BBVA

Creating Opportunities

BBVA COLOMBIA

Investing in our country´s future

2023 Individual Report

For more information about this document or the data presented in it, you may contact the following people:

Financial accounting

- Wilson Eduardo Díaz — *wilsoneduardo.diaz@bbva.com*
- Luz Marina Gutiérrez — *luzmarina.gutierrez@bbva.com*
- Yeimy Carolina Pérez — *yeimycarolina.perez@bbva.com*
- Niny Johana Chaparro — *ninyjohana.chaparro@bbva.com*

Legal

- Myriam Cala — *myriam.cala@bbva.com*
- Andrea Karina Giraldo — *andrea.giraldo@bbva.com*
- Diana Katherine Ruiz — *dianakatherine.ruiz@bbva.com*

Sustainability

- David Pacheco — *carlosdavid.pacheco@bbva.com*
- Lina Marcela Moscoso — *linamarcela.moscoso@bbva.com*
- John Alexander Niño — *johnalexander.nino@bbva.com*
- María Jessenia Botía — *mariajessenia.botia@bbva.com*
- Nataly Siza Pérez — *ednanataly.siza@bbva.com*
- Juan David Vargas — *juandavid.vargas.amaya@bbva.com*
- María Fernanda Rodríguez — *mariafernanda.rodriguez4@bbva.com*

Communication & Image

- Constanza García — *constanza.garcia@bbva.com*
- Ana María Sierra — *anamaria.sierra@bbva.com*
- Jazmin Nathalia Morales — *jazminnathalia.morales@bbva.com*

Style, design and layout editing: Todo Comunica

Contents

LETTER FROM THE CEO Page 7

1. GENERAL CONTENTS 12
   - About this report
   - About BBVA
   - Who is BBVA Colombia?
   - Main activity
   - Value chain and other business relationships
   - Risk management with suppliers

2. BBVA GROUP 17
   - BBVA Group Overview
   - BBVA Group Strategy
   - Sustainability in the BBVA Group

3. STAKEHOLDERS 28

4. DOUBLE MATERIALITY ANALYSIS 30
   - Material matters
   - Methodology to determine material issues
   - Impacts, risks and opportunities of prioritized material issues

5. RISK MANAGEMENT 34
   - General Risk Management and Control Model
   - Governance and organization
   - Risk appetite framework
   - Evaluation, monitoring and reporting
   - Infrastructure
   - Credit risk
   - Market risk
   - Liquidity risk
   - Structural risks
   - Operational risk management

6. CORPORATE GOVERNANCE AND ETHICS Page 5
   - Corporate Governance Report
   - Internal Control and Compliance
   - 3-line defense model
   - Operational Risk Governance Model
   - Compliance Risk and Conduct
   - Integrity in conducting business
   - Conduct Standards
   - Securities and Derivatives - S&D
   - Risk of money laundering, terrorist financing, and financing the proliferation of weapons of mass destruction.
   - Internal Control and Country Operational Risk
   - Operational risk appetite
   - High-quality event log
   - Migro Tool (Spanish acronym for Comprehensive Operational Risk Management Framework)
   - Operational Risk Culture
   - Internal Risk Control - Risk Control Specialist

7. INCLUSIVE GROWTH 102
   - Mobilizing resources for projects with social impact
   - Non-financial social impact (indirect impacts)

8. ECONOMIC PERFORMANCE 106
   - Macroeconomic environment
   - Performance of the main stock market indexes over 2023
   - Direct economic value generated and distributed
   - Relationship with customers
   - Channel Operations
   - Customer Segments, Banks and Subsidiaries

9. CLIMATE ACTION Page 133
   - Policies with specific social and environmental components
   - Environmental and Social Risk Management System (SARAS for its Spanish acronym)
   - Ecuador Principles
   - Mobilizing resources for projects with environmental impact
   - Eco-efficiency

10. CORPORATE SECURITY 146
   - Approach to identifying and addressing data security risks

11. WORKFORCE ENGAGEMENT 149
   - Employment
   - Compensation
   - Organizational transformation
   - Diversity, Equity, and Inclusion - DEI
   - Certifications
   - Discrimination Cases
   - Training and teaching
   - Performance appraisal
   - Occupational Health and Safety

12. DIGITALIZATION 163
   - Advances in digitalization and transformation
   - Challenges in technology and innovation

13. CORPORATE SOCIAL RESPONSIBILITY 173
   - Education as a pillar of the strategy
   - Corporate Volunteer Program
   - Humanitarian support
   - BBVA Microfinance Foundation

14. INTERNAL AUDIT 183

15. EXTERNAL VERIFICATION Page 188

16. GRI INDICATOR TABLES 200

17. SASB INDICATOR TABLE 206

18. TCFD Report 227

19. SEPARATE FINANCIAL STATEMENTS AND NOTES 233

1. Report of the Statutory Auditor 234
2. Certification of the Legal Representative and General Accountant 238
3. Statement of Financial Position Separate Comparative 239
4. Income Statement Separate Comparative 240
5. Statement of Other Comprehensive Income Separate Comparative 241
6. Statement of Changes in Assets Separate Comparative 242
7. Cash Flow Statement Separate Comparative 244

20. NOTES TO THE SEPARATE FINANCIAL STATEMENTS BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A. Page 245

1. Reporting entity 246
2. Basis for preparing and presenting of separate financial statements 247
3. Main accounting policies for preparing and presenting separate financial statements 254
4. Business Segments 291
5. Maturity of assets or maturity of liabilities 299
6. Transactions in foreign currency 302
7. Cash and Cash Equivalents 304
8. Financial Investment Assets, net 306
9. Derivative Financial Instruments and Cash Operations – Active 313
10. Credit portfolio and financial leasing operations, net 323
11. Securitizations and repurchases of securitized portfolio 336
12. Fair value 339
13. Accounts receivable, net 348
14. Tangible assets, net 351
15. Investments in subsidiaries and joint ventures 354
16. Intangible Assets, net 356
17. Non-current assets held for sale, net 357
18. Other assets, net 358
19. Customer deposits 359
20. Derivative financial instruments and cash operations (Passive) 361
21. Financial obligations 365
22. Investment Securities in Circulation Page 369
23. Accounts payable 371
24. Other liabilities 372
25. Employee benefits 374
26. Estimated Liabilities and Provisions 381
27. Subscribed and Paid Capital 382
28. Reservations 383
29. Basic earnings per common and preferential share (in pesos) 384
30. Other Comprehensive Income 384
31. Law Controls 385
32. Commitments and Contingencies 386
33. Interest income and valuations 389
34. Interest expenses and valuations 391
35. Commission income 391
36. Other operating income 392
37. Other operating expenses 393
38. Income tax and deferred tax 394
39. Related Parties 400
40. Market, interest and structural risk report 404
41. Corporate Governance 416
42. Other aspects of interest 418
    (a) Debugging Results First Time Adoption -ESFA 419
43. Subsequent Events 420
44. Glossary 420

PROFIT DISTRIBUTION PROJECT 421

Acronyms used in this report:

QR	Quick Response
PSE	Secure Online Payments
GR	Global Reporting Initiative
SASB	Sustainability Accounting Standard Board
TCFD	Task Force on Climate-Related Financial Disclosures
OPI	Initial Public Offering
OPA	Public Exchange Offer
CDT	Term Deposit Certificate
SME	Small and medium-sized enterprises (SME)
MPOS	Mobile Point of Sale
ACH	Automated Clearing House
ATM	Automatic Teller Machine
IVR	Interactive Voice Response
GPS	Global Procurement System
VRM	Vendor Risk Management
AML	Anti-Money Laundry
UDA	Acquiring Delegate Unit
ODS	Sustainable Development Goals (SDG)
GeMa	New mobile banking, Business customer
IA	Artificial Intelligence (AI)
KPI	Key Performance Indicators
PIB	Gross domestic product (GDP)
TRi	Transition Risk Indicator
MSCI	MSCI Index. All Colombia Local Listed Risk Weighted
UNEP FI	United Nations Environment Program Finance Initiative
ASG	Environmental, Social, Governance (ESG)
SFC	Financial Superintendence of Colombia
PBR	Principles of Responsible Banking (PRB)
8hCIB	Corporate & Investment Banking Area
RMC	Risk Management Committee
SD Risk	Solutions Development Risk
RCA	Risk Control Assurer
RCS	Risk Control Specialist
VIS	Social interest housing (SIH)
SIAR	Comprehensive Risk Management System
SMMLV	Current Legal Minimum Wage
UVR	Real Value Unit
FNG	National Guarantee Fund
PD	Probability of default
NGA	Next Generation Analytics
EWS	Early warning system for SME portfolio
LGD	Loss given default,
CCF	Credit Conversion Factor
IVR	Interactive Voice Response
EARs	Risk Anticipation Executives
VaR	Value at Risk
CEMO	Average Objective Economic Capital
IRC	Incremental Risk Capital
IRS	Internal Revenue Service
IBR	Reference Banking Indicator
LtSCD	Loan to Stable Customer Deposits
IRL	Regulatory Liquidity Indicator
CFEN	Net Stable Funding Ratio
LCR	Liquidity Coverage Ratio
SFR	Stable funds ratio
COAP	Assets and Liabilities Committee
RIE	Structural Interest Risk
MeR	Margin at Risk
CER	Economic Capital at Risk
RCA	Risk Control Assurer
RCSA	Risk and Control Self-Assessment
IR	Investors Relations
BVC	Colombian stock exchange
BIS	Bank of International Settlements
CARO&GP	Operational Risk Admissions and Product Governance Committee
RIC	Internal Rules of Conduct
PLD&FT	Prevention of money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction
SCI	Internal Control System
IRO	Operational Risk Appetite Indicator
VerRo	Value of exposure to operational risk
CP	Loss component
MIGRO	Comprehensive Operational Risk Management Framework
SARO	Operational Risk Management System
ANS	Service Level Agreement (SLA)
RCA	Risk Control Assurer
ST	Technical secretary
VI	Internal Validation
IFRS9	International Financial Reporting Standard 9 (IFRS 9 or IFRS 9)
NDoD	New Definition of Default
GRMLab	Internal tool for the development of models for BBVA's Risk area
IPEs	Information Produced by the Entity
SO	Sarbanes Oxley Act
EPS	Health Service Provider Company
TES	Public Debt Title
FED	Federal Reserve
COLCAP	Capitalization index that reflects the variations in the prices of the most liquid shares of the Colombian Stock Exchange
COLEQTY	Index that groups the 40 stocks with the greatest liquidity in the equity market in Colombia
COLIR	Index made up of the shares of companies that have IR Recognition and that are part of the COLEQTY index
COLSC	Index that allows you to compare the 15 smallest companies in market capitalization that are part of the COLEQTY
VEG	Economic Value Generated
ROF	Results of Financial Operations
VED	Distributed Economic Value
VER	Retained Economic Value
SAC	Consumer Service System
DFC	Financial Consumer Advocate
NPS	Net Promoter Score
CIB	Corporate and Investment Banking
Tidis	Tax Refund Titles
SARAS	Environmental and Social Risk Management System
IFC	International Finance Corporation

MPAS	Environmental and Social Policy Framework Standards
BID	Inter-American Development Bank
PE	Ecuador Principles
TVC	Green Taxonomy of Colombia
GEI	Greenhouse gases
CO2	Carbon dioxide
PGE	Global Eco-efficiency Plan
Kwh	Kilowatt-hours
m3	Cubic meters
Ton	Tons
kg	Kilograms
Ton CO2	Tons of carbon dioxide
IRECs	Renewable energy certificates
GJ	Giga Joules
DEFRA	UK Department for Environment, Food and Rural Affairs.
NIST	National Institute of Standards and Technology
ISO	International Organization for Standardization,
DEI	Diversity, Equity and Inclusion
LGTBIQ+	Community of Lesbians, Gays, Bisexuals, Transgender and Intersex and Queer people
PNUD	United Nations Plan
SENA	National Learning Service
SD	Solution Development
SDA	Single Development Agenda
LMS	Learning Management System
TGM	The Good Manager
SG-SST	Occupational Health and Safety Management System

COPASST	Joint Committee on Safety and Health at Work
E2E	End to End
CAP	Maximum Interest Rate Option
BCBS239	European Central Bank Regulations
SLA	Service Level Agreement
ELA	Enterprises Licenses Agreement
BPE	Business Process Engineering
BEX	Business execution
TDVs	Value Transporters
STEAM	Sciences, Technology, Engineering, Arts and Mathematics
FMBBVA	BBVA Microfinance Foundation
Ecosoc	United Nations Economic and Social Council
OCDE	Organization for Economic Cooperation and Development (OECD)
BCIE	Central American Bank for Economic Integration
RSC	Corporate Social Responsibility Observatory
EmproPaz	Productive Enterprises for Peace
PMs	Program Managers
RA	Risk assessment
NMO	New Office Model
GloMo	Global Mobile App
SARLAFT	Money Laundering and Terrorism Financing Risk Management System
FAI	Internal Audit Function
SPC	First Contact Solution

PCI	Peripheral Component Interconnect
PCAF	Partnership for Carbon Accounting Financials
G-SIB	Global systemically important banks
NZBA	Net Zero Banking Alliance
SASG	Sustainability Alignment Steering Group
RAF	Risk Appetite Framework
Net Zero	Carbon Neutral

BBVA

Creating Opportunities

INVESTING IN OUR COUNTRY´S FUTURE

Letter from the CEO

2023 Individual Report

Letter from the CEO

GRI 2-22

This year 2023 challenged the resilience and creativity of those of us who are part of BBVA, as we were exposed to economic conditions that had a stronger impact than we had previously envisioned. But it was **also a year of growth and generation of opportunities**, with the development of technological innovations and the ability to recover lost ground and climb steppingstones that we saw far away.

In economic terms, the year was characterized by an economic slowdown, high inflation and high interest rates, not only in Colombia, but also in developed countries, which had to resort to an unusual monetary tightening that negatively impacted growth, in order to curb the inflationary process they have been enduring since the post-pandemic period.

Fortunately, lower commodity prices helped inflation fall, while supporting growth, without interrupting the process of moderating economic indicators. Therefore, central banks in the United States and Europe may have room in 2024 to start reducing interest rates, leading to optimism in the performance of the global economy in the second half of 2024 and into 2025.

Against this backdrop, financial markets, which reflect how countries and their economies are doing, showed episodes of high volatility, largely associated with persistent geopolitical uncertainties. Our BBVA Research team expects the global economy to continue slowing down this year, although avoiding a strong recession, given that monetary conditions will still be restrictive, fiscal policy will be less expansionary, labor markets will perform less positively, and household consumption will tend to moderate. Thus, **global growth would stand at 3.0% in 2024**, the same figure that was estimated for 2023, slowing down compared to 2022, when it registered 3.4%.

It was a **year of growth and generation of opportunities**, technological innovations were developed and lost ground was recovered

The Colombian economy was no stranger to this global trend. Low growth and very high interest rates made 2023 the most challenging year of this century for the banking sector. Economic growth slowed down due to lower domestic demand and a sharp drop in fixed investment. Inflation began to fall, but very slowly as of April, first due to smaller food price increases and, later, due to lower inflation dynamics for other products. The monetary policy interest rate, which rose at the beginning of the year, then had a long pause and, at the end of the year, started the normalization cycle; today remains in a clearly restrictive stance, still facing inflation, which still is well above the Central Bank's target.

Thus, **economic growth decreased from 7.3% in 2022 to 1.2% in 2023**. This sharp slowdown impacted activity levels and portfolio quality, forcing the sector to maintain high levels of loan provisions. Inflation fell from 13.1%, in December 2022, to 9.3%, at the end of 2023, and Banco de la República's rate stood at 13%, at the end of 2023, up from 12%, a year ago. During 2024, the **downward trends in inflation and the benchmark interest rate** are expected to consolidate, while economic growth will have a two-speed dynamic: weak at the start of the year and better in the second half.

This should help alleviate liquidity conditions in the Colombian domestic market, which was a challenge for BBVA in 2023. Bank funding costs remained at very high levels for much of the year. In addition, global volatility, which is exacerbated in an emerging market such as Colombia, led to large fluctuations in the exchange rate, accompanied by significant increases in country risk premiums.

The challenges faced in 2023 led us to **close the year with a profit of COP 243,85 Billion**, which corresponds to a

31 BILLIONS

pesos to support the companies' projects.

negative variation of 76 % compared to the previous year, for BBVA and our subsidiaries. Among the most significant components is a lower financial margin, which had a significant impact in the first half of 2023, due to the increase in Banco de la República's intervention rates, in addition to higher operating expenses and an increase in taxes.

However, **at BBVA we made the decision to bet on the future of Colombia** and thus attained important strategic achievements, so in 2023 we contributed to the country through our activity, supporting projects of companies with **more than COP 30 billion in resources**, which corresponds to an increase of + 3.6% compared to 2022.

Furthermore, we delivered loans to individuals, in the amount of COP 43 billion, and 639 thousand credit cards that year. We helped thousands of Colombian households get housing, by financing COP 14.5 billion in mortgage loans. This support to companies and Colombian individuals allowed us to gain 48 basis points of credit share in market share in 2023, going from 10.78% to 11.26%

New product development was also focused on entrepreneurs, with the progress of BBVA Spark's operation: in less than one year after launching we had nearly 100

customers, the new digital account and the addition of mobile points of sale, with which, BBVA seeks to become the bank of choice for Colombian entrepreneurs.

In 2023, we focused our efforts on providing all our customers with a better experience through technology and innovation, so, **we renewed our mobile application**, which is now faster, more secure and with new features such as instant transfers with Transfiya and QR payments. With this new app version, we brought to Colombia the most advanced technology of the BBVA Group, recognized for several years as the world's best sector app.

We also continue to make it easy to pay for and refill products. We have more and more banking correspondents throughout the country and we enable the payment of credit cards and loans through our website, without the need to authenticate, through the PSE button.

In addition, at BBVA we strengthened the corporate app, incorporating new functions such as advanced sales, which allows small and medium-sized entrepreneurs to have the necessary liquidity to meet their daily needs and the possibility of generating payment links, a solution that was awarded by the magazine Global Finance as the greatest innovation for SMEs in Colombia in 2023. Likewise, **we achieved recognition as the Best Foreign Exchange Bank in the country in the Global Finance magazine's 2024 World's Best Foreign Exchange Awards**, for the scope in the provision of services and global coverage it offers, as well as customer service, competitive prices and the application of innovative technologies.

As development must also be sustainable, at BBVA Colombia we support initiatives of this type with COP 6.7 Billion in 2023, which represents a 98% growth compared to the previous year. We allotted **COP 3.7 Billion to promote the financing of social projects**, such as the construction of social housing, the promotion of women led SMEs and the development of road and educational infrastructure; COP 2.9 Billion was aimed at supporting climate change initiatives.

I would also like to highlight, among the most important milestones in environmentally sustainable financing, **BBVA Colombia's issuance of the first blue bond in the country,** with the support of the IFC , aimed at financing projects that care for and preserve Colombia's enormous water wealth. Furthermore, on the social front, we are proud to have led the issuance of **Colombia's first social bond.** This strategy is part of the BBVA Group's commitment to sustainability, endorsed in 2023 in the Dow Jones Sustainability Indices, which for the second consecutive year named BBVA the second most sustainable bank in the world.

We invested **COP 3.7 Trillion to finance social projects.**

Aware that our commitment must go beyond the financial aspect, in 2023 we executed a record budget in our social responsibility initiatives, reaching more than 340 thousand people with initiatives focused mainly on supporting the education of more than 250 thousand children and young people. The support for elementary school resulted in the donation of more than 11,000 school kits and, thanks to the alliance with Claro, we brought free internet and digital libraries to schools throughout the country.

Over the last two years, we donated 3,320 tablets and computers to 183 institutions. Likewise, we work with the **Banco de Alimentos de Bogotá** to reach remote populations and help thousands of Colombians who have experienced hunger and difficulty in the face of climate generated emergencies. Between 2022 and 2023 we delivered more than 40 thousand grocery packages with this entity, alleviating the situation of more than 160 thousand Colombians.

I would especially like to highlight the work with Bancamía, an entity of the BBVA Microfinance Foundation, which has more than 1.6 Million customers, 55% of them women and 42% living in rural areas of the country. In 2023, we awarded 100 scholarships to young people, children of vulnerable micro-entrepreneurs in the country, so now there are now 121 young adults who have the opportunity to attend university and transform their lives and those of their families.

In addition, in order to provide transactional services to entrepreneurs and people that save money in the country's popular economy, **we announced an alliance with Bancamía** that makes it easier for customers of the two entities to mobilize their resources throughout the country through the shared use of offices and ATMs. This has allowed us to be closer and offer additional services to microentrepreneurs as well.

Our commitment to Colombia was also reflected in the creation of 300 additional direct jobs in 2023, allowing us to have nearly 6 thousand employees, whom I want to especially thank for the impact that the work of each of them has had on these results.

In concluding, I can say that, although we had a very challenging economic and financial backdrop, **2023 was a year of investing in Colombia's future** and, within that strategy, very important progress was made. I have lived in this country for the last 3 years and, although I see great challenges, I am optimistic about its future; this country has great opportunities and competitive strengths, and I am convinced that Colombia, as it has always done throughout its history, will successfully overcome the current challenges.

At BBVA Colombia, I guarantee that we will continue to work every day to build a more inclusive, sustainable and supportive country.

Mario Pardo Bayona
Chief Executive Officer
BBVA Colombia

6,000

employees are part of BBVA Colombia

BBVA

Creating Opportunities

01

INVESTING IN OUR COUNTRY´S FUTURE

General Contents

2023 Individual Report

General contents

GRI 2-1, GRI 2-2, GRI 2-3

ABOUT THIS REPORT

This report includes BBVA Colombia's operations and refers to BBVA Colombia's entities, BBVA Asset Management and BBVA Valores, between January 1 and December 31, 2023. The entities mentioned here correspond to those included in the Bank's financial reports. The main business figures, the framework by which the main advances and achievements are governed, as well as the consolidated financial results of the entity are herein presented.

This document adheres to the guidelines of the GRI (Global Reporting Initiative) Standard, in its most recent version (2021), the SASB (Sustainability Accounting Standard Board) standards and the TCFD (Task Force on Climate-Related Financial Disclosures) Framework. The economic, environmental and social management results are also presented, identifying advances in sustainability, materiality analysis and stakeholder importance.

ABOUT BBVA

BBVA Colombia S.A. (hereinafter, also the "issuer") is part of the BBVA Group. It is a public limited company, with its main headquarters office in Bogota. In compliance with its corporate purpose, it may enter into or execute all operations, acts and contracts legally permitted to banking establishments, subject to legal provisions.

In Colombia, the BBVA Group is present through Banco Bilbao Vizcaya Argentaria Colombia S.A. - BBVA Colombia, with its subsidiaries BBVA Asset Management S.A., Sociedad Fiduciaria, and BBVA Valores Colombia S.A., Comisionista de Bolsa, and also through BBVA Seguros Colombia S.A. and BBVA Seguros de Vida Colombia S.A.

In Colombia, it started with the Banco Ganadero, established in 1956, within the framework of the First Agricultural Exhibition Fair, with the support of the country's cattle ranchers. Law 26 of 1959 defined the legal nature of the Bank as a mixed economy, with capital from the public and private sectors, with 20% and 80% stakes, respectively.

In 1992 its legal nature was changed and from then on it developed its activities as a public limited company.

In 1996, Banco Bilbao Vizcaya (BBV) acquired 34.70% of the share capital through a sale and direct subscription of shares.

In 1998, BBV increased its stake to 49.14%, through an Initial Public Offering (IPO), which changed its name to BBV Banco Ganadero and in 2000 to BBVA Banco Ganadero.

In 2001, a simultaneous takeover bid for Banco Ganadero shares was made in the United States and Colombia, in which the BBVA Group acquired common shares with a preferential dividend, increasing its stake to 94.16% of the Bank's capital.

In 2004 its name was changed to Banco Bilbao Vizcaya Argentaria Colombia S.A. - BBVA Colombia.

BBVA Colombia currently has a responsible banking model, based on the search of profitability in line with ethical principles, compliance with the law, good practices, the generation of solutions for its customers and the creation of long-term value for all its stakeholders.

> The responsible banking model is based on **profitability on ethical principles, legality, good practices, solutions for its clients and long-term value creation.**

WHO IS BBVA COLOMBIA

Banco Bilbao Vizcaya Argentaria Colombia S.A. - BBVA Colombia is part of a financial conglomerate made up of the holding company BBVA S.A. (Spain) and its subsidiaries in Colombia, Banco Bilbao Vizcaya Argentaria Colombia S.A. - BBVA Colombia, BBVA Asset Management S.A., Sociedad Fiduciaria, BBVA Valores Colombia S.A. Comisionista de Bolsa, BBVA Seguros Colombia S.A. and BBVA Seguros de Vida Colombia S.A.

BBVA Colombia has a presence in **129 cities in 30 departments.** By mid-2024, the Bank will have a presence in 2 additional cities, Mitú and Puerto Inírida, and 32 departments. The headquarters are located at Carrera 9 No. 72-21 Bogotá, Colombia.

GRI 2-1, GRI 2-2, GRI 2-3

BBVA Colombia - Presence in the country

5.892 employees

120 municipalities

370 branches

1.485 ATMs

47.867 banking correspondents

MAIN ACTIVITY

BBVA Colombia is a banking entity that is part of a global financial group, with a diversified business offering financial services in **25 countries to more than 71 Million customers.**

With **more than 60 years of experience in the Colombian financial sector,** BBVA is committed to the country's economic and social development. It has a presence in more than 120 municipalities through a network of 370 branches, 24 branch extensions, 94 in house offices, 6 service centers, 1,485 ATMs and nearly 48,000 banking correspondents, in addition to having converted its agencies into branches, which improved the service of the 29 converted points.

BBVA Colombia is recognized as an agile and modern bank, characterized by its commitment for leadership and innovation, thus attaining top positions in the financial sector. In addition, it aims its products and services to individuals and corporate customers, organized by segments to classify customers and their needs according to its product offering.

Transaccional (cash management)

CASH IN

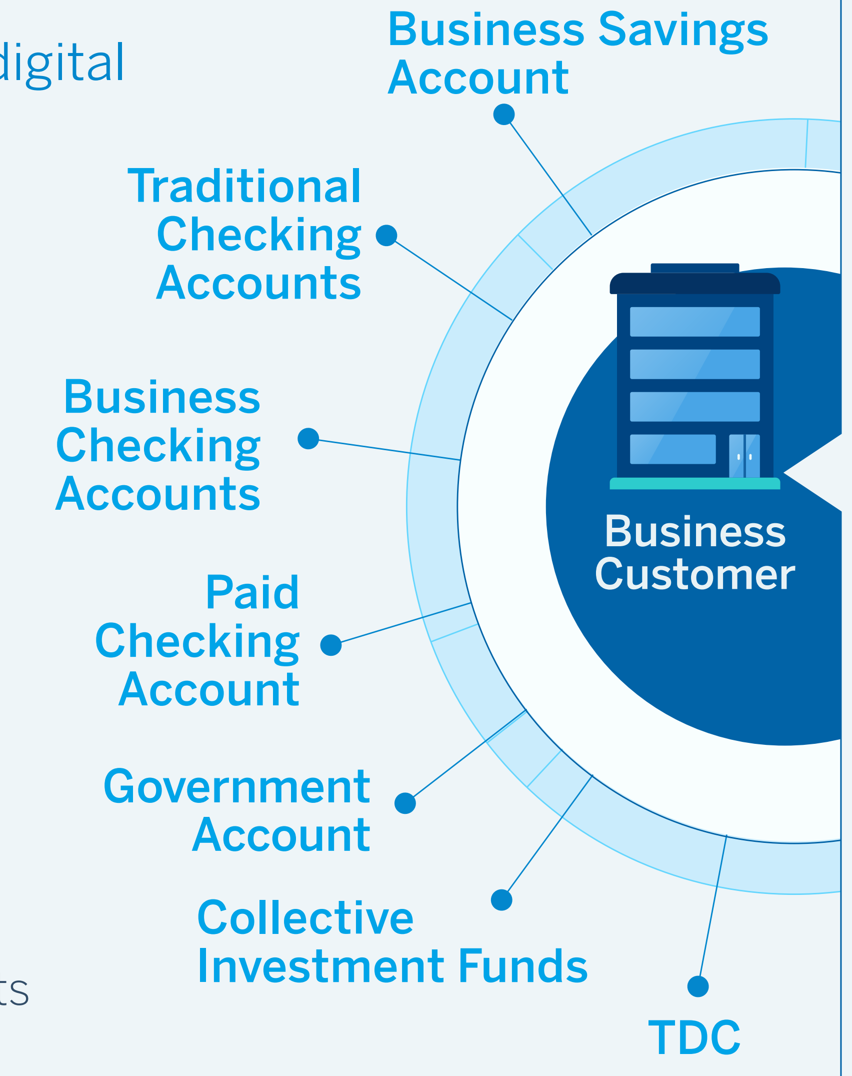
- Domestic collection: Bank offices and correspondents
- Cash collection: direct and protected
- Merchant Acquisition: in-person and non-present sale
- OpenPay payment aggregator
- PSE gateway
- Collection on BBVA digital channels (app, web, ATM and IVR)

CASH OUT

- Transfers to BBVA accounts
- Interbank transfers: ACH, Cenit and Sebra
- Bulk cash payments
- Checks

Transactional and digital channels:

- Branch network
- ATM network
- BBVA net
- Host 2 host
- BBVA mobile
- BBVA Line
- BBVA net cash
- In house BBVA
- Web service
- Bank Correspondents



OTHER SERVICES:

- Domestic wire transfers
- International wire transfers
- PagAtiempo
- Customization of channels and services
- Payment of services and digital collection
- SMS, email and BBVA mobile messages and notifications
- Interbank debit
- Support, queries, leasing operations and foreign trade

SME Banking

Financing

- Credipyme
- Sales Advance
- Virtual Credit
- Working Capital
- Capital Expenditure loan
- Investment loans
- Construction
- Agricredit Leasing
- Surety and guarantees
- Factoring and Confirming
- Credit Cards
- Working Capital Development Portfolio

Business Savings Account

Treasury Management

- Collections
- Payroll
- Supplier and tax payments
- Transactional Channels
- Savings account
- Checking account
- Time Deposit Certificate
- Investment funds (through BBVA Asset Management Sociedad Fiduciaria)
- Treasury Management
- Stand By (issued and received)
- Bancoldex rediscount lines (import and export)
- Letters of Credit (Import and Export)
- Working Capital
- Export & Import Collection
- Non-Recourse Import Factoring
- Funded Direct Transfers
- Advance Funded Direct Drafts
- Export pre-finance
- Transfer, Direct Drafts and Withdrawals

Payment Solutions

- Merchant Acquisition
- MPOS Mobile Device
- QR interoperability
- Transfiya
- Transactional offer with preferential commissions for web channel and app management
- Own bank and ACH payments
- Payroll Special Offer

Business Banking

Financing

- Working Capital
- Investment Credit
- Construction
- Agrocredit
- Finagro Credit
- Agribusiness Credit Card
- Agroleasing
- Agro-sustainable
- Surety and guarantees
- Factoring and Confirming
- Credit Cards
- Working Capital Development Loan

Treasury Management

- Collections
- Payroll
- Supplier and tax payments
- Transactional Channels
- Savings account
- Checking account
- Time Deposit Certificate
- Investment Funds

International trade

- Stand By (issued and received)
- Bancoldex Rediscount Lines
- Letters of Credit
- Working Capital
- Export & Import Collection
- Non-Recourse Import Factoring
- Financed Direct transfers

Money Desk

- Forwards
- Exchange rate hedging operations
- Interest rate hedging operations
- Export pre-financing
- Transfers, direct transfers and reimbursement

Government Banking

Financing

- Long-term loans in the form of borrowing
- Lease line
- Short-term lines

Efectivo and Pais Investment Funds

Resources

- Master Account Development and Management

Other Savings & Checking Accounts

Time Deposit Certificate

Corporate Banking

BBVA Colombia offers **a robust portfolio of solutions** for each customer

Creating Opportunities

INVESTING IN OUR COUNTRY´S FUTURE

BBVA GROUP

2023 Individual Report

VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS

In 2023, BBVA Colombia strengthened its relationship with suppliers based on respect, given that the bank **does not discriminate or allow discrimination** against any supplier in the assessment, selection, awarding or contracting processes for reasons of gender, race, age, nationality, religion, sexual orientation, disability, family origin, language, political ideology, political or trade union affiliation, or for any other situation not related to the conditions of procurement selection, consideration prohibited by relevant legislation.

The procurement processes in which BBVA Colombia participates with local and foreign suppliers from various sectors of the economy, such as retail, real estate, construction, education and health, among others, are assessed through the **Vendor Risk Management (VRM)** model, a framework that governs the supplier evaluation process and estimates the level of risk with which BBVA Colombia entities operate, and, of course, with all those with whom we are going to establish a relationship.

RISK MANAGEMENT WITH SUPPLIERS

Vendor Risk Management (VRM) governs the supplier assessment process and identifies the level of risk of those suppliers with which BBVA Colombia entities are currently active and, of course, of all those with whom a relationship will be established. This framework **has a corporate risk assessment scheme** that establishes common criteria for BBVA Colombia entities; These make it possible to ensure that entities are at the "level of risk appetite that can be assumed" by BBVA Colombia, in each of the relevant disciplines for the purpose.

Therefore, the risk modules contemplated in the Vendor Risk Management (VRM) are:

- Anti-Corruption & AML (Anti-Money Laundry)
- Reputational risk
- Concentration and Country Risk
- Financial risk
- Legal Risk
- Tax risk
- Occupational hazard
- Personal Data Protection Risk
- Customer protection
- ESG (Environmental, Social and Governance)

Work has been done on the implementation of the **Kaizen project for subsidiary companies**, led locally from the Finance area. This project allows the BBVA Group to have greater control, traceability and visibility of the status of the pre-approval and negotiation processes, automatic updating of company information and online management of the orders user areas. This project involved the Bank's subsidiaries that contract outside of the supply perimeter, meeting the objectives of reducing "out-of-norm procurement" and improving and extending the supplier assessment process.

Negotiations, Requests and Suppliers

Concept	2023	2022
Number of online Adquira* transactions	87	92
Number of requests recorded by GPS**	1.809	1.702
Suppliers approved and/or assessed at the end of the year***	819	1.001

* Colombia and corporate processes were reported for the entire 2023 year.

** Effective petitions were reported and rejected petitions and in the process of being created by the user areas were not considered. Increase in requests recorded in GPS. Variation was reported for 2023, given that the attributions that the areas had for purchasing through the UDA (Spanish acronym for Acquiring Delegated Unit) were eliminated, causing all requests to be routed through the supply circuit.

*** Decrease in the number of assessed suppliers. Variation was reported for 2023, given that the data is as of November 15, 2023. The VRM assessment model, according to its typology, has two time thresholds: for high and medium risk providers, its assessment is valid for one year; and for low-risk providers, it is valid for two years. This will renew the process, until 2024, for low-risk suppliers that were assessed the previous year.

GRI 204-1

Prácticas de adquisición

Concept	2022	2023
Percentage of payment to local suppliers*	72,84%	72,57%

* BBVA's geographical definition of "local" refers to operations carried out in Colombia.

BBVA GROUP

GRI 2-22

BBVA GROUP OVERVIEW

BBVA is a global financial group with a customer-centric vision. It has more than **71 Million** active customers and 121,000 employees. It is present in more than **25 countries**, has a leading position in the Spanish market, is the largest financial institution in Mexico and has leading franchises in South America and Turkey. In addition, it has a significant investment banking, transactional and capital markets banking business in the United States.s.

BBVA

Our purpose

"Put the opportunities of this new era within everyone´s reach"

BBVA GLOBAL PRESENCE
DECEMBER 2023

>25	Countries
5.949	Offices
121.486	Employees
71,5 millions	Active Customers

DIGITAL CAPABILITIES
DECEMBER 2023

CUSTOMERS

52,8 Million	Mobile Customers

DIGITAL SALES

79%	Units
63%	PRV*

FINANCIAL MAGNITUDES
DECEMBER 2023

€8.019 Million	Attributable profit
€755.558 Million	Total assets
€413.487 Million	Customer deposits
€388.912 Million	Loans to customers (gross)
12,67%	CET 1 FL

SUSTAINABLE DEVELOPMENT AND CONTRIBUTION TO SOCIETY
DECEMBER 2023

€206 Billion	Sustainable Business channeling (2108-2023)
€399 Million	Investment in the Community (2018-2023)

* PRV: Product Relative Value, an indicator of the economic representation of units sold.

BBVA is a global financial group with **a customer-centric vision.**

Customers are at the center of BBVA's business, as stated in its purpose:

In order to have a positive impact on its customers, BBVA provides them with

"To make the opportunities of this new era available to everyone "

personalized solutions and advice, with an optimistic vision and outlook, projecting them towards a future that they build with the decisions they make every day.

BBVA accompanies its customers at all times, to help them make the best financial decisions and achieve their life and business goals. That is, to accompany to help move forward.

BBVA's commitment to sustainability is key to this, as it offers financing and innovative solutions for customers in their transition to a more sustainable and equitable world. For example, channeling €300 billion into sustainable business for the period 2018 - 2025.

Purpose drives BBVA to continue leading the transformation of the financial industry with innovation and new technologies, key levers to achieve this support with a positive and differential impact on customers and society. This leadership in innovation is evidenced by the Bank's distinctive digital capabilities.

The Bank's values, purpose and strategic priorities a**re in the DNA** of all the people who make it up.

BBVA GROUP STRATEGY

Purpose, values and strategic priorities

BBVA's strategy includes trends that are transforming the world, especially those that "Put the opportunities of this new era within everyone´s reach," **always keeping the customer at the center of the Group's activity**. Likewise, the Group applies solid values such as *"Customer comes first"*, "*We think big"* and "*we are one team"*.

BBVA's values and behaviors are integrated into models that promote the Group's transformation and in global management processes such as the selection of new employees, role assignment processes, and the assessment, development, training, and incentive for people to meet annual goals.

Thus, values, purpose and strategic priorities are present in all the decisions of the BBVA Group and in the DNA of all the people who make up part of it.

BBVA Values

Our values

THE CUSTOMER COMES FIRST
- We are emphatic
- We have integrity
- We meet their needs

WE THINK BIG
- We are ambitious
- We break the mold
- We amaze our customers

WE ARE ONE TEAM
- I am committed
- I trust others
- I am BBVA

BBVA Strategic Priorities

In 2023, BBVA made positive progress in the strategy implementation; in addition, BBVA's strategy is articulated on **6 strategic priorities**

- Improve our customer´s financial health
- Grow in customers
- The best and most committed team
- Help customers transition to a sustainable future
- Pursue Operational Excellence
- Data and Technology

Improve our customer´s financial health

For years, BBVA has been developing functionalities, experiences and tools to accompany customers in their day-to-day lives, with the solid experience of its human team, new technologies and the responsible use of data and the solid experience of its human team, thus, in 2023 progress was made in providing customers with all financial solutions.

Help customers transition to a sustainable future

For BBVA, sustainability is about “helping customers transition to a sustainable future” through **environmental protection, economic growth and social development.** BBVA contributes to various SDGs through the development of its business, generating a positive impact thanks to the multiplier effect of banking, the direct impact of its activity and its investment in the community.

Climate change requires the decarbonization of the economy, a fact that impacts all industries and the way in which people consume, move and set up their homes. As a result, significant investments are required that will last for decades to come. In addition, climate change and human action stress natural capital (water, raw materials, crops, etc.), making it increasingly important to ensure the availability and continuous quality of essential resources for the production and provision of services.

Finally, there are great inequalities in the world, which may increase due to the effects of the economic transformation implied by decarbonization or the destruction of natural capital. Aware of this, **BBVA plays an important role in inclusive growth** by providing access to banking and financial education to the population.

In 2023, BBVA Colombia financed COP 6.67 Trillion in sustainable operations and projects, representing a significant 150% achievement of the proposed placement goal for the year. The Bank’s progress on the strategy to help its customers in Colombia transition to a sustainable future is in the chapters “Inclusive Growth” and “Climate Action.”

20,8%
growth in active customers

Grow in customers

BBVA seeks to position itself with its customers, through its own channels and agreements with third parties, without forgetting profitable growth, betting on the most relevant product verticals and value segments. The Bank continues to make progress in its commitment to growth based on new business models, with a medium- and long-term horizon.

Over the last 4 years, **BBVA Colombia has seen a 20.8% growth** in active customers, mainly leveraged by the Business segment, with 30.9%.

Pursue operational excellence

BBVA is committed to providing the best customer experience through simple, automated processes, while maintaining its focus on robust and optimal risk management and capital allocation. The reason is it continues to transform its relationship model, to adapt to the change in customer behavior, improve service and be more efficient and productive, facilitating access to its products and services with simple processes. The role of the sales network is focused on operations with greater added value for the customer, redirecting lower value-added interactions to self-service channels, which reduces unit cost and greater productivity.

In 2023, **GeMa, BBVA Colombia's business app**, was strengthened, providing a simpler way of linking to digital channels and making the Bank the first financial institution to provide its customers with the opportunity to enter the digital world through the application without the need to previously enroll to the web channel.

BBVA continues to work on bringing 100% of its portfolio to the digital world and, with the launch of Single App, focused on individuals with businesses, it further simplifies their experience. These latest advances allowed the organization to have the highest number of customers using its app in December 2023, which went from 13 thousand to nearly 23 thousand customers who today enjoy a new, simpler, more intuitive, and safer experience. Likewise, there are already 45,000 customers who have the Bank's app installed on their mobile phones, which is considered as one of the best in the market, with a rating of 4.8 in the Apple Store and 4.3 in Google Play.

On the other hand, in June 2023, the migration to the new application for individual customers was concluded, which brings to the hands of Colombians the existing experience of Spain, Mexico and Peru, recognized as the best banking application in the world in recent years.

The best and most committed team

A good team is a key factor in the success of the strategy. That's why the BBVA team is a diverse team, with a differentiated culture, guided by the Bank's purpose and values, driven by a talent development model that puts the employee at the center and is based on trust, empowerment and transparency.

BBVA Colombia has an employee value proposition based on 3 pillars, Bank, Team and People, which it continued to promote in 2023 through high-value initiatives for its employees, who continue to make positive progress in different areas of people management.

In order to consolidate the best team, the Bank's people management strategy is based on 3 key principles:

1. **First**, to have a committed and proud team, who believe in BBVA's purpose and lives its values.
2. **Second**, the Bank seeks to achieve success in its businesses by attracting and developing the best talent, fostering a high-performance culture, and empowering its employees to feel ownership and responsibility for their goals in the organization, in addition to providing them with adequate training and efficient use of all resources.
3. **Third,** the Bank strives to create the ideal, open and flexible environment for talent, prioritizing employee well-being, providing them with the best advice and promoting inclusion and diversity so that everyone is and feels welcome.

BBVA Colombia's progress in its strategy to reach the most engaged and talented team is explained in detail in the chapter Commitment to the Workforce.

Data and technology

Data management and technology are accelerators of strategy. The commitment to the development of advanced data analysis capabilities, artificial intelligence (AI) and safe and reliable technology allow us to **create differentiated solutions** to have competitive advantages.

The responsible use of data and new technologies also make it possible to generate increasingly global processes, easily scalable and usable in different geographies, reducing the unit cost of processing.

Thus, in 2023 BBVA Colombia provided better solutions to customers through its digital channels, providing more solidity in terms of security and immediate payments.

Strategy evolution Indicators (KPIs)

To monitor the progress in executing strategic priorities, metrics or KPIs (key performance indicators) were defined.

The KPIs identified for the monitoring and evaluation of the business model being developed are based on the Bank's 6 strategic priorities: **financial health, sustainability, customer acquisition, operational excellence, the best and most committed team, and data and technology.** The model establishes financial and non-financial indicators to assess performance, which are reviewed annually.

The financial indicators are focused on capital optimization and the search for efficiency: RORC, efficiency and attributable profit; and non-financial, in customer exposure: NPS, sustainability and target customers.

SUSTAINABILITY IN THE BBVA GROUP

Sustainability is governed by the principle of **ensuring the needs of the present without compromising the needs of future generations**, working for the protection of the environment, economic growth and social development.

In line with the General Sustainability Policy, BBVA faces the challenge of sustainable development from a holistic perspective, considering environmental, social and governance (ESG) aspects. For a more detailed description of the General Sustainability Policy, see the Governance Model section.

Sustainability is governed by the principle of **ensuring the needs of the present without compromising the needs of future generations.**

BBVA aims to generate a positive impact through the activities of its customers and its own, as well as through its relationship with and support for society, in order to make its Purpose a reality and fulfill its strategic priority:

"Helping customers transition to a sustainable future"

Environmental

The fight against climate change is one of the greatest disruptions in history, with extraordinary economic consequences, to which all actors in our environment (governments, regulators, companies, consumers and society) have to adapt. BBVA understands the environmental dimension of sustainability as the **management of the impacts, risks and opportunities linked** to the fight against climate change, the transition to a low-carbon economy and the protection and regeneration of natural capital.

Social

Companies are fundamental actors in the development and progress of societies. BBVA understands the social dimension of sustainability as the management of impacts, risks and opportunities in relation to its customers, employees, suppliers, communities affected by its activity and society in general.

Governance

Companies must conduct their activity in strict compliance with current and applicable legislation, responsibly and in accordance with strict canons of ethical behavior. BBVA understands that the governance dimension is linked to business conduct and regulatory and control policies and frameworks on sustainability.

ESG strategy and objectives

BBVA has established sustainability as one of its 6 strategic priorities, focusing its attention on the **fight against climate change, the protection of natural capital and the promotion of inclusive growth**. With the aim of materializing its Purpose of "Making the opportunities of this new era available to all," BBVA is committed to supporting its customers in the transition to a more sustainable future.

The world is going through an era of unprecedented change, where sustainability stands as a great opportunity, both in the short and long term.

Decarbonization requires a structural technological transformation and progressive changes in demand that impact all industries globally and immediately, generating an unprecedented investment cycle. It is estimated that global investments of **USD 275 Trillion will be needed until 2050**, equivalent to an annual investment of 8% of global GDP.

Banks play a key role in financing this transformation and channeling funds into decarbonization technologies that promote long-term growth. In addition, as already mentioned, there are large inequalities that could increase due to climate change and decarbonization efforts, and banks are called upon to play a fundamental role in development through financial inclusion, infrastructure financing and the promotion of the business fabric.

Being a pioneer provides a competitive advantage, by allowing to capture a greater share of incremental business, thanks to positioning, expert knowledge and the development of a differentiated management of the risks associated with sustainability. Seizing this opportunity requires years to carry out a profound transformation across the entire value chain, including strategy, policies and processes, business capabilities, and risk management.

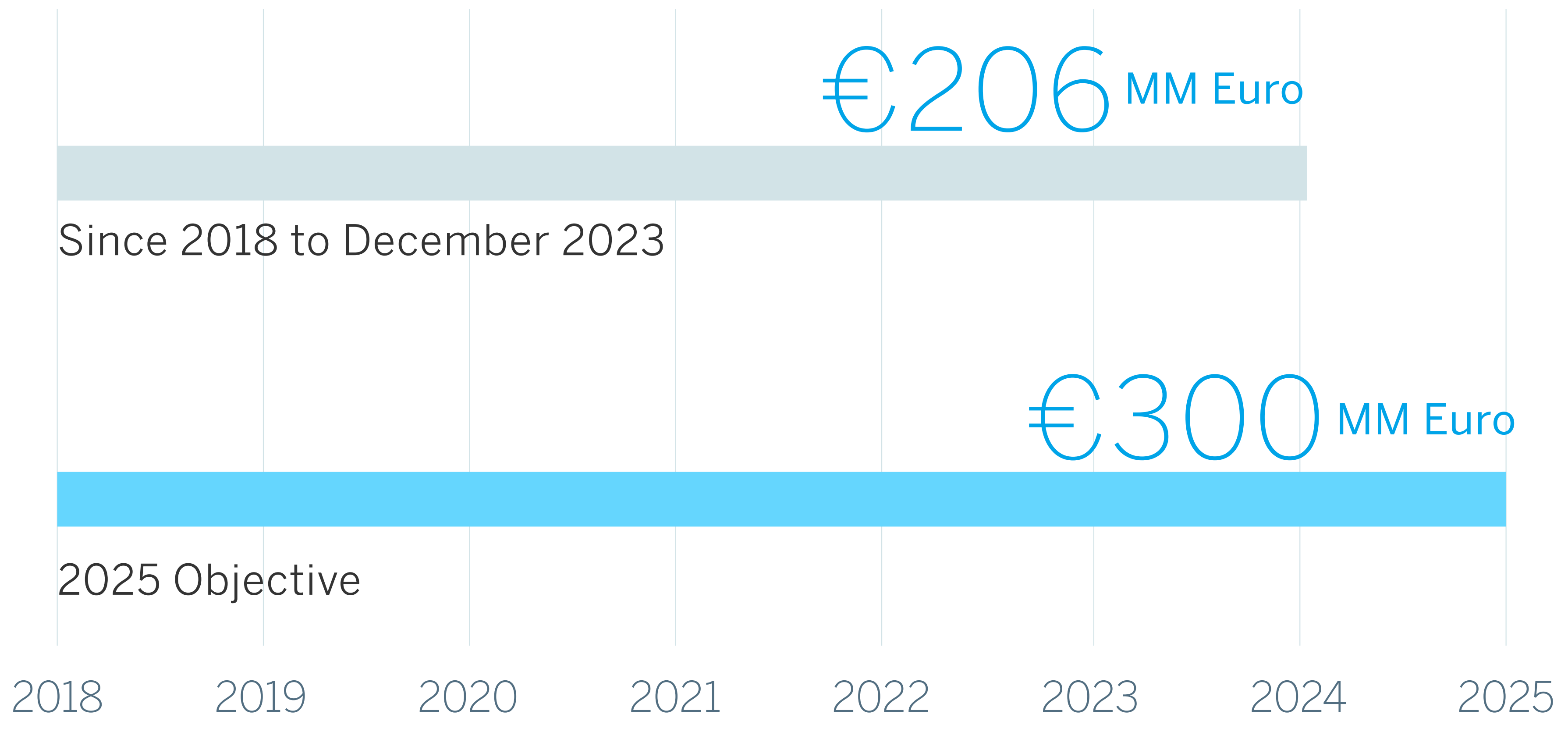
Convinced of the importance of being a pioneer, **BBVA has placed sustainability at the center of its strategy since 2019** and has made relevant decisions that have accelerated its transformation process. These are:

- Creation of the Global Sustainability Area, at the highest level of the organization, focused on business.
- Risk management that integrates sustainability as a relevant lever.
- Variable compensation for all employees, associated with the promotion of sustainable business.
- Sustainability is at the heart of BBVA's strategy through objectives that are committed to it.

