

For Bancóldex, the economic losses due to operational risk caused by the events were $37,738 in 2023, an recoveries amounted to $15,321; these were accounted for in their respective operational risk general ledger accounts. The net effect of economic losses for 2023 is $22,417.

For Fiducóldex, a net loss of $37,948 occurred in 2023. Regarding recoveries, a net amount of $6,386 was recovered, corresponding to two operational risk events reported in 2023.

e) Environmental and social risks

Qualitative information—To manage and administer the environmental and social risks derived from credit operations, the Bank has an Environmental and Social Risk Management System (SARAS, for its acronym in Spanish) that includes policies, methodologies, external communication, continuous improvement, organization, and internal capacity tools, as well as an exclusion list of activities not financeable by the Bank, aligned with international standards.

In 2023, the project to strengthen the SARAS continued, running the pilot testing phase. In this phase, each methodology and tool instituted in the SME direct credit and rediscount segments was tested, allowing adjustments in the SARAS as part of the continuous improvement program. This process is assisted by expert international consultants and supported by technical cooperation.

The comprehensive risk report shows the portfolio's environmental and social risks in three categories: i) Risk A—High, ii) Risk B—Medium, and iii) Risk C—Low.

Furthermore, the plan submitted to the SFC for identifying and managing climate risks began to be implemented, as provided in Notice 031/2021. The actions were performed internally and with the support of a consultant, incorporating the climate variable into i) environmental and social risks, ii) liquidity risk, iii) market risk, iv) credit risk, and v) operational risk.

c. Money Laundering and Terrorist Financing Risk Management System (SARLAFT)

During 2023, Bancóldex continued to strengthen its SARLAFT, updated and maintained the SARLAFT support tools, and incorporated the adjustments required by the SFC related to the updating of the methodology for identifying and assessing money laundering and terrorist financing (ML/TF) risks and controls. The Bank upgraded the risk management system by implementing the SARLAFT module in the new application acquired by the Bank to administer risk maps. It also deployed the ML/TF risk and control assessment methodology in the Bank's processes. Bancóldex updated the segmentation models, monitored customers and transactions, managed alerts and unusualities, promptly prepared suspicious transactions and other regulatory reports on SARLAFT, and met the specific requirements of competent authorities.

As part of the Bank's strategy for digital transformation, improvements continued to be incorporated in the navigation of the electronic customer registration and update form to improve the customer experience. The SARLAFT Manual was also updated, including the adjustments required by current regulations. SARLAFT training was provided to bank officials on updates to the system and the manual, due diligence on knowing your customer and counterparty, cases and unusualities, and alert management. The Bank updated and monitored the assessment of risk factors and the ML/TF risk profile by risk factor, associated risks, and the Bank's consolidated inherent and residual risks, keeping the latter within the level of risk approved by the Board of Directors.

d. FATCA (Foreign Account Tax Compliance Act) and CRS (Common Reporting Standard) Compliance System

As provided in the FATCA, the Bank maintained its status as a participating Foreign Financial Institution (FFI) before the United States Internal Revenue Service (IRS) for 2023. It transmitted the CRS report according to the regulations for the TD product. The Bank updated FATCA due diligence to intermediaries and financial institutions with which the Bank established relations or made transactions and met the requirements of other local and international financial entities on FATCA and the OCDE (Organization for Cooperation and Economic Development) CRS.

34. CORPORATE GOVERNANCE

Board of Directors and Senior Management—The Board of Directors of each Entity is permanently informed of its processes and business. After the General Meeting of Shareholders, the Board is the highest governing body. It makes the general management policies of the Entity, in terms of the level of risk, and, based on them, creates a delegation scheme for transaction approval in the Risk Management Committee, External Credit Committee, Asset and Liability Management Committee, Internal Credit Committee, and Management.

Policies and segregation of functions—The Board of Directors of the Entities makes the policies for any business activity.

Reports to the Board of Directors—Reports are periodically submitted to the Board of Directors and Risk Management Committee on the status of the Entities' credit placements, monitoring of the financial crisis of debtors (financial intermediaries, countries, etc.), progress of the SIAR (Comprehensive Risk Management System for credit, market, operational, liquidity, environmental, and social risks), Strategic Risk Management System (SARE), and SARLAFT, review of policies and methodologies for evaluating credit risk, market and liquidity, operational, compliance with limits, among others.