For this reason, the implementation of the strategy is based on the achievement of two main objectives:

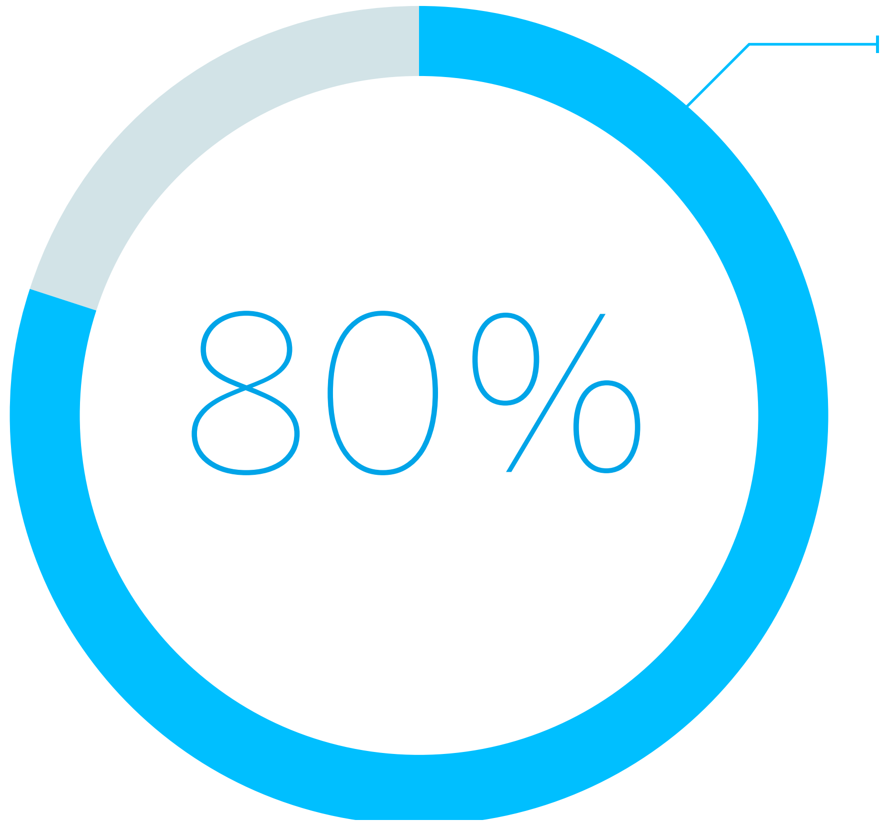
PROMOTE NEW BUSINESS THROUGH SUSTAINABILITY

Channeling of sustainable business



REACH NET ZERO EMISSIONS BY 2050

Setting and managing decarbonization objectives for 2030



Up to December 2023
Of the loan portfolio
Corresponds to customers that actively manage their transition

Sectors

- Oil and Gas
- Automobiles
- Cement
- Aviation
- Power generation
- Steel
- Coal
- Maritime transportation

* Percentage calculated in terms of the volume of loans in the portfolio, which includes both available and undrawn financing (loans, unused revolving credit lines, guarantees and ECA facilities, among other modalities). Data as of December 2023.

The sectors correspond to those with high emissions and include oil and gas, power generation, automobiles, steel, cement and aviation at the BBVA Group level. The percentage of the loan portfolio does not include the coal sector, for which BBVA has defined a phase-out plan by 2030, in developed countries, and globally, by 2040, (under the terms of the Environmental and Social Framework), nor does it include the maritime transport sector.

"Customers who actively manage their transition" are those classified as "advanced", "robust" or "moderate", according to internal transition assessment tools such as the Transition Risk Indicator (TRI), considering their medium-term emission reduction targets and the levers for managing such emissions, as well as their committed investments to execute their transition plan.

Fostering new business through sustainability

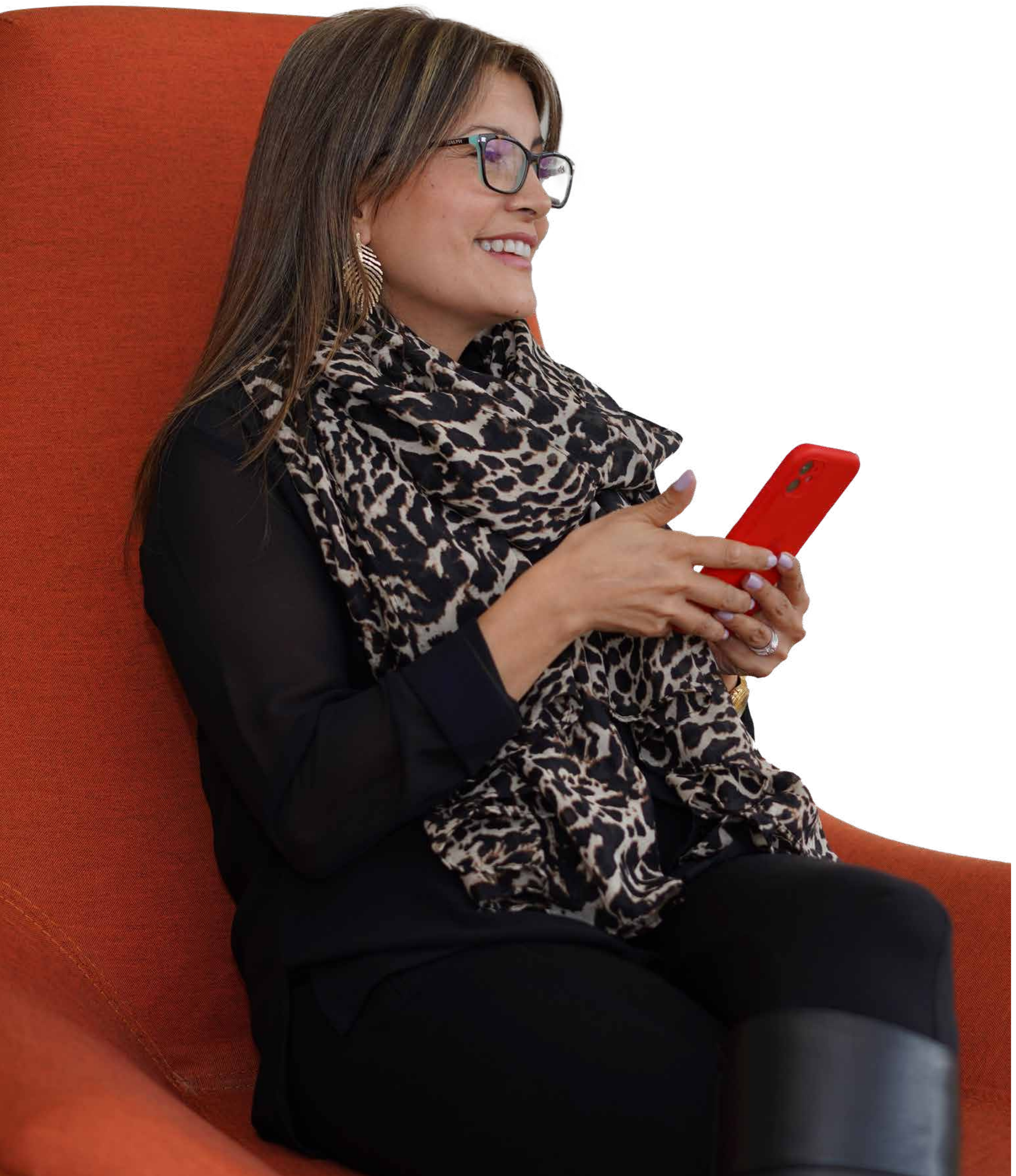
BBVA applies a holistic sustainability vision that includes 3 dimensions in all the geographic locations where it operates:

Climate. Business opportunities in relation to limiting global warming through electric transport, energy efficiency, renewable energy, etc. For more information, see the "Climate Action" section.

Natural capital. Business opportunities in relation to nature through agriculture, water and recycling.

Inclusive growth. Business opportunities in the social field through inclusive infrastructures, entrepreneurship and financial inclusion, among others. For more information, see the "Inclusive Growth" section.

The role of banks in reducing inequality: **Development based on financial inclusion, financing of infrastructure and promotion of the business fabric.**



Priorities

Promoting the development of financial solutions and personalized proposals for customers to capture incremental business opportunities related to sustainability, with a differentiated approach for each segment.

Wholesale customers (corporate and institutional). Sector solutions based on innovation and the development of specialized knowledge, focused both on the opportunities of the transition to more sustainable production models, and on the customer's contribution to inclusive growth.

Business customers. Proposals focused on simple and scalable solutions that allow potential economic savings, for example, in terms of energy efficiency or fleet renewal.

Retail customers. Customized digital solutions based on data analytics for the mass market with a focus on energy savings in the customer's home, solutions for their mobility or financial and social inclusion.

In addition, through BBVA Asset Management (BBVA AM) and its asset managers in the geographies where it operates, the Bank offers sustainable investment solutions for its customers.

Development of differential risk management capabilities . Based on a low exposure to sectors with high carbon emissions, BBVA aims to increase the business thanks to its competitive advantage in sustainability, based on differential knowledge on climate risk management. This allows to capture business opportunities while managing risk. To this end, specific risk frameworks are developed to support new businesses (e.g., new sustainable technologies), defining a plan to attract new customers based on their level of transition.

In addition, the Group continuously develops its capabilities through the creation of advanced tools and the **continuous training of its risk teams.** In 2023, 95% of the loan portfolio in high-emission sectors had the Transition Risk Indicator; In turn, 80% of this corresponded to customers who actively managed the transition. Likewise, at the end of 2023, more than 68% of the risk team was trained in sustainability.

Implementation of control processes. BBVA works on the definition and adaptation of processes to ensure operational efficiency and adequate internal controls, including the definition of solid criteria to classify sustainable business, paying attention to data quality, the assessment of non-financial risks and the definition of mitigation measures. This process implementation is based on the integration of sustainability in the organization with a solid governance model.

In the compensation system, incentives related to sustainable business have been implemented for the sales network, along with an annual variable compensation linked to the promotion of sustainable business for all employees. In 2023, long-term variable compensation was associated with decarbonization targets for members of the identified constituency, including the Bank's executive directors and senior management. For more details on the inclusion of non-financial indicators in the calculation of annual variable compensation, please refer to the "Compensation" section of this report.

In addition to financing the transition through its business, BBVA contributes to the development of new and innovative low-carbon technologies through investment commitments in climate funds focused on decarbonization. These funds invest globally in leading companies in technological and climate innovation, seeking innovative solutions that help decarbonize the planet.

Reaching net zero emissions by 2050

BBVA has developed a **decarbonization strategy** for portfolio alignment and a management model to monitor decarbonization objectives and capture growth potential business through:

- Sector alignment plans to define a business strategy and guide selective growth based on risk considerations and business opportunities.
- Customers' transition assessment plans based on the TRI, with specific tools integrated into the business strategy and decision-making process.
- Integration into the operations onboarding process. In other words, proactive and dynamic portfolio management, evaluating the impact of individual transactions.

BBVA recognizes that meeting the decarbonization targets also depends on governments, regulators and supervisory bodies, through their policies. Collaboration between the financial sector and these actors is key to achieving **effective and lasting change towards a cleaner and more sustainable economy.**

Sector alignment plans

To define a business strategy and guide selective growth based on risk considerations and business opportunities

Assessment of customers' transition plans
(indicador de riesgo de transición-TRi)

With specific tools integrated into the business strategy and decision-making process.

Integration into the operations onboarding process

Dynamic and proactive portfolio management, assessing the impact of individual transactions

Developing a decarbonization strategy to align our portfolio and capture business opportunities

Creating Opportunities

INVESTING IN OUR COUNTRY´S FUTURE

Stakeholders

2023 Individual Report

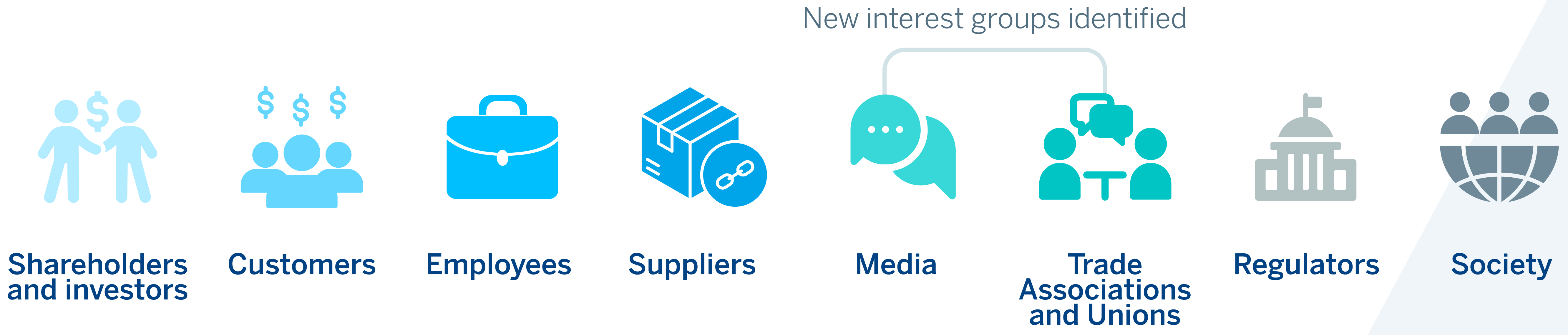
Stakeholders

GRI 2-6, 2-29

BBVA Colombia generates a positive impact on the lives of people, companies and society through its activity, thus implementing a responsible model in the provision of banking services with the solid **commitment of generating long-term value for its stakeholders** (shareholders and investors, customers, employees, unions, media, suppliers, regulators and society) in different areas of action such as the relationship with the environment and social development, fiscal responsibility, prevention of conduct contrary to norms, human rights and through participation in international initiatives.

BBVA Colombia acts in accordance with the general principles of sustainability:

- **Supports customers in their transition to more sustainable business models,** acting as a lever that enhances these behaviors.
- Progressively integrates the opportunities and risks associated with sustainability into strategy, business, processes and risk management.
- Ensures the environmental and social impact, direct and indirect, that businesses and activities can generate, promoting positive effects and reducing negative ones.
- **Respects the dignity of individuals** and the implementation of human rights in accordance with national and international commitments.
- Develops investment programs and activities in the community to address the challenges of the cities in which the Group is present, with the intention of creating opportunities for all.



- Is involved as an **agent of social change**, together with other stakeholders (employees, shareholders, suppliers and society), to create opportunities for all and puts its business competencies and knowledge, skills and resources at the service of society.

Regarding the identification of stakeholders, the BBVA Group carried out a comparative analysis with similar companies in the financial sector using the benchmark as a reference and obtained the information from the sustainability reports of these organizations. After establishing the stakeholders and defining the impacts, internal and external surveys were done in order to obtain results through the assessment of the established impacts. Each stakeholder was prioritized based on their experiences and expectations.

The approach to ensuring stakeholder engagement is described in Chapter 4, “Dual Materiality Analysis.”

Creating Opportunities

INVESTING IN OUR COUNTRY´S FUTURE

Double materiality analysis

2023 Individual Report

BBVA Colombia implemented materiality analysis with the intention of **generating value** for its stakeholders.

Double materiality analysis

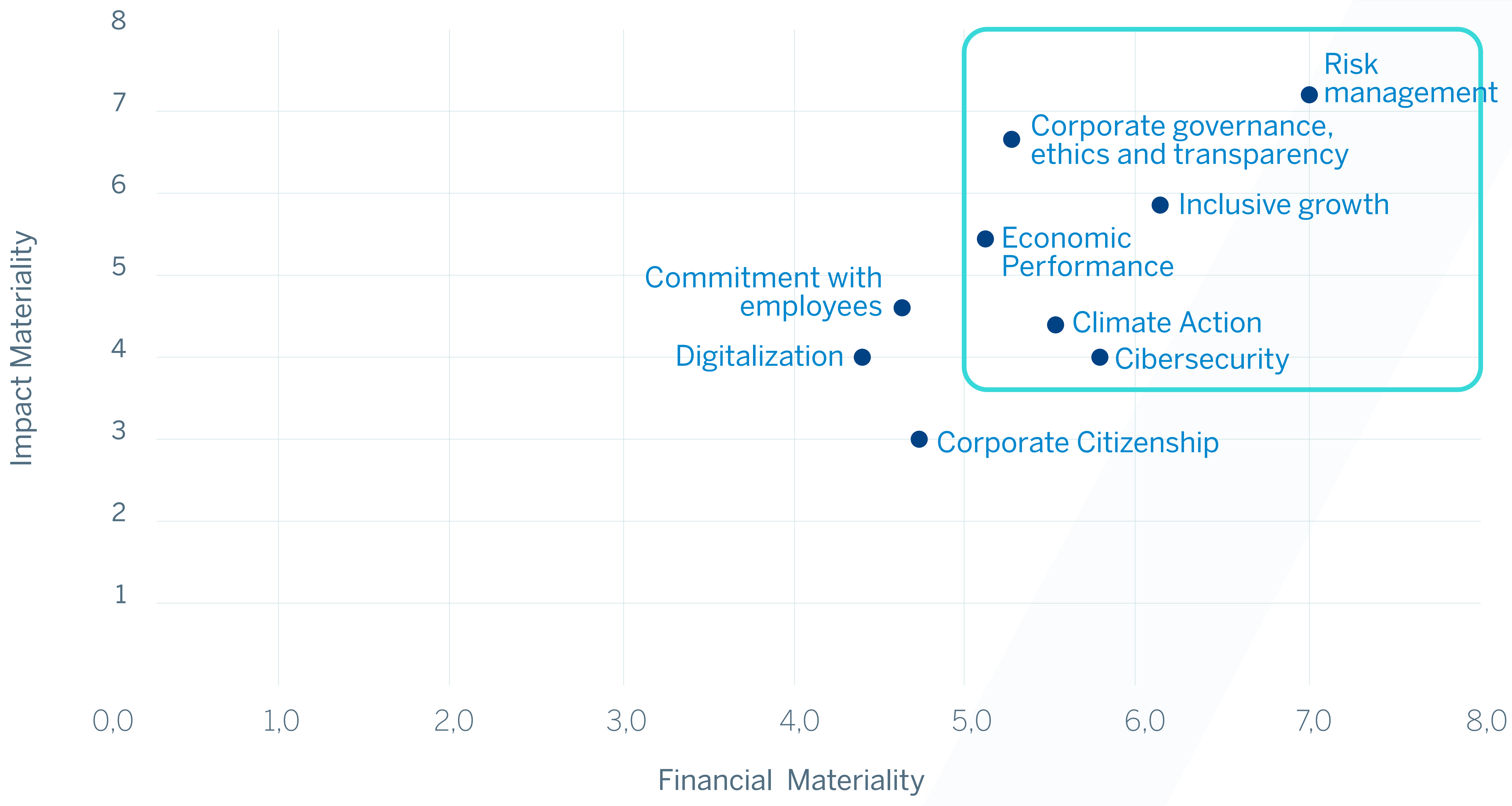
GRI 3-1, 3-2, 3-3

MATERIAL MATTERS

BBVA Colombia implemented materiality analysis with the intention of **generating value** for its stakeholders. This process helped prioritize issues that are relevant to these groups and to the Bank. In addition, new regulatory and supervisory expectations suggest a change in the methodology when analyzing materiality, hence the concept of "double materiality" is present in the international reporting standards of GRI, SASB, TCFD, MSCI, UNEP FI, among others.

Thus, we went from talking about "importance" to "impact" for the BBVA Group and stakeholders from a double perspective. That is, to assess materiality for BBVA Group in its financial condition and operating performance through financial materiality, the external perspective ("from the outside in"), and the material impact of BBVA Colombia on people and the planet, through social and environmental materiality, the internal perspective ("from the inside out").

BBVA Colombia double materiality matrix



The analysis integrated the stakeholder perspective.

As a result of this analysis, the most important issues for BBVA Colombia in 2023 were:

BBVA Highlights

Material Matter	Definition
Risk Management	BBVA Colombia has a Risk Management and Control Model to assess its exposure, which includes social, climate, economic, environmental, governance, systemic and adaptation risks.
Corporate governance, ethics and transparency	The Bank ensures compliance with good governance practices, ensuring an environment of business ethics through compliance with regulations and the establishment of policies and measures against the fight against corruption, bribery and money laundering. In addition, it seeks to have transparent and effective communication channels with its stakeholders and the general public.
Inclusive Growth	BBVA Colombia supports disadvantaged sectors without access to the financial system through mass banking and the creation of new products and relationship models, as well as using new technologies to improve financial education in these sectors.
Economic performance	The Bank seeks ample capital and liquidity to contribute to the stability and growth of the national economy. In addition, it generates good results for stakeholders and is committed to resilience in the face of environmental challenges.
Climate Action	BBVA Colombia is committed to managing climate change, the orderly transition to a low-emission economy, developing products that ensure responsible use of resources (energy, water, materials, and others) and protecting biodiversity. In addition, it implements actions to adapt to the impacts and reduces the risks associated with the Bank's operations, developing products that promote mitigation and resource efficiency actions aimed at sustainable finance.
Cybersecurity	The Bank implements measures to guarantee the security of its systems and protect the confidential information of its users, preventing the materialization of cyberattacks that compromise the privacy and trust of its stakeholders.

In relation to the 2022 Materiality Analysis, the following key themes remain: climate action, inclusive growth and cybersecurity.

The material issues analysis was done through a benchmark to identify, compare and assess **9 companies in the financial sector.**

METHODOLOGY TO DETERMINE MATERIAL ISSUES

Phases of the materiality analysis methodology

The 2023 analysis was done in 3 phases:

Phase 1: Identification of material issues relevant to stakeholders and the BBVA Group

The discovery of material issues was conducted from internal and external sources, and the analysis was done through a benchmark to identify, compare and assess **9 companies** in the financial sector with operations in Latin America. These companies share their environmental, social, and governance (ESG) information through standards, frameworks, rating agencies, and sustainability indices. In addition, the information contained in the sustainability reports of these companies was used as an input for the recognition of material issues, stakeholders and, through bibliographic consultation, it was possible to identify the impacts, risks and associated opportunities.

To enrich the information of the benchmark, several **consultations were made to internal and external sources.**

INTERNAL CONSULTATIONS

- List of material issues to the Bank, coming from previous materiality analyses.
- Consultations with 24 employees, 9 of which answered interviews and 15 online questionnaires.

EXTERNAL CONSULTATIONS

- **Customers:** 2 through interviews and 9 through online questionnaires.
- **Suppliers:** 10 answered online questionnaires.
- **Society:** 5 participated in a focus group.
- **Trade Asociations:** one participant answered the interview and two answered online questionnaires.
- **Media:** 7 answered online questionnaires.
- **Shareholders:** 2 through interviews and 6 through online questionnaires.
- **Regulators:** review of documents and communications relevant to the Financial Superintendence of Colombia (SFC).
- In addition, sustainability reporting frameworks, such as GRI, SASB, TCFD, MSCI, UNEP-FI, Principles for Responsible Banking (PBR) and the benchmark were considered as external sources.

Phase 2: Identification of potential, positive and negative impacts, risks and opportunities for the material issues identified

To complement the information in the benchmark and obtain a more robust context, meetings were held with the management of Corporate & Investment Banking (CIB), Risks, Sustainability, Government and Companies, Individuals and SMEs, Experience, Claims and Complaints, Communication and Social Responsibility of BBVA Colombia. The objective was to identify **stakeholders, risks, opportunities, and impacts** from an “outside-in” perspective that could affect the Bank’s management, performance, and position.

Phase 3: Weighing and weigthing of material issues

As a result of the meetings, the Bank’s management defined stakeholders, possible impacts, risks and opportunities they considered relevant from their areas. The consolidation process included the collection and automation of relevant information and consultation of external sources allowing to standardize the language, unify terms and define those that are predominant to be assessed by internal and external stakeholders.

Dual materiality matrix

The dual materiality matrix was developed using information from internal and external sources. The X-axis of the chart examines financial impacts, i.e., impacts assessed by the Bank’s internal teams, from the outside in. The Y-axis analyzes the most significant impacts for external stakeholders, from the inside out.

To enrich the analysis of these material issues, relevant frameworks for the exercise were taken into account. In the X axis of financial materiality, the SASB reporting standard, UNEP-FI, the Principles for Responsible Banking and the implemented benchmark were included. For the impacts assessed from the Y-axis, the topics suggested by the Global Reporting Initiative (GRI) and the MSCI index were considered.

IMPACTS, RISKS AND OPPORTUNITIES OF PRIORITIZED MATERIAL ISSUES

In 2023, the double materiality analysis was applied to the Bank, **prioritizing issues relevant to the region.** This report presents the management related to the prioritized material issues.

In 2024, the Bank will focus on defining a strategy to manage the issues and their potential negative impacts, as well as measures to facilitate their remediation and accompaniment on the prioritized issues through concrete actions.

BBVA

Creating Opportunities

INVESTING IN OUR COUNTRY´S FUTURE

Risk Management

2023 Individual Report

Risk Management

GENERAL RISK MANAGEMENT AND CONTROL MODEL

The Bank has a General Risk Management and Control Model aligned with the BBVA Group's General Model, locally suited to its business model and organization. This Model allows it to perform its activity within the framework of the Risk Management and Control Policy and strategy defined by the Board of Directors, which considers sustainability and adaptation to a changing economic and regulatory environment, in order **to globally manage and adapt to the specific circumstances of the environment.**

The Model is applied in a comprehensive manner in the Bank and is made up of the following:

- Governance and Organization
- Risk Appetite Framework
- Assessment, monitoring and reporting
- Infrastructure

BBVA Colombia promotes the development of a risk culture that ensures the consistent application of the General Risk Management and Control Model, which also guarantees that the risk function is understood and internalized by the entire organization.

GOVERNANCE AND ORGANIZATION

The BBVA Group Model is characterized by the special involvement of the Board of Directors in establishing the risk strategy and the monitoring and supervision of its implementation. Hence, the **Board of Directors approves the risk strategy and the general policies** adapted to the different types of risks, in which the areas of Risk and Internal Control and Compliance are responsible for their development, reporting to the Comprehensive Risk Committee and the Board of Directors.

In addition, the Board is responsible for approving and monitoring the strategic plan, the annual budget, the capital, liquidity and financing plans, and defining the rest of the management objectives.

The Risk area function is supported by a series of decision-making committees, such as the Risk Management Committee (RMC), which proposes, contrasts and approves, for consideration by the Board of Directors, the internal regulatory framework for risks, the procedures and infrastructures necessary to identify, assess, measure and manage the risks faced by BBVA Colombia in the development of its businesses, and risk limits by portfolios, among others.

The head of the Risk area in the Senior Management line is the Executive Vice President of Risk of the BBVA Group, appointed by the Board of Directors as a member of Senior Management. In order to better fulfill his duties, the Executive Vice President of Risks relies on a structure of specific units that are Market & Structural Risk, Portfolio Management Reporting & SD Risk, Recovery & Workout, Wholesale Credit, Retail Credit, SME Credit and Risk Control Assurer (RCA).

The Board of Directors **approves the risk strategy** and the general policies

The risk units have their own risk management committees, with objectives and contents similar to those of the corporate area, which perform their functions in a consistent manner and in line with risk policies and standards, and whose decisions are evidenced in minutes.

With respect to non-financial risks and internal control, BBVA Colombia has an Internal Control and Compliance Unit, independent of the other units, whose head is the Executive Director of Internal Control and Compliance, who is also appointed by the Board of Directors and reports hierarchically to the Bank's country manager. to whom it reports. This area is responsible for proposing and implementing policies related to non-financial risks and the Internal Control Model, and integrates the areas of Internal Control and Country Operational Risk, Compliance, Internal Risk Control and Risk Control Specialists (RCS).

With this organization, the Risk function ensures the integration of the Risk Strategy, regulatory framework, infrastructures and homogeneous risk controls, while benefiting from the knowledge and closeness with the customer, transmitting the corporate culture in this area to the different levels of the BBVA Group. Likewise, the Local Risks area does and reports to the BBVA Group's Board of Directors an integrated monitoring and control of the risks of the entire Bank.

RISK APPETITE FRAMEWORK

BBVA Colombia's risk appetite framework, approved by the Board of Directors, determines the risks and the level that the Bank is willing to assume in order to achieve its objectives, considering the organic evolution of the business. These risks are expressed in terms of solvency, liquidity and funding, profitability and recurrence of earnings, and are reviewed periodically, as in the case of substantial changes to the entity's business strategy or relevant corporate operations.

Risk appetite framework:

Risk appetite statement. It sets out the general principles of the Bank's Risk Strategy and the target risk profile.

Key statements and metrics. Based on the appetite statement, statements are established that specify the general principles of risk management in terms of solvency, liquidity and funding, and profitability and recurrence of results. Similarly, the key metrics express in quantitative terms the principles and the target risk profile set out in the risk appetite statement. Each of the metrics has 3 thresholds, ranging from business as usual to higher levels of impairment.

- **Management benchmark.** A benchmark that determines a comfortable level for the Bank to manage.
- **Maximum appetite.** The Highest level of risk the Bank is willing to accept in the course of its day-to-day business.
- **Maximum capacity.** The Highest level of risk the Bank could assume; for some metrics, it is associated with regulatory requirements.

Statements and metrics by type of risk. Based on the fundamental metrics and their thresholds, a series of metrics are determined for each type of risk, the observance of which allows compliance with the fundamental metrics and the Bank's risk appetite statement. These metrics have a maximum appetite threshold.

In addition, there is a management limit that is defined by the areas responsible for the management of each risk in the development of the structure of metrics by type of risk, to ensure **that the proactive management of these respects this structure** and, in general, the established Risk Appetite Framework.

BBVA Colombia has its own Risk Appetite Framework, consisting of its Local Risk Appetite Statement, fundamental statements and metrics, and metrics and statements by type of risk, which must be consistent with those set at the BBVA Group level, but adapted to its reality and approved by the Board of Directors. This Framework is made up of a boundary structure in accordance with the above.

The Corporate Risk area works together with the different risk units of BBVA Colombia on the effects to define its Risk Appetite Framework, so that it is coordinated and framed within the Group's Risk Appetite Framework, and ensuring that its profile is aligned with the one defined. For monitoring purposes, at the local level, the Vice Presidency of Risks periodically reports to the Board of Directors on the evolution of the metrics of the Local Appetite Framework, as well as to the Risk Management Committee (RMC) of the Risk area, following a scheme similar to that of the Group, in accordance with its corporate governance systems.

The key metrics of the risk appetite statement have 3 thresholds: **management benchmark, maximum appetite and maximum capacity.**

ASSESSMENT, MONITORING AND REPORTING

Assessment, monitoring and reporting is a cross-cutting function that ensures that the Model has a dynamic and proactive vision for compliance with the Risk Appetite Framework approved by the Board of Directors, even in the face of unfavorable scenarios. This process is integrated into the activity of the Risk units together with the units specialized in non-financial risks, encompassed in Internal Control and Compliance, in order **to generate a global and unique vision of the Bank's risk profile** and is done in the following phases:

- **Monitoring of identified risk** factors that may compromise the Bank's performance in relation to defined risk thresholds.Evaluación del impacto de la materialización
- **Assessment of the impact of the materialization of risk** factors on the metrics that define the Risk Appetite Framework, based on different scenarios, including stress scenarios.
- **Response to undesirable situations and proposal** of redirection measures before the corresponding instance and that allows a dynamic management of the situation even before it occurs.
- **Monitoring of the Bank's risk profile** and the risk factors identified, through internal, competitor and market indicators, among others, to anticipate its future evolution.
- **Reporting:** information on the evolution of risks in a complete and reliable manner for the Board of Directors and Senior Management, in accordance with the principles of accuracy, completeness, clarity and usefulness, frequency, adequate distribution and confidentiality. The principle of transparency governs alls risk information reporting.

INFRAESTRUCTURE

To implement the Risk Management and Control Model, the Bank has the resources to effectively manage and supervise risks, and to achieve its objectives. In this regard, BBVA Colombia's Risk function:

- Has sufficient means, structures and tools to develop **risk management** in line with the corporate model.
- **Develops the appropriate methodologies** and models for the measurement and management of different risk factors, as well as the assessment of capital to assume these.
- **Provides technological systems** that support the Risk Appetite Framework in its broadest definition, enable the calculation and measurement of variables and data specific to the risk function, support risk management in accordance with this Model, and provide an environment for the storage and exploitation of data necessary for risk management and reporting to supervisory bodies.
- **Promotes adequate data governance,** in accordance with the principles of governance, infrastructure, accuracy and integrity, completeness, promptness and adaptability, following quality standards in accordance with internal regulations on this matter.

Based on this, a report is made to BBVA Colombia's Board of Directors, so that it can guarantee that the Bank has the appropriate means, systems, structures and resources.

The Bank has the resources **to effectively manage and supervise the Management Model.**

CREDIT RISK

Credit risk management at BBVA Colombia is based on a general model that includes guidelines and policies for each of the stages of risk management.

This set of internal rules establish the action framework for manageming and controling credit risk at BBVA Colombia, defining the respective standards and limits.

The principles that underly credit risk management at the Bank are:

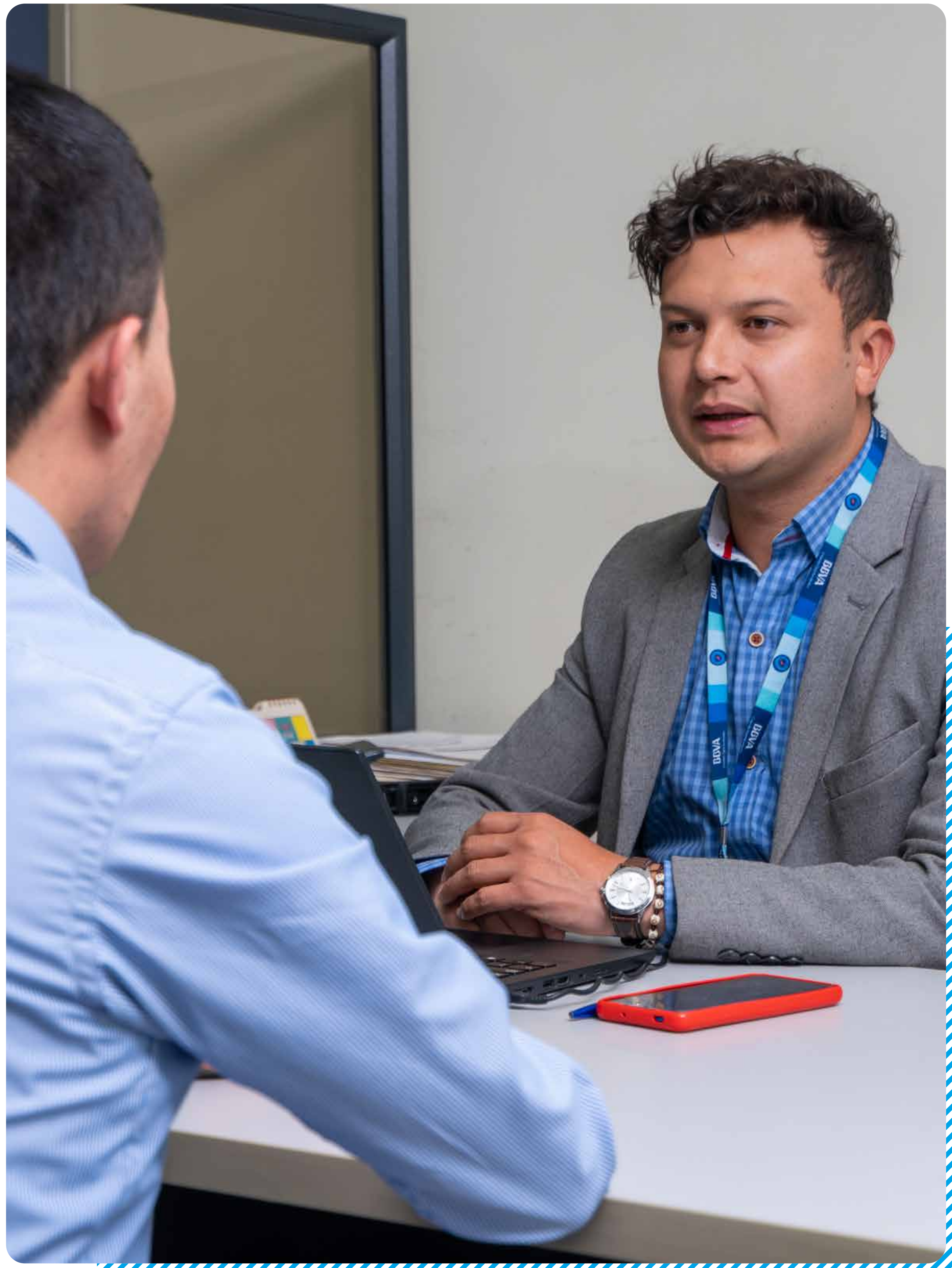
- **The risks assumed must conform with the general risk strategy** established by the Board of Directors of the BBVA Group and approved by the Board of Directors of BBVA Colombia.
- **The risks assumed must be proportional** to the level of resources and the generation of recurring results, prioritizing risk diversification and avoiding significnat concentrations.
- **Risks must be identified,** measured and assessed, and there **must be procedures for their monitoring** and management, as well as robust control and mitigation mechanisms.
- **All risks must be managed** in a prudent and integrated manner throughout their life cycle, with a **differentiated treatment** according to their type, and actively managing portfolios based on a common measure (economic capital).

Credit risk management at BBVA Colombia is based on a **general model for each of the stages of risk management.**

- **The borrower's or obligor's** ability to pay, in a timely manner, to meet the total financial obligations assumed from the income gerenated from his or her usual business or source of income, without depending on guarantors, guarantors or assets provided as collateral, is the main criterion for granting of credit risks.
- **Improvement of the financial health of customers,** helping them in decision-making and in the daily management of their finances based on personalized advice.
- **Help customers** transition to a sustainable future, with an emphasis on climate change and inclusive and sustainable social development.

For the prudential supervision activities perfromed by the Financial Superintendence of Colombia in 2023, an active risk management communication channel was maintained, which included meetings with the regulator with a view to presenting the Bank's risk strategy.

Among the main points discussed were the joint work with the industry associations and the different areas of the Bank to determine the use of the decumulation phase methodology for the consumer portfolio in the case of the Bank, as established in Chapter XXXI of the SIAR, which began in August 2023 and ended in January 2024.



Exposure to credit risk

According to November 2023 figures (the latest available at the sector level at the date of this report), **BBVA is positioned as the fourth largest bank in Colombia,** with an 11.14% share in lending investment. The growth of investment, from December to the referenced cut-off date, was 5.88%. In the portfolio mix, Sales´ share closed 2023 at 41.20%, while Consumer was 38.94% and Mortgage 19.87%. For this period, the annual growth of the Sales portfolio was +2.67%, Consumer +11.32% and Mortgage +2.70%.

In retail risk, the following particular changes were defined in the onboarding and product policies in line with the Global Risk Framework established by the BBVA Group and national regulations. The main decisions were:

- **In order to control the deterioration** of the 2023 portfolio, given the macroeconomic situation, a **higher bureau score requirement** was established, adjustments were made in the effort rate, an increase in the minimum income requirement and alignment in SMMLV, as well as adjustments in the time performing temporary jobs.
- **They supported themselves in the evolutionary improvements of the digital front,** with adjustments in control rules in web consumption, digital payroll, digital housing and web vehicle loans, which will attract a greater number of customers and leverage the open market.
- **The evaluation model for digital credit card contracting was strengthened,** applying adjustments in cut-off points and control in management rules.
- **The mortgage effort rate was redefined** into a twofold component, financial capacity plus loan-to-collateral ratio.
- **Containment measures were established for the Colombian Military Forces,** following the changes made by the Ministry of National Defense in the payroll platform and bad market practices, in addition to differential policies and controls for private sector agreements in relation to term, bureau and type of contract.

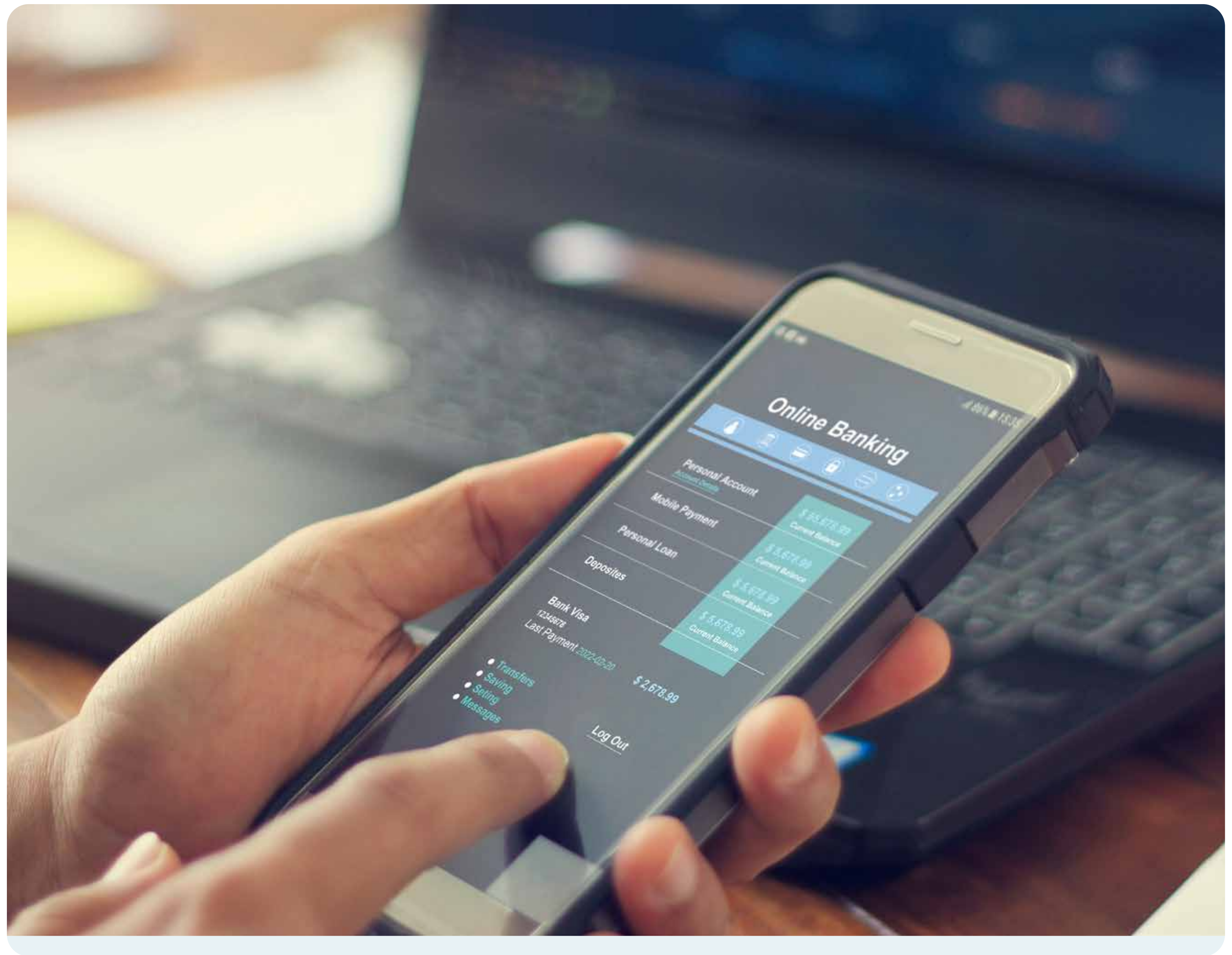
As a strategy to increase placements, the following guidelines were established:

- **Growth in pre-approved offerings;** The limits formalized in Proactive Channel in 2023 participated with 68% of turnover for free investment loans and credit cards.
- **Growth in the establishing payroll loan agreements** with private sector companies.
- **D+0 credit card,** as the second credit card mobilizer, promoting banking and customer loyalty.
- **Digital credit card:** the control matrix for granting credit limits was implemented, considering bureau and income variables.
- **Mortgage, with a greater focus on VIS** (spanish acronym for Social Interest Housing) segment customers, especially with a UVR amortization system and promotion of placement through pre-offered campaigns to payroll customers.

The SME Risks area continued a strategy aligned with the country's economic situation and business behavior in each territory; the onboarding and product policies were maintained in accordance with the Global Risk Framework defined by the BBVA Group and the local regulatory circulars. The main actions were:

- **The pre-approved strategy was continued in resilient,** high-value and high-level engagement profiles, leveraged on short-term proposals.
- **Viability was maintained** in sectors with stable and growing financial dynamics, with a financing proposal in line with their working capital and investment needs.
- **The collateral allocation strategy remained** leveraged on guarantees from the National Guarantee Fund (FNG) and collateral with an allocation structure in accordance with the risk profile of each customer, the term of the financing and the destination of the resources.

In 2023, the Wholesale Risk area managed the admission and monitoring of risks in line with the guidelines of the Credit Risk Framework defined by the BBVA Group. The portfolio registered a growth of 4.10%, an increase of COP 0.5 Trillion in Corporate banking (annual variation of 5.66%), COP 0.4 Trillion in Business banking (annual variation of 3.45%) and COP 0.1 Trillion in Government banking (annual variation of 2.49%).



As a **strategy** to anticipate the deterioration of the portfolio, efforts were focused on the preventive alert of customers with activity in economic sectors of greater vulnerability, with a decrease in their rating and possible defaults in early periods of time in BBVA Colombia and in other financial sector entities, maintaining joint monitoring with the business area. This allowed the NPL ratio to decrease from 1.15% in December 2022 to 0.77% in the same period of 2023.

At the end of 2023, the rating validation indicator was 99% in amount and 83% in number of customers.

Classification and rating by type of loan portfolio as of Dec 31, 2023

(Figures in COP Million)

Credit Portfolio	Capital	Intereses	Otros
Commercial			
Category A	28,934,416	384,036	9,246
Category B	730,657	14,995	2,897
Category C	351,311	15,097	1,154
Category D	85,882	5,829	1,864
Category E	397,228	21,274	19,638
Total Commercial	30,499,494	441,231	34,799
Consumer			
Category A	25,662,223	425,574	11,700
Category B	478,096	20,857	931
Category C	378,556	20,112	1,014
Category D	636,973	37,499	1,993
Category E	1,421,960	82,550	7,930
Total Consumer	28,577,808	586,592	23,568
Microcredit			
Category A	-	-	-
Category B	-	-	-
Category C	-	-	-
Category D	-	-	-
Category E	2	-	-
Total microcredit	2	-	-
Housing			
Category A	13,758,377	202,091	18,220
Category B	406,750	22,431	2,557
Category C	124,925	7,881	1,232
Category D	114,672	6,204	1,140
Category E	287,688	14,265	6,204
Total housing	14,692,412	252,872	29,353
Total loan portfolio	**73,769,716**	**1,280,695**	**87,720**

Efforts were focused on **preventive alerts** of customers with activity in economic sectors of greater vulnerability.

Mitigation of credit risk, collateral and other credit enhancements

In most cases, the maximum credit risk exposure was reduced by the existence of collateral, credit enhancements, and other actions that mitigated the Bank's exposure. BBVA Colombia's credit risk hedging and mitigation policy stems from its conception of the banking business, which focuses on **relationship banking.** Along these lines, the requirement of guarantees may be a necessary but not a sufficient instrument for the granting of risks, since the assumption of risks requires prior verification of the debtor's ability to pay or that the debtor can generate sufficient resources to allow the amortization of the risk incurred, under the agreed conditions.

The credit risk-taking policy is implemented at **3 levels:**

- Analysis of the financial risk of the operation based on the borrower's ability to repay or generate resources.
- Provision of guarantees appropriate to the risk assumed, in any of the generally accepted forms: monetary, real, personal or hedging guarantees.
- Assessment of the recovery risk (liquidity of the asset) of the guarantees received.

BBVA Colombia's approach to risk assessment is based on the generation of resources and not on the guarantees provided. For this reason, the Bank does not extend credit operations based solely on guarantees.

Considering the Colombian macroeconomic environment, which is going through indicators with some degree of deterioration in specific sectors, the monitoring and analysis processes of particular portfolios were aimed at **detecting pockets of deterioration**, mainly in consumer lines, where the reaction has been to adjust policies and onboarding tools, towards restricting profiles with a greater default probability.

The teamwork strategy and transversality in the value chain, from the customer's request to the recovery of the loan, has made it possible to visualize where to direct efforts to achieve the balance of risk as a fundamental driver in the contribution to the income statement.

Risks concentration

With regards to mitigating credit risk concentration, the Bank keep the **maximum authorized concentration indices updated**, both individual and sectoral, based on the different observable variables related to credit risk.

The Bank's financial presence or quota in a specific customer is conditioned by its credit quality, the nature of the risks that are maintained with it and the Bank's presence in the market, in accordance with the following guidelines:

An attempt is made to reconcile the customer's financing needs (commercial/financial, short-term/long-term, etc.) with the Bank's interests in as much as possible.

Consideration is given to the legal limits that may exist on the concentration of risks (the relationship between the risks held with a customer and the equity of the entity that assumes these), the markets situation, the macroeconomic situation, etc.

Bank's loan portfolio as of Dec 31, 2023, distributed in economic activities

(Figures in COP Million)

Activity	2023	2022
Association, education and health activities	1,826,627	1,803,786
Leisure and cultural activities	191,749	175,296
Real estate, business and rental activities	2,085,594	2,054,836
Water collection, purification and distribution	92,624	75,016
Wholesale, commission and contracting	2,605,402	2,818,871
Retail trade and non-specialist establishments	3,096,900	3,006,629
Construction, conditioning and finishes	1,264,619	1,143,183
Mail y Telecommunications	878,354	758,516
Food y Beverage Processing	3,014,251	2,607,936
Exploitation, public administration and defense	3,648,944	3,540,275
Exploitation of non-metallic minerals	14,456	12,538
Coal mining	75,981	89,555
Extraction of metal ores	2,154	1,504
Oil, gas and natural gas extraction	259,611	141,022
Paper, cardboard and paperboard products mill	140,814	121,539
Manufacturing, Refining, Petroleum & Chemicals	1,316,494	1,469,235
Manufacture of non-metallic minerals	380,881	455,273
Manufacturing of other manufacturing industries	42,851	81,242
Manufacture of metal products and machinery	392,356	545,827
Textile Manufacturing	479,753	393,887
Financing Insurance Plans	49,122	71,589
Generation, Manufacturing, Electricity, Gas & Water	3,726,441	4,101,012
Hotels & Restaurants	280,878	264,160
Industry, Manufacturing & Metals	78,475	141,419
Financial intermediation	3,426,750	3,372,194
Payroll Employees	40,504,561	36,812,977
Rentiers	298,838	303,061
Printing activities	61,627	61,154
Undifferentiated activities of individual households	7,926	4,181
Extraterritorial organizations and bodies	3,229	3,880
Other Community Service Activities	381,250	635,051
Fishing, Fish Production, Hatchery & Farm	35,871	31,995
Agricultural and livestock production	998,260	984,994
Sanitation and similar services	91,702	81,185
Forestry, Timber extraction and services	26,917	32,264
Processing, Factory, Basketry and Wood	14,450	14,301
Transportation	1,973,004	1,051,823
Total	**73,769,716**	**69,263,206**

Credit Quality of Financial Assets that are Neither Past Due nor Impaired

The BBVA Group has rating tools **to order the credit quality of its operations or customers** based on a valuation and its correspondence with the so-called probabilities of default (PD). To study how this probability varies, there are monitoring tools and historical databases to collect the internally information generated, which can be grouped into scoring and rating models.

Scoring

Scoring is a decision-making model that helps in the **granting and management of retail consumer loans, mortgages and credit cards for individuals**. Scoring makes it possible to decide whether to grant a loan, the amount to be granted and the strategies that can help set its price, as it is based on an algorithm that orders operations according to credit quality. This algorithm makes it possible to assign a score to each transaction requested by a customer, based on objective characteristics that statistically discriminate between the risk quality of this type of trade. The advantage of this model lies in its simplicity and homogeneity; For each customer, all that is required is a series of objective data and the analysis of these is automatic, by means of an algorithm.

There are 3 types of scoring depending on the information used and its purpose.

Reactive scoring. It measures the risk of a transaction requested by an individual through variables relating to the transaction, as well as the customer's socio-economic data available at the time of the request. Based on the score awarded by the scoring, it is decided to grant or deny the new transaction.

Behavioral scoring. It rates transactions of a certain product in a portfolio of outstanding risk in the entity, allowing credit quality to be monitored and customer needs to be identified. Operation and customer variables, available internally, are used. Specifically, variables that refer to the behavior of both the product and the customer.

Proactive scoring. assigns a customer-level score, with variables of the individual's general behavior with the entity, as well as their payment behavior in all contracted products. Its purpose is to monitor the credit quality of the customer, and it is used to pre-approve new operations.

Rating

The rating, unlike the scorings that rate operations, is a tool focused on customer qualification such as companies, corporations, SMEs, public administrations, etc. A rating is an instrument that determines, based on a detailed financial analysis, a customer's ability to meet its financial obligations. Usually, the final rating is a combination of factors of different nature, such as quantitative and qualitative factors. It is a midpoint between individual and statistical analysis.

The fundamental difference with scoring is that this is used to assess retail products, while ratings use a wholesale banking customer approach. In addition, scoring only includes objective variables, while ratings incorporate qualitative information. Although both are based on statistical studies incorporating a business perspective, in the development of rating tools, greater weight is given to the business criterion than in scoring tools.

In those portfolios in which the number of defaults is very low (sovereign risks, corporate risks, financial institution risks, etc.), the internal information is complemented by the benchmarking of the external rating agencies (Moody's, Standard & Poor's and Fitch). For this reason, each year the probabilities of default estimated by the rating agencies for each risk level are compared and an equivalence is obtained between the levels of the different agencies and those of BBVA Group's Master Scale.

Once the probability of default of the operations or customers has been estimated, the "cycle adjustment" is performed to establish a measure of risk quality beyond the moment of its estimation, aiming to capture representative portfolio behavior information over a complete economic cycle. This probability is linked to the Master Scale developed by the BBVA Group to facilitate the classification, in homogeneous terms, of its different risk portfolios.

Reduced scale used to classify BBVA Colombia's outstanding risks

Level	S&P Rating	Moody's Rating	Fitch Rating	BBVA Rating	PD EMC BBVA
1	AAA	Aaa	AAA	AAA	0.01%
2	AA+	Aa1	AA+	AA+	0.02%
3	AA	Aa2	AA	AA	0.03%
4	AA-	Aa3	AA-	AA-	0.04%
5	A+	A1	A+	A+	0.05%
6	A	A2	A	A	0.08%
7	A-	A3	A-	A-	0.10%
8	BBB+	Baa1	BBB+	BBB+	0.14%
9	BBB	Baa2	BBB	BBB	0.20%
10	BBB-	Baa3	BBB-	BBB-	0.31%
11	BB+	Ba1	BB+	BB+	0.51%
12	BB	Ba2	BB	BB	0.88%
13	BB-	Ba3	BB-	BB-	1.50%
14	B+	B1	B+	B+	2.55%
15	B	B2	B	B	4.41%
16	B-	B3	B-	B-	7.85%
17	CCC	Caa-C	CCC	C	21.22%

The determination of these levels and their probability of default limits was done using as a reference the rating scales and default rates of external rating agencies Standard & Poor's and Moody's. In this manner, the Bank's Master Scale probability default levels were established. On the other hand, calibrations, i.e., the mapping of scores to default probability brackets and levels of the Master Scale, are made at the BBVA tool level.

In 2023, the Analytics management moved forward with the execution of the **NGA project,** with a first deliverable, which covered the development, data consumption and productive implementation on the Bank's platforms for the models (behavioral of individuals and EWS - Early Warning System for the portfolios of SMEs and Companies). The pillars considered by the initiative focus on the development and implementation of models in less time, incorporation of non-traditional sources of information, opening segments with greater granularity according to the reality of the business and the implementation of the model under non-traditional estimation algorithms (machine learning) resulting in more robust and stable estimates over time.

After completing phase 1 of the analytical recalculation of the model and phase 2 of feeding and certifying information in Datio, progress was made in the implementation of these two models in the Bank's tools: Cronos and Arce, final tools with which the models will be exploited productively.

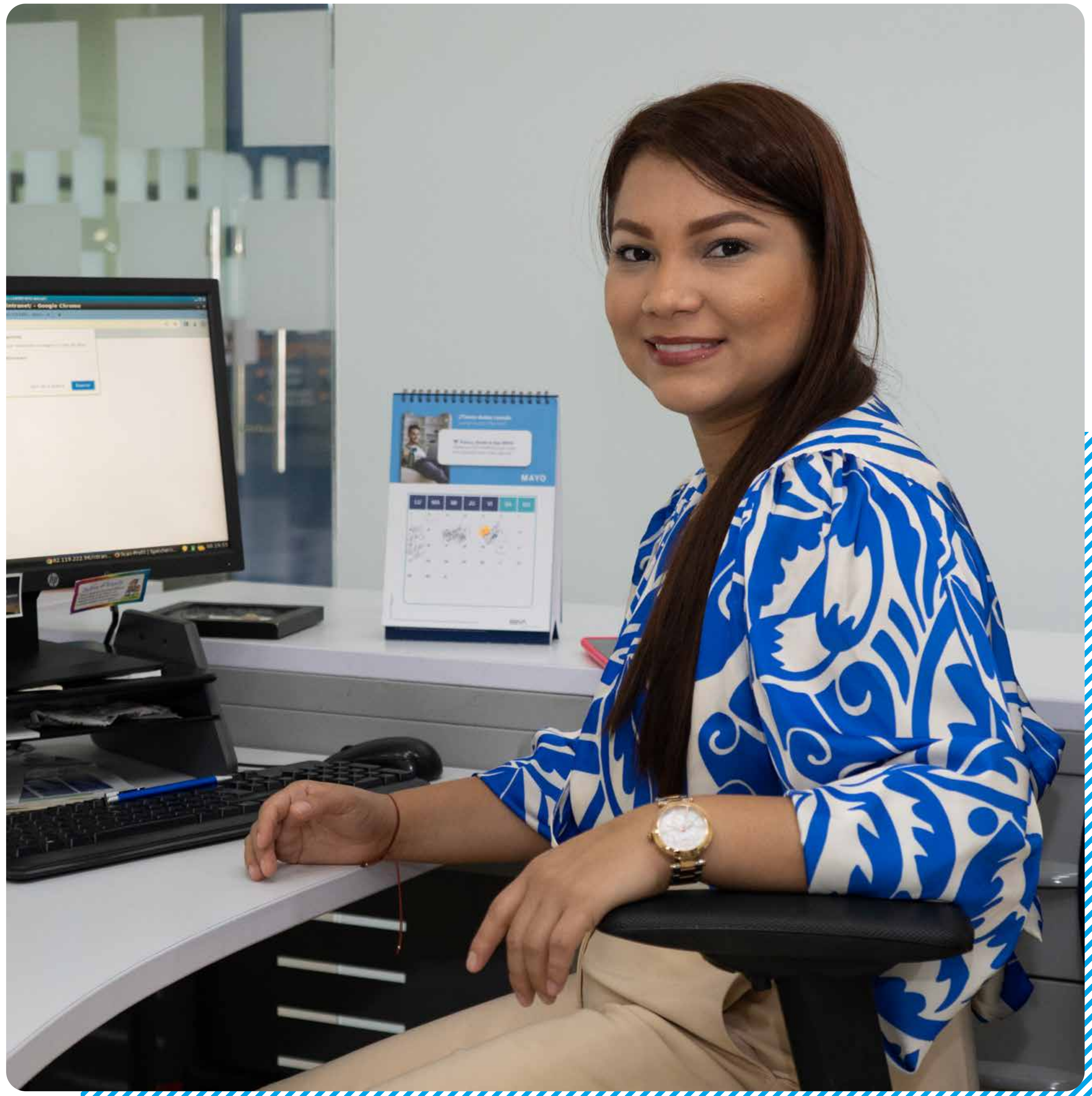
Work was also done on the new mortgage model, with a commitment date for its production in the first quarter of 2024. In addition, in July 2023, the analytical recalculation phase was concluded, bringing forward the deployment on the Bank's different channels, tools and engines; the Financial Superintendence of Colombia has observed this model, constantly monitoring progress.

Finally, the **annual parameter calibration process** was worked on under IFRS9 international methodologies. This methodology manages to anticipate the recognition of credit losses by making use of expected loss parameters (PD, LGD, CCF) and macroeconomic models for the calculation of collective provisions, including the development of all parameters on GMR Lab/Datio for 2023.

During this calibration, points of improvement identified in previous calibrations were included, which served to obtain more robust estimates, in line with the reality of the geography.

Past due and non-impaired risks

At BBVA Colombia, although there is a segmentation of past-due loans, which is understood as any loan that has exceeded **30 days** past due but is not yet delinquent, monitoring is focused on the non-performing loan portfolio.



Nonperforming or impaired risks

In classifying a credit operation according to doubtful criteria, the portfolio to which it belongs and the days of non-payment incurred must be considered, as follows:

	Days past due
Consumer	>60 days
Credit Card	>60 days
Mortgage	>120 days
Commercial	>90 days

BBVA Colombia's non-performing loan portfolio, according to figures published by the regulator as of October 2023, showed an **annual variation of 39.48%.** The variation of the sector was 43.25%.

Local provisions are made in accordance with the provisions established by the Financial Superintendence of Colombia, in Annexes 1 and 2 of Chapter XXXI of the SIAR, regarding the Commercial and Consumer Reference Model, having a more prudent management of the severity in the consumer portfolio.

In addition, the Bank, in accordance with Chapter XXXI - SIAR of the CBCF, began the application of the **calculation methodology in the decumulative phase** for the consumer portfolio since August 2023.

Provisions recorded in the balance sheets to cover estimated impairment losses as od December 31.2023

(Figures in COP Million)

Loan Portfolio	Principal provision	Interest provision	Other provision	Collateral
Comercial				
Category A	376,191	6,408	311	17,657,723
Category B	29,345	1,354	210	1,507,623
Category C	33,368	4,634	511	825,203
Category D	38,320	5,377	1,521	95,378
Category E	296,229	20,627	19,516	718,858
Trade Total	773,453	38,400	22,069	20,804,785
Consumer				
Category A	422,361	12,487	303	1,165,389
Category B	56,556	3,872	213	36,455
Category C	70,031	15,097	668	39,727
Category D	514,113	36,620	1,945	24,321
Category E	1,394,095	82,427	7,946	80,139
Total consumer	2,457,156	150,503	11,075	1,346,031
Microcredit				
Category A	-	-	-	-
Category B	-	-	-	-
Category C	-	-	-	-
Category D	-	-	-	-
Category E	2	-	-	-
Total microcredit	2	-	-	-
Housing				
Category A	284,531	22,093	402	28,405,511
Category B	13,003	22,284	2,546	1,290,514
Category C	12,500	7,860	1,229	352,432
Category D	23,044	6,179	1,125	450,577
Category E	113,026	13,974	6,105	710,147
Total housing	446,104	72,390	11,407	31,209,181
Total Loan Portfolio	**3,676,715**	**261,293**	**44,551**	**53,359,997**

Recoveries

The combination of the increase in interest rates, constant inflation and economic slowdown, as well as the entry into force of Law 2300 of 2023, generated significant impacts on the payment behavior of debtors in 2023, causing a **sustained increase in non-performing loans** during the year.

Based on this, BBVA Colombia's Recoveries area established different plans to anticipate, contain and mitigate a greater impact of non-performing loans; The following initiatives represent the most relevant milestones:

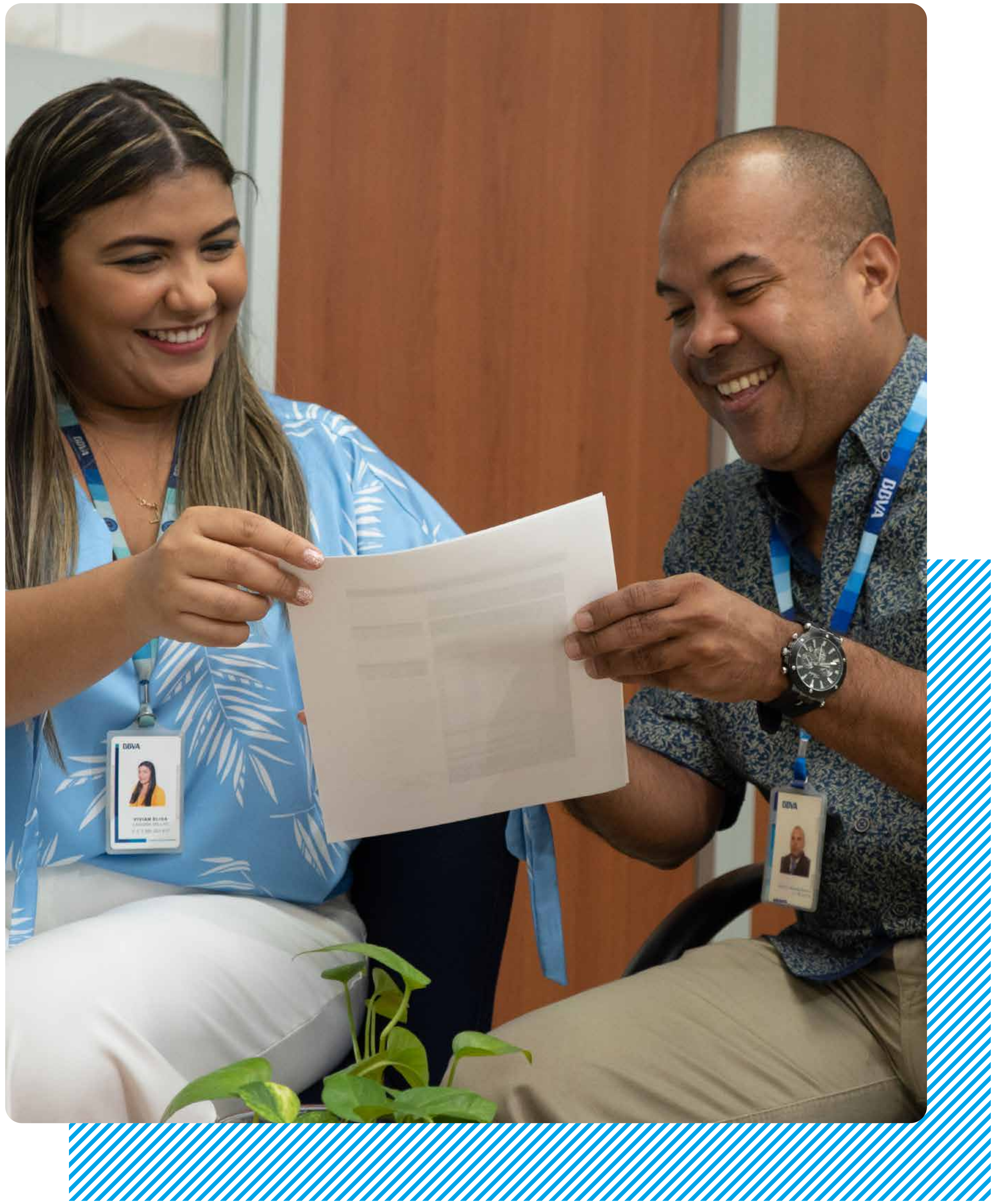
BBVA Colombia implemented **digital collection management** and different self-management tools and portfolio normalization.

Specialization in Management of Collection Cells. The Bank redefined the collection management scheme, allowing collection channels to maximize their performance through specialization in the different periods of delinquency, so that customers have different alternatives to normalize their portfolio status.

ReTarget Plan. The ReTarget plan was structured to focus on the default susceptible portfolio, which directly involves branch network managers, commercial managers and SME executives in the management of the customer portfolio of relevant amounts, defining objectives and measurement schemes that allow monitoring and control over the recovery and containment of this portfolio on a daily basis and with an impact on managers incentives.

"Ascender" Plan. Designed to focus and anticipate the management of high-value customers portfolio, with an impact on the recovery and containment of non-performing and doubtfull, managed through specialized external collection channel advisors, who attend and offer alternatives according to the customers' portfolio situation. This plan is under a daily monitoring and measurement scheme to control the portfolio status and evolution.

Digital collection. As a recovery management strategy, BBVA Colombia implemented collection management through digital collection channels, making available to customers the different tools and possibilities for self-management and portfolio normalization through channels such as chatbot, voicebot, Whatsapp and IVR.



Portfolio normalization Product solution. BBVA Colombia continued to offer different products as a solution that allows customers to have alternatives adapted to their economic situation, facilitating standardization processes and improving recovery and normalization ratios.

Management and High Impact Groups. In order to recover impact customers, the customers' portfolio assignment was categorized as default and target, which allows collection channels to define strategies to perform a more focused management.

Entry to doubtful and non-performing portfolios. Priority was given to containment and recovery of inflows into non-performing and doubtful portfolios, with the support of collection factories, highlighting the work of external collection agencies, Risk Anticipation Executives (EARs), managers of the branch network, commercial managers and SME executives.

BBVA is a benchmark in the local market for the **metrics developed for the control and monitoring of market risk.**

MARKET RISK

Market risk in Portfolios

Market risk is generated by movements in market variables that affect **the valuation of financial products and assets** with which the trading activity is peformed. We categorize the main risks as follows:

Interest rate risk. This is a consequence of exposure to the movement in the interest rate curves which are being traded. Although the typical products that generate sensitivity to interest rate movements are money market and traditional interest rate derivatives, in practice, all financial products have exposure to interest rate movements, due to effect on valuation of financial discount.

Exchange rate risk. This is caused by the movement in the exchange rates of the different currencies in which position is held. Like equities, this risk arises in spot currency positions, as well as in any derivative product, whose underlying is an exchange rate.

The metrics developed for controlling and monitoring market risk at BBVA Colombia are aligned with international best practices, **positioning the Bank as a benchmark in the local market.** Measurement procedures are established considering how a possible negative evolution would impact the markets, under ordinary circumstances or stress situations, and the trading portfolio.

The standard metric for measuring market risk is VaR (value at risk), which indicates the maximum losses that can occur in portfolios at a given confidence level (99%) and over a time horizon (one day). This statistical value, widely used in the market, has the advantage of **summarizing, in a single metric, the risks inherent to trading,** considering the relationships between all of these and providing the prediction of losses that the trading portfolio could experience as a result of price variations in the interest rate and exchange rate markets. Market risk analysis includes consideration of the base risk between different instruments and the risk of correlation.

Most of the items on BBVA Colombia's balance sheet that are subject to market risk are positions whose main metric to measure their market risk is VaR. The current structure to manage this includes monitoring of market risk limits, which consists of a scheme of limits based on VaR, economic capital (based on VaR measurements) and VaR sub-limits, as well as stop-loss for each of the treasury's business units.

BBVA Colombia incorporates **additional metrics to the VaR to meet the regulatory requirements** of the Bank of Spain.

The VaR measurement methodology used by the Bank is a **historical simulation**, which includes the negative effects that the trading portfolio income statement may suffer due to the negative impacts generated by the historical impact of the risk factors on the Bank's current position. By using historical data, the correlation between historical data and their occurrence distributions is naturally included.

VaR figures are estimated using the VaR without smoothing. From a two-year sample of simulated results, the fifth worst data is used.

Following the guidelines established by the European authorities, **BBVA Colombia incorporates additional metrics to the VaR t**o meet the regulatory requirements of the Bank of Spain, for the purposes of calculating capital for the trading book. Specifically, the measures incorporated into BBVA Colombia, since February 2015, which follow the guidelines established by Basel 2.5, are:

CEMO. (spanish acronym). Average Objective Economic Capital, a measurement of stressed VaR is added to the calculation of VaR, giving as a final measure the maximum of the two (VaR and VaR stress) for an average of 3 months. In this way, greater weight is assigned to current or past market stress events. This measurement is rescaled by the multiplier set by Basel (of three by the square root of ten) to calculate the economic capital charge. The CEMO is consolidated together with the IRC as a management metric.

Specific risk. IRC (incremental risk capital), quantification of default risks and credit rating downgrade of bond positions.

The incremental capital burden is determined based on the associated losses (at 99.9% over a one-year horizon under the constant risk hypothesis) as a result of the rating migration and/or asset issuer default status. In addition, price risk in sovereign positions is included for the aforementioned items.

Periodically, **validity tests are performed on the risk measurement models** used by BBVA Colombia, which estimate the maximum loss that could occur in the positions considered to have a given level of probability (backtesting), as well as measures of the impact of extreme market movements on the risk positions held (stress testing).

Market risk in 2023

BBVA Colombia's market risk translates into an **average increase in VaR of 57%** and an average consumption of 60% compared to 2022 risk levels, as a result of the majority of the activity being done as a franchise operation, resulting low leverage risk in own position assumption. In 2023, the total average VaR stood at COP 12.5 billion, with a peak level reached on September 14, which amounted to COP 30.8 billion.

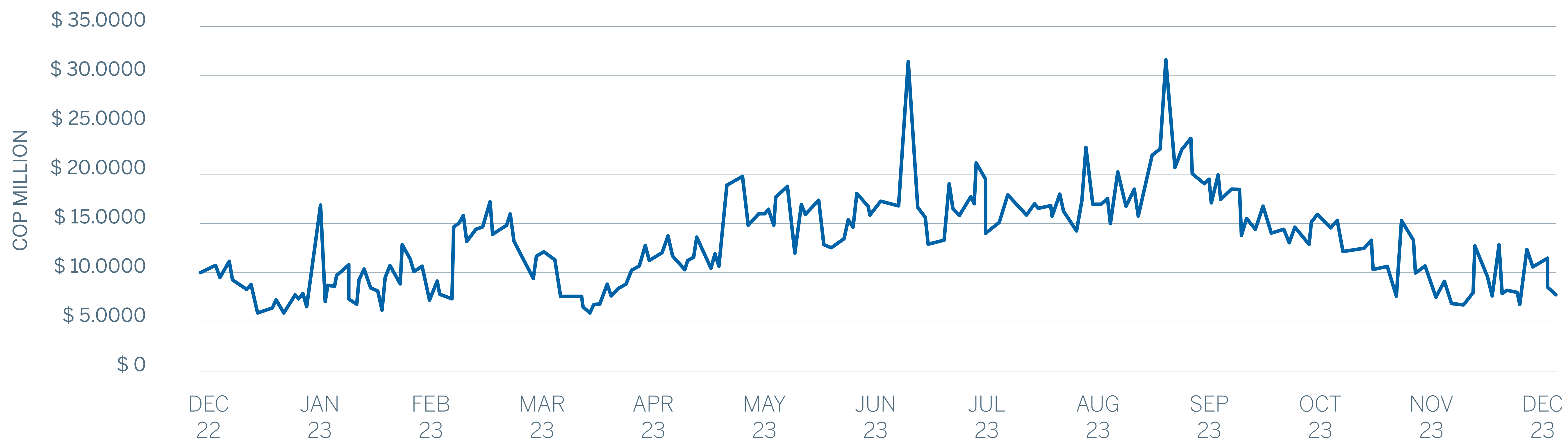
During the year, the fixed income trading portfolio was characterized by a concentration of the position in the short and medium term, mainly holding **Fixed Rate TES and TD with maturities between one and two years.** The derivatives portfolio maintained its composition by product type, with the main being USD-COP forwards and IRS in IBR. In a homogeneous manner, with the composition of the portfolio, sensitivities were concentrated by type in pesos and dollars.

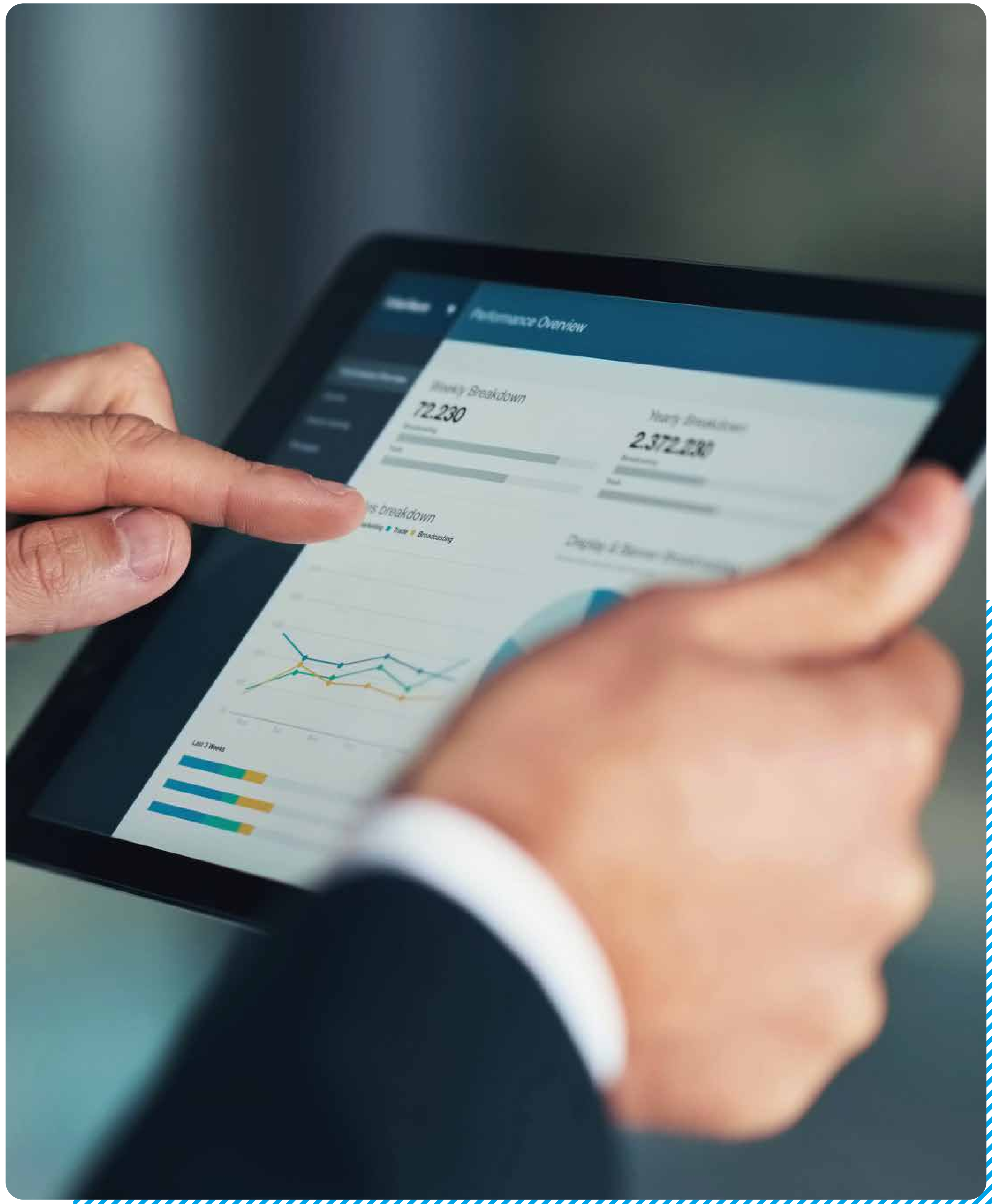
The characteristics of the portfolio described above, cause the average VaR to increase, as an increase in short- and medium-term positions produces greater sensitivities. In the same way, interest deltas had a higher risks consumption throughout the period, with a relative variation of 67% compared to the previous year.

The year 2023 was marked by several international and national events that generated volatility in exchange rates and interest rates that had to be managed in the portfolio, including the war between Russia and Ukraine, the conflict in Gaza, the increase in rates by the central banks of the United States and Europe, and its decision to maintain these, ending the upward cycle, the gradual reduction of local inflation and high volatilities in the exchange rate, which reached **COP 3,822.05 per dollar by the end of the year,** which means a decrease of COP 988 compared to the end of 2022, generating a revaluation of 20.54% per year.

Bank's Market Risk Evolution 2023

Measured in terms of unsmoothed VaR, 99% confidence level, and one-day horizon in COP Million





At the end of 2023, the monetary policy rate ended at 13%, which means an **increase of 100 basis points** compared to 2022, when the rate was 12%, but with the prospect of a start decreasing, considering the gradual moderation of domestic demand and inflation. Although there were alerts on market risk metrics, these were managed so that by the end of 2023 the risk levels were within the limits and without generating excesses.

As of December 31, 2023 and 2022, the VaR balance was COP 7.1 billion and COP 9.2 billion, respectively:

The year 2023 was marked by **international and national events that generated volatility in exchange rates and interest rates.**

VaR balance as of Dec 31, 2023
(Figures in COP Million)

VaR by Risk Factors	Interest rate risk	Foreign exchange risk	Total
Year 2023			
Average VaR of the period	11,934	2,964	12,478
Maximum VaR of the period	27,693	15,781	30,847
Minimum VaR of the period	4,908	125	5,115
VaR at the end of the period	7,366	891	7,113
Year 2022			
Average VaR of the period	7,560	1,328	7,779
Maximum VaR of the period	14,745	15,385	15,733
Minimum VaR of the period	3,787	70	3,752
VaR at the end of the period	9,089	1,307	9,205

Model validation

The internal market risk model is periodically validated through backtesting to verify the quality and accuracy of the internal model that BBVA Colombia uses to estimate the maximum daily loss of a portfolio, for 99% confidence and a time horizon of 250 days, by comparing the Bank's results and the risk measures generated by the model. These tests found that th**e Bank's internal market risk models are adequate and accurate.**

In backtesting, the daily VaR is compared to the clean results once the results and portfolio positions generated during the day are subtracted. This validates the appropriateness of the market risk metric. In such a way that the VaR model adequately captures changes in the trading portfolio results.

Stress test analysis

Stress tests are performed on BBVA Group's trading portfolios. On the one hand, historical scenarios, global and local, are used that replicate the behavior of a past extreme event, such as the bankruptcy of Lehman Brothers. These stress exercises are complemented by simulated scenarios, where the aim is to generate scenarios that significantly impact the different portfolios, but without being anchored in any specific historical scenario.

Historical scenarios

The Bank's historical stress scenario is that of Lehman Brothers, whose bankruptcy in September 2008 had a significant impact on the performance of global financial markets. The most relevant effects of this historical scenario were:

- **Increase in the volatility** of a large part of the financial markets, leading to variations in the prices of different assets (currencies, equity and debt).
- **Liquidity shock in the financial systems** causing a strong movement of interbank curves, especially in the shorter tranches of the euro and dollar curves.

Simulated scenarios

Unlike historical scenarios, which are fixed and, therefore, do not adapt to the composition of the portfolio's risks, the scenario used to perform economic stress exercises is based on the resampling methodology, based on the use of dynamic scenarios that are periodically recalculated based on the main risks held in the trading portfolios. On a wide data window to collect different periods of stress (for example, data are taken from June 1, 2008), a simulation exercise is done by resampling historical observations, generating a distribution of losses and gains that allows the analysis of more extreme events than those that occurred in the selected historical window.

The advantage of this methodology is that **the stress period is not pre-established,** it is a function of the portfolio held at any given time, and that by doing a large number of simulations (for example, 10 thousand) it allows an expected shortfall analysis to be done with a greater wealth of information, than that available in the scenarios included in the VaR calculation.

The main characteristics of this methodology are that the simulations respect the correlation structure of the data, the flexibility in the inclusion of new risk factors, and that it is possible to introduce a lot of variability in the simulations, which is desirable to consider extreme events.

LIQUIDITY RISK

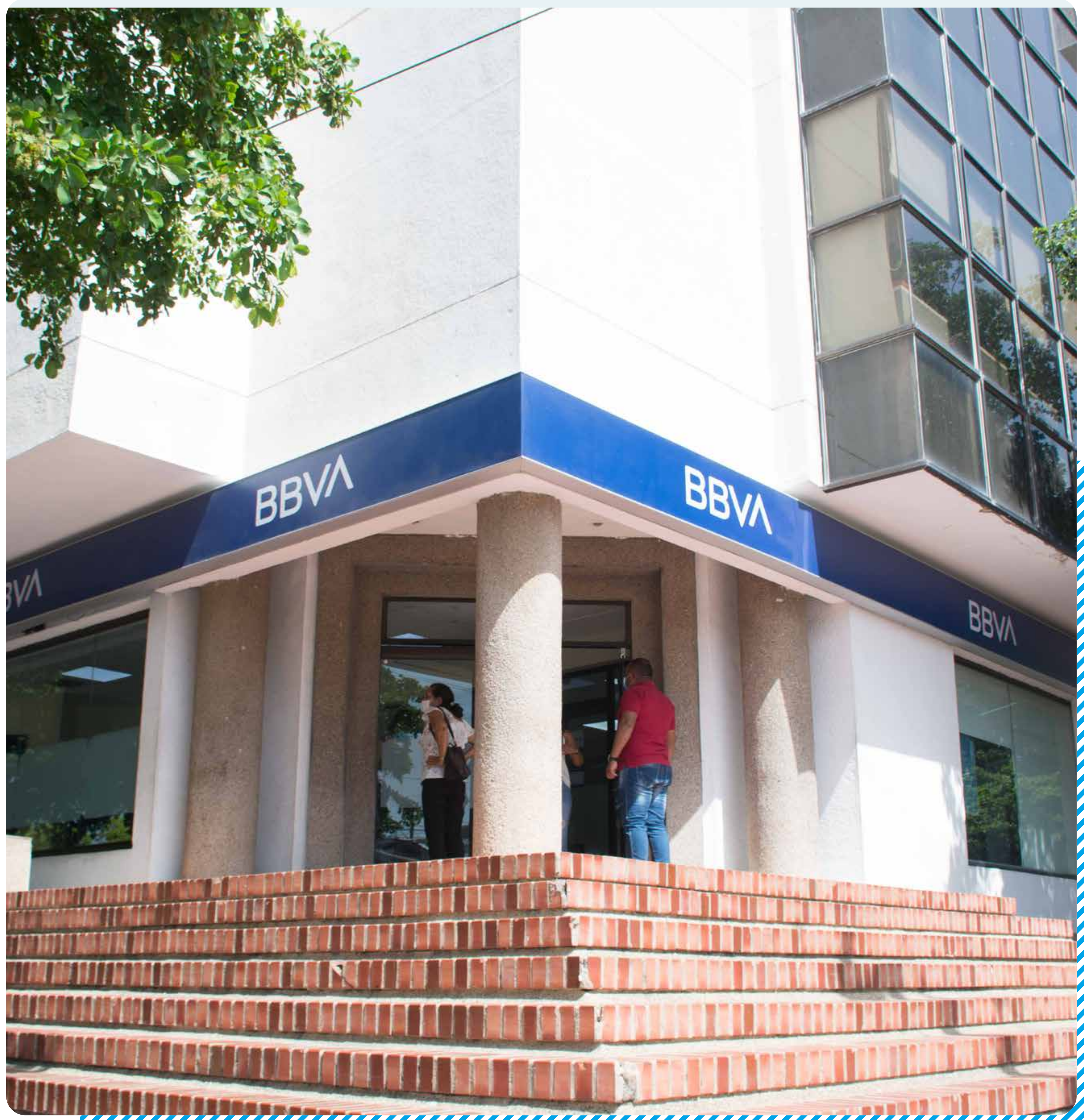
The Bank's liquidity and funding management supports the banking business under appropriate term and cost conditions, through instruments that allow access to sources of financing that meet regulatory and corporate requirements.

Liquidity and financing management is done autonomously, with a corporate approach, to prevent and mitigate contagion due to crises that could affect only one or more subsidiaries of the Group. **For this reason, the bank acts independently to cover its liquidity needs in the market in which it operates,** a strategy that guarantees the adequate transmission of liquidity and financing costs to the price formation process.

BBVA **acts independently to cover its liquidity needs** in the market, guaranteeing the adequate transmission of liquidity and financing costs.

BBVA Colombia's financial strength is based on the financing of lending activity, mainly through stable customer funding; the Loan to Stable Customer Deposits (LtSCD) ratio measures the ratio between net lending and customers' stable funds. These stable resources are computed by analysing the behaviour of the balances of the customer segments identified as likely to provide stability to the financing structure, prioritising linkage and transactionality, and applying greater haircuts to less stable customer financing lines.

In order to establish the maximum target levels of LtSCD and provide a reference of the optimal financing structure in terms of risk appetite, market and structural risks, it identifies and consolidates some economic and financial variables that can be understood as conditioning factors of the financing structure of the geography. **The Bank has maintained the solidity of the financing structure**, which is reflected in the levels of self-financing with stable customer funds above what is required.



Stress analyzes are key in the design of the **Liquidity Contingency Plan** and in the definition of actions to redirect the risk profile.

Loan to Stable Customer Deposits (LtSCD)

December 2022	December 2023
114.6%	111%

A second axis in the management of liquidity and funding risk is to achieve a correct diversification of the financing structure, avoiding a high dependence on wholesale financing. Thus, a maximum level of short-term financing is established, which includes wholesale financing and less stable customer funds.

To promote the resilience of the short-term liquidity risk profile, ensuring that BBVA Colombia has sufficient collateral to meet the risk of wholesale market closure, the basic capacity metric is established, a short-term liquidity risk management and control metric, which is defined as the ratio between the explicit assets available and the maturities of wholesale liabilities and wholesale funds, with different time frames, giving relevance to 30 and 90 days.

The liquidity available by instrument, which is part of the collateral, as of December 28, 2023 for BBVA Colombia, is presented below:

Liquidity available by instrument as of Dec 28, 2023
(Figures in COP Million)

Cash and Cash Equivalents	8,774,351
Eligible Fixed Income	7,724,205
TES	4,025,522
Corporate & Other Bonds	1,132,033
Collateral received as collateral	2,566,650

These metrics are complemented by a series of indicators on which thresholds are established to avoid concentration in wholesale financing by product, counterparty, markets and term. In addition, reference thresholds are established on a series of leading indicators that make it possible to **anticipate market tension situations** and adopt preventive actions.

In the analysis of liquidity and funding risk management, stress analysis is a fundamental element of the monitoring scheme, as it makes it possible to anticipate deviations in relation to liquidity objectives and limits established in the appetite, and to establish tolerance ranges in different management axes. Likewise, these also play a key role in the design of the Liquidity Contingency Plan and in the definition of actions to redirect the risk profile.

For each of the scenarios, it is checked whether the Bank has a sufficient stock of liquid assets to guarantee the response to the commitments and liquidity outflows in the periods analyzed. In the development of the analysis, 4 scenarios are considered; that is, one central and 3 of crisis. Each scenario considers the following factors: market liquidity, customer behavior and funding sources, impact of rating downgrades, market values of liquid and collateral assets, and the interaction between liquidity requirements and the evolution of the Bank's credit quality.

As a result of the stress exercises done periodically, **BBVA Colombia has maintained a sufficient liquid asset buffer** (stress buffer) to respond to the estimated liquidity outflows in a scenario resulting from the combination of a systemic crisis and a crisis of its own.

In addition to these indicators, BBVA Colombia reports to the Financial Superintendence of Colombia the Regulatory Liquidity Indicator (IRL for its spanish acronym), a weekly and monthly regulatory format that presents short-term contractual and non-contractual flows. The IRL must comply with the ratio between liquid assets adjusted for market liquidity and foreign exchange risk, as well as the total net liquidity requirement, so that it is at a level above 100%, for each of the bands (7 days and 30 days). During 2023, **the Bank's IRL level remained above 100%, with ample levels, indicating its solid liquidity.**

Since 2020, the Net Stable Funding Coefficient (CFEN for its spanish acronym) was reported, in which the Available Stable Funding is compared against the Required Stable Funding, which had to be above 90% by March 2021 and 100% by March 2022; As of December 2023, the ratio closed at 118.33% vs. 121.12% at the end of 2022, well above the regulatory limit.

Considering BBVA Colombia's participation in the BBVA Group, a level of compliance with the LCR and NSFR ratios is established, in accordance with the criteria dictated by Basel and the highest requirement with respect to liquidity risk. The required internal levels seek to meet the implementation of the 2023 regulatory requirement in advance and efficiently.

In summary, **in 2023 the bank maintained a solid liquidity position,** with portfolio growth funded by customer funds, as well as bond and credit issuances with multilateral bank loans with spefic destination.

STRUCTURAL RISKS

The Assets and Liabilities Committee (COAP for its spanish acronymp) works on the management of structural risks on liquidity, financing, interest rates and currency of the bank's balance sheet. On a monthly basis and with representation from the COAP Financial Management areas, Research, Market and Structural Risks, and Business areas, this committee is in charge of the COAP financial management, with a forward-looking vision, considering risk appetite and trying to guarantee recurrent results and preserve the entity's solvency.

For its part, Market and Structural Risks is responsible for identifying, **measuring, monitoring and controlling** structural risks and presenting these to the corresponding management bodies and committees.

Structural interest rate risk

Structural Interest Risk (RIE for its spanish acronym) includes the potential impact of changes in market interest rates on the Bank's net interest income and equity value. To measure this, BBVA Colombia uses sources that generate this risk: repricing risk, yield curve risk, optionality risk and basis risk, which are analyzed from two complementary perspectives: results; i.e., net interest income + MtM Fixed Income Portfolio, for the short term, and the economic value in the long term.

The management objective is to **promote the stability of net interest income and equity value,** in the face of market rate changes, respecting solvency and internal limits, as well as complying with requirements to keep interest rate risk within the approved limits, according to regulatory criteria.

The control and monitoring of the Bank's structural interest rate risk management is based on a set of metrics and tools to monitor the bank's risk profile. Among others, it includes sensitivities to parallel movements in the face of different shocks, changes in slope and curvature. In addition, other probabilistic metrics based on statistical scenario simulation methods are assessed, such as Margin at Risk (MeR for its spanish acronym) and Economic Capital at Risk (CER for its spanish acronym), defined as the maximum unfavorable deviations in net interest income and economic value, respectively, for a given confidence level and time horizon.

The objective of managing this risk is to **promote the stability of the interest margin and equity value** in the face of changes in market rates.

This is done in a differentiated manner for each of the main currencies present in BBVA Colombia's balance sheet, considering the effect of diversification between currencies.

The exercises consider both the analysis of unfavorable macroeconomic scenarios, specifically designed by BBVA Research, and potential scenarios, **to identify interest rate environments that are detrimental to the bank**. This generates extreme scenarios of interest rate level breakage and historical correlations, generating abrupt changes in slopes and even inverted curves.

The model as a whole is based on a set of hypotheses to reproduce, as real as possible, the behavior balance sheet. Among these assumptions, those relating to the behaviour of "accounts without an explicit expiry date" are key because these establish assumptions of stability and compensation in accordance with segmentation by type of product and customer, and prepayment estimates with implicit optionality.

In 2023, inflation was explicitly included as a risk factor in the economic value and financial margin metrics, through the modelling of this variable and its correlation with COP interest rates.

Interest Rate Risk Average Levels
In terms of sensitivity for BBVA's balance sheet (Figures in COP Million)

Aggregate Interest Rate Sensitivity Analysis	Impact on interest margin		Impact on economic value	
	100 bp increment	Detriment of 100 bp	100 bp increment	Detriment of 100 bp
January - December 2022	23,172	-22,994	-184,556	175,884
January - October 2023	14,195	-12,358	-131,057	115,889

In 2023, **the loan portfolio increased by COP 4 Trillion,** due to the uncertainty generated by high levels of inflation and exchange rate volatility, while customer funds rose by COP 7.5 Trillion, funded by Government Banking with demand deposits, as well as the increase in term resources from Commercial Banking.

Structural exchange rate risk

At BBVA Colombia, structural exchange rate risk arises from the exposure of the structural balance sheet to foreign currency positions and their impact on solvency.

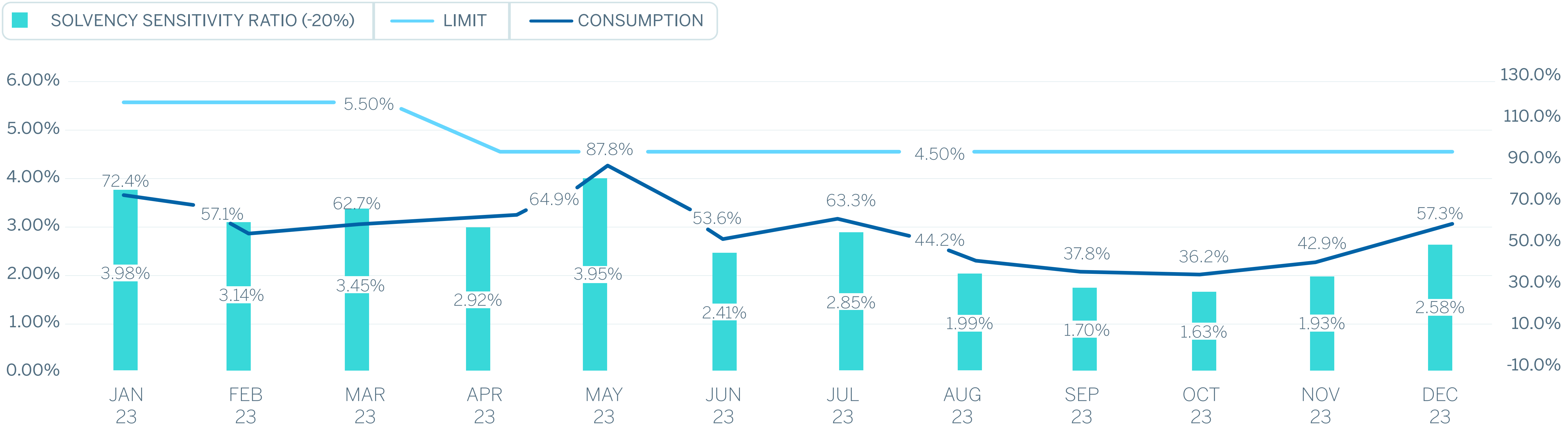
COAP Financial Management designs and executes strategies to control the potential negative impacts of exchange rate fluctuations on capital ratios. Market and Structural Risks develops the monitoring and controls for structural change risk. It also, periodically, monitors open exposures of the structural balance sheet.

Risk monitoring metrics are reported to the COAP Committee and are complemented by indicators to assess the Bank's foreign currency operating position, to ensure regulatory compliance with foreign currency position limits and risk management. In 2023, the exposure limit was changed to 4.5%; BBVA Colombia's exposure level to structural exchange rate risk was around 1.9% of the solvency ratio in the face of a 20% variation in the Colombian peso.

In 2023, the exchange rate showed a high dynamism, with a marked depreciation: at the end of the year it was COP 988 below the close of 2022. The balance sheet structure kept currency exposure limited, providing stability on structural exchange rate risk and a favorable impact on solvency ratios. In June 2023, a subordinated loan of COP 823 billion was taken, which had a positive impact on technical equity and no implication on the structural exchange rate risk indicator.