The risk exposure of the Entities is periodically reported to the Board of Directors.

Additionally, reports related to Conglomerate Risk are submitted to the Bank's Board of Directors. Any significant risk event detected by the Bank's areas is reported to the Board of Directors, Risk Management Committee, and Senior Management.

Any significant risk event detected by the areas of the Entities is reported to the Board of Directors and Senior Management.

Technological infrastructure—All areas of the Entities have an adequate technological support infrastructure. Risk control and management also have the appropriate technological infrastructure to obtain the information necessary to analyze and monitor current operations.

Methodologies for measuring risks—To identify the different types of risk, the entities have methodologies and measurement systems to determine their exposure to the risks inherent to the business, as mentioned in the Risk Management section and documented in the relevant manuals.

The Vice Presidency of Risk and Credit specializes in identifying, monitoring, and controlling risks inherent to various types of businesses. This Vice Presidency assesses credit, market, liquidity, operational, environmental, social, and country risks. The Legal Vice Presidency's Secretary General conducts the legal risk assessment.

Organizational structure—The entities clearly define the areas that comprise the back, middle, and front offices. Functions are adequately segregated at all levels of the organization and across operations.

Verification of operations—The Entities have mechanisms to verify the negotiations conducted, such as agreements to record telephone calls for treasury operations and written communications with counterparties where the conditions of each negotiation are reflected. To make transactions, funds are received or transferred through systems that provide high security, such as the Central Bank's Sebra, SWIFT, Deceval (manager and custodian of dematerialized deposit instruments), and DCV (manager and custodian of fixed interest securities).

Audit—The Board of Directors is the principal managing body of the Internal Control System (ICS). Through its Audit Committee, it has ensured the proper operation of the Entities' ICS and Risk Management Systems, performing its duties according to the Internal Regulations and the applicable regulations for state entities in general and financial institutions in particular.

In compliance with its responsibilities, the Audit Committee has supported and provided a permanent communication channel with the Board of Directors in making decisions related to the ICS and its continuous improvement.

35. STATUTORY CONTROLS

During 2023 and 2022, the Entities complied with all the statutory controls under the regulation established by the Financial Superintendence of Colombia for credit institutions, in relation to reserve requirements, own position and solvency ratio.

36. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The management of the Entities has evaluated the subsequent events occurring from January 1 to February 27, 2024, date when the financial statements were available to be issued and determined that no subsequent events have occurred that require the recognition or disclosure of additional information in these statements

37. APPROVAL OF THE FINANCIAL STATEMENTS

The issuance of the Bank's consolidated financial statements for the year ended December 31, 2023 was authorized by the Board of Directors, as recorded in Board of Directors Minutes No. 460 dated February 27, 2024, to be submitted to the General Meeting of Shareholders as required by the Code of Commerce. These financial statements will be submitted for consideration of the highest corporate body, which may approve or disapprove these financial statements.

BANCO DE COMERCIO EXTERIOR DE COLOMBIA S.A. - BANCÓLDEX

Certificate to the Financial Statements

For years ended on December 31, 2023 and 2022

We hereby declare that we have previously verified the statements contained in the consolidated financial statements of the Bank as of December 31, 2023 and 2022, which have been faithfully taken from the accounting books. Therefore:

- The assets and liabilities of the Bank do exist on the cut-off date; and the recorded operations have been conducted during such period.
- The assets represent probable future economic benefits (rights), and the liabilities represent probable future economic sacrifices (obligations), obtained by, or charged to the Bank on the cut-off date.
- All items have been recognized as appropriate amounts.
- The economic facts have been correctly classified, described, and disclosed.

Similarly, the Financial Statements as of December 31, 2023 were authorized for disclosure by the Board of Directors on February 27, 2024. These financial statements will be submitted before the Shareholders' Meeting, and they may either approve or disapprove these Financial Statements.

This certification is issued on the twenty-seventh (27th) day of February 2024.

Javier Diaz Fajardo
Legal Representative

Luis Miguel Moreno
Accountant