COP 4 TRILLION
increase in loan portfolio in 2023

Solvency ratio sensitivity to exchange rate variations



OPERATIONAL RISK MANAGEMENT

Operational risk management is applied from an "ex ante" point of view, which consists of identifying, assessing and prioritizing potential operational risks for mitigation; From this view point, the units that bear it **manage operational risk in an anticipatory and preventive manner.** As well as from the "ex post" point of view, which consists of assessing exposure to operational risk, measuring its consequences, identifying its root causes and verifying the effectiveness of the defined controls, to create action plans that allow continuous control environment improvement.

3-line of defense internal control model

Operational risk management is framed in the Group's control model, which is structured into **3 different levels** and constitutes the organizational structure of the Group's internal control model, for the comprehensive management of the risk life cycle.

A **First line of defense.** Comprised by the Business and Support areas, responsible for managing operational risks in their products, activities, processes and systems. These areas are responsible for managing the operational risks implicit in their activity. In addition, there is Risk Control Assurer (RCA) that guarantees the area's adequate operational risk management, and identifies risks, encourages the establishment of the necessary mitigation measures and controls in all operational processes performed and outsourced by the area, and monitors their proper implementation and effectiveness.

B **Second line of defense.** Composed of the Internal Control and Compliance Unit, which designs and maintains the operational risk management model and assesses the degree of application in the different areas. The specialist units of Risk Control Specialists (RCS), corporate and local, define the mitigation, control and monitoring framework in their area of expertise and compare it with that suggested by the first line; This is done in the areas of compliance, risk, finance, processes, technological security, physical security, information and data security, legal, third parties and talent and culture. e la información y los datos, legal, terceros (third party) y talento y cultura.

C **Third line of defense.** Led by the Internal Audit area, which conducts an independent review of the control model, verifying compliance with and effectiveness of the general policies established.

Operational risk monitoring and management

The monitoring and management of operational risk is on-going throughout the year and ensures the following actions:

- Ensure that the Unit's risk and controls map is documented, reflects the activity done periodically by the area and preserves evidence of the controls and mitigants implemented, of the action plans that mitigate the identified weaknesses.
- Assess the execution of control processes in the Unit's activities and weigh the effectiveness of this control environment.
- Anticipate situations of **increased risk or deterioration of the control environment** in operational events, allowing timely measures to be taken.
- Identify operational events that have occurred in the Unit, manage these, reduce their impact and take measures to prevent their recurrence; In addition, **monitor the consistency of the Unit's risk map** with the operational events it faces.
- In order to comply with the monitoring and management of operational risk, the Risk and Control Self Assessment (RCSA) is completed annually, which is the process of comprehensive review of the Unit's risk and control map, to ensure its validity, detect control weaknesses and promote their resolution.

BBVA
Creating Opportunities

INVESTING IN OUR COUNTRY´S FUTURE

Corporate Governance and Ethics

2023 Individual Report

CORPORATE GOVERNANCE REPORT

The Bank's ownership structure

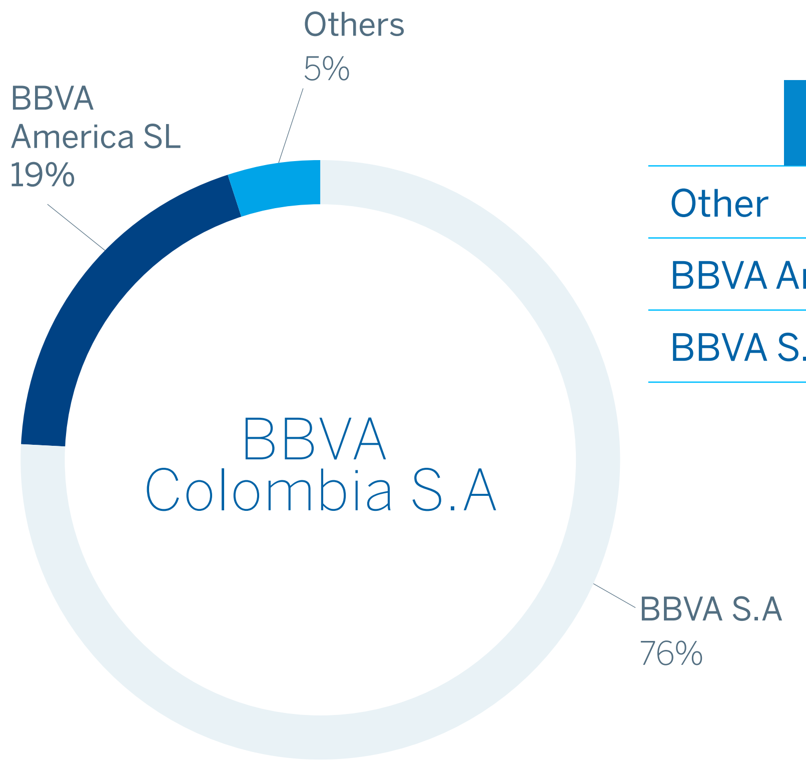
BBVA Colombia's capital and ownership structure

As of December 31, 2023, **BBVA Colombia had a capital of COP 645 Billion** divided into 103,365,384,615 shares, of which 88,977,695,544 (86%) are in reserve and 14,387,689,071 are outstanding. Of the outstanding shares, 13,907,929,071 are common shares and 479,760,000 are preferred dividend shares.
As of the same date, the Bank registered **65,106 shareholders**.

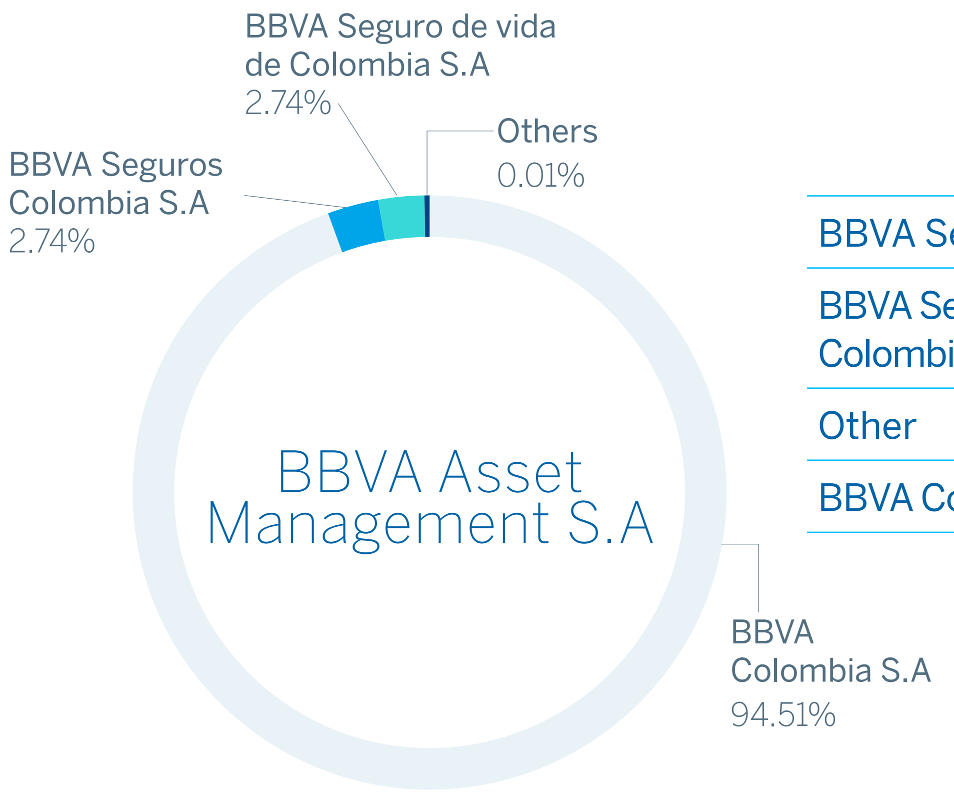
The Bank recorded the Group's control status with respect to its subsidiaries BBVA Asset Management S.A. Sociedad Fiduciaria and BBVA Valores Colombia S.A. Comisionista de Bolsa, as follows:

Name	Number of common shares	Number of Peferred dividend shares	Participation Share
Banco Bilbao Vizcaya Argentaria S.A,	10,766,099,008	196,857,652	76.20%
BBV América SL	2,511,124,962	256,150,000	19.23%
Others	630,705,101	26,752,348	4.57%
Total	**13,907,929,071**	**479,760,000**	**100.00%**

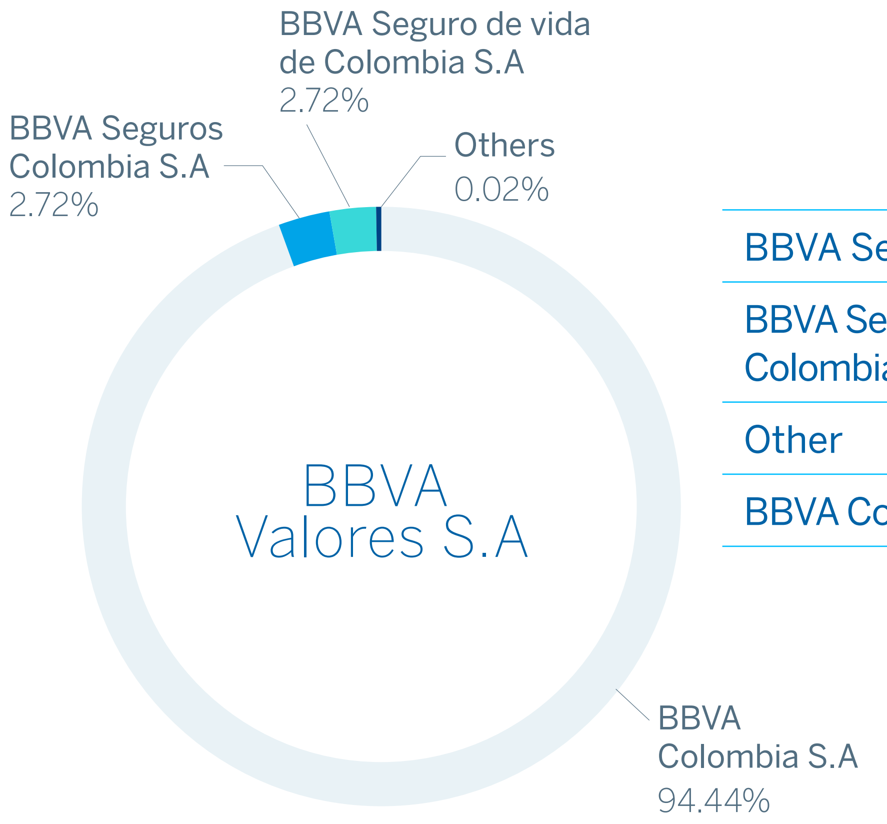
DISTRIBUTION OF CAPITAL STOCK			
Tipo de acciones	**Número de acciones**	**Número de accionistas**	**Número de participación**
Common shares	13,907,929,071	64,831	96.67%
Peferred dividend shares	479,760,000	290	3.33%
Total	**14,387,689,071**	**65,121**	**100.00%**



BBVA Colombia S.A.	
Other	4,57%
BBVA America SL	19,23%
BBVA S.A.	76,20%



BBVA Asset Management	
BBVA Seguros Colombia S.A	2,74%
BBVA Seguro de vida de Colombia S.A.	2,74%
Other	0,01%
BBVA Colombia S.A.	94,51%



BBVA Valores S.A.	
BBVA Seguros Colombia S.A.	2,77%
BBVA Seguro de vida de Colombia S.A.	2,77%
Other	0,02%
BBVA Colombia S.A.	94,44%

Information on shares owned by members of the Board of Directors. The members of the Board of Directors do not own shares of BBVA Colombia.

Family, commercial, contractual or corporate relationships that exist between the holders of significant holdings and the BBVA Group. BBVA Colombia's main shareholders are Banco Bilbao Vizcaya Argentaria, S.A. and BBV América, SL. Details on the commercial and/or contractual relationships of these shareholders with the Bank are disclosed in the Financial Statements, under the heading "Transactions with related parties".

Trading of shares owned by the members of the Board of Directors and Senior Management. In 2023, there was no trading of shares issued by BBVA Colombia by the members of the Board of Directors or Senior Management.

Summary of shareholder agreements in force as of December 31, 2023. BBVA Colombia did not enter into any shareholder agreements.

Treasury shares held by BBVA Colombia. The Bank does not have any of its own shares.

Structure of the company's administration

GRI 2-9

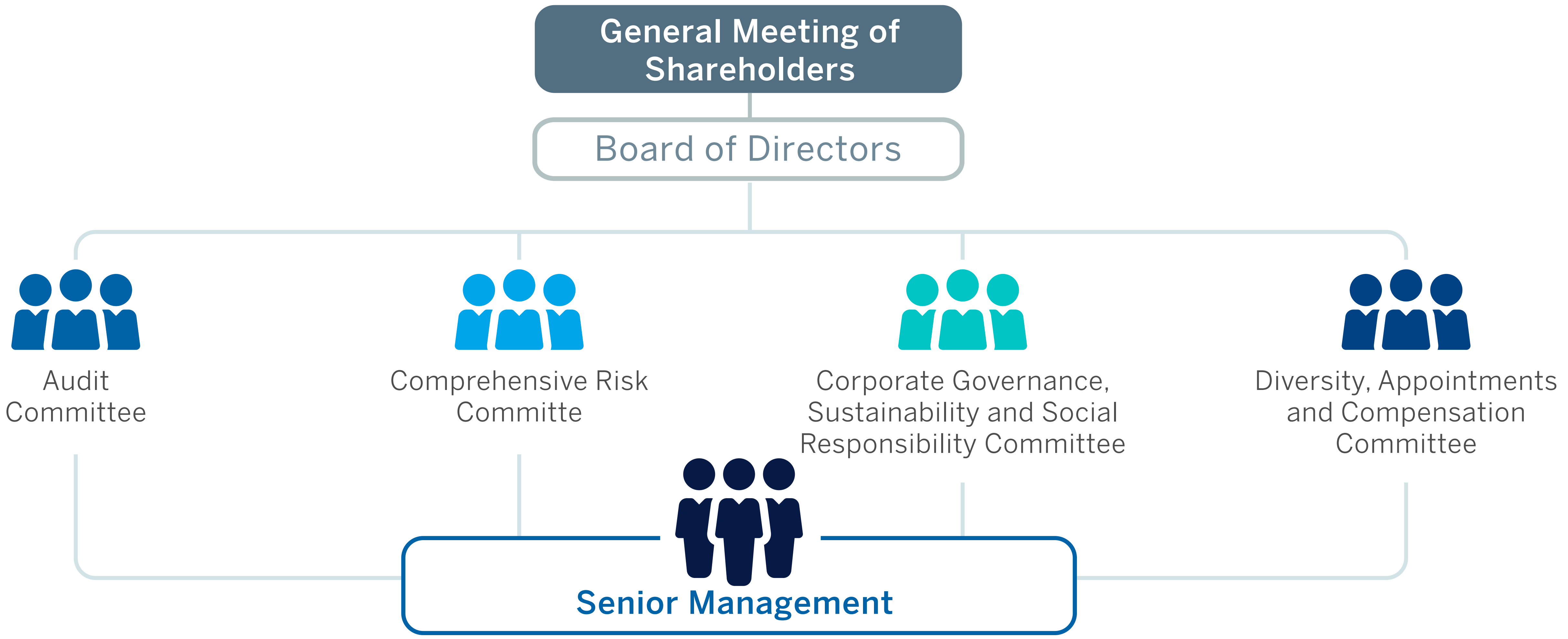
BBVA Colombia's Corporate Governance System (hereinafter, also the "System") follows international and corporate recommendations and trends. Its principles and practices are contained in different instruments that guide the structure and functions of the corporate bodies, such as the Bylaws, the Corporate Governance Code, the General Shareholders' Meeting Regulations, the Board of Directors Regulations and the Shareholders' Meeting support committees regulations.

The System is comprised of the internal rules of conduct contained in the BBVA Group's Code of Conduct, the Securities Market Code of Conduct and the Prevention of Money Laundering and Terrorist Financing Code of Conduct, which contain the postulates that govern the actions of its executives, Board of Directors members, managers and employees.

> Banco Bilbao Vizcaya Argentaria S.A. and BBV América SL **are the primary shareholders of BBVA Colombia.**

The System is conceived as a dynamic process, under continuous review, with a focus on improvement and adaptability to the new realities of the Bank and its subsidiaries, using as a reference regulations and recommendations for best practices in corporate governance.

Organizational Structure



There must be an appropriate balance in the origin of its members with shareholders and independents having a majority over the executives.

Composition of the Board of Directors and Support Committees

The composition of the Board of Directors is a key element of the Corporate Governance System. According to the Board's Selection, Appointment and Succession Policy, the Board must have an appropriate balance in the origin of its members (hereinafter, also, the "Directors" or "Members of the Board of Directors"), with shareholders and independent having a majority with respect to the executives.

In 2023 the Board of Directors was made up of 5 Directors, of whom three are of independent origin, one shareholder and one executive.

BBVA Colombia - Board of Directors 2023

Director	Origin	Position	Date of First appointment	Date of Last re-election	Membership in other Board of Directors
Carlos Eduardo Caballero Argáez	Independent	Chairman of the Board of Directors	17/03/05	16/03/2022	Promigas
Xavier Queralt Blanch	Shareholder	First Vice Chairman of the Board of Directors	30/05/2018	16/03/2022	Not applicable
Camila Escobar Corredor	Independent	Second Vice Chair of the Board of Directors	26/03/2021	16/03/2022	Farmatodo, CCI (Corporacion Colombiana Internacional), Andi, Yellowstone, WIC (Women in Connection) and "High Level Expert Group 2022" on climate change of the United Nations.
Luis Julián Carranza Ugarte	Independent	Member of the Board of Directors	16/03/2022	Not applicable	Not applicable
Mario Pardo Bayona	Executive	Member of the Board of Directors and Chief Executive Officer of the Bank	28/02/2020	16/03/2022	Asociacion Bancaria de Colombia and Spanish Chamber of Commerce in Colombia

Profiles of the Directors of the Board of Directors

Carlos Eduardo Caballero
Chairman of the Board of Directors
Independent Origin

Civil Engineer from Universidad de los Andes, with a Master of Science from the University of California and in Public Affairs from Princeton University and in History from Universidad de Los Andes. He served as director of Fedesarrollo, was advisor to the Monetary Board, president of the Banking Association, director of Proexpo, president of Bancoldex, president of the Bogotá Stock Exchange, Minister of Mines and Energy and member of the Board of Directors of Banco de la República. He is a columnist for El Tiempo and El Colombiano, a writer, author of several books, a business advisor and a member of the boards of directors of Promigas and BBVA Colombia. In 2006 he was appointed the first director of the "Alberto Lleras Camargo" School of Government at Universidad de los Andes, a position he held until 2016. He is currently a Full Professor at this institution.

Camila Escobar Corredor
Second Vice Chairman of the Board of Directors
Independent Origin

Industrial Engineer from Universidad de los Andes with a master's degree in Business Administration from Harvard University. She has more than 15 years of professional experience, serving as a summer associate and business analyst at Mckinsey & Company, associate in risk management strategies, risk management analyst at the National Federation of Coffee Growers of Colombia, marketing and business intelligence manager at Belcorp, and currently CEO of Procafecol (Juan Valdez Café). In addition, she is a member of the boards of directors of Corferias, Farmatodo and Andi Seccional Cundinamarca and Boyacá.

Luis Julián Martín Carranza
Member of the Board of Directors
Independent Origin

He holds a bachelor's degree in economics from the Pontificia Universidad Católica del Perú, a master's degree and a doctorate from the University of Minnesota. He has served as Manager of Economic Studies at BBVA Banco Continental - Peru, Vice Minister of Finance and Member of the Board of Directors of the Central Bank of Peru. He was Chief Economist for Latin America and Emerging Countries at BBVA Group, Minister of Economy and Finance of Peru, Director of BBVA Chile, Director of Sigma Capital and Executive Chairman of CAF - Development Bank of Latin America.

Xavier Queralt Blanch
First Vice Chairman of the Board of Directors
Patrimonial origin

He holds a degree in Law from the Central University of Barcelona, with studies in the Executive Programme for Financial Sector Strategy at the London Business School, and advanced leadership programmes at Axialent and Insead. At BBVA, S.A. Spain, he has held management positions in Corporate Banking in Spain and Portugal; he is Director of Productivity, Organization and Compliance, and Territorial Director of Catalonia. He held the positions of CEO of UNNIM Banc and Banco Catalunya Caixa. He chaired the Board of Directors of the insurance companies UNNIM Vida and CX Vida.

Mario Pardo Bayona
Chief Executive Officer
Executive Origin

With a degree in Economics and Business Administration from Icade, he joined the BBVA Group in 2008 after accumulating more than 10 years of experience in the world's leading investment banks. Since joining BBVA Colombia, he has worked in M&A within Corporate & Investment Banking (CIB). Subsequently, he assumed the role of Director of Strategy and Transformation for CIB; in 2017 he held the position of Director of Enterprise Customers in the corporate Client Solutions team. Since 2020 he has been the Executive Chairman of BBVA Colombia. During 2023, he chaired the Board of Directors of Asobancaria and is a member of the Board of Directors of the Spanish Chamber of Commerce in Colombia.

The full profiles of the Directors are published on the Bank's website at the link:
https://www.bbva.com.co/personas/investor-relations/corporate-governance/board-of-directors.html

Changes to the Board of Directors

In 2023, the composition of the Board of Directors did not change. BBVA Colombia's directors do not sit on the board of directors or hold executive positions in subsidiaries.

Policies approved by the Board of Directors in 2023

Board of Directors - Approved Policies

Sustainability Policy	BBVA Colombia is committed to 3 pillars of sustainability: caring for the environment, protecting and developing society, and generating an economic model aligned with the Sustainable Development Goals (SDGs). This policy includes the Group's general principles, action focus and sustainability objectives.
Annual Salary Increase Policy, Variable Incentive Policy and Housing Assistance Policy	These policies are updated every year and seek internal equity and external competitiveness, considering the market. The goal is to have a compensation system that is equitable for the entire organization and each of its employees; In addition, attract and retain the best talent, through fair compensation, in accordance with the responsibilities assigned to each position. It helps motivate and stimulate employees to improve their workplace performance.
Merchant Acquisition Service Policy	It was approved to be updated due to industry changes, to implement product improvements that leverage the business growth strategy.
Banking Correspondents Policy	It was modified to transfer transactions from branches to correspondents, seeking efficiency, profitability and greater coverage in low presence regions, aligning with audit plans and process improvement.
Leasing Commercial Policy	It was updated considering market needs, adjusting the current standards and conditions, to achieve competitiveness and greater product momentum.
Debtor Insurance Marketing and Contracting Policy	It defines the parameters applicable to the marketing and underwriting of debtors' insurance that serves as a guarantee of the Bank's debtors risks.
Savings Account Policy for Business Customers	It was updated to adjust it to business needs and functional conditions, improving its relevance and applicability.
Merchant Acquisition Business Policy	It was updated to simplify on-boarding processes and establish procedures, operation and administration of the traditional acquisition service, under the model of present sale (dataphone) and non-present sale, using payment gateways.
Obsolescence Policy	It was updated to establish a framework for prioritizing hardware and software investments.
Other Provisions and Contingencies Policy	3 instances were established for recognition in legal and administrative processes: remote, possible and probable.
Leasing Policy	It was supplemented to clarify the terms "short-term" and "low amount", used to classify contracts under IFRS 16.
Intangible Assets Policy	An impairment test was incorporated and the allocation of payroll costs from internal developers was allowed, strengthening intangible assets.
Property, Plant & Equipment Policy	The activation of the valuation of real estate was adjusted, correcting the treatment of impairments to be reflected in the income statement instead of affecting the equity account.

Appointment process for members of the Board of Directors

GRI 2-10

BBVA Colombia has a Policy for the Selection, Appointment and Succession of the Board of Directors, approved by the General Shareholders' Meeting in March 2016, with the principles and criteria that govern the selection, appointment and renewal process, and the legal requirements that directors must meet. The Policy provides for the elements concerning the composition of the corporate bodies, including diversity, which will be considered to ensure the fulfilment of their functions.

The Board of Directors must be composed of a number of directors determined by the General Shareholders' Meeting. The appointment must meet the **requirements of suitability to hold the position,** have the appropriate knowledge and experience to perform the functions, avoid conflicts of interest and comply with the statute of incompatibilities and limitations.

BBVA Colombia encourages the participation of shareholders in proposing the lists presented to the Shareholders' Meeting, and guarantees that the selection process is in accordance with the law, the Bank's policies and strategies.

Proposals for the appointment or re-election of directors and nominations submitted by the Board of Directors to the General Shareholders Meeting to fill vacancies are also submitted to the Corporate Governance, Sustainability and Social Responsibility Committee, which supports and advises the Board of Directors in the decision-making function associated with the appointment and compensation of its members.

This Committee assesses the **balance of knowledge, skills and experience,** as well as the qualifications that candidates must meet, determining the dedication that is considered necessary for them to be able to perform their role as members of the Board of Directors. The Committee expects that the structure and composition of the Board will remain balanced and adapted to the needs of the Bank, with directors with different profiles, knowledge, training, experience and skills. In these processes, the Committee will also ensure that diversity is encouraged and that, in general, there are no biases that may imply any discrimination.

The Committee shall also ensure that **there is an appropriate balance** in the composition of the Board of Directors, i.e. that non-executive directors represent a large majority over executive directors and that the number of independent directors be at least 25 per cent of total membership. It will also identify that the corporate bodies combine people with experience and knowledge of the Bank, the Group, its businesses and the financial sector in general, as well as those who have training, skills, knowledge and experience in other areas and sectors relevant to the entity.

BBVA Colombia's corporate bodies can determine any other diversity factor that is relevant to adjust the composition to the Bank's needs, such as gender, academic profile, professional experience, knowledge, disability, origin or age dervivsity, in order to achieve an appropriate balance.

In performing its functions, the Committee may engage external services for the selection of potential candidates, as deemed appropriate. In addition, it may consider requests made by members of the Board of Directors and shareholders regarding potential candidates to fill vacancies, as these arise. The information related to candidates, as well as the report made by the Committee, which will include the assessment of legal incompatibilities and inabilities and compliance with the requirements to be a Board Member, **is made available to shareholders prior** to the meetings of the General Shareholders Meeting, along with the necessary material to make informed decisions when voting.

Finally, for the election of directors, the electoral quotient is applied in accordance with the law and the Bylaws. The General Shareholders Meeting will hold it in a single vote, provided that the lists presented have the minimum number of directors of independent origin required by law. Otherwise, two votes are held, one to elect the legally required independent directors and the other to elect the remaining ones.

The appointment must meet the requirements of **appropriate suitability, knowledge and experience** to perform the role.

Characteristics of the composition of the Board of Directors

Independence

Law 964 of 2005 establishes that **at least 25% of the directors** must be of independent origin.

Paragraph 6 of BBVA Colombia's Board of Directors Regulations state that in order to determine the independence of members, compliance with the requirements set forth in Law 964 of 2005 (or that which modifies or replaces it), as well as the relationship, of any nature, of the candidate for independent member with a controlling or significant shareholders and their associated parties, both domestic and foreign, is assessed, thus requiring two statements of independence:

- From the candidate to the company, its shareholders and members of Senior Management, as demontrated through the letter of acceptance.
- From the Board of Directors regarding the candidate's independence.

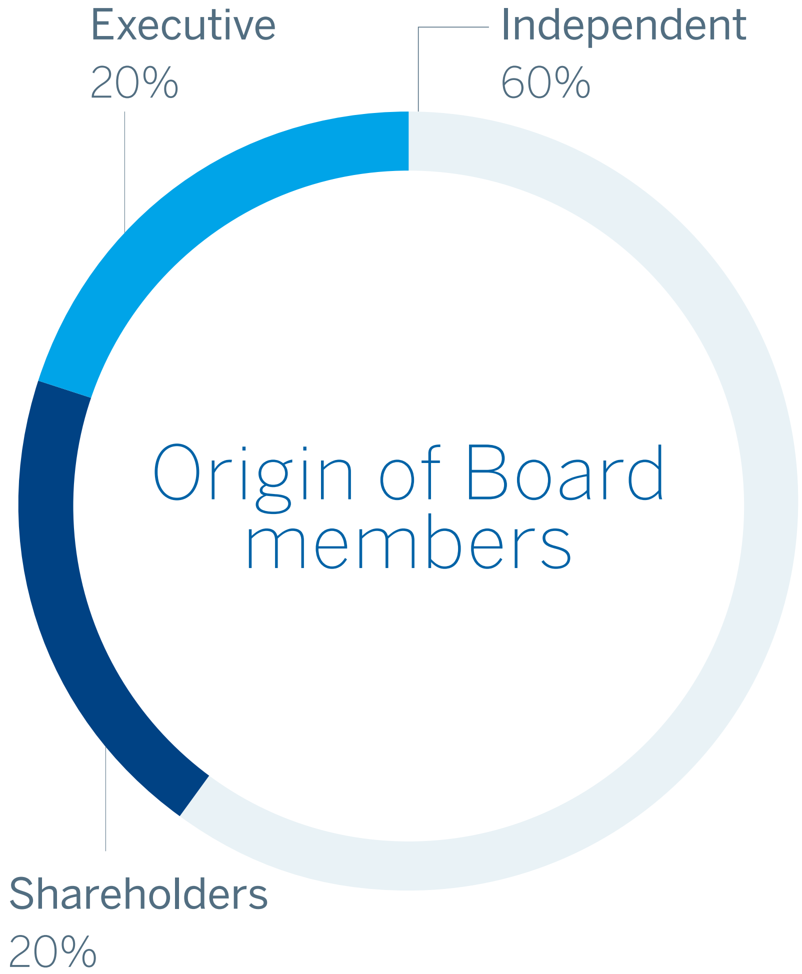
This high level of independence favors the fulfilment of management, supervision and control functions of the corporate bodies, guaranteeing the objectivity of decisions.

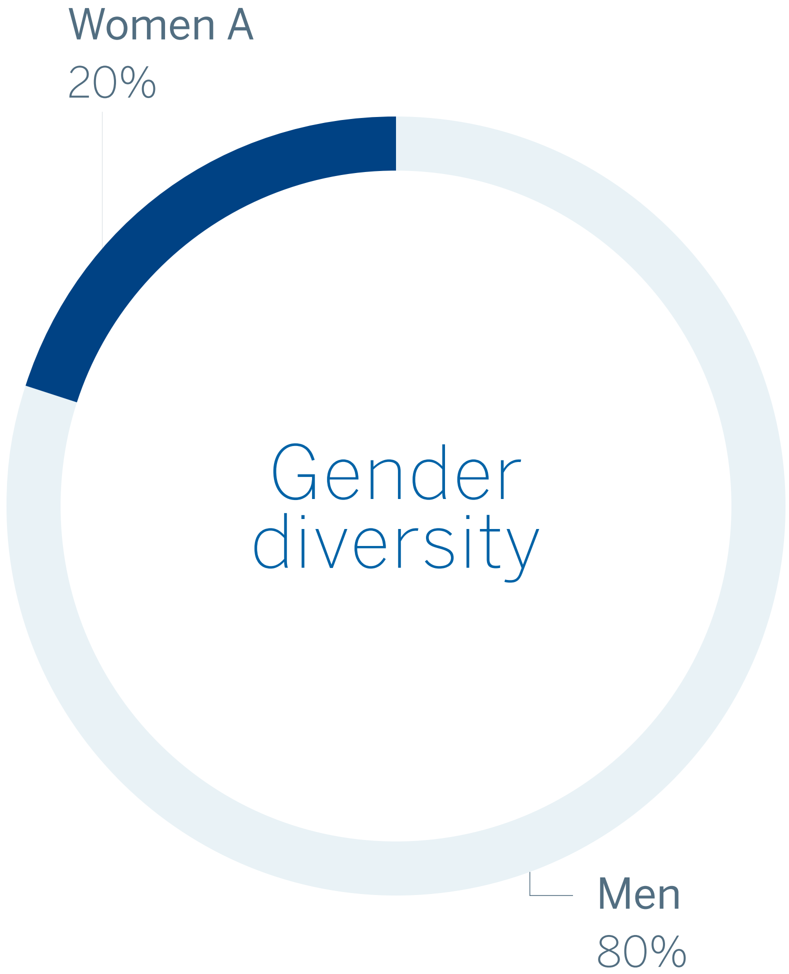
Diversity

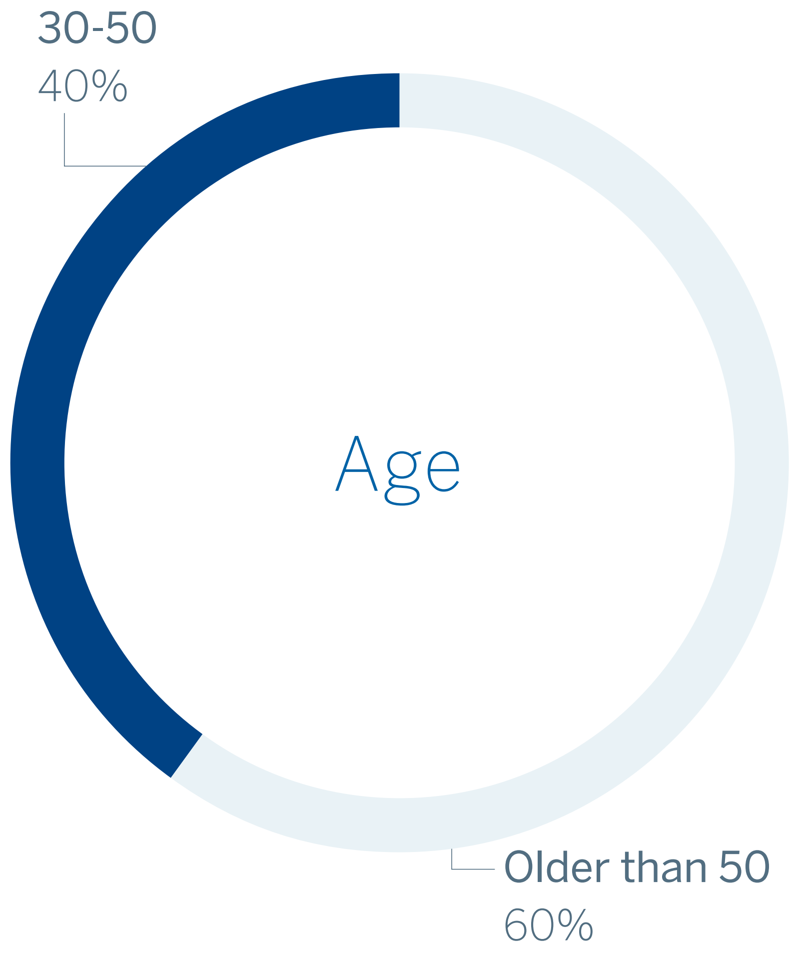
405-1

The Board of Directors has a diverse composition that **combines profile with experience** and knowledge of the Bank and its subsidiaries, its businesses and the financial sector in general, and **profile with business background**, knowledge of the environment and the local market.

Currently, the Board of Directors is gender, age, nationality and profession diverse.







Currently, the Board of Directors is gender, age, nationality and profession diverse.

Director	Gender	Age	Nationality	Profession
Carlos Eduardo - Caballero Argáez	Male	76	Colombian	Civil Engineer
Xavier Queralt Blanch	Male	64	Spanish	Bachelor of Law
Camila Escobar Corredor	Female	42	Colombian	Industrial Engineer
Luis Julián Carranza Ugarte	Male	57	Peruvian	Bachelor of Economics
Mario Pardo Bayona	Male	48	Spanish	Degree in Economics and Business Administration

Suitability

The Bank seeks to ensure that the members of both the Board of Directors and the support committees have a **strong academic background,** broad experience and professional background required to perform their functions and the good governance of the institution, which guarantees the necessary suitability for the position, which is a regulatory requirement.

The Corporate Governance, Sustainability and Social Responsibility Committee is responsible for supervising compliance with the requirements and the selection procedure, assessing the competencies, skills, limitations, professional and academic trajectory, and in general completing a suitability assessment of the candidates who hold the position.

In 2023, no circumstances were known to affect the suitability of directors in the performance of their position.

Compensation policy of the Board of Directors

Policy and processes for determining compensation

GRI 2-19, 2-20

BBVA Colombia has the Compensation Policy for the Board of Directors, approved by the General Shareholders Meeting of March 2016. This policy distinguishes between the compensation system for non-executive and executive directors, as follows:

Executive Director, the legal representative, participates in the ordinary course of the Bank's business and is a member of the Board of Directors, his compensation is governed by the principles applicable to the Senior Management group of employees, whose professional activities have an affect on the Group's risk profile or exercise control functions.

The compensation criteria includes the level of responsibility of his functions and the competitiveness of his compensation against equivalent functions at peer financial institutions in the local market. Consequently, the executive director is not recognized an additional compensation to that earned as a BBVA Colombia employee.

With regards to **non-executive, independent and shareholder directors,** the compensation system is based on criteria such as responsibility, dedication, inabilities and incompatibilities inherent to the position they hold. This translates into a fixed monthly cash compensation for membership and attendance to the Board of Directors and Board Support Committees, as well as compensation in kind, such as directors and administrators life and accident insurance policy premiums.

In addition, shareholder directors who reside abroad receive travel expenses and the necessary compensation to attend the face-to-face sessions.

The Chairman of the Board of Directors, due to the scope of the duties and the greater dedication of time, has a higher fixed compensation, within the margins managed by local market peer financial institutions.

Finally, the General Shareholders Meeting sets the annual allowance that the Bank must grant to its directors.

> The compensation criteria includes the level of **responsibility of the position and the competitiveness of its compensation**

Board of Directors and Senior Management Compensation

On March 26, 2022, the General Shareholders Meeting approved setting fees for non-executive members of the Board of Directors at COP 8.5 Million, and for the Chairman of the Board, taking into account his additional functions, at COP 10.5 Million. Payment is made on a monthly basis for membership, attendance and participation in Board and support committees meetings.

The Assembly also agreed to set the payment of approved fees and the budget, as well as other expenses that this administrative body may require for its operation.

Thus, the Corporate Governance, Sustainability and Social Responsibility Committee verified the follow-up to the Compensation Policy of the Board of Directors and the appropriations approved for 2023, determining **that BBVA Colombia paid the Board of Directors COP 472.1 Million in labor compensation, as follows:**

Concept	Amount
Fixed compensation	COP 433,008,544
Compensation in kind	COP 39,132,741
Total	COP 472,141,285

The members of the Board of Directors are covered by a global Directors and Officers - D&O policy, a civil liability insurance, that **covers compensation for which senior managers are legally liable** for alleged damages caused to third parties in the performance of their duties, as well as legal defense fees.

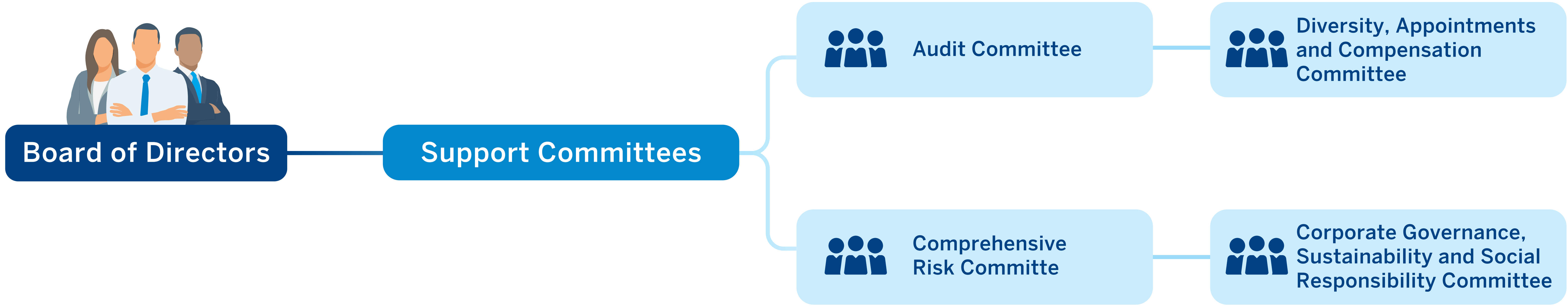
Details on the compensation received by directors can be found in the "Transactions with related parties" section of the Financial Statements.

The proposed compensation of the members of the Board of Directors, for the period 2022 to 2024, was approved by shareholders on March 16, 2022, at an ordinary meeting of the General Assembly, with the following quorum:

13,907,929,071	Total common shares of the Bank
13,397,290,747	Total common shares represented at the meeting
96.328%	Common shares represented at the meeting

Senior Management

The Bank's Senior Management is headed by the Executive Chairman, the Vice Presidents and the Directors of the staff areas:



BBVA Colombia Corporate Structure

Mario Pardo Bayona

Executive President

Degree in Economics and Business Administration from Icade, Madrid; He joined BBVA Colombia in 2008 after more than a decade of experience in some of the world's leading investment banks, including Lehman Brothers International and Goldman Sachs International. Since his arrival at BBVA Colombia, he worked in M&A within CIB and later assumed the role of Director of Strategy and Transformation for CIB; in 2017 he held the position of Head of Enterprise Customers as part of the corporate Customer Solution team; since 2020 he has served as Executive Chairman of BBVA Colombia.

Carlos Alberto Rodríguez López

Executive Vice President, Corporate & Investment Banking

Economist, specialist in finance and master's degree in economics from Universidad de los Andes, Bogotá, with an MBA from Insead, Fontainebleau, France. He has extensive professional experience, holding, among other positions, the Vice Presidency of Corporate Finance of ISA, the International Vice Presidency of Bancolombia and the Vice President of Market Development of the Colombian Stock Exchange. He served as Director General of Public Credit and National Treasury of the Ministry of Finance and Public Credit. He currently is Executive Vice President of Corporate & Investment Banking at BBVA Colombia.

Alberto Parra Alonso

Executive Vice President, Talent & Culture

He has a degree in Business Sciences from the Universidad Vicálvaro (Spain), with courses in Management Development Program at IESE and coaching at the European School of Coaching in Madrid. More than 22 years of experience in personnel management at the BBVA Group, where he has worked as Personnel Manager and Human Resources Manager Spain and Portugal at BBVA Madrid; He has also served as Director of Talent and Culture in Las Palmas de Gran Canaria and Valencia. From 2019 to February 2023 he served as Vice President of Talent and Culture in Uruguay. He is currently Vice President of Talent and Culture at BBVA Colombia.

Guillermo Andrés González Vargas

Executive Vice President, Client Solutions

Industrial Engineer from the National University of Colombia, Bogotá, master's degree in Engineering from Universidad de los Andes, with management studies at Inalde, IESE and Wharton Business schools, and diplomas in quality, projects and finance. He has more than 15 years of experience at BBVA Colombia, where he has held different positions in the areas of Organization, Quality and Strategic Projects and has been Director of the areas of Strategic Planning and Commercial Development, Director of Business Execution. He serves as Executive Vice President of Client Solutions at BBVA Colombia.

Esther Dafauce Velázquez

Executive Vice President of the Finance Area

She has a degree in Business Administration and Management from the Complutense University of Madrid, with more than 20 years of international experience and, particularly, in Latin America. Between 2000 and 2009 she worked as a Senior Auditor for KPMG Spain and as KPMG Audit Manager in Calgary; She later joined BBVA Group, holding positions as Market Audit Manager - IA, Process Audit Manager for South America and Real Estate - IA in Madrid, Director of Internal Audit at BBVA Argentina and CFO at BBVA Provincial in Venezuela. She is currently Executive Vice President at BBVA Colombia's Financial Area.

Sandra Milena Meza Cuervo

Internal Control and Compliance

Lawyer from the Universidad Javeriana, Bogotá, with a specialization in Capital Markets (Financial Law and Securities Market) from the same university. She has more than 4 years of experience as Compliance Officer at BBVA Colombia. She has extensive knowledge in financial and commercial law and risk management associated with the compliance function and non-financial risks. She is currently Executive Director at BBVA Colombia.

Miguel Ángel Charria Liévano

Executive Vice President, Networks Division

Professional in Finance and Foreign Trade from the Sergio Arboleda University of Bogotá, specialized in Corporate Finance from CESA. He has academic training in Business Management programs from INALDE and Universidad de la Sabana, and Risk and Credit Management from the Universidad de los Andes. He has 25 years of experience in the national and international financial sector. He has held different positions at BBVA Colombia in the area of Risks, was appointed Director of Retail Risk and Global Risk Management for South America of BBVA Group in Spain and later assumed different responsibilities within the BBVA Microfinance Foundation until 2017, when he returned to the country to occupy the Executive Presidency of Bancamía S.A. He is currently Executive Vice-president of the Commercial Network.

Constanza García

Communication & Image

Social communicator and journalist from Universidad de la Sabana, Bogotá, with a specialization in Economics from Universidad de los Andes and a master's degree in Online Reputation Management and Community Manager from University de Barcelona. She has experience in the comprehensive management of corporate communications, crisis management, inter-institutional relations and social media strategy. She has more than 10 years of experience at BBVA Colombia, where she has served as External Communication Analyst, Head of Press and currently as Director of Communication and Responsible Business.

Carlos Tolosana Gómez

Internal Audit

He has a degree in Economics and Business Sciences, International and Development from the Complutense University of Madrid, with studies in Law from UNED, Bogotá, and business at IESE. Director with more than 20 years of experience in auditing activities. He has coordinated audit groups in most BBVA Group countries and areas. He has given training courses to more than 400 auditors in Spain, Latin America and the United States. He has relationships with financial regulators such as ECB, BdE, Superintendence of Finance of Colombia, Asobancaria, IAI and Isaca. He has more than 17 years of experience in the BBVA Group, where he has served as Senior Manager of the IT and Internal Audit Processes unit, Head of Digital Processes and IT of the Spanish Internal Audit and Manager of the Global Program for the Development of Audit Solutions. He currently is Director of Internal Audit at BBVA Colombia.

Olga Lucía Calzada Estupiñan

Executive Vice President, Legal Services and General Secretary

Lawyer from the Faculty of Law and Legal Sciences at Universidad Nacional de Colombia, Bogotá, with a specialization in Financial Legislation from Universidad de los Andes. She has more than 25 years of experience as General Secretary and Vice President of Legal and Compliance at Bancamía S.A., head of the Special Legal Department area of BBVA Colombia, Legal Vice President and General Secretary of Banco Granahorrar, General Secretary and Legal Director of Fogafín. She was an advisor in the Ministries of Justice and Law, and Finance and Public Credit, and a member of the boards of directors of several financial institutions. She serves as Executive Vice President of Legal Services and General Secretary at BBVA Colombia.

Gregorio Blanco Mesa

Executive Vice President, Engineering

Degree in Mathematics from the University of Seville. He has more than 10 years being part of BBVA Colombia, initially as responsible, from Accenture, for BBVA's new core banking project in USA, then part of the Group to lead the first stage of the deployment of the new Nextgen platform for the Americas and later in the role of Executive Director for Enterprise Digital Products, within the Architecture team. He is current Executive Vice President of the Engineering Area of BBVA Colombia.

Alfredo López Baca Calo

Executive Vice President, Risk Area

Engineer from Universidad Panamericana de México, with an MBA from IPADE Business School, (Instituto Panamericano de Alta Dirección de Empresa). He has more than 20 years of experience at BBVA Colombia, with outstanding management and experience in different positions in the Group's Risk Area. He served as Head of Wholesale Credit Risk at BBVA Bancomer. He serves as Executive Vice President of the Risk Area at BBVA Colombia.

Juana Téllez

BBVA Research

Economist from Universidad Javeriana, Bogotá, with a master's degree and doctorate in Economics from Queen Mary University of London. She has extensive experience in the financial sector, serving as an Advisor in to the General Manager of Banco de la República and more than 15 years of experience at BBVA Colombia, where she holds the position of Chief Economist.

Attendance and quorum of the Board of Directors

In 2023, **the Board of Directors met 13 times**, adhering to the schedule set at the beginning of the year. In addition, the Board of Directors validly deliberated and decided with the presence and votes of the majority of its members.

Chairman of the Board of Directors

GRI 2-11

The President of the highest governing body is not a senior manager of the organization; the Chairman of the Board of Directors is of independent origin.

On April 27, 2022, the Board of Directors installed the Board and held the election of officers, appointing Carlos Caballero Argáez as its President. The functions of the Chairman of the Board of Directors and his responsibilities are set out in the Articles of Association, Article 43, and in the Internal Regulations of the Board of Directors, number 11A.

Secretary of the Board of Directors

In accordance with Article 43 Bis of the Bylaws, the Bank has an official in the position of Executive Vice President of Legal Services and General Secretary, appointed by the Board of Directors, who in turn serves as its Secretary.

The Board re-elected Ulises Canosa Suárez, Executive Vice President of Legal Services and General Secretary, as Secretary of the Board of Directors of BBVA Colombia, on April 27, 2022.

Relationship of the Board of Directors with the Statutory Auditor

During 2023, the Board of Directors and the Audit Committee maintained constant communication with the Statutory Auditor, Ernst & Young Audit S.A.S., which was elected at the General Shareholders Meeting on March 16, 2022. In these interactions, direct information was provided to these governing bodies at all sessions.

The Audit Committee reviewed and approved the **2023 Work Plan** of the Statutory Auditor's Office, followed up on the development of the actions, the recommendations made and the plans adopted by the Bank.

Directors Attendance at Board and Committee Meetings

Corporate Body / Director	Board of Directors	Audit Committee	Comprehensive Risk Committee	Corporate Governance, Sustainability and Social Responsibility Committee	Diversity, Nomination and Compensation Committee
Carlos Eduardo Caballero Argáez	100%	100%	100%	100%	100%
Xavier Queralt Blanch	100%	100%	100%	100%	100%
Camila Escobar Corredor	84.6%	100%	100%	100%	100%
Luis Julián Martín Carranza Ugarte	100%	100%	100%	100%	100%
Mario Pardo Bayona	100%	100%	100%	100%	100%

These documents are available on the Bank's website at:

Bylaws

Board of Directors Regulations

The functions of the Secretary of the Board of Directors are specified in the Internal Regulations of the Board of Directors, section 11B:

Secretary Functions

External advice received by the Board of Directors

During the year, no external advice was required.

Handling of Board of Directors Information

Paragraph 10.4. of the Board's Rules of Procedure establish that directors have access to meeting information five days prior to the meeting. The information can be consulted through Google Drive, with restricted access, for security reasons and adequacy of confidential information. Directros can access this information using an assigned username and password, from anywhere and on any device. This allows them to **make informed decisions** by having permanent and timely access to reports.

Functions of the Board of Directors

GRI 2-12, 2-13

BBVA Colombia's Board of Directors is responsible for the general functions of defining the bank's **strategy, supervision, governance and control** of key matters. It approves the general policies that guide the Bank, such as the strategic plan, financial and investment policies, and policies related to corporate governance.

It also **appoints key officers and executives** who are granted legal representation of the Bank, and supervises and controls matters related to the management of financial and non-financial risks, conflicts of interest and criteria applicable to business transactions with related parties.

On a quarterly basis, the Sustainability Department reports on the progress of the strategy and proposes new KPIs to the Corporate Governance, Sustainability and Social Responsibility Committee. Additionally, monitors on a monthly basis, the KPIs of both the Board of Directors and the Management Committee, the latter made up by Senior Management.

The Bank's Board of Directors oversees due diligence and other processes that address the impacts of operations on the economy, the environment and people. The Board, periodically, monitors the performance of the Bank's business, the Strategic Plan and manages risks, considering material aspects related to sustainability. In addition, it participates in the approval of key policies affecting investment, communication with shareholders and other relevant aspects to ensure alignment with environmental and social objectives.

The Board of Directors is involved in stakeholder engagement , evaluating results and ensuring that the entity meets its ethical and sustainable commitments. In addition, it monitors on a monthly basis the material issues that are submitted to it for consideration by virtue of the functions described and attributed to it by bylaws.

The Board has delegated to the Sustainability area, which reports to the Client Solutions Vice-Presidency, **responsibility for the green and social business and communication** between all the Vice Presidents and areas that are part of the Group's 14 strategic sustainability workstreams.

- Corporate area
- Retail & SMEs
- Businesses
- Social
- Data & Technology
- Processes
- Risks
- Marketing
- Direct impact
- Public engagement
- Talent and culture
- Asset management
- Reporting and transparency
- Standard

The monitoring of the agenda, work plans and the fulfilment of goals related to sustainability and responsible business is done by the Corporate Governance, Sustainability and Social Responsibility Committee.

With regard to the management of impacts on people, with an internal focus on the bank's employees, the Bank has implemented the Diversity, Equity and Inclusion Policy, which seeks to "make the opportunities of this new era available to everyone" and guides actions to promote a culture of respect for equity, diversity, inclusion and equality for all employees. This involves the development of equal opportunity initiatives for employees of different ethnic or racial backgrounds to eliminate barriers originating in Colombia's multiculturalism.

The Board of **Directors is involved in stakeholder engagement,** evaluating results and ensuring that the entity meets its ethical and sustainable commitments.

The Board of Directors' Bylaws and features are available at:

Directors' Bylaws

Compliance monitoring with this Policy is reviewed, among other issues, in the agenda of the Diversity, Appointments and Compensation Committee, made up of members of the Board of Directors; the Diversity, Equity and Inclusion Committee, made up of members of Senior Management, and the Internal Diversity, Equity and Inclusion Committee, made up of members of the Vice Presidency of Talent and Culture.

On the other hand, the management of the entity's impacts on the economy is presented and analyzed by the Board of Directors once a month, with the report on the economic situation and the report of the Executive Chairman. Impacts on the environment and people are reported quarterly to the Corporate Governance, Sustainability and Social Responsibility Committee and the Diversity, Appointments and Compensation Committee; the latter is responsible for the impacts related to the Bank's employees.

Role of the highest governing body in sustainability reporting

2-14

The Board of Directors is reported on a monthly on KPIs progress in the presentation of the Executive Chairman. Sustainability and responsible business issues are reported to the Corporate Governance, Sustainability and Social Responsibility Committee. This committee supports the Board of Directors by monitoring the agenda, work plans and the fulfillment of goals set forth by the entity in this area. In this space, the results presented by management are discussed and encouragement is given to continue efforts aimed at materializing the bank's strategic priority, aimed at helping customers in this transition towards a sustainable future.

Communication of Critical Concerns

2-16

Critical concerns are communicated directly to the Board of Directors by Senior Management members through monthly reports. If these concerns address issues that are presented in the periodic reports that are brought to the Board for consideration and deliberation, they are included in the agenda. Otherwise, they are communicated by **request for the inclusion of the topic** to be discussed by the Board of Directors or are addressed by the support committees within their quarterly agenda.

In 2023, **14 critical concerns** were presented to the Board of Directors that addressed 3 key areas: financial management, operations and strategy, and future strategy.

Collective knowledge of the highest governing body

2-17

"To make the opportunities of this new era available to everyone"

This is BBVA Colombia's commitment to having a **positive impact on the lives of people, companies and society as a whole.** Thus, the Bank's commitment to sustainability is one of the clearest ways to achieve this goal and help its customers transition to a sustainable future. One strategy to achieve this is to consolidate the knowledge of the governing body in this regard, which will be strengthened through different lines of action.

In 2023, the Board of Directors was informed on a quarterly basis about the work plans and the follow-up to the strategy on sustainability, responsible business, community investment and corporate governance, through the Corporate Governance, Sustainability and Social Responsibility Committee. Additionally, it followed up on issues related to diversity and inclusion through the Diversity, Appointments and Compensation Committee.

By reviewing these reports, Board members engaged and strengthened their knowledge on ESG (Environmental, Social and Governance) issues.

In 2023, **14 critical concerns** were presented to the Board of Directors regarding financial management, operations and strategy, and future strategy.

Board Support Committees *GRI 2-9*

Audit Committee. It supports the supervision of the Financial Statements and the management of the Board of Directors in the implementation and improvement of the Bank's control architecture, addressing the control environment, risk management, internal systems, information, communication and monitoring. In addition, it ensures compliance with laws and regulations, as well as the effectiveness of controls against employee conflicts of interest and fraud. It ensures that the Entity complies with relevant laws and regulations and that effective controls against employee conflicts of interest and fraud are followed when doing business.

Comprehensive Risk Committee. Supports the Board of Directors in reviewing risk appetite, identifying and monitoring risks, reviewing policies, and overseeing the entity's financial and non-financial risk management and function. It analyzes the corporate strategies and policies for each type and promotes the establishment of a risk culture that guarantees coherence of the control model throughout the Bank, applying it at all levels of the organization.

Diversity, Appointments and Compensation Committee. It assists the Board of Directors in supervising and advising on talent management processes, promoting cultural, gender, skill, and sexual orientation diversity, among others.

Corporate Governance, Sustainability and Social Responsibility Committee. It protects shareholders, investors and the market, ensuring access to accurate and transparent information. It oversees the Bank's management, sustainability policies, under ESG criteria, and assessess the performance of the Board of Directors. It ensures compliance with requirements for the appointment of directors and maintains the balance of expertise on the Board. In addition, the Committee's agenda includes monitoring, on a quarterly basis, the Bank's management and corporate governance system, as well as sustainability and corporate social responsibility policies.

In 2023, the Board of Directors support committees, which meet on a quarterly basis, were conformed as follows:

BBVA Colombia - Board of Directors support committees

COMITTEE	DISTRIBUTION OF CAPITAL STOCK				
	Mario Pardo Bayona	Carlos Caballero Argáez	Camila Escobar Corredor	Luis Julián Carranza Ugarte	Xavier Queralt Blanch
Audit Committee		President	√	√	
Comprehensive Risk Committee		President		√	√
Governance, Sustainability and Social Responsibility Committee		President	√	√	√
Diversity, Appointments and Compensation Committee			President	√	√

Activities of the Committees of the Board of Directors

In order to improve management, control and decision-making performance, the Board of Directors constituted four committees with functions assigned in its rules of procedure, which assist it in its areas of competence.

The committees have broad powers and full autonomy in their management, being able to call the meetings deemed necessary, participate in setting the agenda and have the assistance of external experts, when deemed necessary; in addition, have direct access to the Bank's executives, who report on a recurring basis to both the committees and the Board of Directors.

Thus, BBVA Colombia's Corporate Governance System allows directors to control the proposals, implementation and development of the issues that have been approved by the Board of Directors, based on the work done by the committees.

In compliance with their rules of procedure, the committees prepare annual management reports, which include the activities performed over the period.

Information on making Board assessment processes

Board of Directors Self-Assessment

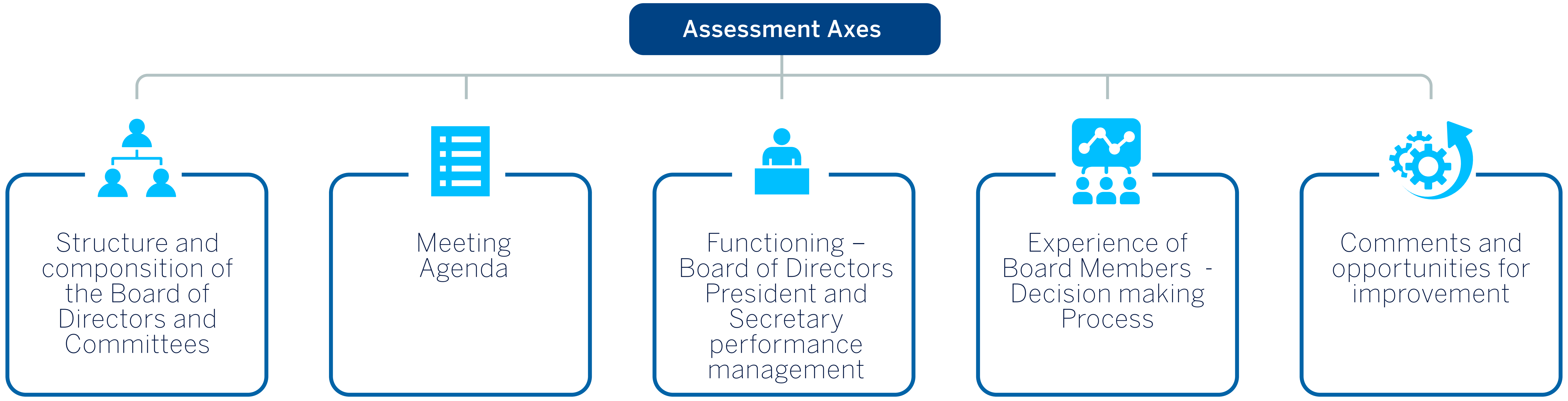
GRI 2-18

In accordance with Article 38, paragraph 7, of BBVA Colombia's Bylaws, the Board of Directors must organize the annual assessment process of the Board of Directors, in accordance with accepted self-assessment or assessment methodologies that may consider the participation of external advisors.

In the Established Regulatory Framework, the Board of Directors assessess its operation based on the **evolution and improvement of BBVA Group's corporate governance system**, so that it remains aligned with the needs of the corporate bodies, the environment in which it performs its activity, and regulatory requirements and best practices. This has allowed the corporate bodies to deepen the implementation of improvement measures agreed by the Board of Directors over the course of the past few years.

In 2023, the Board of Directors approved the implementation of the **self-assessment methodology**, which consists of a questionnaire that allows us to learn the perception of directors regarding the functioning of the Board of Directors and support committees, both as a collegiate body and the directors individually considered, among others.

The self-assessments were completed by each of the directors and, based on these, the Corporate Governance, Sustainability and Social Responsibility Committee prepared a report to review the results of the process and make suggestions for the better functioning of the Board.



The assessment axes were measured with a 5-point scale, where 5 meant strongly agree and 1 strongly disagree.

The outcome of the 2023 assessment was positive and showed that the **Board adequately fulfilled its functions.** In addition, the committees supported the Board's decision-making and the sessions addressed all the issues within their competence, dedicating the necessary time to the discussion of the matters included in the agenda of each session and those that were presented in an extraordinary manner.

The Board of Directors' assessment was done through the self-assessment modality and on an annual basis. In addition, following the recommendations of the Board of Directors, the issues addressed by the annual assessment included the monitoring to the Sustainability and Digital Transformation KPI.

Related-party transactions

In relation to transactions with related parties, the Board of Directors monitored the matter on a monthly basis, with the support of the Comprehensive Risk Committee, determining that in all cases, for all purposes and in all types of transactions, whether derivatives or any other active operation, with the parent company, subsidiaries or related parties, compliance with rules on limits on the granting of credit or maximum risk concentration limits had been verified, were in force on the date of approval of these operations.

In addition, it was confirmed that transactions had been done under general market conditions in place for similar transactions with third parties, except in the cases of loans for education, housing, transportation and health made to Bank employeed, which were made in accordance with the bank's policies, as expressly permitted by the legal provisions that regulate the matter.

The details of transactions with related parties are included in the Financial Statements, in the note "Transactions with related parties".

Follow-up was also done with the Compliance area, through direct verification and considering the information received from Board Directors, on the actions and operations that, on their own account, in the securities market, were executed by Board Directors and their equivalents, without incidents regarding privileged information or other aspects. The Compliance area dealt with situations **of conflicts of interest** in which Board Directors and legal representatives may be eventually involved.

Conflicts of interest

GRI 2-15

Chapter II of the Board of Directors Regulations includes paragraph 4 on conflicts of interest, which states the duty of directors to **avoid conflict of interest situations** and establishes a procedure where provisions are made on actions or operations that the members of the Board must refrain from doing, either directly or with related parties.

BBVA Colombia also has the Internal Code of Conduct in the field of the securities market, which regulates conflict of interest situations (number 5), to control possible conflicts of interest, applying it to individuals, including Board Directors.

Finally, Article 67 of the Bylaws establishes the mechanism for the prevention, management and disclosure of conflicts of interest, indicating that the Bank's directors and officers must report on possible conflicts of interest that may arise in the exercise of their duties and refrain from making decisions, doing transactions or intervening in operations, unless authorized as per the procedure established for this purpose.

Conflicts of interest and Board Director actions

In 2023, there were no conflicts of interest with respect to shareholders or directors.

Mechanisms for resolving conflicts of interest between companies in the same conglomerate

The mechanisms for resolving conflicts of interest between BBVA Colombia and its subsidiaries are those set forth in BBVA Group's Code of Conduct, the Corporate Governance Code, the Rules and Procedured of the Board of Directors, the procedure for the valuation, approval and disclosure of transactions with related parties set forth in the General Shareholders Meeting Regulations, seeking to ensure that these are approved under market conditions.

In the Corporate Governance Report, that is part of this report, it is disclosed whether there was any relevant conflict of interest situation that forced the Board member to abstain from voting at the meeting.

Risk management system

The General Risk Management and Control Model, which includes the Risk Policy, its application and the materialization of risks, as well as the response and supervision plans for the main risks, are detailed in this report, Chapter 5, Risk Management.

Regarding the Internal Control System, its model and other aspects, this is detailed in this report, in the section Internal Control and Compliance, which has been accepted by the Board of Directors and is published on the Bank's website.

General Shareholders Meeting

On March 27, 2023, BBVA Colombia held its general meeting of the General Shareholders Meeting, in person and virtually. Shareholders who chose to participate virtually connected through the Webex Events platform, in accordance with the provisions of Article 422 of the Commercial Code, Article 19 of Law 222 of 1995, as amended by Article 148 of Decree 019 of 2012 and Decree 398 of 2020. Those who preferred to participate in person went to the Bank's Corporate Offices located at Carrera 9 No. 72 21, 12th floor, Bogotá.

Differences between the minimum regime regulations in place and that defined by the bylaws and regulations of the company's General Meeting in the functioning of the General Shareholders Meeting

The Bank has adopted 18 of the 19 of the Code of **Best Corporate Governance Practices** recommendations, known as the Country Code, as it relates to the General Shareholders Meeting. This is reflected in the ByLaws and the rules and regulations of the Shareholders Meeting, which establish provisions related to the call, the exercise of the right of inspection, the publication of the information on the agenda and the representation of shareholders at the Shareholders Meeting meeting.

- The General Shareholders Meeting's functions are expressly established as **exclusive and non-delegable.**
- The call to the General Meeting is published on the Bank's website, in the "Investor Services" section, available in English and Spanish, ensuring its maximum dissemination, along with information related to the proposals to be presented by the Board of Directors.
- In cases where a shareholder requests information that may give him or her an advantage, the **Bank ensures that all have access** to it by publishing it on its website.
- Shareholders may be represented at the meetings of the General Shareholders Meeting by means of a power of attorney granted in writing. To facilitate this process, the website offers a standard representation model that contains the agenda, allowing voting instructions to be indicated.

Subject	Date
Call publication	Diario Portafolio, on February 24, 2023, and the Bank's website, www.bbva.com.co
Right of inspection	As of March 3, 2023
Publication of information related to the Assembly agenda	BBVA Colombia website, 15 days before the meeting
Quorum for deliberating and deciding	95,90%
Publication of the Assembly's decisions	On the Bank's website and on the RNVE
Copy of the minutes submitted to the Financial Superintendence of Colombia	April 19, 2023
Submitted by the Statutory Auditor	Within 15 business days following the ordinary meeting of the Shareholders' Meeting.
Publication of Financial Ftatements	In the month following the general meeting of the General Shareholders Meeting, the general purpose Financial Statements, compartive to the same period of the previous year, were published on the website. In addition to the Financial Statements, the respective notes and the auditor's opinion were included.

Information for shareholders and communications

Equitable treatment of shareholders and investors

BBVA Colombia has the Bylaws, the Corporate Governance Code and the rules and regulations of the General Shareholders Meeting, which are published on the Bank's website. These documents contain the rights and obligations inherent to the status of shareholders. All shareholders and investors **have the right to receive equitable treatment from the Bank's directors and other officers**, respecting their rights to information, inspection and summon in accordance with the provisions of the law, the bylaws and the Corporate Governance Code.

Through the Bank's website, "Investor Services" section, BBVA Colombia periodically discloses information related to the operation of its Corporate Governance System. This includes decisions adopted by the General Shareholders Meeting, the composition of the Board of Directors, the annual report containing the management dossier, information on outstanding common and preferred shares, as well as the stock exchange listing price, issues and relevant financial information.

In compliance with the guidelines established in Resolution 116 of 2002 of the Superintendency of Securities, now the Financial Superintendence of Colombia, BBVA Colombia discloses content of interest in the "Relevant Information" section and communicates internally **the obligation to act with neutrality with respect to the different shareholders**. This is done in order to ensure equitable treatment and guarantee the effective participation of all shareholders as well as the full exercise of their rights at the General Shareholders Meeting.

In addition, the Bank has a specific procedure for shareholders to interact with the community, access information, resolve requests, establish communication channels and exercise the right of inspection. To this end, the Bank has the Shareholder and Investor Services Office, whose function is to provide clear and objective information related to the Bank, allowing them to make informed decisions.

Number of requests and matters on which shareholders have requested information from the company

In 2023, shareholders submitted two requests for information, one related to the conversion of shares and the other on the analysis of financial performance. The remaining investors did not submit requests for information or complaints.

Main resolutions of the 2023 General Shareholders' Meeting

The following documents and proposals were presented and approved at the meeting:

2022 Management Report. Presented by the Board of Directors and the Chief Executive Officer to shareholders, it includes the evolution of the business, the economic and financial situation, the Risk Report, the Internal Control System, the Report of the Audit Committee, the Corporate Governance Report, the Report referred to in Article 29 of Law 222 of 1995 and Article 25 of the Bylaws. "Functions of the Assembly. Paragraph 8. Consider the reports of the directors, the Legal Representative and the Statutory Auditor on the state of the social business."

Separate and Consolidated Financial Statements as of December 31, 2022, with its respective notes, portfolio provisions and other annexes and legal reports for the year 2022. Article 25 of the ByLaws: "Functions of the Assembly. Paragraph 6. To examine the situation of the Bank, to consider and approve the Financial Statements and explanatory reports in accordance with the law, as well as to decide on the distribution of profits."

Profit Sharing Project corresponding to 2022, proposed at the General Shareholders Meeting. It was established that the cash dividend payment would be of COP 32.44 per share, on June 15, 2023. The ex-dividend period would be from June 8 to 14, 2023. Article 25 of the Articles of Association: "Functions of the General Shareholders Meeting. Paragraph 6. To examine the situation of the Bank, to consider and approve the Financial Statements and explanatory reports in accordance with the law, as well as to decide on the distribution of profits."

Allocation of the equivalent of 1% of 2022 profits, to advance the Bank's Corporate Responsibility Program during 2023. Article 25 of the Bylaws: Functions of the General Shareholders Meeting, last paragraph: "In addition to the above non-delegable functions, the General Shareholders Meeting may also: i) Delegate to the Board of Directors or to the Chief Executive Officer, when it deems it appropriate and for specific cases, one or more of its functions that are not exclusive to it. (ii) To exercise the other functions conferred upon it by the laws and statutes as the supreme corporate body."

Statutory Auditor. Setting of fees and appropriations of the Statutory Auditor's Office for 2023. Article 25 of the Articles of Association: "Functions of the General Shareholders Meeting. Numeral 4. Approve annually the operating budget of the Statutory Auditor's Office."

Shareholder Services. The Bank has established an office dedicated to service shareholders, which acts as a direct liaison with the governing bodies and aims to provide clear and objective information on the Bank and other relevant topics to facilitate informed decision-making. In addition, in compliance with Annex 49 of the Single Circular of the Colombian Stock Exchange, known as "Accreditation of the adoption of best practices initiative for the recognition of IR issuers", an agenda has been created that plans events for the delivery of quarterly and annual results. These events provide an opportunity to present the entity's results and highlight business performance.

2023 New Country Code Implementation Report

New Country Code. On January 27, 2023, BBVA Colombia completed and transmitted to the Financial Superintendence of Colombia the Report on the Implementation on Best Corporate Practices, New Country Code, corresponding to the year 2022. This report is available on the Bank's website.

Country Code Survey, available at:

Country Code Survey

IR Issuer Recognition (Investor Relations)

BBVA Colombia has once again been awarded the IR Issuer Recognition, granted by the Colombian Stock Exchange to those issuers that voluntarily adopt high standards of disclosure and comply with best practices in investor relations; disclosure of information to investors and the market in general, and Corporate Governance.

According to the study done by Cesa and the BVC during 2023, **the Bank complied with 94.4% of the standard for disclosure of information and Corporate Governance practices.** This recognition highlights that BBVA Colombia maintains a direct communication channel with investors as a key stake holder, which positions it as the main foreign bank in the country. In addition, it reaffirms its commitment to the implementation of good practices in terms of disclosure and Corporate Governance, contributing to strengthening security, trust and credibility in both the national and international investment community.

Other Corporate Governance Matters

Compliance with laws and regulations

2-27

By Resolution of October 9, 2023, the Directorate of Personal Data Protection Investigations of the Superintendence of Industry and Commerce (SIC) resolved the administrative sanctioning action, declaring that **BBVA Colombia did not duly inform the purpose of the collection of personal data and the rights that assisted it as owner,** contrary to paragraphs b) and c) of article 17 of Law 1581 of 2012, in accordance with paragraphs b) and c) of article 4 and article 12 of the same Law, and articles 2.2.2.25.2.2. and 2.2.2.25.2.5. of Decree 1074 of 2015.

BBVA Colombia was fined COP 339.3 Million and an administrative order was issued requiring the Bank to "implement a procedure to request authorization for the processing of the personal data of the referred parties, if the processing of such data is going to be done for reasons other than those of verifying the identity of the applicant at the time he or she enters into a legal transaction with the Bank. Such authorization must respect the requirements established in Law 1581 of 2012 and its Regulatory Decrees."

For this purpose, 3 months were granted from the execution of the Resolution, for which a certification signed by the legal representative of BBVA Colombia would have to be submitted. **The Bank filed an appeal.**

Association memberships

2-28

Asociación Nacional de Empresarios de Colombia (Andi), non-profit association that aims to disseminate and promote the political, economic and social principles of a healthy free enterprise system.

Asobancaria, a non-profit association under private law. Its objectives are aimed at promoting and maintaining public confidence in the financial sector. It functions as a consulting entity for the financial sector by proposing actions to its members that seek to improve the state of this industry. In addition, it seeks to generate trust within society in the banking sector, and to promote financial sustainability and actions that have a positive impact on society.

Asociación de Comisionistas de Bolsa de Colombia (Asobolsa), a non-profit association of which BBVA Valores Colombia S.A., a subsidiary of BBVA Colombia, is a member. Its objective is to promote an ecosystem that allows the development of the Capital Market, to represent the interests of its Associates, act as a spokesperson for all stakeholders such as investors, regulators and supervisors, infrastructure, media, issuers and others. In addition, it provides up-to-date information on the Capital Market and its main players..

Asociación de Fiduciarias de Colombia (Asofiduciarias), an association of which BBVA Asset Management S.A is a member. This entity represents and represents its members, ensures that fiduciary activity, collective investment funds and securities custody are carried out within a legal and ethical framework that tends to consolidate a sectoral purpose that ensures the confidence of the community, promotes the sustainable development of its activities and contributes to the development of the country.

The Official Spanish Chamber of Commerce in Colombia , focuses its action on strengthening the business fabric and the skills of workers as one of the main drivers of business competitiveness and productivity.

Private Competitiveness Council (CPC), a non-profit organization whose objective is to contribute directly to the articulation of short, medium and long-term strategies, to achieve significant improvements in the level of competitiveness in Colombia.

INTERNAL CONTROL AND COMPLIANCE

The BBVA Group has a general risk management and control model appropriate to its business model and organization, which allows it to perform its activity within the framework of the strategy and the regulatory body, as well as to adapt to a changing economic and regulatory environment.

The Bank adopts the definition of Operational Risk established by the Bank for International Settlements in Basel (BIS):

> *"Operational risk is one that can lead to losses as a result of human error, inadequate or faulty internal processes, systems failures, and as a consequence of external events."*

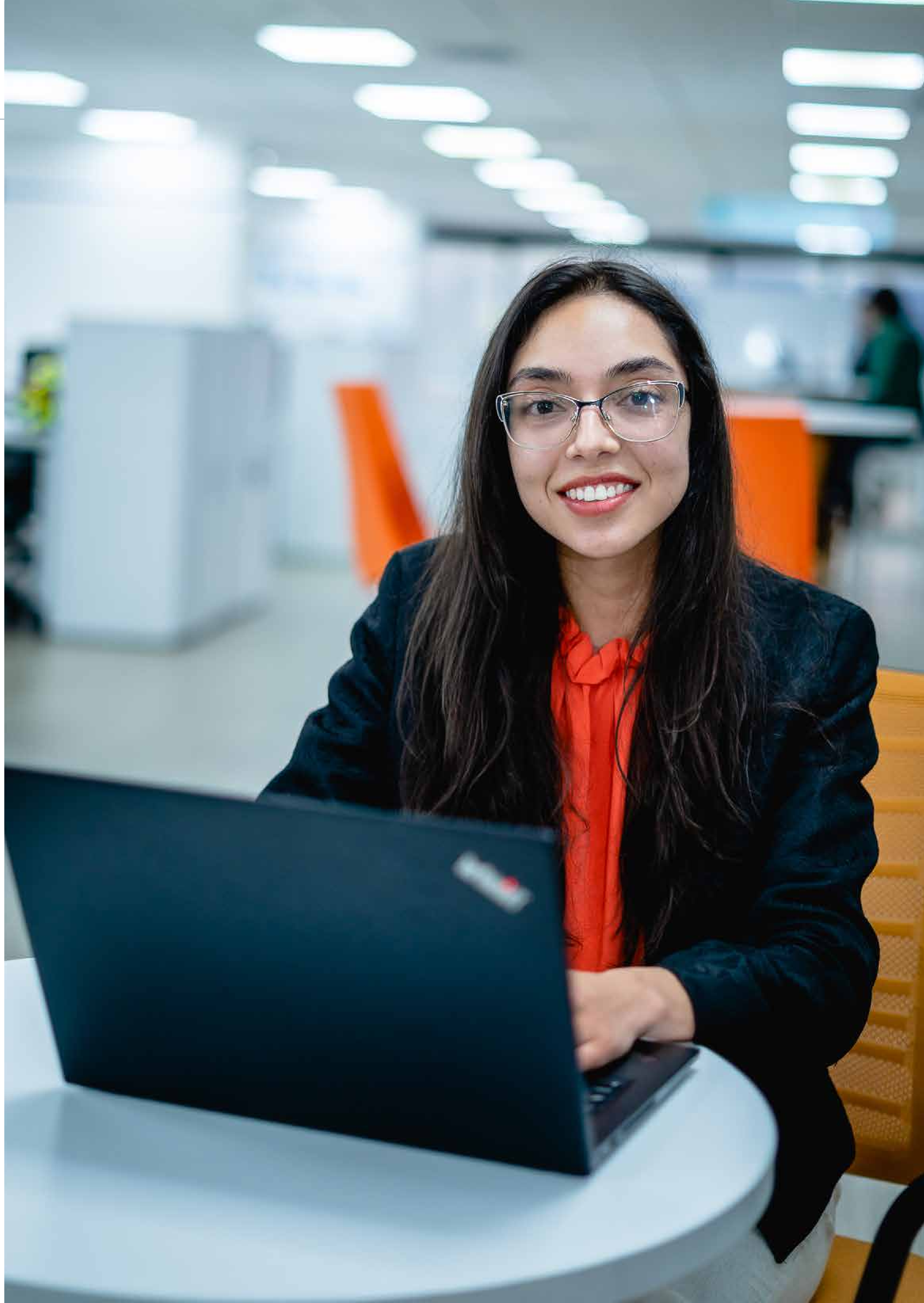
This definition includes legal, compliance and conduct, and money laundering and terrorist financing risk; and excludes strategic and/or business risk and reputational risk. However, reputational risk management, entrusted to the Communication and Image unit, is done in coordination with operational risks to the extent that this occurs as a result of operational events.

BBVA Colombia has developed this **definition of Operational Risk** to define its management scope, as follows:

> *"Operational risk is materialized in losses caused as a result of human error; inadequate or faulty internal processes; inappropriate conduct towards customers, in the markets or against the entity; money laundering and terrorist financing; systems or communications failures, interruptions or deficiencies, theft, loss or misuse of information, as well as deterioration of its quality, internal or external fraud including, in all cases, those derived from cyberattacks; theft or physical damage to assets or persons; legal risks, risks derived from workforce and occupational health management, and inadequate service provided by suppliers as well as damages derived from extreme weather events, pandemics and other natural disasters".*

BBVA Colombia's Operational Risk Management is covered by the Group's internal control model, which is structured **into 3 differentiated lines of defense.**

BBVA Colombia's Operational Risk Management is covered by the Group's internal control model, which is structured into 3 differentiated lines of defense, which constitute the organizational structure and aim to comprehensively manage the risk life cycle.



3-LINE DEFENSE MODEL

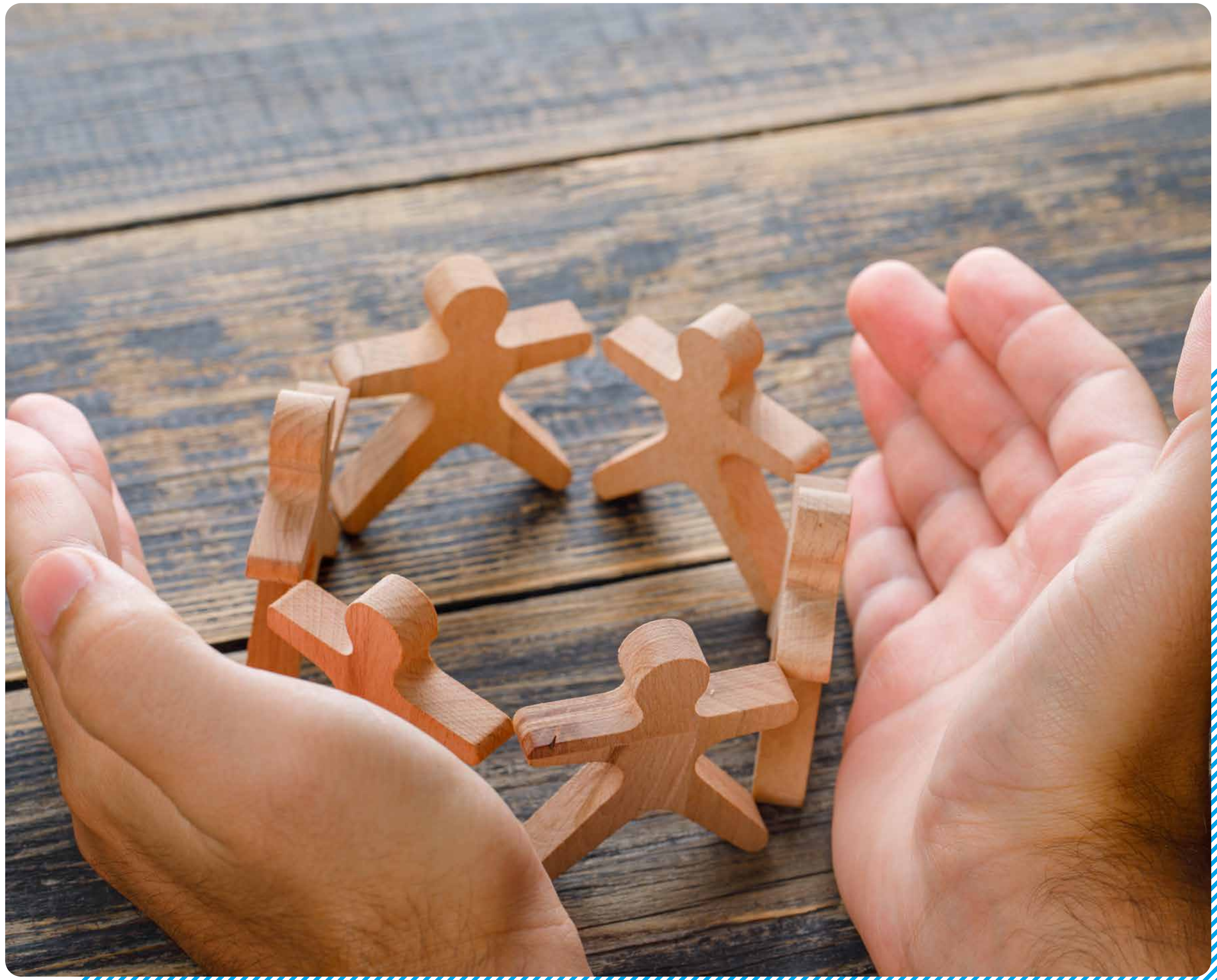
The management model is structured in 3 defense lines:

First line (1LdD). Is made up of the Business and Support areas, responsible for the management of operational risks in its products, activities, processes and systems; who identify and assess operational risks, for which they must execute controls and mitigation plans for those risks with a residual level higher than acceptable. To support the units in managing risks and ensuring a control environment within these, there is a Risk Control Assurer (RCA) in place.

Second line (2LdD). Is led by the Internal Control and Compliance area, which reports directly to the Chief Executive Officer and is composed of:

- **Internal Control and Country Operational Risk,** is responsible for designing and maintaining the operational risk management model and assessing the degree of application within the scope of the different areas and the Risk Control Specialists (RCS), in the areas of compliance, risks, finance, processes, technological security, physical security, information and data security. legal, persons and third parties.
- **Risk Control Specialists (RCS)** define the Mitigation, Control and Monitoring Framework in their area of expertise and contrast it with the one implemented by the first line. They act in a transversal manner, exercising their function in those areas in which the operational risks of their field of specialization may materialize.
- **Communication and Image,** responsible for manageming reputation risk, in coordination with the internal control model in those cases in which reputational risk derives from operational events.

Third line (3LdD). Is addressed by Internal Audit, which conducts an independent review of the management model.



OPERATIONAL RISK GOVERNANCE MODEL

The main non-financial risks faced by BBVA Colombia, are escalated with the assistance of the 3 lines of defense.

Corporate Assurance Committee

Its main function is to provide Senior Management with a **comprehensive and homogeneous view** of the main non-financial risks, relevant control environment situations, the self-assessment result of the main reputational risks, the supervision of the Volcker Rule and the activity of the Data Security & Protection committee. This allows it to implement measures to mitigate these risks in advance, or to assume them within the appetite thresholds defined by the Group.

In line with the relevance of the aspects discussed and the scope of the decisions, the forum is composed by the Chief Executive Officer (President) and the Management Committee, with the attendence of the Internal Control and Country Operational Risk Unit (Secretariat).

The main non-financial risks and relevant issues faced by BBVA Colombia, known as “issues”, are escalated and dealt with in previous instances (working groups), with the assistance of the 3 lines of defense, which allows to anticipate action plans aimed at mitigating their effects.

The main responsibilities of this Committee are focused on:

- Analyzing the issues, approve the proposed action plan, assign the priority and designate the person in charge of coordination, follow up until the risks are considered mitigated and approve the closure of the issues.
- Making decisions on proposals received for assuming risks.
- Monitoring compliance with the Volcker Rule and the activity of the Data Security & Protection Committee.
- Monitoring of the Non-Financial Risks model.
- Following-up on “critical” and “significant” recommendations, overdue and about to expire.
- Following-up on the recommendations or relevant aspects submitted by external auditors and supervisors.
- Monitoring existing risks in the implementation of the most relevant regulatory requirements.

Operational Risk Admission and Product Governance Committee (CARO&GP for its spanish acronym)

Its objective is to ensure the **adequate assessment of initiatives with operational risk** (new businesses, products, outsourcing, process transformation, new systems, among others) from the perspective of operational risk and the approval of the proposed control framework. In the same vein, it strives to comply with the Product Governance Policy, to protect the interests of customers and comply with regulations on financial consumer protection in all BBVA Colombia entities.

Assumption as a stage of the operational risk life cycle has evolved comprehensively to leverage business processes and contribute to the Group’s sustained growth. In this regard, improvements have been made to optimize assumption, as follows:

- Advanced definition of initiatives subject to assumption through the operational risk admission flow.
- Formalization of controls to ensure that the framework and the defined control requirements (conditions) are implemented prior to implementation and/or operation.

> The main non-financial risks faced by BBVA Colombia, **are escalated** with the assistance of the 3 lines of defense.

Over 2023, 124 initiatives went through the admission flow, which were delegated to 3 instances:

56 at the CARO&GP forum (outsourcing: 21; process reengineering: 11; products: 5; new services: 3; own risks: 2; informational: 2; Process: 1); In addition, 11 follow-ups of relevant initiatives were completed.

25 were approved in 2LdD, presented in the WG forum and approved by the CARO&GP Secretariat, under control considerations issued by the RCSs (outsourcing: 19; process reengineering: 3; follow-ups: 2; and processes: 1).

43 were approved in 1LdD, presented at the WG forum and approved by the RCA under the considerations of the RCSs and the review of the Secretariat (outsourcing: 29; process reengineering: 8; new services: 3; and product: 3).

The development of the activity concluded with the generation of **244 conditioning factors from Risk Control Specialists,** requirements necessary and of strict compliance by the first line (1LdD). These make it possible to guarantee, shield and strengthen possible non-financial risks of initiatives over their launching phase.

Internal Control and Area Operational Risk Committee

Its objective is to ensure the implementation of the operational risk management model to promote its active management. It makes mitigation decisions in case of identification of control weaknesses and monitors relevant rules and/or regulations, both internal and external, in force or about to come into force. This includes area processes, as well as the relationship with customers and third parties, and, consequently, the control environment.

The Committee must be attended by the unit's management team, with executive capacity to make decisions during its meeting, as well as the Risk Control Specialists who cover the main risks presented.

COMPLIANCE RISK AND CONDUCT

The BBVA Group has a Code of Conduct that states that:

> *"... All members of BBVA must behave in a manner that respects applicable laws and regulations, in an honest and transparent manner, with the prudence and professionalism that corresponds to the social impact of financial activity and the trust that our shareholders and customers have placed in us."*

It also establishes that **the BBVA Group is committed to acting with honesty, respect and responsibility in its relationship with customers, employees, society and the company itself;** and to know and respect the limits, acting in accordance with the law, the Code of Conduct and internal regulations.

The BBVA **Group is committed to acting with honesty, respect and responsibility** in its relationship with customers, employees, society and the company itself.

To put this commitment into practice, BBVA Colombia relies on a control model that includes elements involved in the management of non-financial risks, such as the Compliance System, made up of a set of policies, rules and procedures (internal regulation); the organisational scheme, governance, tools and technological solutions put in place to ensure that the conduct of the organisation and its employees is in line with the Group's values.

This System seeks to prevent, mitigate and manage the so-called Compliance and Conduct Risk, understood as:

> *"Risk of significant financial or reputational loss that BBVA may suffer: i) As a result of failing to comply with laws or regulations regarding the prevention of money laundering, conduct with customers, conduct in the markets or protection of personal data; ii) As a result of non-compliance with internal regulatory standards; or iii) As a result of conduct that involves breaches attributable to the entity that may cause damage to customers, employees, the integrity of the markets or the company itself".*

According to the definition of Compliance and Conduct Risk set forth above, the following are understood as Compliance and Conduct Issues integrated into the prevention, mitigation and management of such risk:

- The **prevention of money laundering and the financing of terrorism,** as well as compliance with sanctions and restrictions imposed by national and international law.
- Conduct in the securities market and the **prevention of market abuse,** including the application of the Internal Rules of Conduct in the Securities Market.
- The protection of the customer in the creation or distributin of banking or financial products or in the provision of banking or investment services, including **transparency in the information provided,** the adequacy of the products to their profile and needs, and the fair treatment of the customer.
- The **integrity of conduct within the BBVA Group,** understood as the dissemination, promotion, application and promotion of its up-to-date maintenance, the Code of Conduct and its implementing regulations, including the prevention of corruption, the defense of competition, and the prevention of conflicts of interest.
- The **protection of personal data**, in accordance with legislative and regulatory requirements applicable at any given time.
- The coordination and promotion of i**nternal regulation standards** in the Group.

In 2023, the Compliance System continued to be strengthened, to provide greater independence to the functions of the second line of defense, promoting an organizational level in line with the internal control model. With an adequate organizational structure and a clear assignment of roles and responsibilities, BBVA Colombia’s Compliance area fully met the objectives focused on aspects such as:

- Properly manage and mitigate risks in their areas.
- Actively participate in the Operational Risk Assumption and Product Governance Committee.
- Provide support and accompaniment to the commercial management of BBVA Colombia.
- Strictly comply by sending internal and external reports.
- Respond in a timely manner to the requirements of the State’s control and surveillance entities.
- Maintain training and communication strategies on compliance issues, to further strengthen the ethical culture in the entity. Review the contents of policies, procedures and manuals, related to the function, in order to verify the effectiveness of the proposed preventive measures, their validity

We must respect the applicable laws and regulations, in a comprehensive and transparent manner.

The Internal Regulation Portal was updated to share the internal regulations of BBVA Colombia’s entities. The objective is to standardize the application of principles and guidelines among employees, within a corporate framework, in accordance with the Internal Regulatory Framework and the Standard that develops it.
Likewise, the incorporation of the latest version of the Compliance Statute and System was approved, which included:

- References to the European Banking Authority (EBA) guidelines on policies and procedures in relation to compliance management, the role and responsibilities of the compliance officer in the prevention of money laundering and terrorist financing.
- The protection of people who report regulatory and anti-corruption breaches.
- Inclusion of the risk of greenwashing, as well as the development of a program for its prevention.

BUSINESS INTEGRITY

The year 2023 was significant for BBVA Colombia in its **constant commitment to business integrity,** betting on continuously improving policies and practices in order to ensure a relationship based on integrity with all stakeholders, as reflected in the Bank's values, its leadership model and its Code of Conduct. For this reason, various activities were performed:

- BBVA Colombia's conduct risk control framework was strengthened through the **definition of guidelines** by the area, as part of the second line of defense, supporting the different areas in the implementation of standards, controls and procedures aimed at strengthening the culture of integrity in the BBVA Group.
- Support was provided to BBVA Colombia entities in meeting the Supervisor's requirements related to conduct risk, especially with **monitoring the providing of information to financial** consumers throughout the life cycle of different products.
- Management continued to monitor the implementation and assessment of the **Anti-Corruption Program,** within the established Policy framework, following corporate guidelines and those of BBVA Group's Board of Directors.
- New and existing measures and controls to adequately **mitigate corruption risks** were strengthened and documented, as well as participating in the promotion of measures to address opportunities for improvement.

In addition, during the same year, the General Anti-Corruption Policy was updated in order to align its content with the internal regulations developed after May 2020 and expand the regulatory framework for the prevention of corruption.

Among the adjustments made, the following stand out:

The Bank **updated its General Anti-Corruption Policy** to expand the regulatory framework.

- The definitions of the concepts of **Contribution and Commercial Sponsorship** were incorporated, which have been established in the corresponding internal rules of "Management of donations and contributions to non-profit entities" and "Commercial sponsorships".
- The length of the section regarding Gifts and Events was reduced, addressing the internal regulation developed on this matter.
- In relation to selection and hiring processes of public employees or former employees, who have played a relevant role in matters that directly and specifically affect the interests of BBVA Colombia, a temporary period of incompatibility was established that covers the 2 years prior to hiring.

In addition to the above:

1. The **Whistleblowing Channel** continued in compliance with the principles established in the Code of Conduct, adopting a Whistleblowing Channel Management Policy that includes applicable principles on the protection of good faith whistleblowers, confidentiality of complaints and whistleblowers, as well as objectivity and impartiality in the procedures. Likewise, training and permanent communication with employees on the content of the Code and the use of the Channel was promoted.

2 In addition, the contents of the Code and the Whistleblowing Channel tool, applicable to all BBVA Group entities, were disseminated, based on parameters that allow the registration, monitoring and traceability of communications, guaranteeing confidentiality and anonymity of the complaints received by the Compliance area.

3 The promotion on the use of the **Gifts and Events Registration tool** continued, which aims to detect undue influences on or from third parties, through the implementation of training campaigns, communication and the monitoring of indicators in the Corporate Integrity Management Committee and in the Boards of Directors of BBVA Colombia entities.

4 The Gifts and Events Standard, derived from the Code of Conduct, was adopted, which establishes the **criteria and guidelines for behavior** that must govern the actions of the members of BBVA Colombia entities in the exercise of their functions. This standard addresses both the giving and acceptance of gifts and the organization, invitation, and attendance at events.

It is recognized that the offering, giving, and accepting of gifts, as well as the invitation or attendance to events, in certain circumstances, may involve the risk of being considered inapropriate behavior, if its purpose is interpreted to unduly influence the recipient.

Since the entry into force of this regulation, in November 2023, training sessions have been held with the Management Committee, the Vice Presidency of Networks, special groups within the segments, and the Purchasing area. In addition, a webinar was held for the entire staff to promote its knowledge and implementation.

The Customer Conduct and Product Governance Policy reinforces **customer focused behavioral guidelines**

- The design, implementation and monitoring of i**ndividual and synthetic indicators** continued in order to prevent and detect possible poor practices in sales, breaches of financial consumer protection regulations, and analyze the causes of complaints filed by BBVA Colombia customers.

In addition, the incorporation of three standards that develop the Customer Conduct and Product Governance Policy was done to reinforce behavioral guidelines focused on the corporate value *"The Customer comes first"*. These are:

- **Product governance.** It delves into the provisions on product governance that must be complied with throughout the entire life cycle of the product or service. It also specifies the organizational structure, control model, governance framework, and other elements that materialize and support compliance with the principles of conduct with customers.

- **Fees and commissions.** It establishes the reference framework applicable to all BBVA Colombia entities in terms of fees and commissions. It defines the minimum obligations to be met throughout the life cycle of the products and services offered by the BBVA Group, as well as the guidelines to ensure their adequate parametrization and ensure their automation.

- **Conflicts of interest and incentives.** Applicable to the scope of providing services and distributing products to customers. This standard establishes the general principles and actions that BBVA Colombia entities must observe in order to identify, prevent, manage and, where appropriate, disclose situations of Conflicts of Interest, actual or potential to customers, that may arise during the offer, provision and, where appropriate, recommendation, of products and services.

- **Reports to Corporate Headquarters.** The requested reports related to the Code of Conduct, Whistleblowing Channel, Complaints and applicable regulations regarding consumer protection, personal data protection, competition issues, Smartsupervision and Customer Compliance Indicators were sent to Corporate Headquarters.

- **Strengthening of second line functions.** Second line functions continued to be strengthened in the area of Personal Data Protection, with the objective of protecting and ensuring the adequate treatment of personal information obtained by BBVA Colombia entities in the development of business activities, coming from their customers, shareholders, employees, administrators, suppliers, users or other people with whom they interact.

By virtue of the above, we continue to participate in the internal committees and the **Personal Data Protection Standard** was issued, which results from the "General Privacy and Data Protection Policy at BBVA" of the Data Transformation & Engineering area. This standard includes guidelines for the proper processing of personal data and indicates the main responsibilities of the areas involved in the protection of data throughout its life cycle or in the processes involved in the processing of personal data.

- In addition, we participated in the review of risks and controls in order to update the Corporate Compliance, Customer Compliance, Personal Data Protection area matrices and adapt these to BBVA Colombia entities, in accordance with corporate guidelines. The objective is to align theese with the methodological criteria, structures and new tools implemented in the entity.

- The review of the regulatory framework and the risk matrix in the area of personal data protection continued to ensure a homogeneous application of the regulations that allows the adoption of standards and tools in all BBVA Colombia entities.

- As part of the ongoing work to improve the function, controls were strengthened and measures were implemented to strengthen the three-line defense model, based on the review and risk analysis of the area. We participated in the design of action plans to address detected opportunities for improvement.

- The regulations applicable to the areas of Integrity were reviewed and the contents and validity of the Internal Regulation Framework were updated, as well as their publication on the Internal Regulation Portal.

- In 2023, the General Competition Policy was updated, which was divided into a General Policy and a Corporate Rule, both subject to being incorporated locally.

The purpose of the Policy is to identify and develop the principles and guidelines related to the defense of competition, which are contained in section 4.16 of BBVA Group's Code of Conduct. Its purpose is to establish the framework for action by BBVA Colombia entities to prevent, detect, raise awareness and react in advance to anti-competitive practices or risk situations.

In 2023, the General Competition Policy was updated to identify and develop the principles and guidelines related to the defense of competition.

On the other hand, the Competition Rule seeks to expand in detail the provisions of the Policy, establishing behavior guidelines to prevent unlawful acts in competition matters, especially related to:

- Agreements or relationships with competitors.
- Participation in sectoral associations or working groups with competing companies.
- Contracts with non-competing companies.
- Abuse of dominant position.
- Reciprocal employee non-hiring agreements.
- Internal and Third Party Communications.

In addition, we are in process of selecting the company that will be in charge of designing the competition program for BBVA Colombia entities, with the aim of adopting the recommendations and good practices established in the Guide for Competition Programs issued by the Superintendence of Industry and Commerce.

STANDARDS OF CONDUCT

GRI 2-23, 2-24, 205-1

BBVA Group's Code of Conduct establishes behavior guidelines that reflect its principles of **prudence, honesty, transparency and integrity,** aligned with corporate values. Its objective is to ensure that the customer is the priority in all functions, driving a team that aspires to great goals and directs its actions in a coordinated manner, towards the achievement of local and corporate objectives, maintaining strict and high standards of conduct.

Both the Code of Conduct and the Anti-Corruption Policy define the action framework by BBVA Group entities to **prevent, detect and report corrupt practices or risk situations,** establish specific behavior guidelines in sensitive areas or activities, facilitate the identification of situations that require special precaution and, in case of doubt, provide adequate guidance in all the Bank's processes to assess corruption-related risks.

The Anti-Corruption Policy identifies the activities likely to be exposed to corruption risks and establishes clear and mandatory guidelines for all employees, including administrators, managers and employees. In some cases, these guidelines may be extended to third parties or entities with which the Bank has business or professional ties.

Among the activities covered are:

- Offering, giving, and accepting gifts or personal benefits
- Promotional Events
- Donations & Sponsorships
- Relationships with suppliers, agents, intermediaries and business partners (mergers, acquisitions and joint ventures)
- Facilitation Payment Provisions
- Recruitment
- Expenditure-related provisions
- Posting and recording of transactions

In addition, BBVA Colombia has specific policies such as Anti-Corruption, Customer Conduct and Product Governance Policies, Conduct in the Securities Markets, Competition, Conflicts of Interest and the Money Laundering and Terrorist Financing Risk Management System. These policies develop the **principles contained in the Code of Conduct,** incorporating specific rules and establishing action guidelines expected of members of BBVA Colombia's entities in each of these areas.

On the other hand, in compliance with the provisions of Circular 019/2021 of the SFC and Circular Letter 116/2021 of the Securities Market Self-Regulator, over 2023, the Compliance area continued to participate in training sessions and provided support to BBVA Colombia entities in the implementation of controls for compliance with external and internal regulations in the securities market advisory activity.

GRI-205-2

In 2023, the BBVA Group maintained its communication and training activities aimed at its officers and boards of directors in relation to anti-corruption policies and procedures. Communications were sent by email to the entire workforce, addressing issues related to the Code of Conduct, and it was ensured that **100% of employees were enrolled** in the mandatory General Anti-Corruption Policy trainings, Conflicts of Interest and Code of Conduct, through the Campus Plataform, which should be completed before the end of the year.

As of December 31, the anti-corruption course reached a 97% completion percentage, broken down as follows:

In 2023, the BBVA Group maintained its **communication and training activities** for its executives and boards of directors **regarding anti-corruption policies and procedures.**

Training course status marked as "Completed" by Management Level

	Number	Perecentage
Management level II	9	100%
Management level III	187	98%
Management level IV	1.730	99%
Management level V	2.177	99%
Management level VI	1.235	88%

Training course completion by Vice Presidencies

	Number	Perecentage
BBVA Research	7	100%
Client Solutions	434	99.5%
Colombia	3	100%
Communication and Image	8	100%
Internal Control & Compliance	56	100%
Corporate and Investemnet Banking	129	100%
Branch network	3.077	94.6%
Finance	125	97.7%
Engeneering and HOD	998	99%
Internal Audit	35	100%
Other without a position in Colombia 's structure.	4	44.4%
Risk	299	99%
Legal services and general secretary	38	97.4%
Talent and culture	125	100%

Training by regions

Departamento	Number	Perecentage
Amazonas	9	100%
Antioquia	374	98%
Arauca	16	100%
Atlántico	181	96%
Bolívar	67	92%
Boyacá	58	98%
Caldas	59	91%
Caquetá	13	68%
Casanare	37	97%
Cauca	27	100%
Cesar	52	87%
Chocó	9	100%
Córdoba	57	89%
Cundinamarca	98	92%
Bogotá	3.373	98%

Departamento	Number	Perecentage
Guaviare	3	100%
Huila	39	71%
La Guajira	42	93%
Magdalena	51	85%
Meta	60	92%
Nariño	44	98%
Norte de Santander	50	88%
Putumayo	24	100%
Quindío	9	100%
Risaralda	54	98%
Santander	164	98%
Sucre	24	96%
Tolima	70	91%
Valle del Cauca	269	95%
Vichada	5	100%

Likewise, communications were sent to all employees, including members of the governing body, reminding them of the guidelines established in the Code of Conduct, through the **AIDía mailbox.** Specific channels were also provided to report conduct contrary to these guidelines or to raise questions about any Code of Conduct provision.

On the other hand, training on corruption was provided to the five members (100%) of BBVA Colombia's Board of Directors, updating the corresponding regulations.

Regarding commercial partners, it is indicated that as of December 31, there were 16,067 third parties and suppliers whose contracts include obligations and behavior guidelines regarding anti-corruption.

Whistleblowing channel

FN-CB-510a.2

In 2023, the Compliance Area disseminated the Whistleblowing Channel as the main mechanism for managing conduct risk in the BBVA Group. This was done through the socialization of the tool designed for the reception of complaints and through, mainly, virtual training. The contents of the legal updating training were reviewed and reinforced through the Legal Requirements course, which was completed **by 94% of employees.** In addition, communications with content and case studies were sent through the AIDía mailbox, with the support of Talent & Culture and Responsible Business areas.

In addition, the General Policy for the Management of Communications in the Whistleblower and Whistleblower Protection Channel was adopted. This policy ratifies BBVA Colombia's commitment to **the fight against corruption and the protection of those who report internally on conduct that is not aligned with existing legislation,** the Code of Conduct or Internal Regulations. Policy highlights include:

- General Whistleblower Protection Principles.
- Description of the communication management procedure in BBVA Group's Whistleblowing Channel.
- Prohibition of retaliation or other adverse consequences against good faith whistleblowers.
- Obligation to maintain confidentiality regarding the identity of the informant and to comply with regulations on the protection of personal data.

In the different campaigns, it was emphasized, that through the Whistleblowing Channel, BBVA Group entities' employees, customers and suppliers can report any breach they observe or are informed of, reminding them of their obligation not to tolerate behaviors that deviate from the Code.

Likewise, the way in which communications can be sent through BBVA Colombia's whistleblowing channel tool, through www.bkms-system.com/bbva

The Compliance area has managed the complaints received diligently and promptly, promoting their verification and promoting measures for their resolution, in accordance with the recently reviewed and updated procedures for the management of the whistleblowing channel. An analysis of the information has been done in an objective, impartial and confidential manner.

Main aspects that can be infomred through the Whistleblowing Channel

RESPECT FOR PEOPLE

- Work environment
- Nondiscrimination

TRANSACTIONS LOG

- Appropriation of collections.
- Appropriation of Customers
- Credit concessions
- Inactive account appropriation
- Accounting manipulation
- Favoring third parties

BREACH OF LAW

- Laws, decrees,
- Resolutions or bulletins issued by regulators

MARKET INTEGRITY

- Use of insider information
- Conflicts of interest
- Market manipulation

Anti-corruption and other aspects

2023 was an important year for BBVA Group within the framework of the Global Integrity Plan, in an environment of challenges and innovation, continuing its efforts in the **review, adoption and dissemination of the Code of Conduct.** Training and content updating programs were designed considering internationally recognized anti-corruption and integrity good practice standards and monitoring of the implementation of BBVA Group's Anti-Corruption Program.

For the implementation of the Program, existing controls were strengthened and participation was made in the adoption and follow-up of the commitments derived from audit actions.

Likewise, training sessions focused new groups, reinforcing the contents aimed at mitigating risks in terms of anti-corruption, consumer protection, conflicts of interest, prevention of money laundering and financing of terrorism, conduct in the markets, protection of personal data, as well as aimed at optimizing the attention to petitions, claims and complaints.

In addition, the **Compliance area continued its advise work and responding to queries** received from different BBVA Colombia areas, regarding the application of the Code of Conduct. These consultations are fundamentally related to objectivity in the selection, hiring and promotion, the development of other professional activities, the acceptance of gifts, attendance to events, processing of personal data, management of potential conflicts of interest and personal assets.

To access queries, the use of the Enquiry Channel tool has been promoted: www.bkms-system.com/consultation

In terms of consumer protection, the **Customer Conduct and Product Governance Policy** was adopted, which establishes the principles that the BBVA Group must observe when assessing the characteristics and risks of products and services, as well as when defining their distribution conditions and monitoring, in such a way that customers' interests are considered at all times and compliance of applicable regulations is guaranteed, observing the principles of transparency, adequacy and fair treatment.

During the year, a checklist of the minimum compliance requirements, duly completed, before issuing a compliance assessment of any outsourcing initiative, as well as for the offer of products and services aimed at the open market or BBVA Group customers, continued to be requested. In addition, inclusion in the Operational Risk and Product Governance Admission Committee (CAROyGP) forum of the related Product Governance section with investment products, in order to comply with the regulations on advisory activity, monitoring the target market, customer profiling, product classification, distribution strategy, training, indicators, conflicts of interest, among others, was also requested.

Additionally, in 2023, the Compliance area, together with Talent and Culture, worked on the Communication Campaign "I do respect, I am BBVA", aimed at reinforcing the integrity and respoect culture, creating spaces of trust, in environments of confidentiality and permanent awareness, Code of Conduct dissemination and the culture of integrity and respect.

The **"Do the Right Thing"** campaign also continued, promoting the principles of integrity, honesty and transparency, disseminating the importance of acting in accordance with the values of the BBVA Group in all activities in which it participates.

On the other hand, the action plans established by the Compliance Area, established by the control and supervisory bodies, were met within the deadlines, and permanent monitoring and accompaniment was made to other areas of the entity, in fulfillment of their assumed commitments.

There was active participation in the committees and meetings in a transversal way, in the different entities and at different levels, with the issuance of concepts that involve those aspects that are within its competence, as well as in all those in which it has a voice and vote considering the nature of the functions that are part of it.

Finally, compliance plans were promoted in the development of the Statute of the Compliance Function provisions, approved by the boards of directors, **in order to prevent, mitigate and manage the so-called Compliance and Conduct Risk.**

GRI-205-3, 206-1

It is important to note that, up until 2023, **the Bank was not aware of confirmed cases of corruption** and, therefore, it was not necessary to take disciplinary measures, terminate contracts or initiate legal proceedings related to this issue. In addition, no legal actions related to unfair competition were brought.

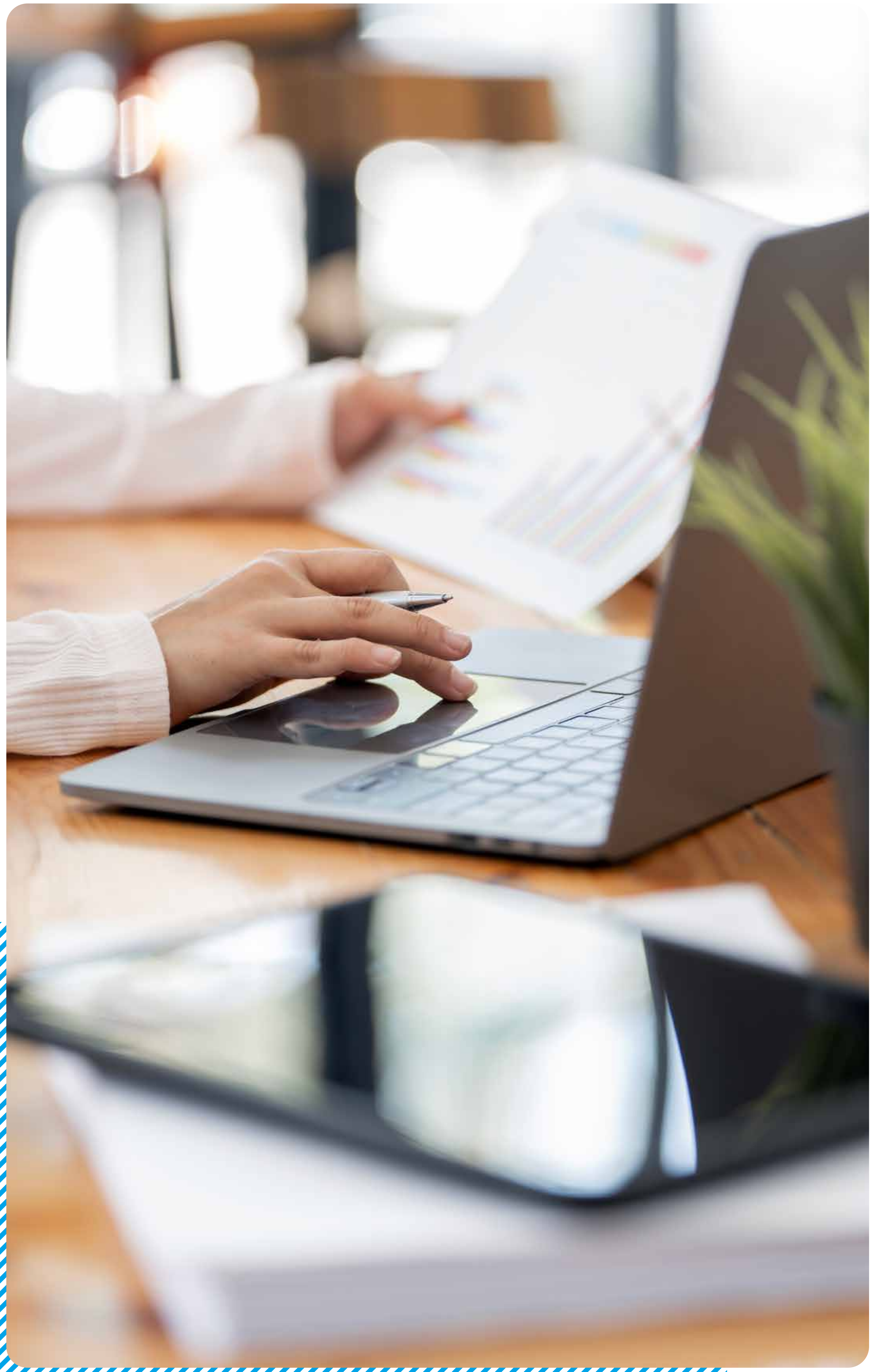
SECURITIES AND DERIVATIVES - S&D

The expansion of activities related to trade and communication surveillance in the field of securities and foreign exchange markets was aligned with BBVA Group's strategic objective of consolidating itself as a digital bank, through the migration of existing scenarios to Datio and the parameterization of new behavioral typology monitoring tools during 2023.

The discipline of Securities & Derivatives - Financial Markets and Sustainability (S&D FM&S) continued to be a point of reference in BBVA Colombia's institutions, thanks to the efforts made in the development of a regulatory framework adapted to the particularities of the business. Concepts were continuously issued and monitoring scenarios were strengthened to generate effective alerts related to alleged conducts associated with Market Abuse. This was supported by the experience gained when participating in the international professional development programme, which contributed to the adoption of jurisdiction-specific processes for the mitigation of S&D FM&S risks.

In this area, management reports were submitted to the Board of Directors and the Operational Risks Committee of the Compliance area, and the following activities were completed:

- The disciplinary regulatory framework was strengthened, strengthening mitigation measures and control of confidential and privileged information. This included approval by the Boards of Directors of BBVA Colombia of the Standard for the Protection and Safeguarding of Confidential Information and the Standard for the Recording of Telephone Conversations and Electronic Communications, in the field of Market Abuse. These rules set out the requirements applicable to:
    - Trades made when trading on proprietary account.
    - Investment services related to receiving, transmitting and executing orders from investor customers or professional investors on financial instruments.
    - The administration of collective investment funds and/or investment trusts.
- Training and communication on the contents of the Internal Code of Conduct (RIC for its spanish acronym) to subject persons continued.
- Progress was made in the design, structuring, implementation and strengthening of monitoring scenarios, through participation in technological infrastructure projects to prevent practices constituting market abuse, under patterns associated with conflicts of interest in the ncontribution to benchmarks to comply with internal regulations.
- The challenge was generated from the second line of defense for the development of the controls required for the establishment of a secure remote work environment for BBVA Group entities money desks, with the aim of complying with external regulations related to the monitoring of operations, confidential and privileged information and the disclosure of conflicts of interest for activities related to securities intermediation executed in hybrid workspaces.



- Requested reports were submitted to the Corporation, related to: RIC, Proprietary Operations, management limits, separate areas, market abuse and special measures generated on occasion of the work modalities.
- We participated in the review of risks and controls aimed at updating the scope matrices and adapting these according to corporate guidelines, in order to align these with the methodological criteria, structures and tools implemented in the entity.
- Work focused on risks and controls related to conflicts of interest in research activities, investment recommendations, contributions to financial indices or any other market activity, done without due independence, market manipulation, operating area in markets without the required authorization and the improper use or transmission of inside information.
- The challenge of existing controls, to prevent and mitigate the risks of S&D, was performed and after the assessment by Internal Audit, in terms of market abuse, it was concluded that BBVA Colombia and BBVA Valores have tools that contribute to the market abuse behavior prevention, which are supported by the approach scenarios that are executed in both corporate and local tools, generating alerts that are analyzed, to prevent inappropriate conduct of employees that may lead to the materialization of stock market infractions.
- The management of insider information files and special confidential projects was done, in order to ensure compliance with obligations related to information confidentiality and mitigate the risk of misuse of privileged information, by people familiar with theese, while actively participating in the generation of their responsibility area specific concepts when the initiatives required it.

BBVA strengthened **mitigation and control measures for confidential and privileged information**

- The regulations applicable to the field of securities and derivatives were reviewed, making the required adjustments, in accordance with the Internal Regulation Standard and updating Portal publications.
- Participated in the gathering, consolidation, submission of information and execution of action plans, as well as in preparing responses to regulators and control bodies, by virtue of the visits attended by Compliance, associated with Corporate Governance in matters of market abuse and the support required to the Compliance area.
- Participated in the review of alerts and generation of market activity reports, as part of the development of functions as second line of Internal Control and Compliance.
- A monitoring scenario linked to the duty of better execution of operations in the local equity market was implemented, in order to preventively mitigate the supervening risks associated with potential regulatory breaches and centralizing corporate values in which the customer comes first.

RISK OF MONEY LAUNDERING, TERRORIST FINANCING AND FINANCING OF THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

The prevention of money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction (hereinafter, "AML&CFT") is, above all, a constant in the objectives that BBVA Colombia relates with its commitment to improve the different social environments in which it operates.

For BBVA Colombia, preventing its products and services from being used for criminal purposes is also an **essential requirement to preserve corporate integrity** and, with it, one of its main assets: the trust of the people and institutions with which it interacts on a daily basis (customers, employees, shareholders, suppliers, etc.).

To achieve this goal, the BBVA Group, as part of a global financial group with branches and subsidiaries operating in numerous countries, has a **corporate risk management** model that encompasses all compliance issues. This model not only takes into consideration Colombian regulation, but also incorporates the best international financial industry practices in this area, as well as the recommendations issued by international organizations such as FATF (Financial Action Task Force).

It should be noted that the AML&CFT's risk management model is constantly evolving and subject to continuous independent review.

In particular, the risk analyses performed make it possible to strengthen controls and, where appropriate, establish additional mitigating measures to strengthen the model.

In 2023, BBVA Colombia continued to strengthen the aforementioned model, for which it completed important actions focused on **preventing funds of illicit origin from accessing and using the financial system.** In accordance with the regulations in force and in consideration of the recommendations issued by the Financial Superintendence of Colombia, the following activities were completed:

- We actively participated in the development of the activities of the supervisory model established by the Delegation for Risk of Money Laundering and Financing of Terrorism of the Financial Superintendence of Colombia, generating knowledge and new methodologies to more efficiently manage AML/CFT risk.

- Special risk-based studies were done, following the analysis methodologies according to the established schedule.

- The Area's internal process management application continued to be strengthened, automating inputs and establishing controls in the tool to guarantee management integrity and traceability in each of the operational lines.

- Financial Superintendence of Colombia and the State's investigative agencies quieries, as well as those of control bodies, were met in a timely manner.

- Targeted controls continued to be implemented to identify and prevent potential transactions related to virtual currencies.

- The study of MLFT typologies applicable to the entity's business continued, as well as a review of specific groups and local monitoring scenarios to apply adjustments and calibrations required in the model, in order to detect possible money laundering and terrorist financing operations.

- Continued participating in the Information Update Committee, which seeks to analyze and assess strategies and processes for obtaining and updating customer information in the branch network and through massive processes, in order to improve populating, quality, and updating of customer information.

- Continued to manage and monitor the shareholder and final beneficiary database of corporate customers, from the Network Directorate, achieving an acceptable percentage in populating the data base.
- Monitoring of controls and the corresponding survey of risks and controls was done every six months.
- Participated in the Admission and Operational Risk and Product Governance Committee, issuing concepts for new products and services, in order to ensure compliance with the applicable regulations on MLFT.
- The matrix for "AML/CFT Risk Management" was updated and approved by The Board of Directors, complementary to the existing ones for the management processes of other risks, such as operational or typically financial risks.
- The continuous improvement plan was continued to address the opportunities indicated by the supervisor in the previous year's visit report, in which it was concluded that the entity understands the threats that may lead it to be used for MLTF operations, has an effective SARLAFT (spanish acronym for Antimoney Luandering and Terrorism financing system) and a risk matrix in line with supervisory expectation, but which can be improved in relation to the identification of causes and the design and execution of controls for some risks.
- The internal regulations of the MLFT scope were adjusted and published on the Internal Regulation Portal, considering the Internal Regulation Standard and the new risk matrix.
- Continued to review monitoring scenarios in the continuous improvement plan and the review of the scoring behavior in the alert analysis stage; as well as the progress in the activities defined for the implementation of a new transactional monitoring tool.

Defines the instruments, methodologies and procedures for the Bank to **effectively manage operational risks.**

INTERNAL CONTROL AND COUNTRY OPERATIONAL RISK

Internal Control and Country Operational Risk is the unit responsible for defining the instruments, methodologies and procedures for the Bank to effectively manage operational risks, in accordance with the guidelines, stages and elements provided for in the local regulation of operational risk and internal control, particularly those included in Chapter XXXI - Comprehensive Risk Management System (SIAR for its spanich acronym) of the Basic Accounting and Financial Circular, and in Part I, Title I, Chapter IV - Internal Control System (ICS) of the Basic Legal Circular.

The unit has an anticipatory and preventive approach ("ex ante") to the analysis of the causes for their mitigation, and another that measures the consequences ("ex post") through the effectiveness of the established controls, in order to define transversal action plans and achieve a continuous improvement of the control environment.

This methodology makes it possible to identify potential and actual operational risks based on the review of processes, rules and regulations in force, applying self-assessment techniques that are completed and compared with other relevant internal and external information; Generate analyses to prioritize risks with the aim of separating critical risks from those that are not, and also the identification, documentation, testing of mitigants and controls that contribute to risk reduction, permiting the calculation of residual risk based on effectiveness.

OPERATIONAL RISK APPETITE

BBVA Colombia has a Risk Appetite Framework integrated into the General Risk Management and Control Model approved by the Board of Directors. This framework is the fundamental element in risk management and makes it possible to determine willing level to be assumed, in order to achieve **objectives, measured as solvency**, being reviewed annually.

Operational risk management is aimed at identifying its root cause, in order to **prevent its occurrence and mitigate its possible consequences,** through the establishment of control and monitoring frameworks and the development of mitigation plans. This is done with the aim of minimizing economic losses, its reputational consequences and the impact on the recurrent generation of results. In order to measure this management, the following are available:

- **The Operational Risk Appetite Indicator (ORI).** This shows the ratio of the amount of net losses materialized by operational risk events to gross margin. Its calculation and monitoring is done on a monthly basis and its limit is approved by the Board of Directors.
- **Management Limits.** These are associated with relevant risks (digital and physical fraud, people management, transaction processing, technology, information security, compliance and conduct, legal contingencies, third parties and taxes) with follow-up in different control committees, executive committees, Board of Directors and corporate bodies.

HIGH-QUALITY EVENT LOGGING

In accordance with the certification granted by the Financial Superintendence of Colombia, on July 19, 2022, the Bank has used its high-quality operational risk event registry to determine the Loss Component (LC), the input required for the calculation of the "Value of Exposure to Operational Risk (VerRo)", which has led to a **capital reduction, due to operational risks, of approximately COP 900 billion in 2023.**

CORMF TOOL (COMPREHENSIVE OPERATIONAL RISK MANAGEMENT FRAMEWORK)

A specialized technological tool for operational risk management is available, which facilitates the homogeneous development of the methodology, based on the identification of risks by processes, the documentation of controls, assessment of inherent risk, residual risk and monitoring of model weaknesses, on which action plans are determined that are managed and documented in the tool.

In addition, there are modules related to the admission of operational risk and the generation of reports that accompany the integration and review of the methodological components of risk management.

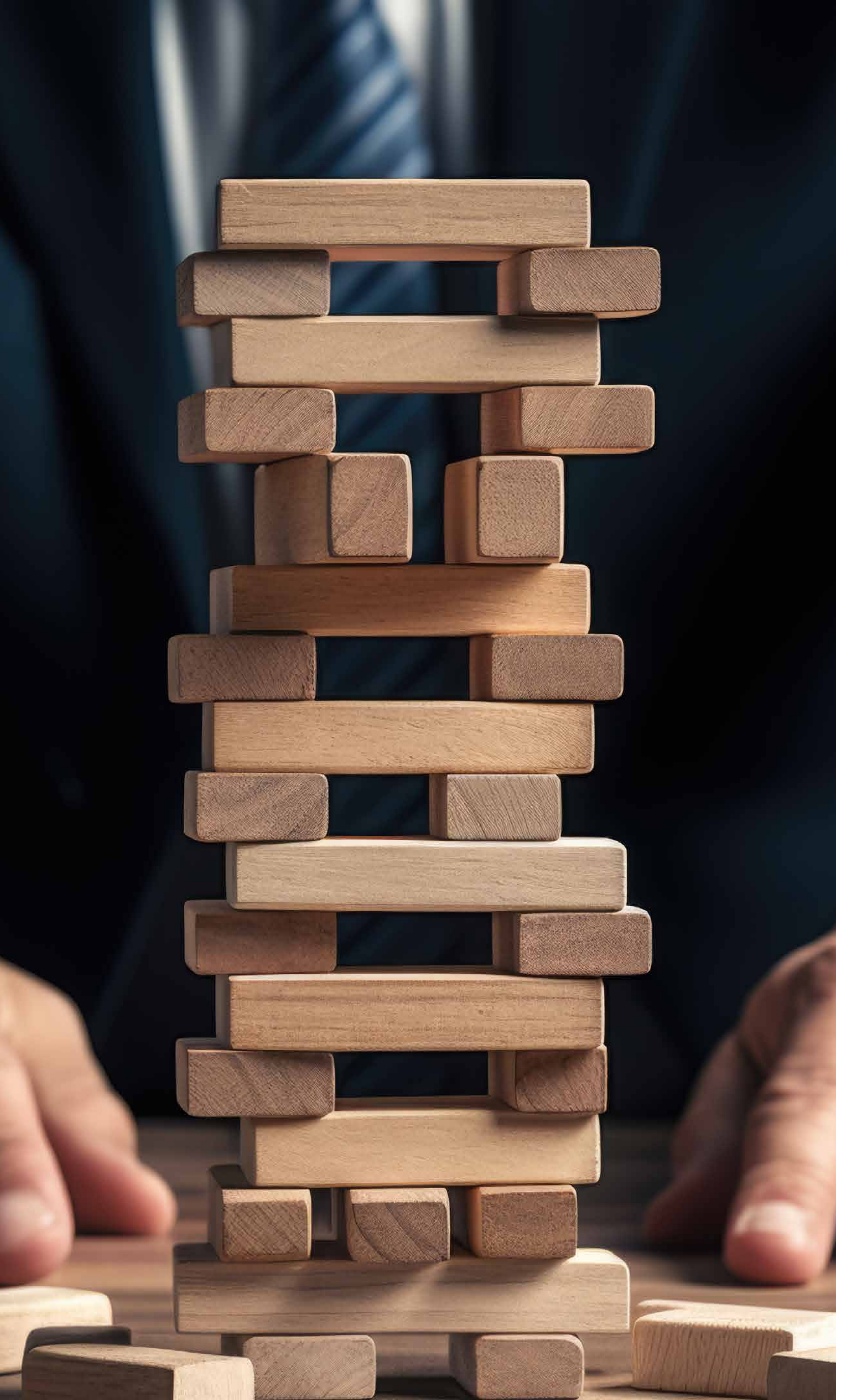
Operational risk management is aimed at identifying its root cause, in order to **prevent its occurrence and mitigate its possible consequences.**

OPERATIONAL RISK CULTURE

In relation to the prevention culture, in conjunction with the Talent & Culture area, training activities were made for the staff. Virtual and legal courses were made available to the employees, which include aspects related to the Operational Risk Management System (ORMS) and Third-Party Management, with a focus on outsourcing risk management. The OMRS training for third-party outsourcing service providers was done through Asobancaria and finished in October with the participation of an expert trainer from the entity.

Third Party - Risk Control Specialist (RCS)

It ensures compliance with regulations in terms of specialty control and discipline, at the level of BBVA Colombia. It covers outsourcing, vendors and third parties.



Responsibility, as a control specialty, is aimed **to generate a mitigation and control frameworks and to perform the challenge to what has been implemented,** providing greater support to the units in order to minimize the materialization of the risks derived from an inadequate management of relationships with third parties (interruptions and/or inadequate levels in the provision of services, incorrect billing, financial losses, attrition, and negative customer experiences, among others). The discipline manages matters related to the admission of operational risk in outsourcing, implementing the regulations and methodologies defined, ensuring the monitoring and reporting of initiatives to local and corporate bodies, deploying best practices.

- **Regulatory framework.** In order to achieve third-party risk management best practices and to comply with regulatory requirements, the Standard for Outsourcing Lifecycle Management was updated locally, allowing for the development of an action, control and mitigation framework that is better suited to the challenges and particularities of the geography. Its scope of application was specified for the Group's companies with a stake of more than 50%.

- **Tracking.** In order to implement the specialty control framework, the services are monitored according to their criticality, the technical evaluation of the provider and their relevance to the outsourced processes, in order to validate that these comply with the SLA monitoring, the billing validation and that these have their updated information available in the management tools.

Processes - Risk Control Specialist

Its main objective is to promote the general mitigation and control framework defined for the risks specific to its scope, in order to manage and adapt these by the 1LdD, both in the processes of admission of operational risk and in the risk model in general. Processes RCS, as a control specialty, mainly covers the following risks:

- **Fraud.** External fraud committed by a third party through a product or process in face-to-face channels, presented by providing fraudulent documentation or identity theft, and internal fraud due to unauthorized activities done by employees or the use or disclosure of internal operational or business information.

- **Transaction processing.** Deficiencies in product design, erroneous design and implementation of processes, models and parameterization of applications; inadequate, incomplete or late execution of processes and deficiencies in the delivery of products, services or execution of customer instructions; errors in communication of operational information and loss of documentation in the face-to-face channel.

- **Data management.** Risks due to deficiencies in data governance, not related to technological aspects, encompassing the dimensions: risk of lack of ownership, lack of content knowledge, lack of quality and, from a functional view point, lack of integrity and risk of not being available. The assessment criterion has been enriched in the case of those processes that the Data Governance Standard classifies as "Other Key Data processes", or those that are key to the achievement of the area's strategy.

In 2023, assurance work was done on:

- Determining the documention status in terms of the theoretical mitigation and control framework of operational risks of the process 4.3.1.19, Contracting of credit cards, for which lines of work focused on: Establishing the owner of the process, identifying units and RCAs involved, identifingying and establishing the regulations of the process, definimg the scope of processes to be created in the RO management tools and finally defining the manageable control framework to be guaranteed and document by the units.

- Definition, construction and implementation of local management indicators aimed at monitoring the performance of operations associated with the following, on a monthly basis:

  - Customer complaints, arising from operational errors in face-to-face channels and contact centers.
  - Provision of fraudulent documentation by third parties in face-to-face operations.

INTERNAL RISK CONTROL - RISK CONTROL SPECIALIST

The Internal Risk Control area acts as a control unit in the activities of the Risk area and, in general, those related to risk management and financial risk controls (credit, markets and structural risks - liquidity, interest, exchange rate). In this regard, it verifies that the regulatory framework and the management and control measures established **are sufficient and appropriate to each type of such risk.**

It also monitors its application and operation, and confirms that decisions in the Risk area are taken independently of the lines of business. In addition, in the implemented control model, it acts as a Risk Control Specialist (RCS), performing the challenge of the risks it owns. Finally, it acts in a transversal way, exercising its function in those areas in which the operational risks of its field of specialization can materialize.

The Internal Risk Control has the following dependencies:

- **CIR Processes.** It is responsible for reviewing that the operation of the financial risk control and management processes is adequate and in accordance with regulations, detecting possible opportunities for improvement. To this end, it has an annual work plan and a main work methodology, through assessments framed in each type of risk (credit, issuer, counterparty, liquidity and IFRS9, among others) with bank, joint ventures and subsidiaries coverage, where this type of risk originates and is managed.

- **Technical Secretariat (TS).** It is responsible for promoting the consistency and completeness of regulations within BBVA Colombia's Risk area; in addition, it coordinates the definition and structure of Risk committees and checks for their application and proper functioning. Its work is supported by 8 committees established for decision-making on financial risk management in terms of policies, processes, credit delegation, regulations and customer credit admissions in all segments.

- **Internal Validation (IV).** Its main function is to independently review the models in the Risk area, in order to guarantee their accuracy, robustness and stability. To this end, an annual plan is established whose activity seeks to cover the models with a focus on the regulatory ones and those of greater relevance and/or materiality. In any case, it is necessary to guarantee total coverage of the models according to tiering, materiality and outdatedness.

Verifies that the regulatory framework and the management and control measures established **are sufficient and appropriate to each type of risk.**

The synergies between the 3 units allow the exercise of the function in a robust way, also highlighting the assistance to Risk area committees (as secretary or as a member) of the unit, in order to anticipate additional potential risks or needs for reinforcement in the associated control environments.

In 2023, financial risk assurance work was done through a methodology of 16 specific assessments, mainly to assess admission, delegations and credit recovery management, compliance with the risk appetite framework, market risk management, liquidity, structural risk and, in general, credit risks; compliance with committee governance, internal regulatory management, monitoring & reporting, and asset allocation.

In terms of model validation, assurance activities were done in 48 models related to the validation of the new generation of models based on machine learning methodology, calculation of economic capital and calculation of provisions. Among the main findings for the IFRS9 provisioning model was the lack of historical depth for the estimation of the NDoD factor and the methodological considerations adopted in the calculation with the GRMLab package which could affect accuracy.

Compliance reached 100% of the planned activity, giving rise to 5 action plans: 4 significant and one moderate. In addition, 7 have been resolved, related to market risk, uses of portfolio rating models and restructured portfolio reporting. In total, at the end of 2023, there were 6 open plans, of which 3 were expired, on issues related to the use of models (periodic update in wholesale portfolio and SMEs) and implementing guidelines for the new definition of default standard with respect to forced restructuring.

The speciality also has an indicatordashboard "CIR Indicators" with which, through a "constant" assessment of 31 indicators, it is possible to have a status on the functioning of the activities within Risks.

It is concluded that, in general terms, the operation has been adequate, although opportunities for improvement have been detected that have a continuous assurance management.
With regard to the work of the Technical Secretariat, objectives were met, such as ensuring the monitoring and/or authorisation of the most relevant issues or those that should be escalated to the risk committees, due to regulatory requirements, and the structuring of corporate rules, applicable to the geographies with more synthetic wording, as well as strict compliance with deadlines on adherence and incorporations.

IT - Risk Control Specialist

RCS IT Management manages technology security risks (covers the risks of inadequate management of technological change, failures of IT systems, the risk of IT availability and performance and the risk of integrity of IT systems, among others), information & data security (among others, covers the risks of unauthorized access, modification or destruction of infrastructure, risks of loss, theft or misuse of information and cyberattacks affecting the privacy/confidentiality, availability and integrity of information) and physical security (risks of inadequate management of the physical security of assets and people).

In 2023, the management and challenges focused on the following **main sources of risk:**

- Preventive management of technological risks in initiatives and outsourcing presented in the WG/CARO Admission Circuit. Over 2023, Challenges were made to 70 projects, generating 35 conditioning factors (23% blocking the transition to production and 77% necessary to manage during the various stages of the project), with an implementation rate of 88% at the end of the year. Regarding the implementation of control mitigation frameworks, the indicator tripled compared to 2022, the percentage of implementation went from 18% to 60% of new formal controls in the MIGRO tool with assurance testing to identify the correct mitigation of the associated risk.

- Management of the risk of possible information leakage, lack of data integrity and failures in the information systems that support the operation, on technological assets not managed by the Vice Presidency of Engineering (Shadow IT). With the support of the 1LdD and the RCAs of each domain, for the Bank and its subsidiaries, **it was possible to manage the mitigation of the technological assets with the highest risk assets,** with high critical (100%) and critical (95%) risk.

- Relevant technological risks to be addressed by the 1LdD were raised to Corporate Assurance regarding the lack of governance in the management of third-party connections to the Bank's technology and the management of confidential information in the Omega application.Within the RCS IT website, there is an online iterative tool that allows the 1LdD to know the most relevant risks identified in the Risk Assessment and how the technological projects they are managing minimize these risks: this input is made known to Senior Management, the Board of Directors and the respective risk committees.

- Strengthening of technological risk management knowledge of the first line of defense, through mechanisms such as risk culture campaigns, training for business officers, RCAs and technical teams, sending short lines or "pills" and face-to-face discussions, reaching more than 3,000 employees: 1,200 technicians, 800 from subsidiaries with their RCAs and the rest of the Bank's business teams.

Finance - Risk Control Specialist

The Financial Risk Control specialty is mainly responsible for maintaining an adequate mitigation and control environment related to the risk of inaccurate, incomplete or untimely reporting, the risk of deficiencies in the interpretation and application of accounting and tax criteria.

Among the main activities to improve and strengthen the financial risk control environment in 2023 are:

- Implementation of new mitigation and control frameworks for accounting and software activation processes, regulatory reporting of information to holding companies and at the local level, total tax contribution, as well as the simplification of the control framework for tax processes, among others.

- Assessment in the Bank of the local regulatory reporting process to the Financial Superintendence of Colombia in order to assess the degree of implementation of the internal control framework established and define completion work plans.

- Implementation of the IPE procedure (information produced by the entity) for establishing a **framework to ensure the accuracy and completeness** of the information used in the execution of SOX controls.

- Coordination of the SOX testing process issuing the respective instructions, calendar and documentation of conclusions, as well as ensuring the collection of evidence for the evaluation of the design and operation of controls carried out by the RCA of the areas involved, and/or performing a test directly on the controls of the affected processes.

People - Risk Control Specialist

In charge of the People speciality is the transversal management throughout the organization, of the risks that originate from the non-compliance of employees with labor rights, deficiencies in personnel management and employee litigation (due to discrimination, harassment, forced admission, talent drain or compensation claims from former employees). In this line, the general mitigation and control framework is defined, and its adaptation is monitored.

Among the activities done in 2023 by the People specialty, the following stand out:

- **Talent drain assessment.** It is an Exercise through which the real causes that motivated the flight of resources, located in the upper L of the talent map, were identified. On the basis of this, an action plan was structured to mitigate the aforementioned risk.

3,000
employees trained on risk management

- **Disability assessment.** The main objective of this assessment was to establish, first, the reasons why the **EPSs were refusing to pay for employee disabilities,** in favour of the BBVA Group, which resulted in an economic loss for the bank. Second, the procedure that had been implemented within Talent & Culture for the registration of employee absenteeism was verified. In this regard, it was established that there was a lack of controls to ensure adequate and timely management of disabilities. Given the results of the assessment, an action plan was designed focused on strengthening the control framework of the respective process.

- **Global People Risk Assessment.** The main objective of this exercise was aimed at identifying, from a global perspective, the main risks related to employees, from which the following were evidenced:

  - Identified weaknesses that are not reflected in MIGRO or are not indicate the same Tier.
  - Relevant risk types that are not reflected in geographies.
  - Heterogeneity in the number of risks across geographies.

Faced with this, the need was established to have a **risk scheme** that allows the People specialty to periodically and homogeneously assess the most relevant risks across geographies, an activity for which an action plan was prepared to be executed over 2024.

- **People Risk Control frameworks.** In coordination with the RCAs of the subsidiaries, a work plan was prepared aimed at establishing the register of risks and controls of the specialty in each of its matrices and the homogenization of the risk maps taking as a reference point the one implemented in the Bank.

Legal - Risk Control Specialist

The Legal RCS covers the risk of losses arising from incorrect legal interpretation of applicable regulations, from erroneous contractual legal advice, from deficiencies or errors related to litigation proceedings or from incorrect legal protection of one's rights. In this vein, the key areas of legal risk cover the entire legal function of the Group: regulatory changes, contractual and non-contractual advice and litigation activity.

The legal specialist ensures the proper identification of legal risks throughout the organisation and the correct implementation of control frameworks, standard ways of acting in different countries and Group companies. In addition, it has a supervisory and challenge function on what is identified in the processes by the first line, with the aim of monitoring that legal risks are being mitigated, controlled and reported appropriately.

Among the main steps taken in 2023, the following stand out:

- **Data cleaning.** A purge of all the risks and controls existing in the Bank was done, with the aim of aligning these with the control model established by the holding, considering the local methodology. In addition, the same activity was done in the Group's subsidiaries, investees and affiliates. As a result of the above, new risk matrices and legal controls were implemented that were approved and harmonized.

- **RCS Legal WorkShop 2023.** At the request of the Holding's Legal RCS, an RCS Legal WorkShop was planned, coordinated and executed, in which all the geographies of the group participated. Their main goal was to make a plan for the function for 2024. As a result, RCS Legal was in charge of 3 lines of action, for implementation in all geographies during 2024. The topics that will be dealt with will be training and new forms of communication to RCAs, legal training to RCS' in control objectives and knowledge management of the Legal RCS function.

- **Strengthening of the contentious risk control framework.** At the request of RCS Legal Holding, a project was planned, coordinated and executed to standardize contentious risks in all the geographies in which the legal risk control model is deployed. The project was based on identifying the As Is in each geography and, based on this, propose a To Be.

- **Assessment Provisiones.** The objective was to learn the process of theoretical estimation of provisions within the Legal Services area (SSJJ for its Spanish acronym) in order to contrast it against the transposition of the provision standard. It was concluded that, in general terms, the contentious SSJJ correctly apply the procedure, without prejudice to action plans to improve the process.

- **Survey of the control model for the "10.1.6.4_CO_001 Retail Judicial Management" process** This survey was done with the support of the IT, Risk and Third Party specialties and it was concluded that this model only required the participation of the Legal and Risk specialties. Legal RCS created a single risk with 4 associated controls, which are now part of Migro.

BBVA

Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

Inclusive Growth

Individual Report 2023

Inclusive Growth

MOBILIZING RESOURCES FOR PROJECTS WITH SOCIAL IMPACT

GRI 203-1, 203-2, FS-7, BBVA-4.

In 2023, BBVA Colombia allocated **COP 3.7 Trillion to financing projects with social impact.** Efforts were intensified to develop products and alternatives that offer a broad portfolio of solutions to customers belonging to vulnerable communities, as well as to micro and small enterprises, producers, companies, institutions and local entities, committed to the economic and social development of the country in areas such as health, education and social infrastructure.

Financial Impact of the Inclusive Growth Strategy by Banking Group 2023
(Figures in COP Million)

	Inclusive Growth*	Relationship with respect to banking
Commercial Banking	519,951	2.49%
Business Banking	818,016	5.01%
Government Banking	606,864	42.33%
SME Banking	187,236	5.30%
CIB	727,834	4.95%
Total Banking	2,859,901	5.03%
Other Sustainable Operations	857,684	
Total	**3,717,586**	**6.53%**

First, there is the financing called "Inclusive Infrastructures", which consists of those that contribute **to improving the quality of life of vulnerable groups** identified at the thresholds, allowing them to meet basic needs and be resilient to the adverse effects of climate change or other social or health crises.

Health infrastructure. It includes financing for the construction or remodeling of clinics and hospitals, as well as the acquisition of medical equipment.

Health Infrastructure Financing by Banking Groups
(Figures in COP Million)

Government Banking	134,054
Business Banking	11,937
SME Banking	17,604

Educational infrastructure. It includes financing for the construction or remodeling of universities and schools in Colombia.

Educational Infrastructure Financing by Banking Groups
(Figures in COP Million)

Government Banking	120,273
SME Banking	400

Housing infrastructure. It includes financing of social interest housing (VIS for its Spanish acronym) and priority interest housing (VIP for its Spanish acronym) projects of construction companies and individuals with VIS/VIP credit.

Housing Infrastructure Financing by BankingGroups
(Figures in COP Million)

Commercial Banking (Social Interest Housing -VIS)	587,142
Business Banking (VIS construcion companies)	590,426
Government Banking	4,497

COP 3.7 TRILLION
Financing intended for projects with social impact

Road infrastructure. It includes financing for main, secondary and tertiary roads that promote connectivity between territories.

Road infrastructure financing by banks
(Figures in COP Million)

Government Banking	108,142
Business Banking	3,000
CIB	1,000

Second, there are the financing amounts allocated to support the creation of the country's industrial base, including support of women led small and medium-sized enterprises, which comply with the minimum 30% shareholding and/or female legal representation. In the case of companies, the same thresholds are required, in addition to the validation of policies and programs that demonstrate commitment to gender equality, such as the inclusion of women in leadership positions and boards of directors, as well as a high percentage in the company's workforce. Small-scale agricultural producers are those identified in Finagro's service manual, which has been included into BBVA Colombia's sustainability standard.

Women SMEs. It includes financing SMEs whose legal representation or shareholding composition show leadership by women.

Financing for women's SMEs by banking
(Figures in COP Million)

SME Banking	115.925
Business Banking	49.972

Agro producer. It includes financing for agricultural low-income small producers and small producers, according to the characteristics of the Finagro Manual..

Agro farmer financing by banks
(Figures in COP Million)

SME Banking	9,212
Business Banking	71,168
CIB Banking	5,132

Third, there is the financing of projects and programs included in the development plans of Colombia's municipalities and departments, which reach a multidimensional poverty score of more than 33%, according to DANE figures. This includes projects of various kinds, including the construction of tertiary roads and sewerage networks, as well as the adaptation and provision of parks, public spaces or houses for the elderly, which denote a social component in the execution of public policies to improve the quality of life in marginal areas throughout Colombia. Mobilization in these areas reached **COP 237 billion in 2023.**

Finally, there is the **Social Bond of CIB Banking,** given that BBVA Colombia was chosen by the Banco de la República as one of the placement banks of the first issuance of social bonds in Colombia in the international market. This operation was for a total of USD 2.5 billion, of which the BBVA Group funded USD 833 Million and BBVA Colombia USD 208 Million, which positioned it as an important ally in the sustainable finance of the public sector in Colombia.

COP 251 billion to support the **creation of the country's industrial base:** SMEs led by women and small agricultural producers

NON-FINANCIAL SOCIAL IMPACT (INDIRECT IMPACTS)

BBVA Colombia plays an important role in contributing to the country's development and well-being through initiatives and programs that promote sustainable progress. With a comprehensive approach, the Bank has not only been dedicated to improving its financial services to make them simpler and more accessible, but has also actively worked to address the challenges of inequity, injustice, and poverty facing Colombia. Below are various figures that show the positive impact on society for the **promotion of inclusive and sustainable economic growth.**

Work with small and medium-sized businesses. BBVA Colombia recognizes the crucial role it plays in the Colombian economic fabric and, in particular, the SMEs led by women that have emerged as key agents of change and development. Not only do these companies contribute significantly to the country's economic growth, these also play a critical role in generating employment and promoting gender equality. In 2023, the Bank financed more than 280 women-led SMEs and nearly 750 microbusinesses, demonstrating its commitment to the country's entrepreneurs and SMEs.

Social Interest Housing (VIS). RIt represents a crucial strategy in the national context, addressing the prevailing need for access to decent housing for low-income population. In Colombia, where the housing deficit is a significant concern, the VIS stands as an essential tool to provide affordable housing solutions and improve the quality of life for numerous families. The financing offered in 2023 by BBVA Colombia impacted approximately 26 thousand people who, with access to mortgage loans with preferential rates, have been able to realize the dream of owning a home.

Financing of municipal and departmental governments development plans. EIt is essential to catalyze growth and prosperity at the local level. These plans, designed to address the specific needs of each region, require strong financial backing to realize their goals in key areas such as infrastructure, education, health, and public services. In this context, in 2023, BBVA Colombia impacted more than 70 municipalities in the country and financed more than **100 hospitals, 13 universities and schools, and 10 development plans for territorial entities.**

Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

Economic Performance

Individual Report 2023

Economic Performance

MACROECONOMIC ENVIRONMENT

In 2023, as in much of 2022, the course of monetary policy set the pace of the global economy, and it was decisive for the behavior of financial markets and the valuation of assets, modified the performance of economic activity, defined the savings-investment decisions of households and companies, and consolidated a trend of inflation reduction. This last consequence is the main objective of central banks' decisions and led, more recently, to a change in the monetary stance.

Indeed, the central banks of the United States and Europe seem to have ended their cycle of interest rate increases in 2023, after a restrictive period of monetary policy the previous year. **Since then, interest rates have risen by 525 basis points in the United States and 450 basis points in Europe**, in response to inflationary pressures amid the post-pandemic recovery, which were reinforced by the global supply shocks of recent years (wars, health restrictions, and logistical problems, among other factors). In addition, measures were implemented that reduced monetary expansion in the two regions, pushing up interest rates in the financial system, influencing international capital flows and their landing volume in emerging countries, and reducing the rate of credit growth.

The increase in interest rates in the world was a relevant long-term change, as rates were at historically low levels, mainly in Europe, for more than a decade. As of today, the pause in monetary policy puts interest rates at 5.50% for the Fed and 4.50% for the European Central Bank, compared to an average of almost zero for nearly two decades. After this period, markets are preparing for the next movement in interest rates, probably downwards, which will depend on the expected and effective evolution of the two key variables: **growth and inflation.**

Growth and inflation are moderating after the recent monetary tightening. In addition, lower commodity prices have contributed to the fall in inflation, while supporting growth, but without interrupting the process of moderating in economic indicators. The latter have been weakest in Europe, where the loss of momentum in services is compounded by weakness in the manufacturing sector.

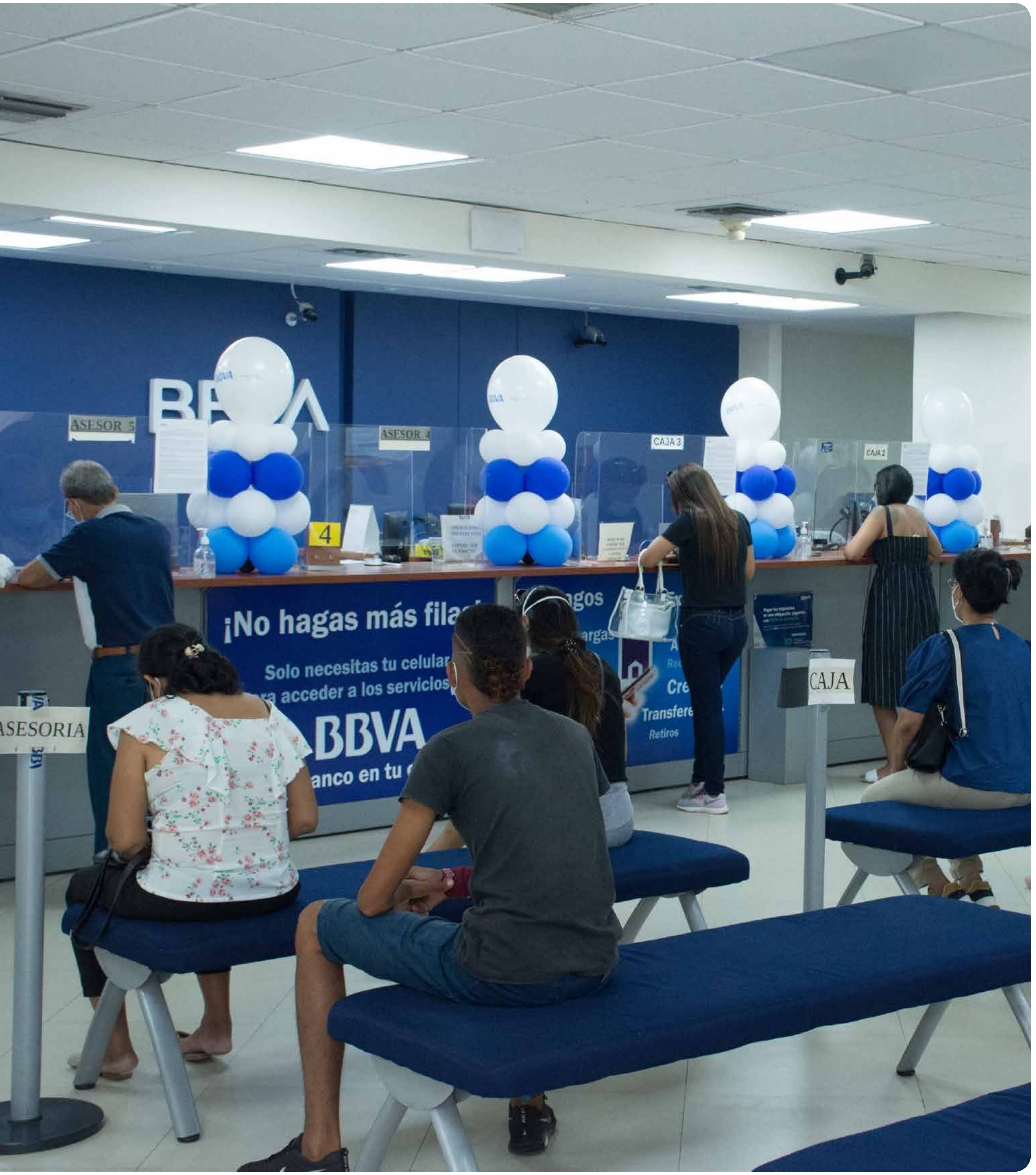
In the United States, activity also slowed down, with more emphasis on manufacturing than on services, but maintaining the strength in the production of motor vehicles (due to the normalization of bottlenecks), the good performance in the non-residential sector and variations greater than zero in the services sectors, while the excess savings of households, that boosted consumption during 2021 and 2022, is gradually being exhausted, although households still maintain a good financial position, low financial tensions on their balance sheets and a positive consumer credit performance. This is partly the result of buoyant labor markets (albeit moderating rapidly) and fiscal policies that are still expansionary, which helped keep slowdowns in the world's developed regions in order, but at the same time made it difficult to bring inflation down.

In Colombia, economic growth in 2023 stood at 0.6%. Over the course of the year, the slowdown in activity consolidated and deepened, explained by the sharp moderation in domestic demand. Within the latter, both private consumption and fixed investment reduced their dynamism, although in the latter it was more evident because it fell into double-digit negative figures. Private consumption grew by 1.0% in 2023. Not only its moderation stands out, but also its composition. Household spending on goods deteriorated markedly, while consumption of services remained in positive territory. Among the latter, social services, such as education and health, stand out, which are tied to the behavior of public spending rather than to private spending decisions.

Household spending decisions responded negatively to higher borrowing costs, **as high inflation and interest rates restricted their purchasing power and borrowing,** boosting savings. The latter will be important going forward, since in the new stage of the economic cycle, which is expected to be one of recovery and subsequent moderate expansion, the resources available to households will be crucial. This difference will be crucial with respect to the deceleration cycle that is being experienced, characterized by low (and even negative) levels of household savings. This, together with lower demand for credit, resulted in sharp declines in purchases of durable and semi-durable goods and housing.

High interest rates **restricted the purchasing power and borrowing of Colombians.**

In fact, the lower dynamics of housing, whose sales began to fall since mid-2022, is conditioning the execution of building works. Together with the exhaustion of the expansive spending cycle on machinery and equipment and the low contribution of regional and national civil works, it led to a notable deterioration in investment, which fell by 10% the previous year. Finally, in line with lower domestic demand, **imports fell sharply** and given the resilience of services exports, net external demand contributed positively to growth in 2023, which had not happened since 2020.



Annual inflation in Colombia as of December 2023 was 9.28%.

Resilience was also seen in the labor market, with high rates of job creation and significant reductions in unemployment rates for most of the year. However, its most recent performance does show signs of a change in trend towards less dynamism, in line with the slowdown being experienced by labour-intensive economic sectors, such as retail, manufacturing, hotels and restaurants.

On the other hand, **inflation registered a variation of 9.3% at the end of 2023,** thanks to the sharp reduction in the rate of growth in food prices, whose inflation last December reached its lowest level since April 2021. Inflation, excluding food, stood at 10.3%, reflecting the continued upward pressures on prices in the economy, especially from the services sectors, which closed the year with an inflation of 17.2%. The behavior of the inflation rate conditioned monetary policy decisions. The Central Bank raised its interest rates at the beginning of the year, until April; It then paused its decisions until December, leaving the rate at a historically high level, and, in this last month of the year, began the reduction cycle, with a 25 basis point cut. It was its first reduction since September 2020. In total, Banco de la República's rate went from **12% in December 2022 to 13% at the end of the previous year.**

Likewise, funding interest rates in the financial system had a wide positive differential with respect to the rate of Public Debt Securities (TES), reflecting liquidity problems that were more pronounced at some times of the year, pressures to comply with regulatory indicators and a low availability of capital funds that were significant in the past.

Finally, the behavior of the exchange rate during 2023 was characterized by high volatility, determined by international conditions (monetary and geopolitical) and the developments of an emerging country such as Colombia. It faced significant variations in country risk premiums, external portfolio capital flows, internal growth, and the performance of domestic interest rates. **The exchange rate had a wide range of variation** throughout the year, of more than **COP 1,100** between the maximum and the minimum, and was exposed to strong devaluation pressures at the beginning of the year and to unusual appreciations at the close.

13% Banco de la República's interest rate as of December 2023

Digitalization and change in customer behaviore

financial system digitalization has consolidated in recent years, after the strong momentum during the most intense moments of confinement. As of June 2023, 78% of customer or user of financial institutions financial transactions were done through digital channels (mobile applications or the internet). In 2020, when mobility restrictions were at their peak, **73% of customer transactions were done via mobile telephone and the internet,** levels much higher than those observed before the pandemic in 2019, when these accounted for 64%. As of June 2023, mobile telephony remained the main channel of operation for customers, with apps responsible for 66% of customers' financial transactions, compared to 53% for mobile telephony in 2020. For its part, the internet is the channel through which the largest amounts are made **(COP 2.8 Trillion),** participating with 56% of the total (COP 5 Trillion) of the amount transacted by financial customers in the first half of 2023.

Digitalization has also consolidated in the country, with internet access at high levels in 2023, with fixed internet access that year being higher than in 2020. As of June 2023, the total number of fixed accesses stood at 17.3 per 100 inhabitants, up from 14.9 in June 2020 and similar to 16.9 in June 2022.

78%

of customer transactions were carried out through digital channels

Colombia has shown significant progress in financial inclusion. In 2022, 92.3% of adults had access to at least one formal financial product, or 34.7 Million adults. Inclusion grew by more than 14 Million people compared to 2012. In the last decade, the percentage of adults with a financial product increased from **67.2% to 92.3%.**

2024 Economic outlook

The global economy will continue to slow as monetary conditions remain tight, fiscal policies become less expansionary, labor markets moderate, and excess savings shrink. However, a significant recession in global growth is likely to be avoided, rising from 3.4% in 2022 to 3.0% in both 2023 and 2024. **Inflation will continue to fall,** maintaining its gradual convergence towards targets, which will be a relief for central banks, which will start the cycle of cutting interest rates this year.

These prospects of lower monetary costs, together with the reduction in global volatility derived from conflict events in the world, have reduced financial stress, with significant falls in interest rates on public debt and, although less prominent, the risk premiums of emerging countries. However, **risk episodes are not ruled out,** associated with the lower growth experienced by the 3 major global economic groups: the United States, Europe and China.

In the Unites States, domestic demand supported growth in 2023, but high interest rates (despite potential cuts starting in June) will weigh more heavily on growth in 2024, delaying the recovery until 2025. The change in U.S. GDP, which was 2.4% in 2023, is estimated to stand at 1.5% in 2024. On the other hand, **inflation will continue to decline** as labor markets moderate and will gradually converge to a level of around 2.5% as of 2024.

In Europe, the previous year's weak growth and lower inflation will favor an upcoming rate cut by the European Central Bank. The minimum expansion of the deceleration cycle is expected to have occurred in 2023 (with a GDP variation of 0.4%) and the recovery is expected to be progressive to 0.7% in 2024 and 1.7% in 2025. Inflation, although declining in its core component, will continue to be pressured by energy prices, fiscal policy and buoyant labour markets.

In China, recent data suggest a lower risk of a hard landing, but growth will gradually slow down as structural challenges persist. In 2023, as demand remained strong due to the adoption of the new fiscal stimulus measures, GDP grew by 5.2%. It is estimated that it will grow by 4.4% in 2024 and 4.2% in 2025. Inflation is expected to converge to 2% from 2024 onwards.

In the global context, **Colombia will maintain its economic moderation in the first months of 2024,** due to the negative effects of high financial costs that are still present. However, as interest rates and inflation consolidate their downward trend, reducing pressures on household and corporate balance sheets, a more sustained recovery will begin. This **improved performance will be led by the consumption of goods,** as households will increase their willingness to buy durable and semi-durable goods and take on greater amounts of credit.

Therefore, growth in 2024 is expected to have two speeds, a still slow dynamic in the first half of the year, due to the slowdown lag that still persist in variables such as employment or spending on services, and a much more marked recovery in the second half of the year, when the consumption of goods slowly consolidates, economic sectors react with better investment and productive activities associated with the production, marketing and transport of goods improve.

However, private services will maintain a moderate process until the end of 2024 and place their rebound on hold until 2025.

Indeed, a **more generalized economic activity improvement is expected** in 2025, with domestic demand leading GDP behavior, which will begin to occur from the second half of 2024 onwards. Private consumption is expected to accelerate, in all its major components, thanks to lower financing costs and the savings accumulation of this year. **Fixed investment is also expected to return to positive territory,** driven by the acceleration of investment in housing, greater execution of infrastructure works (regional and national) and the expected rebound in the construction of non-residential buildings, which will begin to show better figures from the end of 2024.

In total, **the Colombian economy is projected to grow by 1.5% in 2024 and 2.3% in 2025.** Private consumption, during the same two years, is expected to grow at rates of 2.2% and 3.0%, respectively. On the other hand, fixed investment is expected to go from red figures (-2.0% in 2024) to positive figures (6.2% in 2025).

Colombia is expected to maintain economic moderation in the first months of 2024, due to the effects of 2023 high financial costs.

As for inflation, it is expected to benefit from lower domestic demand, especially for the core component (excluding food). However, it is expected that there will still be a high level of uncertainty in its expected trajectory, due to factors such as the climatic phenomenon of lower rainfall in Colombia (El Niño), the persistence of prices related to the adjustment of the minimum wage or observed inflation, as well as the government's decisions regarding fuel prices. which could have upside effects in the coming quarters.

The downward trend in inflation is expected to be temporarily interrupted at the beginning of 2024, as monthly price changes will still be above the reference averages (from 2011 to 2019). In total, **inflation is expected to close 2024 at 5.4%, and 3.8% in 2025.** Unlike 2023, when the slowdown in food prices contributed to the reduction in inflation, core inflation is expected to make the most significant negative contribution to the total consumer price index over the next two years.

Thus, the better performance of inflation together with the moderation of domestic demand, will allow the Central Bank to continue its path of reducing interest rates during 2024, until it leaves it at **7% at the end of the year.** The end rate of the reduction cycle, in which there will be a prolonged monetary pause, is projected at 5.50%, which would be reached by mid-2025. However, there are uncertainties surrounding that end level:

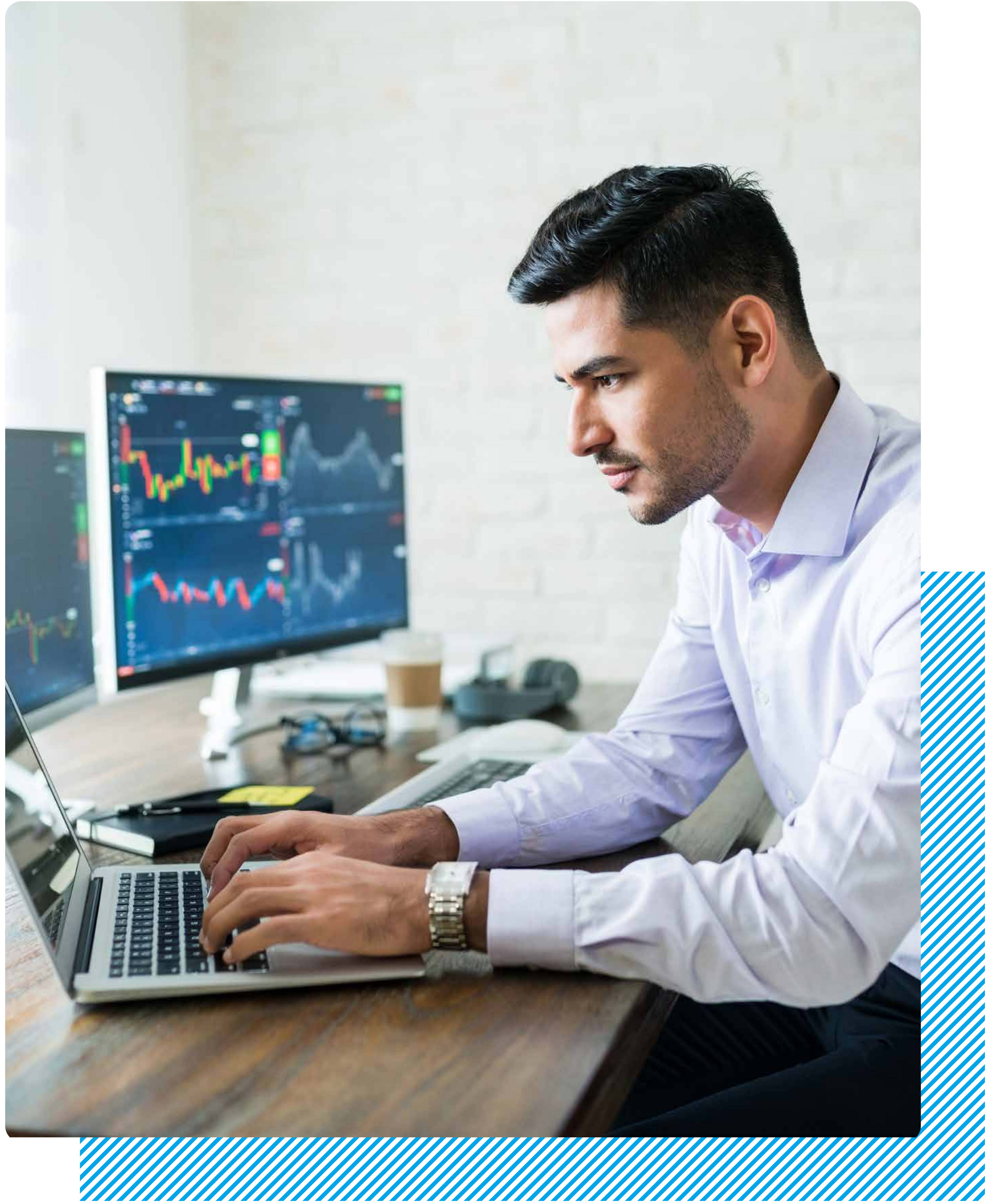
- First, the strong external inflationary cycle raises the question of whether the long-term rate in the United States could be a bit higher.
- Second, the different risk premium metrics have shown a deterioration in recent years that could exert upward pressure on the long-term rate in Colombia.

Indeed, part of the uncertainty associated with low household savings is reflected in structurally high fiscal and external deficits. A further increase in the external deficit is expected during 2024 and 2025, explained by the recovery in domestic demand and the greater importance of private consumption of goods, which tend to be imported, compared to spending on services, with a lower incidence of imports. All in all, the external deficit is projected to rise from 3.2% of GDP in 2023 to 3.8% in 2025, with 3.3% in 2024. However, **foreign direct investment will almost cover the deficit,** being more stable than financing through portfolio investment or conventional external loans.

As for the central government deficit, a temporary interruption in the improvement seen in the post-pandemic period is anticipated. Between 2023 and 2024, the deficit is expected to **increase from 4.2% to 5.0% of GDP,** despite the high revenue estimates. Then, in 2025, it should resume the path of improvement. Part of the estimated revenue comes from additional resources raised through previous tax reforms, used to maintain high levels of public spending. However, revenues also include a component that seems to have optimistic expectations about the performnce of the DIAN, which, if this do not materialize, could require a reassessment of the level of public spending compatible with compliance with the fiscal rule.

The channeling of the main effects of the above imbalances is reflected in the Colombian exchange rate, which will face pressures towards higher levels during 2024 and 2025, **approaching COP 4,365 per dollar.** This outlook is also based on the narrowing of the interest rate differential with respect to the United States, as rates are expected to shrink further in Colombia over the next two years.

However, high volatility in the Colombian peso is anticipated, linked to expectations of foreign monetary policy and the country's ability to obtain external financing for its deficits. In the first case, interest rate decisions and the consolidation of smaller balance sheets in the central banks of developed regions will influence the exchange rate. In the second case, capital flows to emerging countries will be more selective and scarce, due to the reduction in global liquidity, implied by the new central bank balance sheets. The latter, is especially relevant because the economy maintains significant imbalances in the external and fiscal spheres.



However, thinking about medium- and long-term growth, the country will face great uncertainties, but it also has enormous opportunities that, if used correctly, could be responsible for **high growth rates in the future.** The uncertainties that stand out are:

- A greater **persistence of inflation** that limits the monetary authority's ability to initiate the downward cycle of interest rates.
- A **more intense weakening of economic activity,** especially a more extensive lethargy in the recovery of investment and a global weakening, which reduces the expected exports growth.
- **Deep macroeconomic imbalances** that drive excessive volatility and devaluation of financial assets, especially in the current environment of greater selectivity of capital flows and lower global liquidity.

Some of these uncertain scenarios may be diminished in intensity or occurrence by economic policy decisions themselves. However, other sources of uncertainty are not controllable by policymakers or the Colombian private sector. In these cases, **measures must be established to mitigate the effects:** giving priority to the economic environment that is conducive to medium- and long-term investment and/or spending decisions (home purchases, for example), preserving the credibility of economic policies to more easily influence the formation of future expectations, and maintaining the financial stability and health of households and companies financial balance sheets..

Finally, and this is the most important point in the medium and long term, today's world is offering enormous opportunities that cannot be missed if the potential growth of the economy is to be increased. At least 3 were identified:

- The country's greater integration to **global value chains** will allow it to take advantage of the development of nearshoring and increase the low economic openness that the economy has historically had.
- The great potential of sectors such as agriculture, with the investments required to promote it, offers ample room for growth and development, which will strengthen **the country's export capacity** and guarantee better trade between rural production sites and urban consumption centers.
- Colombia's geographical distribution, with several cities of relevant size and forming geographical nodes in different regions, allows for **scalable investments** focused on the different centers of production and consumption.

The country should begin to show **clear signs of recovery** in mid-2024

Colombia faces significant cyclical challenges, but will begin to show clear signs of recovery by mid-2024. After that, long-term growth requires deepening advances that promote the productivity and efficiency of the economy. The opportunities exist, but we must take advantage of them by implementing the correct policies that the country needs, for its greater insertion in international markets, the increase in productive investment and the improvement of all Colombians social conditions.

PERFORMANCE OF THE MAIN STOCK MARKET INDICES DURING 2023

After a positive start to the year, the Colombian stock market showed a slowdown that led Colcap to close the year with a **7.1% depreciation,** standing at 1195.2. This dynamic was lower than that of its peers in the region, which reached valuations of more than 10%. Colombia's COLEQTY, COLIR and COLSC indexes also recorded negative results in 2023, with devaluations of 3.5%, 2.9% and 12.1%, respectively.

The results are explained by both global and local events. During the first part of the year, the increase in uncertainty in foreign markets, due to adverse events in some financial institutions in the United States and Switzerland, marked a downward trend in financial stocks, which was reproduced in the local market. In addition, there was an increase in the perception of local risk and a fall in the price of oil. In the second half of the year, the stock market maintained certain lateralization of its indixes, amid outflows of institutional agents and a low liquidity environment.

7.1%

Colcap Index Depreciation at close of 2023

Evolution of BBVA Colombia's share price

The price of the common share **closed 2023 at COP 238,** decreasing by 32% compared to December 31, 2022, when it registered COP 350.

BBVA Colombia's common share is considered by the Colombian Stock Exchange under the modality of Continuous Instrument, due to its presence in the stock market.

As for price of the share with preferential dividend, without voting rights, it closed 2023 at COP 350 and did not present changes with respect to the closing value as of December 31, 2022; this type of share is considered an Instrument by Auction.

The **Bank's free float is 4.57%.**
BBVA Colombia's free float

Type of share	Quantity
Common	630,705,101
Non-voting preferred dividend share	26,752,348

BBVA Colombia's market capitalization
(Figures in COP Million)

	2023	2022	2021	2020
Amount	3,478,003	5,035,691	4,635,244	4,440,533

Evolution of BBVA Colombia's share price
(Figures in COP)

	2023	2022	2021	2020
Common Shares - Final Listing Price	238	350	320	306
Non-Voting Preferred dividend shares – Final Listing Price	350	350	385	385

BBVA Colombia stock and stock market ratios

The list price of the common share of BBVA Colombia **at close of 2023 was COP 238.**

Ever since 2007 and consecutively, the General Shareholders Meeting has approved the payment of cash dividends for the two

Concept	2023	2022	2021
Number of shareholders	65,106	65,121	65,182
Number of shares outstanding	14,387,689,071	14,387,689,071	14,387,689,071
Maximum Price (Common Share)	350	398	340
Final Listing Price (Common Share)	238	350	320
Minimum Price (Common Share)	231	320	286
Maximum Price (Non-Voting Preferred dividend Share)	350	390	385
Final Listing (Non-Voting Preferred dividend Share)	350	350	385
Minimum Price (Non-Voting Preferred dividend Share)	299	350	385
Book value per share	412.57	428.62	395.29
Market capitalization (COP Million)	3,478,003	5,035,691	4,635,244
Price / Book Value - Common Share	0.577	0.817	0.810
Price / Book Value - Preferred Dividend Share	0.848	0.817	0.974
P/E (Price / Earnings) - Common Share	3.67	5.62	9.80
P/E (Price / Earnings) - Preferred Dividend Share	5.39	5.62	11.79
Dividend Yield (Dividend / Price) Common Share	0.1363	0.0886	0.0510
Dividend Yield (Dividend / Price) Preferred Dividend Share	0.0927	0.0886	0.0424
Dividends declared	32.44	31.00	16.32
Earnings per share	64.88	62.22	32.65

types of shares, non-voting preferred dividend shares and common shares, and the payout has been 50%.

The dividends declared during 2023 were of **COP 32.44 per share,** payable in a single payment, on June 15, 2023.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI 201-1

The BBVA Group is committed to **maximizing the creation of sustainable and shared value** for its shareholders and society as a whole, through its Corporate Social Responsibility policy. A sustainable and shared value that, as a whole and according to the methodology established by GRI, can be measured and detailed as economic value generated, distributed and retained by BBVA Colombia.

Economic Value Generated and Distributed
(Figures in COP Million)

Concept	2023	2022	2021	2020
Economic Value Generated (EVG)	3,784,445	4,178,376	3,682,433	3,550,513
Interest Margin	3,099,253	3,402,719	3,155,633	3,092,598
Net commissions	572,810	509,136	428,547	324,976
NTR	386,940	473,883	279,403	300,179
Other Net Gains or Losses	-274,558	-207,362	-181,150	-167,239
Distributed Economic Value (DEV)	2,369,077	2,548,804	2,071,506	1,616,153
Dividends	445,426	466,737	425,635	224,190
Results attributed to minority interest	21,330	21,330	20,383	10,735
Suppliers and other administrative expenses (excluding salaries and wages)	800,262	694,260	531,440	500,780
Taxes	260,375	567,788	490,695	294,639
Personnel expense	841,683	798,689	603,352	585,809
Retained Economic Value (EVR = EVG - DEV)	1,415,368	1,629,571	1,610,928	1,934,360
Reserves	194,688	466,777	449,224	234,925
Provisions and amortization	1,681,236	1,184,125	1,158,819	1,699,435

Creating Tangible Direct Value: Breakdown by Stakeholder
(Figures in COP Millions, except percentages)

Group	Value Indicator	2023	2022	2021	2020	Var. %
Shareholders	Dividends	0	466,737	446,019	234,925	-100.0
	Personnel Expenditure	898,619	816,056	648,650	618,502	10,1
Customers	Interest and similar charges	7,053,602	3,306,989	1,382,468	1,899,076	113.3
Suppliers	Other administrative costs	1,347,420	1,172,692	981,319	850,744	14.9
Societies	Contributions, Taxes on Profits, and Other Taxes	367,336	625,319	532,111	335,026	- 41.3

The BBVA Group is committed to **maximizing the creation of sustainable and shared value** for its shareholders and society

RELATIONSHIP WITH CUSTOMERS

Experience

The BBVA Group continues to work to ensure the best experience for its customers. Thus, in the experience plan and considering the voice of customers, through the NPS measurement, customers' recommendations regarding the channels and products offered in the segments of private customers, SMEs and companies is known. The Bank measures the **recommendations of its customers** in branch channels, contact centers, digital channels, as well as the relationship with the executives assigned to serve the Personal Banking, SMEs and Business segments.

In 2023, BBVA Colombia initiated new recommendation measurements for some processes, such as Claims, Complaints and Requests and sales processes. The Bank measures the **perception of central area support processes to the commercial network,** all in order to generate action plans that commit it to deliver a service that is increasingly aligned with customers needs. Considering the information received from customers in these measurements, tactical work plans are stablishd in order to enrich the customer experience in the relationship they have with the Bank, with special emphasis on the service attitude, ensuring the tools required in the service channels, the application of the new operating model in the commercial network and the relationship with customers.

As a cross-cutting plan, BBVA Colombia continued the Organizational Culture Plan - Soy BBVA, as well as the "I contribute" campaign, through which employees, through knowledge of the processes, allow **customer experience improvements.** Tactical action plans were establihed with the customer service line to increase operational capacity on critical days of the month, and advisors were strengthened in handling the main types of calls, including training tools.

SAC - Consumer Service System (SAC)

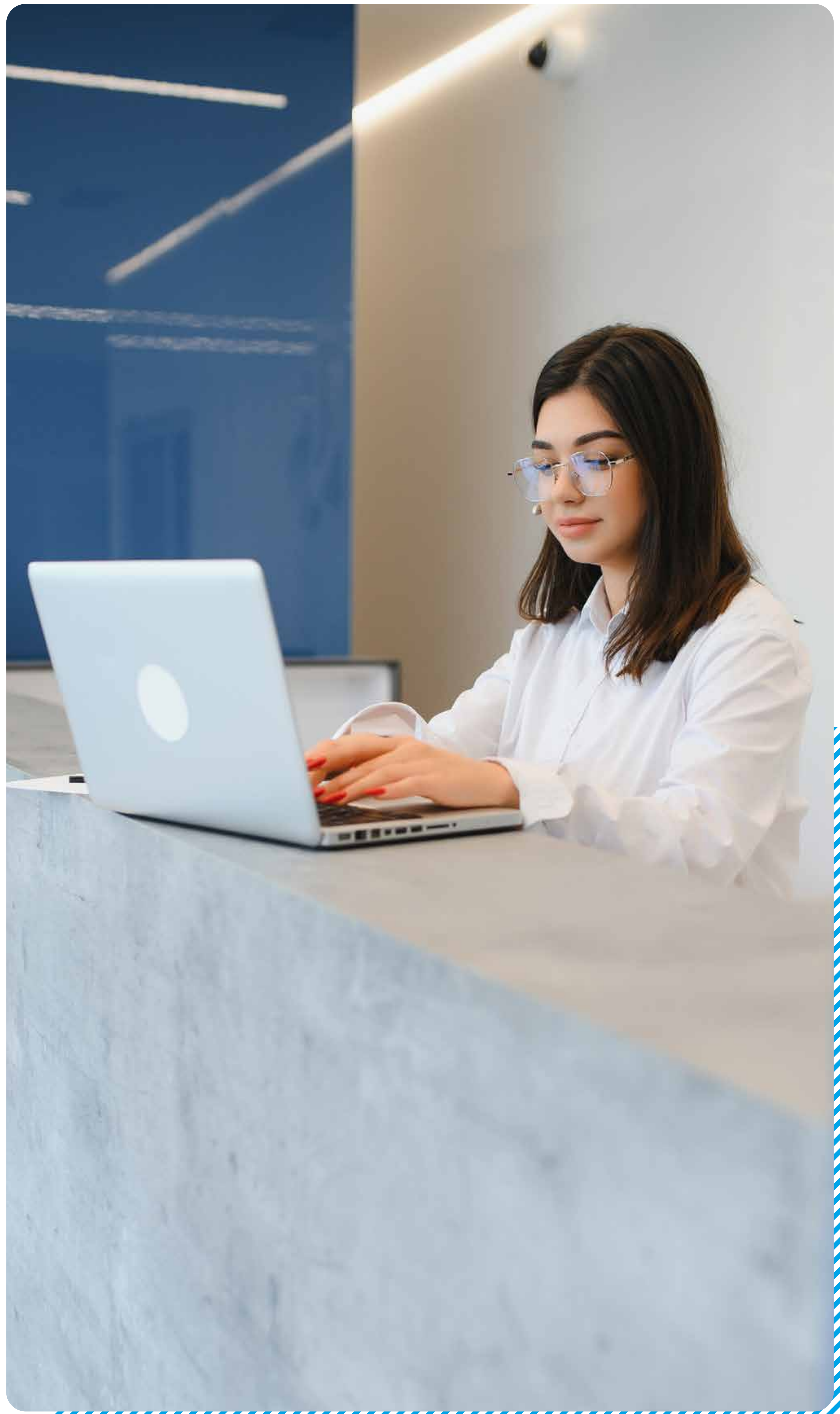
FS-14

The Consumer Service System continued in 2023, being a guarantor of BBVA Colombia's financial consumers rights, within the framework of Law 1328 of 2009.

This system continues to champion within the Bank **the care of people with disabilities,** for which the following actions were completed:

- Renewal of the contract with provider Well Agency, which provides interpreting services to deaf people and interpreter guides to the deaf-blind.
- Updating of all care protocols for people with disabilities, people of short stature, the elderly and people in special conditions, according to the New Office Model.
- Through training for the entire network of offices, tips for the attention of the Hearing Impaired and the use of the interpreter, through Webex, were reinforced.
- The annual legal training plan, distributed to 5,715 BBVA Group employees, included information related to the care of people with cognitive disabilities, within the framework of Law 1996 of 2019 and the figure of support, which leaves aside judicial interdiction.

In 2023, the Financial Superintendence of Colombia, within the framework of the new model of supervision and conduct risk, increased by, approximately, **50% the number of administrative requirements to the Bank,** related to specific cases of customers, which, due to casuistry or replicas, require a more in-depth review; and also some other institutional ones related to the Bank's internal processes and some products. All of these have been handled in a timely manner, with the participation of interdisciplinary working groups, under the leadership of the corporate legal area.



BBVA Colombia maintains fluid communication with the Financial Consumer Advocate, especially in relation to the improvement of the Claims, Complaints and Requests service circuit, for which support has been provided in physical, technical, logistical and capacity infrastructure, seeking to **improve response times and attention to complainant.**

As milestones of the Claims, Complaints and Requests for 2023, the following action plans were developed:

- Anticipation, understood as informing in advance of events that may affect the customer-bank relationship and making available specialized and self-management circuits, thus preventing the occurrence of Claims, Complaints and Requests. It has a cumulative TAM of -5.8% compared to the same period of the previous year (January-September 2022 vs 2023).
- Identification related to the root cause, that is, the motivator of the complaints and their description, managing to maintain a transactional average higher than the proposed objective (more than 5 thousand transactions per complaint).
- Transformation or new way of streamlining the end-to-end process of attention to Claims, Complaints and Requests, based on 133 hours per complaint, as a target at the end of 2023.

The Bank has made progress in different tactical and strategic actions to continue **improving processes,** leveraged on the identification of the root cause of different typologies that impact indicators, including embargoes, product blocking, central risk reporting, review and/or liquidation, and unrecognized transactions.

Similarly, in 2023, some aspects were identified that generated a differential path in the Claims, Complaints and Requests:

- Update report in the Glomo app.
- Particularities in reports to the DIAN for management of the AFC account.
- Application of new protocols to avoid fraud events, evidenced by the blocking of Impact products with withdrawal transactions generated in ATMs of other networks.
- Increase in the novelties reflected in payment networks and transactional exchanges.

Management of complaints and claims

GRI 2-26, 418-1, BBVA-6, BBVA-7, BBVA-8

The year 2023 was challenging for the attention of Claims, Complaints and Requests in the transactional field and in new fraud scenarios; therefore, the Bank innovated and implemented different actions to mitigate the negative impacts:

- **Automation of formats and processes** that allow the correct collection of data in the filing of Claims, Complaints and Requests, analyzing transactional habits along with different sources of information.
- Inclusion of new typologies for the **management and timely attention of Claims, Complaints and Requests** through the Call Center for natural persons and legal entities (level 1).
- Creation of specialized work teams for **the analysis, management and closure of cases** that present critical complexity and/or differential management.
- Increase in Capacity in the process of care and closures of Claims, Complaints and Requests.

BBVA Colombia's policy considers the following channels to be authorized to receive Claims, Complaints and Requests from financial consumers:

Own
- Branch offices network
- Call Center

Alternate
- Financial Consumer Advocate
- Financial Superintendence of Colombia

Address consumer dissatisfactions directly and **without the need for prior filing.**

In these areas, a strategy has been proposed to identify its cause and mitigate it, which consists of directly **addressing consumer dissatisfactions** and without the need for a settlement, providing a solution in that first contact or moment. To this end, we have the consultation and support tools that allow us to do so, as well as the instruction of self-management through the digital channels provided for this purpose and facilitate their experience.

If additional inputs, concepts, settlements, refunds, among others, are necessary, the Claims, Complaints and Requests is filed in its management tools, defining a legal time of attention and informing the financial consumer of the respective SLAs.

Once the Claims, Complaints and Requests has materialized, we proceed with the classification mechanism by typologies, which allows the detailed Claim, Complaint and Request filed by the financial consumer by specific subject, generating inputs for the detection of the root cause of the setback and the necessary elements to adjust the processes within the Bank and mitigate the increase in Claims, Complaints and Requests.

Finally, when the process is completed, the procedure is completed in the tools and the **formal response is sent to the electronic or physical address reported,** through the TCR communication models.

The Bank continues to focus on the strategy of anticipating and mitigating new developments in the different products and services offered. **The generation of early warnings and the early**

identification of incidents complement the set of actions that the Bank develops to mitigate negative impacts. Likewise, the sending of information to customers, such as a security warning for unusual operations or a massive event that must be taken into account, contributes to the care of the financial consumer.

Stakeholders are understood as those individuals or legal entities, public or private, customers and non-customers (financial consumers), who come to the Bank to formally file a complaint.

All the information on the Claims, Complaints and Requests circuit is available on the website www.bbva.com.co, Financial Consumer Services section, where the Bank's current mechanisms are available, including the rights and practices provided for in Law 1328 of 2009.

The financial consumer's perception of experience in the flow of Claims, Complaints and Requests is reflected in different measurements through the NPS indicator - Evaluation of the Claims, Complaints and Requests Service Process, implemented in 2023. Since the indicator is in the process of stabilization, execution and analysis, examples and metrics are under construction.

There was a 76% increase in the filing of the data protection law compared to 2022, mainly due to the receipt of complaints from control entities, motivated by the decision of customers to manage their requests with escalations before managing them directly with the entity.

BBVA Colombia did not receive any complaints in 2023 for cases of leaks, theft, or loss of customer data.

Personal Data Protection Act

Complaints received by third parties and corroborated by the organization

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total cases
2022	6	8	13	11	20	23	21	29	14	18	12	13	188
2023	23	35	18	6	13	37	27	27	16	20	18	20	260

Personal Data Protection Act

Complaints received by regulatory entities

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total cases
2022		1	6	5	8	7	6	18	9	11	4	7	82
2023	16	24	10	2	6	26	15	14	7	7	10	7	144

Top 5 types and resolution times

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total cases
Unrecognized Transactions													
Managed Transactions	2,005	2,089	2,521	2,233	2,441	3,538	2,599	2,987	2,660	2,500	2,659	2,758	30,990
On-time managed transactions	2,003	2,081	2,499	2,210	2,402	3,428	2,549	2,923	2,579	2,408	2,587	2,672	30,341
Timeliness (%)	99.9	99.6	99.1	99.0	98.4	96.9	98.1	97.9	97.0	96.3	97.3	96.9	97.9
Review and/or Settlement													
Managed Transactions	1,754	1,906	2,046	1,801	1,894	1,741	1,941	2,628	2,479	2,451	2,430	2,394	25,465
On-time managed transactions	1,746	1,876	2,003	1,718	1,854	1,647	1,817	2,582	2,426	2,373	2,285	2,149	24,476
Timeliness (%)	99.5	98.4	97.9	95.4	97.9	94.6	93.6	98.2	97.9	96.8	94.0	89.8	96.1
ATM													
Managed Transactions	732	653	849	432	826	711	741	685	596	933	811	861	8,830
On-time managed transactions	732	653	848	429	825	701	734	685	594	931	806	849	8,787
Timeliness (%)	100	100	99,9	99,3	99,9	98,6	99,1	100	99.7	99,8	99.4	98,6	99.5
Product Blocking													
Managed Transactions	577	546	685	661	481	716	694	747	578	698	821	708	7,912
On-time managed transactions	577	540	671	621	470	661	646	728	563	653	760	633	7,523
Timeliness (%)	100	98,9	98,0	93,9	97,7	92,3	93,1	97,5	97.4	93,6	92.6	89.4	95.1
Charges, services or commissions													
Managed Transactions	607	881	708	599	534	494	500	465	424	471	475	551	6,709
On-time managed transactions	606	879	702	578	530	476	484	461	419	447	454	512	6,548
Timeliness (%)	99.8	99.8	99.2	96.5	99.3	96.4	96.8	99.1	98.8	94.9	95.6	92.9	97.6

The management of Claims, Complaints and Requests in 2023 had some impacts on response times, due to the increase in the volume of filings and the circuit of inputs before the consumer advocate, where it is necessary to wait for the endorsement of the Advocate to respond to the customer and definitively close the process. In this regard, the different protocols, procedures and processes within the Bank continue to be adjusted to **mitigate recurring and critical events.** In addition, the process of transforming the Claims, Complaints and Requests process continues, reinforcing actions and initiatives, such as:

Migration of typologies to the first level of care. CIdentify the high-impact typologies, finding some with greater impact such as Embargoes, Collection Management and Information Centers.

The objective continues to be to **reduce the time it takes to service with the Bank's customers,** using protocols or direct service circuits that avoid escalation to a second level of experts. Hence, analysts have been specialized and have been assigned access to queries that allow for more expeditious management and analysis. Some additional cases are:

Non-compliant balances and movements.

- Assignment of query transactions to the branch network for the display of customer debits and credits.
- Parameterization of codes that allow more information of the movements to be visualized to the customers.

Embargoes.

- Fine-tuning the end-to-end process.
- Inclusion of seizure inquiries to profiles that deal with complaints and claims.
- Creation of a cell model in first contact support, optimizing response times to the customer.

The different protocols and procedures to **mitigate recurring and critical events related to Claims, Complaints and Requests** continue to be **adjusted.**

Request for Documents

- Enabling a profile in the document manager for first contact support.

Locking & Unlocking

- Adjustment of locking and unlocking protocols via security equipment.
- Setting up call forwarding from the Call Center to monitoring for first contact care.

Complaint mitigation. To this end, continuous information is provided to the network of offices on new products and processes. It also keeps in continuous review and adjustment the steps to be followed in the attention or the frameworks of action, from the group of agents who answer the incoming call and solve or absolve doubts from that first moment.

This process has made it possible to identify the difference between a complaint and a claim, which leads to providing differential attention, avoiding unnecessary filings and mitigating increases in replicas and extensions

In 2024, progress will be made with the transformation, improvement and automation of the Salesforce tool, eliminating manual tasks, generating control from the tool and integrating more participants into the circuit. This will make it possible to continue reducing service times and improving the quality of management of Claims, Complaints and Requests. In terms of figures, the following results are presented:

The increases in service times were derived from additional volumes of cases generated by the migration of the mobile app (Glomo), the growth of fraud modalities in the financial sector and the logistical and operational migration of the new provider in charge of Claims, Complaints and Requests management within BBVA Colombia.

Claim Resolution Time

(In days)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average
2022	4.0	6.2	8.2	8.0	6.6	6.2	5.8	5.2	5.7	5.1	5.6	5.7	6.1
2023	4.0	5.7	7.0	6.6	7.3	9.7	9.2	9.3	11.0	13.6	12.7	12.1	9.4

* Only claims are taken into account for this calculation, requests are not.

Claims Resolved on Time

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2022													
Claims Handled	6,406	8,178	10,751	9,260	8,668	9,878	10,563	11,027	11,675	10,276	11,992	10,119	118,793
Claims handled in a timely manner	6,246	7,715	10,342	9,002	8,550	9,701	10,440	10,983	11,587	10,231	11,907	10,036	116,740
Timeliness (%)	97.5	94.3	96.2	97.2	98.6	98.2	98.8	99.6	99.2	99.6	99.3	99.2	98.3
2023													
Claims Handled	8,141	9,225	10,600	8,877	9,822	10,708	10,125	11,397	9,856	10,732	11,113	11,559	122,155
Claims handled in a timely manner	8,121	9,156	10,444	8,516	9,607	10,083	9,578	11,175	9,563	10,297	10,549	10,635	117,724
Timeliness (%)	99.8	99.3	98.5	95.9	97.8	94.2	94.6	98.1	97.0	95.9	94.9	92.0	96.4

Percentage of complaints and claims handled by SPC (solution on first contact)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2022													
SPC Filed Claims	3,336	3,600	4,294	3,543	3,442	4,372	4,358	4,364	5,235	6,617	3,877	3,871	50,909
SPC Managed Claims	2,261	2,733	3,287	3,547	2,785	3,682	3,746	4,234	3,749	3,594	4,268	4,086	41,972
SPC Share (%)	68	76	77	100	81	84	86	97	72	54	110	106	82
2023													
SPC Filed Claims	3,577	3,318	3,588	2,726	3,137	2,966	3,085	3,060	2,767	3,237	3,595	3,789	38,845
SPC Managed Claims	3,151	3,461	3,743	2,656	3,506	3,054	2,660	2,977	2,687	3,249	2,823	2,927	36,894
SPC Share (%)	88	104	104	97	112	103	86	97	97	100	79	77	95

Processes for remediating negative impacts

2-25

BBVA Colombia resolves negative impacts as follows:

Proactive solution through task forces. When a negative impact is identified, the Bank convenes task force groups led by the complaints and claims area, where the areas involved participate to generate attention and solution protocols applicable in the different channels.

Managing Claims, Complaints and Requests Manifestations of dissatisfaction reported by customers through requests, complaints or claims are dealt with at the different levels established by the Bank in order to provide an agile and effective response.

Management of negative impacts in satisfaction surveys (NPS). The negative impacts identified in the responses to the satisfaction surveys are managed through the circle closing protocol, directed by the manager of the corresponding office, with the aim of rebuilding the relationship with the customer.

In addition, other measures are applied such as:

Protocol for smaller amounts. Amounts that can be reimbursed in cases of claim are established, subject to validations of the segment, temporality and type of claim.

Solution on first contact circuit Typologies are identified that can be attended directly in service channels such as offices and customer service lines, immediately or in a short time.

Communication to the network of offices Information is sent to the branch network through Notired to address situations that may generate concerns in customers.

Preventive communications. The Bank sends communications to areas that may have an impact on customers, informing details and offering additional timely information.

Through the Management Committee, the evolution of the Claims, Complaints and Requests received by the different reception channels, the Financial Consumer OmAdvocate´s Office, the Financial Superintendence of Colombia and the Bank is monitored on a monthly basis. Likewise, the behavior of the typologies with the greatest impact in the month and the actions implemented for care, prevention and subsequent effects of the same concept are monitored.

Marketing

GRI 417-1, 417-2, 417-3

In 2023 and through different communication channels (emails, communication on social networks, content on the white page, among others) the Bank delivered **savings, credit and investment solutions** to customers and non-customers, individuals and companies, which they can manage through different communication channels. Within the framework of these solutions, the Bank generates proactive recommendations that will help customers and prospects to have a good balance to face their present and future with quality of life, peace of mind and security.

On the other hand, the Bank seeks to ensure that its communications are transparent, clear and accountable. Nothing matters more than having an informed and empowered customer to make the best financial decisions.

Finally, through **Hot Lines,** a global integrity project that seeks to mitigate potential risks of transparency and uninformed decision-making, communications are evaluated to put the customer and their well-being first.

At the same time, communications seek to deliver financial health messages across the board, so that the customer knows how to make the best use of their financial resources. The print was included , one of the landing pages where customers are shown how to make safer purchases through the CVV of their card, which they find in their BBVA application.

From the Marketing area, although physical products are not developed and there is no relationship with the labeling of physical products, **a detailed process of review and approval** of 100% of the material that is delivered to customers is carried out; In this way, both the area, the business and the legal team speak to customers with transparency, clarity and responsibility.

In 2023, no non-compliances related to product information, labeling, or marketing communications were identified within the reporting period.

OPERATIONS BY CHANNEL

BBVA-9

In 2023, **the transactionality of offices decreased by 9.68%** compared to 2022, due to the implementation of different strategies and transactional migration impulses to alternative channels. ATMs that receive credit card payments and cash deposits were installed, and banking correspondents were expanded, with an increase in average transactionality of 59% compared to 2022. In addition, in digital channels, the Glomo Mobile Banking application provides greater convenience, taking advantage of the growing mobilization of use among customers. Also, on BBVA Colombia's website, credit card payments by PSE and account top-ups were enabled, offering a better experience to customers.

Finally, the in-office service experience was improved through the implementation of a queue manager, which reduced the waiting time for each customer. In 2023, the Hero campaigns focused on digital banking. The year began by presenting to the market the functionalities and services of the GeMa app for the SME segment, achieving a multichannel amplification of more than 15 Million people and generating more than 5,300 leads. In addition, the Bank ranked first in the Share of Voice financial category, with 29%.

At the beginning of the third quarter of the year, the evolved Glomo app shook up the market with the "Freeesco" campaign, a concept amplified through an integrated branding and performance strategy that transmitted, through 4 stories, the peace of mind of living the best experience with the BBVA app.

The first reference focused on the **benefits of the payroll account** and the second promoting **the ease of acquiring one-click credits,** which reached more than 18 Million people, achieving nearly 4.5 Million clicks and more than 800 thousand downloads.

The third reference emphasizes the security functionalities offered by the app, which achieved a multichannel reach of more than **17 Million people** and a growth in installs of more than 5.9 times vs. the same period in 2022. Similarly, there was a 28% increase in search interest for the dynamic CVV feature from customers and non-customers.

The year 2023 ended with the announcement to the market of the launch of **new functionalities for payment in stores by QR** to any bank and transfer from cell phone to cell phone, at no cost and immediately. This latest campaign will end in the second week of December and is expected to reach more than 16 Million people.

Thanks to the continuity of "Freesco", whose duration on the air was more than 20 weeks, with a new and differential message, the brand increased its impact and, therefore, its indicators of relevance and differentiation, mainly in the open market for Brand Power measurements, a global brand KPI that defines how notorious, The BBVA Group is relevant and differentiating in the country and in the face of the competition.

BBVA Colombia continues to work on bringing its customers closer to physical channels in a more convenient way through ATMs and banking correspondents. **In 2023, 40 depository ATMs were installed** and another 20 are in the process of being installed to complete 60 in 2023, where customers and non-customers can make cash deposits to BBVA accounts and credit card payments, which has made it possible to provide an additional channel for transactions.

Furthermore, thanks to the Bank's alliances with cash correspondents such as Gelsa PagaTodo and Supergiros, BBVA Colombia closed the year with 36,449 points, covering more than 85% of the country's municipalities. Banking correspondents allow the Bank to access more and more businesses that it could not serve because it did not have a physical channel for customers, and they are an important axis that allows migrating those transactions that congest the branches. In this channel, **5.28 Million transactions were carried out for COP 1.7 billion,** which represents a transactional growth of 130% compared to the previous year.

BBVA Colombia continues to strengthen its digital services focused on business customers, facilitating the digital contracting of the credit card and the Click and Pay button for payroll, suppliers, taxes and short-term working capital payments from Net Cash and the BBVA Mobile collection link. Along the same lines, the mobile application of GeMa companies was implemented with functionalities for consultations, transfers, payments of public services and "My sales", which has more than 600 collection agreements available to the customer, a commitment to continue growing in the SME segment.

Share of operations in each channel
(Percentage)

Concept	2022	2023
H2H	18.3	21.8
POS	9.0	10.2
Own ATM	6.5	6.2
Mobile Banking	45.2	37.9*
Net cash	4.6	4.7
Offices	4.4	4.1
Net	9.7	12.7
Non-banking network (banking correspondents)	1.1	1.5

Source: Metrics.

* Due to data issues, not all transactions in the Mobile Banking channel in 2023 were available at the closing date of this report.

CUSTOMER, BANKS AND SUBSIDIARIES SEGMENTS

Individual customers

In terms of investment, the retail segment recorded significant growth in balances in 2023, placing BBVA Colombia above market growth in percentage terms. This result was particularly strong in the Payroll product, where the bank **reached the number 1 position** in the market through an integrated strategy with the business teams.

This strategy allowed BBVA Colombia to deepen the government and private sector collectives, offering its employees tangible, differential and sustained benefits due to their loyalty to the Bank in the management of their payroll.

At the same time, the **credit card** product also **registered a 23% growth in balances,** allowing BBVA Colombia to gain two positions in the market. This result was leveraged on two strategies, customer growth with an attractive and differential offer oriented to the loyalty plan, and the strengthening of the life cycle by promoting the use of credit cards in commercial establishments with benefits for customers.

With regard to funds, in 2023 **there was a growth of more than 15%** in average balances as a result of a sustained exercise towards BBVA Colombia's customers with campaigns focused on the savings culture. At the same time, the bank's payroll offer was strengthened with **financial benefits** by contracting investment products and non-financial benefits associated with the loyalty plan.

The results of the CDT product stand out, where BBVA Colombia had a growth in balances of more than 80% vs. the previous year, motivated by a timely offer and in line with the investment needs of its customers.

Business customers

SMEs

BBVA-2, BBVA-3

In 2023, SME Banking improved the digital experience of its small and medium-sized business customers, reaching 85% of businesses with an advance on sales, throughout the national territory and with a contribution to the total turnover of SMEs of 7.5%. BBVA Colombia has **50.2 thousand legal entities and 27.1 thousand individuals with businesses,** eligible for the granting of credit, to which they managed to offer more than **28 thousand pre-approved,** with more than 3.3 thousand contracts for COP 566 billion and 39% originated in digital products in the lines of working capital. leasing, retanking, portfolio purchase, virtual credit and business credit card.

In 2023, more customers were reached through transactional solutions, linking more than 8.9 thousand customers in Merchant Acquisition, of which 47% were linked through the MPOs. The Gema mobile application was launched, **enabling interaction with digital channels for 43,000 SME** customers. Likewise, Single App worked as a digital solution to reach individuals with a business, allowing the consultation of their acquisition movements and access to the visualization of pre-approved offers, as well as the contracting of Advance Sales, without the need to have channels for companies such as Net Cash or Business App.

BBVA Colombia continues to provide support to the Risk area for policy updates, adjusting the admission and evaluation of individuals with a business. It also worked together with the Commercial Network for the delivery of attributions to regional companies for the granting of credit cards in the connection of

Nº1

in the market in Payroll Loans. BBVA Colombia ranked above market growth in percentage terms.

customers. The processes of assignment and delivery of pre-approved were optimized by integrating an analytical model supported by the management of the commercial network with the use of tools such as CRM.

In 2023, a strategic alliance **was signed between BBVA Colombia and Fenalco** to promote access to financial services for merchants and the granting of short-term loans as an advance on sales. In sustainable finance, the SME segment mobilized COP 189 billion, of which COP 137 billion was aimed at promoting inclusive growth through the financing of social projects, and COP 52 billion for initiatives against climate change.

Among the main results is the support to SMEs with disbursements for sustainable projects for COP 91 Million between January and June 2023, which meant a growth of more than 100% in the last year, and more than COP 49 Million for ventures led by women. In partnership with Universidad de los Andes, BBVA Colombia conducted the **Global Leaders Program,** which trains SME entrepreneurs in business management and new technologies. In the last two years, nearly a thousand entrepreneurs have been trained.

Companies

BBVA-5

Seeking to consolidate long-term relationships with the country's companies, business banking reached 8 new cities, in order to generate value for customers through financial solutions that allow them to offer support in their short and long-term strategic plans. Likewise, the Agroindustrial Equipment Management Model was strengthened to increase market share in this sector.

In terms of portfolio growth, there was less dynamic compared to the last two years due to high market interest rates. However, the Bank worked on focused plans in industries with good financial performance where customers with short- and long-term financing needs were identified. In addition, BBVA Colombia met the financing needs of representative customers who are processors and/or marketers in the agro-industrial chain, under an agro-integrative model, which aims to allocate this financing to the delivery of purchase advances to the primary producer, as well as to provide technical assistance. This represented disbursements of more than COP 350 billion.

In terms of attracting resources, the financial sector presented high competition with high compensation rates. However, in order to generate recurring balances, the Bank worked to deepen the relationship with its customers through its transactional portfolio, seeking to adapt to the needs of companies. This allowed him to bring in transactional resources.

Finally, BBVA Colombia's Cross-broder and Pivot Program was promoted, where customers in Colombia were deepened with operations in countries where the Bank has a presence and referred customers from other geographies of the Group were linked. This made it possible to meet the financial needs of multinational companies with the differential offer of the Pivot ecosystem, composed of global channels and solutions for treasury management services with transactional solutions to customers operating in different countries.

BBVA Colombia **maintained its position in public investment** in departments, with 26.3% share

(as of September 2023)

Government

2023 was the first year of the mandate of the National Government and the last of the territorial administrations (mayors and governors), and BBVA Colombia maintained its position in public investment (as of September 2023):

- In departments, first place with 26.3%
- In municipalities, second place with 18.6%
- In other public entities, the third position with 13.3%

In terms of assets, the budget compliance **in sustainable turnover of 161%** stands out as of October 2023, thanks to the financing of regional projects that promote social inclusion and climate change.

In terms of liabilities, the strategy was focused on the growth of low-cost resources, the deconcentration of treasury points and the acquisition of transactional resources in new groups. The results in migration to electronic channels (as of October 2023) stand out, **where 30% of transactions were migrated,** that is, **more than 430 thousand cash operations** that were backlogging the banking hall.

Corporate and Investment Banking - CIB

Corporate and Investment Banking is the area in charge of providing financial solutions to the needs of the most relevant companies in the country, such as large corporations and financial institutions. From Corporate and Investment Banking, the Bank offers its customers solutions through a **diversified portfolio of high value-added products and services,** being a differentiator both locally and internationally.

In 2023, there was a very significant economic slowdown that led to a slowdown in activity in the main sectors, impacting the growth of the portfolio. However, thanks to the solid relationship that the Bank has with its customers, it was able to continue participating in very relevant businesses, which allowed it to maintain a growth rate in line with the expectations it had for the year.

Furthermore, the Bank witnessed high volatility in the capital markets in which the Global Markets area operates, facing very challenging scenarios, mainly in the third quarter, but showing a very significant recovery towards the end of the year. In this context, the Corporate and Investment Banking area once again exceeded expectations, thanks to its human talent and the fact that it executed **resilient strategies** in the face of the following conditions:

Improving customers' financial health. BBVA Colombia has stood out for its close support to its customers, responding to this strategic priority that aims to improve their financial health. The year 2023 brought a series of opportunities that allowed us to meet very important milestones for Corporate and Investment Banking; Although in the third quarter of the year the Bank had declines in portfolio balances driven by prepayments from some customers, in the fourth quarter of the year there was a significant rebound thanks to relevant businesses that allowed it to maintain its share and positioning levels.

Help customers transition to a sustainable future. The objective in Corporate and Investment Banking is to make the sustainability angle a fundamental part of day-to-day operations and to generate value-added products that continue to position the Bank as the best ally in sustainable issues for its customers. In 2023, the Bank continued to set significant milestones with highly noteworthy operations. In November, **BBVA Colombia was chosen as one of the placement banks in the first issuance of social bonds of the Republic of Colombia in the international market** and, in December, it adopted a leading role in the placement of green TES in the local market, the fourth issuance of green bonds by the Colombian government.

Besides, the Bank participated in the long-term financing of the 40-year to 30-year VIA concession (Bogotá-Girardot third lane), a highly complex structured operation that will improve the mobility of 17 Million people. BBVA Colombia is committed to a sustainable future and will continue to dedicate efforts so that its customers can continue to grow in this purpose, by participating in businesses of high relevance and notoriety in the country with ESG (environmental, social and governance) products, positioning it as an ally in sustainable finance for the public and private sector in Colombia.

Grow in customers. The Bank set out to increase the Corporate and Investment Banking activity with underreached and new customers, which allowed it to grow significantly in potential businesses, which led it to further diversify its investment portfolio into robust companies with very interesting prospects. In addition, BBVA Colombia continued to enhance synergies with other areas and segments, in products such as digital sales, payroll and payroll. And, Corporate and Investment Banking continued to promote **innovation in products, services and processes,** to stand out through a value-added offer aimed at digitality and that allows the Bank to continue growing in its customer base.

Pursue operational excellence. During 2023, BBVA Colombia focused on excellence as the cornerstone of its day-to-day management, and the projects were aimed at achieving a transformation that would allow it to provide greater added value to its customers.

The best and most committed team. From Corporate and Investment Banking, the Bank constantly promotes the attraction and retention of high-performance personnel, as well as the development, continuous training (BBVA Campus) and the promotion of the team. In 2023, employees' perception of the company's work environment remained at high levels, which generated pride and a greater sense of belonging, in a year with significant challenges. Corporate and Investment Banking ensures that all members have the necessary tools to fulfill their duties and cares about the well-being of all, promoting an appropriate work environment, which allows the benefits of teamwork to be enhanced.

Data and technology. Following the pace of new market trends, BBVA Colombia focused its efforts on making data analytics an indispensable tool to propose new business opportunities and also create and promote products that meet the needs of its customers. In 2023, thanks to data analytics, a rigorous analysis of market trends in different products was consolidated, which has made it possible to anticipate and offer better solutions to customers. An important part of the area's reporting was also automated, allowing its teams to be more agile in their decisions and offer better solutions.

BBVA Fiduciary

BBVA AM positioned itself as **one of the top 5 fiduciaries in the management of collective investment funds** (without private equity funds), with a differentiated product offer, being a strategic ally for its customers who require fiduciary structures. BBVA AM's success lies in its team of people, the investment processes and global risk control it applies, the comprehensive control in the structuring of trust businesses and their execution, and in the search for consistent performance over time for its customers.

BBVA AM,is **one of the top 5 fiduciaries in the management of collective investment funds** in Colombia

2023 was full of challenges for the AM industry, due to local and global pressure on financial assets, which generated volatility in the market and portfolios. BBVA AM managed its resources well, closing with a peak balance of **COP 7.1 Trillion managed in collective investment funds,** representing an increase of 32.6% compared to 2022 and a gain of 24 basis points in market share.

In terms of shareholders, the result was also positive with an annual variation of 9%, closing at 96,324 people and a gain of 15 basis points in market share. Total assets under management amounted to COP 21.26 Trillion, represented by trust businesses and investment funds.

BBVA AM closed the year with a plan in line with the Group's strategic priorities and the objective of boosting the profitability of the business, with the aim of being a benchmark in the market and the best ally of our customers. In 2023, **BBVA AM became a benchmark in the industry,** positioning itself among the institutions in terms of recommendations from individual and busines customers of collective investment funds and structured trusts. This is a consequence of the transformation of the business, thanks to the strategy developed by the entity, which has as its main axis the customer experience, improving attention, quality of service and corporate responsibility.

Among the most outstanding achievements in 2023, the excellent management carried out by the investment team stands out, positioning the FAM, Páramo, Digital and Balanced Investment Funds in first place against their competitors in year-to-date profitability, demonstrating the solidity of the investment and risk control processes, and highlighting BBVA AM's local and global management capabilities.

In short, for BBVA AM, 2023 was a year of success and consolidation in the industry, always putting the customer first.

BBVA Valores Colombia S.A.

BBVA Valores Colombia S.A. is a subsidiary of BBVA Colombia that offers advisory, investment and support services in the Colombian capital market, aimed at customers of BBVA's premium banking, corporate banking, business banking, private banking and personal banking in the country, as well as direct customers or international customers with interests in the broker's local fixed income and equity markets.

Additionally, BBVA Valores, through its Investment Banking and Structured Finance team, is responsible for providing support and strategic advice to companies in Colombia and the region.

First place for the FAM, Páramo, Digital and Balanced Investment Funds coompared to its competitors.

BBVA Valores' strategic priorities for 2023 were:

Provide the best possible customer experience. BBVA Valores improved its relationship with customers through the comprehensive offer of its own products and the inclusion of the Fiduciary's collective investment fund offer, offering personalized investment alternatives tailored to the needs of each one of them, achieving better interaction within the group and always seeking to meet and provide comprehensive solutions to customers' needs.

Digital channels. An adjustment was made to the Bank's website so that customers and the Commission Agent could view the consolidated information of the two entities and thus improve the customer experience. This development made it possible to provide customers with a 360° visual of the products they have with BBVA Colombia.

Business models. BBVA Valores continues the implementation of its Strategic Plan, initiated in 2020, aimed at deepening its 3 business lines that reinforce the work of the Commission Agent and complement the Group's work in Colombia. With

BBVA Valores facilitates the offering of portfolio investment products and specific products such as bond intermediation, TDC and Tidis, shares and its Money Market Collective Investment Fund.

differentiated levels of service and advice in line with each of the lines of business, the Bank seeks to transmit to its customers all the potential that a global group like BBVA can offer them. In this way, during the year, the commercial force specialized in investments at BBVA Valores was centralized, concentrating the work of the Broker in advisory and investment and the Fiduciary in the generation of investment products that meet the needs of its customers.

Leadership in efficiency. Through teamwork with the Fiduciary, the Bank's network and the work of bankers, BBVA Valores facilitated the offering of portfolio investment products and specific products such as bond intermediation, TDC and Tidis, shares and its Money Market Collective Investment Fund. Throughout the year, it expanded its services to offer BBVA Fiduciaria investment products, specifically the offer of collective investment funds, and was able to provide execution to local and international institutional customers in the local fixed income and equity market, building on the BBVA Group's relationship with these customers locally and globally.

On the other hand, and as a result of the relationship with the Group, BBVA Valores has agreements with BBVA Colombia's suppliers, ensuring the provision of high-quality services, while optimizing costs.

The best team. BBVA Valores has a comprehensive team of people committed to the Group's objectives that, working together, creates opportunities to offer excellent service to customers. The Commission's own internal areas work and cooperate permanently with the Group's companies in Colombia, always focused on meeting the proposed goals in order to always provide the best service.

Culture. The culture of collaboration, entrepreneurship and transparency promoted by the Group in all areas is essential to improve the customer experience, and will continue to be a priority.

BBVA

Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

Climate Action

Individual Report 2023

POLICIES WITH SPECIFIC SOCIAL AND ENVIRONMENTAL COMPONENTS

FS-1

Integrating climate change into risk planning

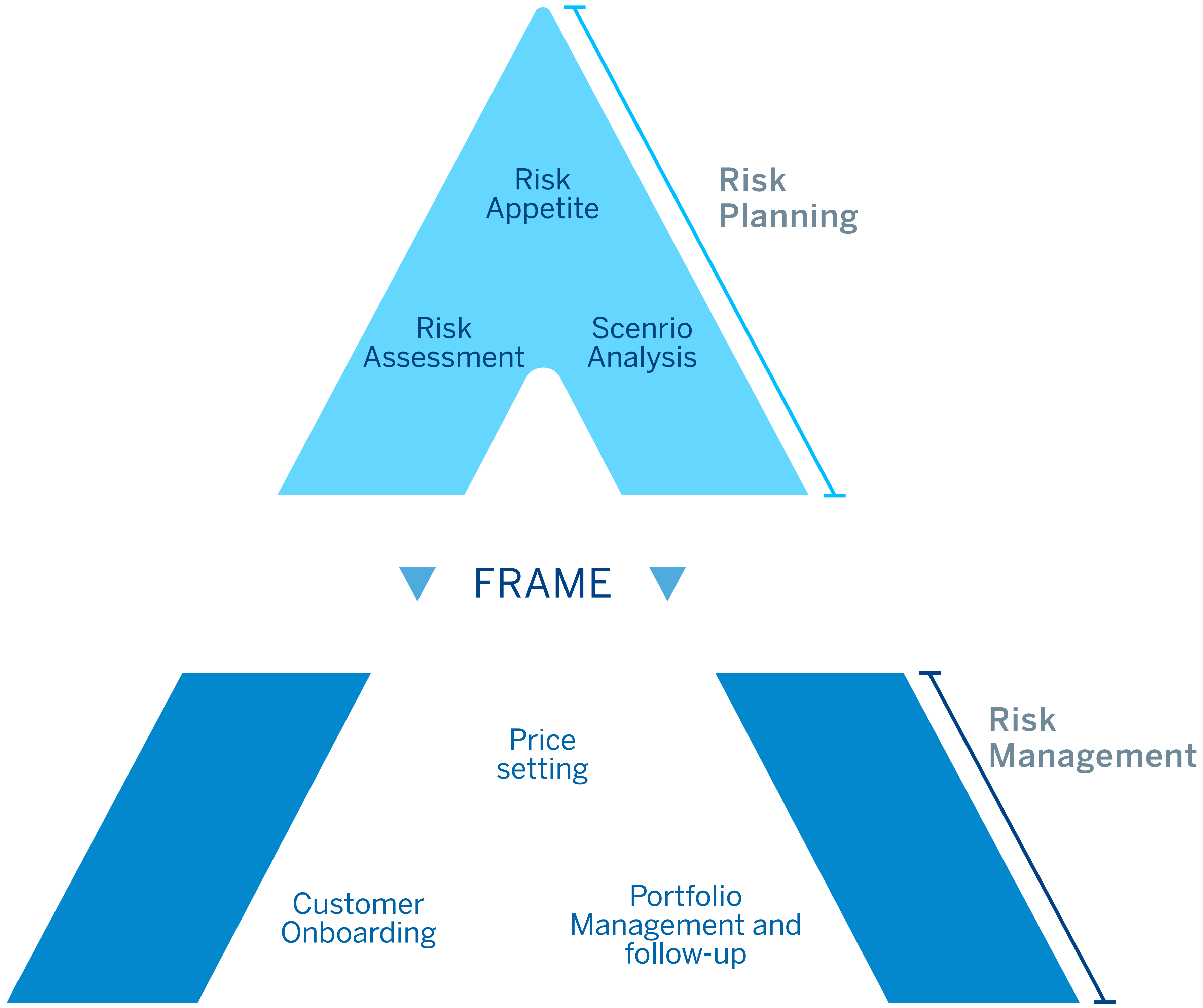
The risks associated with climate change (transitional and physical) are an additional factor that affects the risk categories already identified and defined in BBVA Group and are therefore managed through the Group's risk management frameworks. The inclusion of these risks into the BBVA Group's risk management framework is based on their incorporation into established processes and governance, considering regulation and supervisory trends.

For proper planning, it is essential to have reliable, complete and up-to-date data, in order to guarantee a complete view of the Group's climate change risks, for their correct control and management. The data considered, responding to both regulatory and management needs, includes those related to customer climate scorings, energy efficiency of buildings, ESG ratings, greenhouse gas emissions, location of assets and collateral, and sector-specific metrics.

Climate change risk management in BBVA Group is based on the risk planning process, which is marked by the defined risk appetite and is reflected in the management frameworks that establish the treatment of risks on a day-to-day basis.

Once climate change risk has been incorporated into the Risk Appetite Framework and business strategy, it is also necessary to integrate it into risk management, forming part of the risk decision-making associated with assisting the Group's customers. To this end, it is necessary to identify this type of risk for its subsequent inclusion into management processes, including the adaptation of policies, procedures, tools, parameterization, risk limits and risk controls in a consistent manner.

The BBVA Group develops methodologies and tools necessary to **identify and measure the different components of climate change risk,** and for the analysis of the financial impact of each of these in relation to their integration into management. These tools are based on financed emissions metrics, alignment with decarbonization paths, analysis of the vulnerability and exposure to climate hazards of customers and their collateral, and the analysis of climate scenarios that allow a forward-looking view of risks, opportunities and their financial impacts.



The adaptation of policies and procedures has initially focused on the **integration of transition risk into sector frameworks** (a basic tool in the definition of risk appetite in wholesale credit portfolios), where climate criteria is specified in the admission guidelines and in the mortgage and vehicle action frameworks. and in retail credit. This work has made it possible to define strategies and business plans aimed at meeting the medium term established alignment objectives, as well as mitigating the risks related to balance sheet decarbonization.

Along with integration into sector frameworks, sustainability factors also continue to be systematically integrated into customer analysis processes for credit origination, allowing these to be incorporated into decision-making. This analysis is done in the Sustainability Toolkit, an environment integrated into BBVA Group's systems, which make it a common interface for the Risk and Business teams, where customers' sustainability information is visualized. This interface provides information on climate transition strategies, governance practices and management of climate risks and opportunities, decarbonization metrics and objectives, as well as progress in the management of other material ESG aspects for the customer's activity sector, compliance with BBVA Group's Environmental and Social Framework, the existence of social controversies, environmental and ethical standards, and level of alignment with the goals of the Paris Agreement and the level of emissions financed.

In this environment, the calculation of the transition risk score called Transition risk indicator is included. For those sectors classified as High transition risk, an advanced transition risk score has been developed that allows all dimensions of transition risks to be incorporated into a customer's profile. The score assesses the current low-carbon profile, the levels of regulatory pressure in the geographical areas where it is present, its level of disclosure, in terms of climate management, in line with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and the ambition and maturity of its decarbonization targets.

The result of the score is a valuable tool to better identify the **strengths and weaknesses of customers** and allows to define specific products to help them in the transition to low-carbon business models.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT SYSTEM (SARAS FOR ITS SPANISH ACRONYM)

In addition to the practices and methodologies used in the BBVA Group, BBVA Colombia has worked on implementing the Environmental and Social Risk Management System (SARAS), hand in hand with the IFC. In 2023, the Bank included SARAS in its General Sustainability Policy and the approval of the General Standard on Environmental and Social Risks by the Risk Management Committee - RMC, which establishes a comprehensive management framework that includes policies, standards, procedures, tools, and mechanisms for the **identification, categorization, evaluation, control, monitoring, and follow-up of environmental and social risks** that could be generated by projects, works, activities and customers to whom financing is granted and that may result in financial, reputational, credit, market and civil liability risks for BBVA Colombia.

The SARAS is managed in BBVA Colombia's Risk Vice Presidency Wholesale Credit Department, and is aligned with other tools and methodologies used at the Group level, such as the analysis of the Ecuador Principles and compliance with the Environmental and Social Framework, as well as the standards, performance norms and exclusion lists of the International Finance Corporation (IFC) and the standards of the Inter-American Development Bank's (IDB) Environmental Social Policy Framework (ESPF).

> In 2024, **the Bank will strengthen the SARAS structure** to identify gaps in the system's operation and opportunities for improvement.

The environmental and social risk assessment process is integrated into the credit process, which includes the **pre-admission, admission, formalization, monitoring and control stages.** Due diligence of operations that meet the established criteria and filters performed by reviewing the following aspects:

- Excluded and Restricted Activity Lists
- Compliance with applicable national legislation
- System for the evaluation and management of environmental and social risks and impacts
- Labor and working conditions
- Indigenous peoples
- Resource efficiency and pollution prevention
- Community Health & Safety
- Land acquisition and involuntary resettlement
- Biodiversity conservation and sustainable management of natural resources
- Cultural heritage

In the last quarter of 2023, the technical capacities of the teams involved in the assessment process were generated, through the creation of training and training spaces, which allowed the implementation of the System to be deployed internally for its operability and start in 2024. Likewise, during this period, the first **assessment pilot** exercise was done for an operation in the energy sector, which gave us the possibility of identifying the main environmental and social impacts associated with the financed operation.

In the 2024 work plan for the SARAS 2024 it is expected to strengthen its structure, identify gaps in the system's operation and opportunities for improvement, as well as incorporate external communication mechanisms that allow for observations and communications on environmental and social issues, and make available the SARAS to BBVA Colombia's stakeholders.

ECUADOR PRINCIPLES

Starting in 2024, BBVA Colombia will adhere to the **Ecuador Principles (EP), which include standards for managing environmental and social risk in project financing.**

In 2024 **BBVA Colombia will adhere to the Equator Principles (EP),** which include standards to manage environmental and social risks in project financing.

These principles, which have become the gold standard for responsible financing, were developed based on the IFC´s Policy and Performance Standards on Social and Environmental Sustainability and the World Bank's General Guidelines on Environment, Health and Safety.

The analysis of the projects involves subjecting each operation to an environmental and social due diligence process. The first step is to assign a category (A, B, or C) that represents the risk level of the project. The review of the documentation provided by the customer and the independent advisors allows the assessment of compliance with the requirements established in the Ecuador Principles according to the category of the project. Financing contracts incorporate the customer's environmental and social obligations. The application of the Ecuador Principles at BBVA Colombia is integrated into the **internal processes of structuring, onboarding and monitoring of operations.**

The analysis of the Ecuador Principles is completed for all operations structured as project finance and is done by the Sustainable Finance team.

MOBILIZING RESOURCES FOR PROJECTS WITH ENVIRONMENTAL IMPACT

GRI 203-2, FS-8, BBVA-4

With the initiatives developed in 2023, **BBVA Colombia financed projects and operations for COP 6.7 Trillion,** of which COP 2.96 Trillion were allocated to the Climate Action strategy, which includes the channeling of sustainable businesses, encompassing the mobilization of financial flows to activities or customers considered sustainable, following current regulations, the BBVA Group's standards (inspired by existing regulations, such as the European Union Taxonomy for Sustainable Finance), Colombia's Green Taxonomy (TVC for its Spanish acronym) issued by Colombia's Financial Superintendence, and market standards.

In addition, the Bank complied with the IFC' s guidelines **for the allocation of their sustainable line resources** for USD 200 Million. In this way, it conformed to rigorous standards when labeling an operation as sustainable.

44%

of project and operations financing was allocated to the Climate Action strategy.

Financial impact of the Climate Action 2023 strategy
(Figures in COP Million)

Banking	Climate Action	Percentage with respect to the Segment
Commercial Banking	142,644	0.68%
Business Banking	811,082	4.97%
Government Banking	354,180	24.70%
SME Banking	48,798	1.38%
CIB	728,985	4.95%
Total Segments	2,085,690	3.67%
Other Sustainable Operations	870,993	
TOTAL	**2,956,682**	**5.20%**

Financing for sustainable housing project developers

These developers must have certifications that demonstrate energy efficiency of more than 25%. This energy efficiency not only implies a lower environmental impact by reducing the consumption of natural resources, it also translates into long-term economic benefits for the owners of these homes. **COP 116.8 Billion were disbursed.**

This includes financing for LED lighting, heating and cooling equipment, and energy-efficient real estate, among others.

Energy Efficiency Financing, by Segment
(Figures in COP Million)

Private Banking	31,327
Business Banking	270,109
SME Banking	17,014
Government Banking	180
CIB	3,450

Launch of the first Blue Bond between IFC and BBVA

This Blue Bond aims to **protect the country's water resources.** The issuance had two financing tranches during 2023, the first in September, when USD 50 Million was received, and the second in October, for USD 67 Million, with a third issuance of USD 33 Million pending for 2024.

In the first two issuances, BBVA Colombia mobilized more than COP 50 Billion (USD 12 Million) for **water and sewerage projects in different municipalities of the country,** and wastewater treatment plants, mainly in private sector projects, to improve their manufacturing processes. In this way, the Bank intends to mobilize more than USD 150 Million in financing to promote solutions and care for water resources in the public and private sectors.

Circular economy: Includes the financing of technologies that facilitate the adoption of recycling, sustainable materials, construction, expansion and wastewater treatment, among others.

Circular economy, financing by banks
(Figures in COP Million)

Private Banking	246
Business Banking	14,229
SME Banking	4,421

Reducing carbon intensity

This category addresses the issue of sustainable mobility, highlighting the financing of hybrid and electric vehicles, as part of the transition to more efficient combustion engine technologies and in compliance with the country's current regulations. The adoption of these vehicles has benefits, as they emit fewer greenhouse gases (GHG) and pollutants compared to conventional vehicles, improving air quality and contributing to climate change mitigation. For this, approximately **COP 268.4 Billion** were disbursed.

The financing of two photovoltaic park projects, that will contribute to avoiding the emission of a total of 23.5 thousand tons of CO_2, while providing green energy to 55.9 thousand homes, is highlighted. It is relevant to mention that disbursements of approximately COP 28.3 billion were made for operations related to photovoltaic projects and panel installation.

Carbon intensity reduction: It includes the financing of low-greenhouse gas emission technologies (renewable energies and other CO_2-free energy sources and electric mobility, among others).

Carbon Intensity Reduction, Financing by Segment
(Figures in COP Million)

Private Banking	123,683
Business Banking	184,677
SME Banking	19,682
Government Banking	354,000
CIB	677,088

Agricultural and forestry activities

In this area, organic and regenerative agricultural activity is financed, for which it must have both international and national certifications that support the solid commitment of customers in the implementation of sustainable practices. For this, approximately COP 324.8 billion were disbursed.

Agricultural and forestry activities: These include financing aimed at certified organic agricultural production, specific technologies that involve water saving, among others.

Agricultural and forestry activities, bank financing
(Figures in COP Million)

Private Banking	189
Business Banking	329
SME Banking	7,681

ECO-EFFICIENCY

Includes the work done in eco-efficiency and describes the results obtained in the Bank's operations for 2023, which reflect the commitment to reduce the carbon footprint and environmental impact. To this end, the **Global Eco-Efficiency Plan (GEP) 2021-2025** is being implemented to improve results and reduce direct impacts, maintaining a strategic position in the sector in the face of climate change, projecting itself towards a more sustainable future.

At the end of the third year of executing and monitoring the KPIs set for the 2021-2025 period by BBVA Colombia, the following progress was recorded:

Comparison of eco-efficiency indicators according to KPIs

Colombia	2019	2023 Progress		KPIs
	Base Year	Indicator	Percentage	Δ 22-25
Energy from renewable sources (%)	17%	100%	100%	30%
Electricity consumption per occupant (Kwh/FTE)	3.86	2.70	-30%	-5%
Water consumption per occupant (m3/FTE)	30.39	34.20	13%	0%
Paper consumption per employee (kg/FTE)	38.04	36.39	-4%	-15%
Net waste per employee (ton/FTE)	6.54	0.70	-89%	-3%
CO2e Emissions Scopes 1 and 2 (ton CO2e)	3,071.40	876.52	-71%	-4%
Certified area (%)	11%	24%	24%	30%

Materials

301-1, 301-2

Non-renewable materials used. A relevant factor in the Bank's sustainability strategy is the effort to reduce and mitigate impacts on the environment, including the conscious and efficient use of paper. As part of this, a consumption decrease of 15.3 tons was achieved in 2023, equivalent to 6% compared tale to the 2019 base year.

Among the strategies used in BBVA Colombia, it was achieved, together with the supplier, that 100% of the paper used was ecological, a type of paper that, due to its composition and its production process, is environmentally friendly and allows it to contribute to the strategies established in the GEP.

Renewable materials used. The papers used in the Bank are made from sugarcane fiber, a by-product of the sugar industry, considered agro-industrial waste (sugarcane bagasse), sugarcane being a renewable resource that is sown and harvested in short periods. Paper is recyclable, as it can be disintegrated in water under mechanical agitation.

Paper Consumption

	2019 Base year	2020	2021	2022	2023
Paper consumption (kg)	259,286	204,384	232,180	251,927	243,960
Recycled paper (%)	0	0	0	0	0

- Main initiatives.. In 2023, the Bank moved forward with plans that allow it to reduce paper consumption within its processes. Two of the projects being done are the elimination of operating vouchers for 33 transactions, which were fully implemented in April 2023, and print tracking, initiatives that allow it to reduce the use of paper in transactions with customers and in internal processes, contributing to the care of the environment. With these initiatives, BBVA Colombia reduced consumption by 6% in 2023, contributing to GEP goals.

Energy

302-1

For BBVA Colombia, efficient energy management is an increasing commitment, a challenge that led it to define the energy model, establishing goals related to direct operation in its facilities, around energy savings and the use of clean energies with a lower environmental impact, which are:

Renewable energy. Since 2021, 100% of the energy consumed in the facilities comes from clean energy sources, through the purchase of renewable energy certificates (IRECs) that guarantee zero emissions and thus the fulfillment of the renewable energy target set in the GEP for 2025, anticipating the fulfillment of the 2030 objective. Of the more than 18 Million kw/h consumed in 2023, 15 Million have been certified and we are waiting for the figures for the year be finalized to certify 100% of our energy.

100%
of the energy consumed at BBVA facilities comes from clean energy sources

Energy efficiency. In 2023, through the public utilities management tool, **the energy consumption of most offices nationwide was permanently monitored;** This facilitated to focus actions to mitigate deviations, high consumption, identification of reactive energy and maintenance needs to meet the proposed goals.

During the year, preventive maintenance was done for office air conditioning units and power plants nationwide, thus avoiding electricity leaks in any equipment and that they work efficiently, avoiding excessive consumption of the resource.

The annual internal energy consumption data by source is presented in kW/hour, as well as the total energy consumption and the calculation of energy intensity per employee.

Electricity Consumption*
(Figures in kW/hour)

	2019 Base year	2020	2021	2022	2023
Non-renewable electricity	21,707,591	17,987,374	0	0	0
Renewable Electricity	4,602,026	4,379,277	20,588,757	19,904,086	18,115,336
Total Electricity	26,309,617	22,366,651	20,588,757	19,904,086	18,115,336
Total electricity (gigajoules)	**94,715**	**80,520**	**74,120**	**71,655**	**65,215**

* Consumption estimation was based on the Bank's protocol and methodology for obtaining environmental indicators.

	Data
Located TonCO2ep Emissions	2,770.1
In terms of market TonCO2ep Emissions	1,387.2

In its sustainability strategy, BBVA Colombia established different initiatives and actions to reduce electricity consumption in all its facilities.

Compared to 2019 and 2022, there is a decrease in consumption of 31% and 9%, respectively, due to the initiatives generated in favor of reducing electricity consumption. Preventive maintenance of equipment is a strategy to avoid failures, as well as passive energy consumption. Constant office energy consumption monitoring helps to meet the needs of the offices at the right time, in order to **avoid excessive consumption.**

Main initiatives

- Investment to replacing obsolete or old equipment with more efficient equipment.
- Implementation of a preventive maintenance plan for air conditioning equipment and power plants.
- Monitoring and management of office consumption, through a public utilities management tool.
- Replacement of traditional luminaires with LED luminaires.
- Conducting training on consumption habits for office members, at the national level.

Water

303-5

In the search for the efficient use of water, the Bank implemented a utility management tool for measuring the water service. The aim is to periodically monitor consumption in order to detect leaks, overcharges and incorrect measurements. This makes it possible to implement corrective actions to prevent and reduce deviations, as well as monetize savings for this service.

Water Consumption*
(Figures in m3)

	2019 Base year	2020	2021	2022	2023
Total Water Consumption	164,749	251,665	264,886	237,295	229,143

* Consumption estimates based on the Bank's protocol and methodology for obtaining environmental indicators.

Compared to the base year 2019, water consumption showed an increase due to the methodology used for the reporting of consumption, when the averages of the tariffs of the most representative utility companies and the accounting balances were used. For 2023, the management tool is available, which allows us to have real data.

In 2023, 8.15 thousand m3 of water was saved, compared to the previous year, thanks to the measures implemented with the public services management tool. In addition, deep cleaning campaigns were no longer done, thanks to the lifting of the health alert for covid-19, and due to the training on consumption habits that have been incorporated in offices nationwide.

Main initiatives

Progress was made in the constant monitoring of water consumption in most of BBVA Colombia's branches nationwide, with the help of the public utilities management tool, and permanent awareness campaigns for the rationalization and good use of water.

Emissions

305-1, 305-2, 305-3

The emissions selected in each of the scopes are defined by the Holding. Each of the reported emission scopes has several categories:

Direct GHG emissions (scope 1)

This scope includes emissions from refrigerant, diesel and fuel consumption by the Bank's own vehicle fleet. Emissions from direct consumption of energy (fossil fuels) are calculated based on the 2006 emission factors (IPCC Guidelines for National Greenhouse Gas Inventories). For its conversion to CO2e, the IPCC Fifth Assessment Report and the IEA have been used as sources. From 2021 onwards, emissions from the use of the vehicle fleet and refrigerant gas leaks in its facilities were included in this scope, with DEFRA emission factors being applied for the calculation of CO2e emissions.

Direct GHG emissions from power generation (scope 2)

Emissions from electricity consumption at the national level were reported. As of 2021, with the purchase of IRECS certificates, no emissions are reported, because energy consumption is 100% from renewable sources.

Other indirect GHG emissions (scope 3)

In this scope, emissions from waste generated within the Bank, both usable and hazardous, emissions from air travel by employees and emissions from the travel of employees to work centers were reported.

For indirect emissions from business travel (air), waste management and employee travel, the emission factors published by DEFRA in 2022 were used. The increase in 2023 compared to 2021 is due to the elimination of restrictions on business travel after the pandemic and the return of employees to the workplace, in a hybrid model. For the emissions due to employee travel, the displacement of employees from central areas and the branch network has been considered.

In 2023, there was a **74% reduction in emissions in the 3 scopes,** compared to 2019, with an emission of 4.3 tons CO2eq and an increase of 30% in the 3 scopes compared to 2022.

With respect to 2022, two different scenarios are evident: scope 1 emissions were reduced, as preventive maintenance strategies were incorporated to ensure the correct and efficient operation of office heating equipment, and thus lower refrigerant consumption. But, scope 3 emissions were also increased, due to the fact that for the year 2023, emissions from employee displacements from central areas and the office network were reported, unlike in 2022, when only the first was reported. For this reason, there is evidence of a significant increase in the tons of CO2 referred to the scopes for BBVA Colombia.

As part of its strategy to contribute to a zero-emission economy, during 2023 the Bank performed the following actions:

Carbon footprint
(Figures in ton CO2eq)

GHG Emissions	2019 Base year	2020	2021	2022	2023
Scope 1: Direct emissions associated with fuel consumption in the Bank's facilities and vehicle fleet, as well as the use of refrigerants	140.9	135.4	1,823.7	1,904.7	876.6
Scope 2: Indirect emissions associated with purchased electricity	2,930.5	2,899.6	0	0	0
Scope 3: Emissions associated with business air travel and waste generation	14,040.6	244.7	1,504.1	1,442.1	3,489.0
TOTAL	**17,112.0**	**3,279.7**	**3,327.8**	**3,347.0**	**4,365.5**

Main initiatives

Sustainable mobility

BBVA Colombia motivated its employees to use sustainable mobility by cycling, skateboarding, and walking to the headquarters. In the Corporate Headquarters offices there are more than 100 spaces for bicycles and 16 electric charging stations for skateboards.

Waste management

306-3, 306-4, 306-5

In 2023, together with its strategic partners, **BBVA Colombia managed 11.8 tons of waste,** of which 98% corresponded to usable waste, thus contributing to comprehensive waste management in the country.

Its objective is to strengthen the use of the waste generated in its operation, ensuring that non-usable waste is properly managed through its final disposal or appropriate treatment, according to its characteristics. In this way, it contributes to the recovery of the "respel" (Spanish acronym for hazardous waste) generated with potential for use to be reintegrated into the production chain.

Hazardous Waste by Type and Method of Disposal

(Figures in tons)

	2019	2020	2021	2022	2023
Recycling	0	0	1.18	2.40	1.52
Recovery, including energy recovery	0	0	0	0	0
Incineration (mass burning)	0	0	0.18	0	0
Dump	0	0	0	0	0
Other (to be specified by the organization)	0	0	0.01	0.168	0.31
Total	**0**	**0**	**1.32**	**2.57**	**1.83**

Non-hazardous waste by type and method of disposal

(Figures in tons)

	2019	2020	2021	2022	2023
Recycling	58.24	44.55	60.77	43.32	11.88
Recovery, including energy recovery	0	0	0	0	0
Incineration (mass burning)	0	0	0	0	0
Dump	0	0	0	0	0
Other (to be specified by the organization)	0	0	0	0	0
Total	**58.24**	**44.55**	**60.77**	**43.32**	**11.88**

Total waste generated*

(Figures in tons)

	2019	2020	2021	2022	2023
Non-hazardous waste	58,241	44,554	60,775	43,326	11,888
Hazardous waste	0	0	1,324	2,566	1,830
Total	**58,241**	**44,554**	**62,099**	**45,896**	**13,718**

* Information on the weight or units of waste is provided by the supplier hired by the Bank for collection and final disposal.

Non-hazardous waste by type and method of disposal

(Figures in tons)

	2019	2020	2021	2022	2023
Recycling	58.24	44.55	60.78	43.33	11.91
Recovery, including energy recovery	0	0	0	0	0
Incineration (mass burning)	0	0	0	0	0
Dump	0	0	0	0	0
Other (to be specified by the organization)	0	0	0	0	0
Total	**58.24**	**44.55**	**60.77**	**43.32**	**11.91**

BBVA Colombia has **3 buildings certified** with the ISO 14001:2015 standard, **which accredits them as environmentally sustainable.**

Total Waste Generated
(Figures in tons)

	2019	2020	2021	2022
Non-hazardous waste	58.24	44.55	60.75	43.33
Hazardous waste	0	0	1.32	2.57
TOTAL	**58.24**	**44.55**	**62.10**	**45.90**

* Information provided on the weight or units of waste is originated by the supplier hired by the Bank for its collection and final disposal.

Other initiatives

- We have the support of the waste collection provider in central areas for the proper classification of waste and its maximum use.
- In 2023, unlike the previous one, there was no need for additional in-office collections or the provider's inactive file.
- Monthly awareness-raising campaigns have been incorporated into the management of individual buildings on environmental issues such as water consumption, energy and environmental conservation, as well as activities to commemorate Sustainability Day.

Environmentally certified properties Area

BBVA-10

BBVA Colombia has 3 buildings in Bogotá, certified with the ISO 14001:2015 standard, which accredits them as environmentally sustainable. In addition, the Bank was able to include 44 additional locations in the certification. In this way, it continues with its commitment according to the GEP 2021-2025 in place to environmentally certify 30% of the total surface area of its properties. In addition, by the end of 2023, the following results were achieved:

Area of environmentally certified properties

	m2 certified	Total m2	Certified Percentage
2021	21,112	185,645	11%
2022	21,052	178,820	12%
2023	42,332	177,582	24%

The goal for 2024 is to include, approximately, 12% of additional branches in the certification of areas in accordance with the ISO 14001:2015 standard, in order to expand the scope and ensure the uniformity of strategies in most of BBVA Colombia's facilities.

Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

Corporate Security

Individual Report 2023

Corporate Security

416-1, 416-2

Its objective is to facilitate customers' transactional operations through the Bank's physical and digital channels, guaranteeing all the protection measures to generate confidence and peace of mind in BBVA Colombia's operational processes.

To achieve a comprehensive protection scheme, a **layered security model** has been implemented that comprises several levels of validation and verification. This model covers all the daily activities in banking operations, ensuring aspects such as technology, processes and information in each operation.

100% of the physical and digital channels available to customers **are covered by the Bank's security model.**

The security model implemented at BBVA Colombia has made it possible to cover **100% of the physical and digital channels** available to customers, guaranteeing and analyzing every transactional operation carried out through these means.

The Bank's physical and digital channels that are covered under the security model established by Corporate Security are:

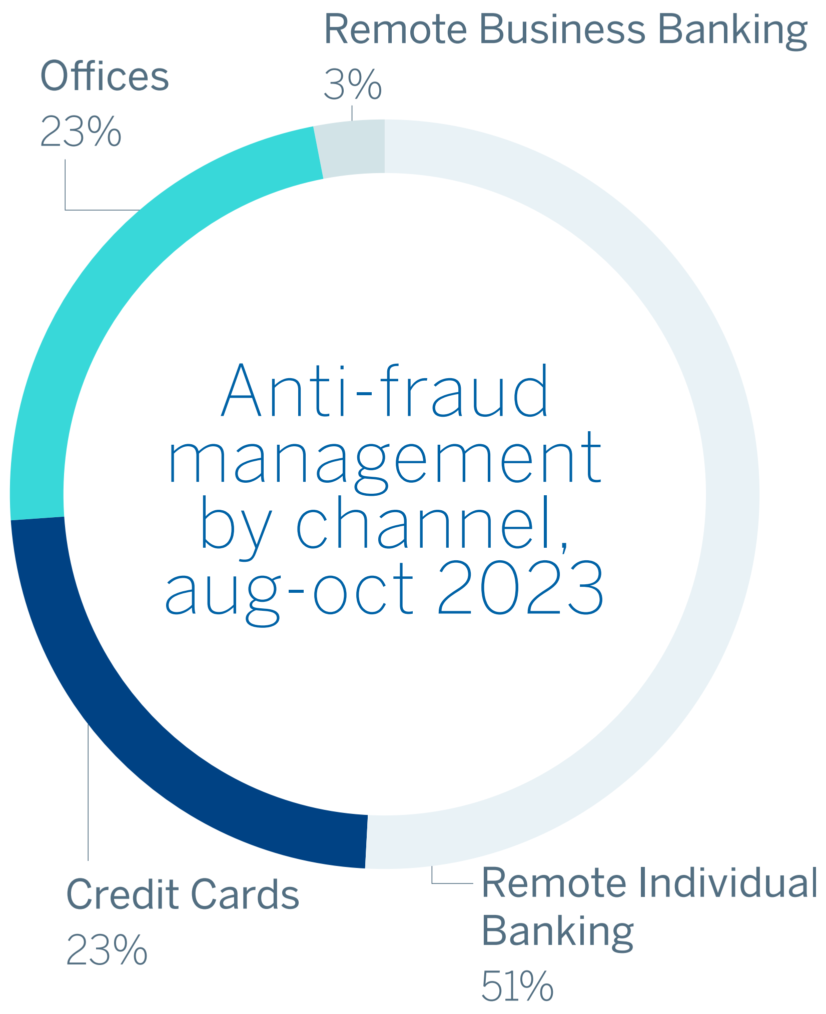
- ATM
- GloMo (new Mobile Banking, natural person)
- Net people, web (natural person)
- Enterprise net (NetCash), web (legal entity)
- Senda (new business network)
- GeMa (new Mobile Banking, legal entity)

The security processes established at BBVA Colombia are aligned with the model of the three lines of defense, performing a comprehensive risk analysis from the second line, of which Corporate Security is a part of. Through ethical hacking processes and parameterizations in the Bank's monitoring tools, thresholds are identified to determine process deviations and timely alerts about any event that may impact providing the services.

In 2023, BBVA Colombia's processes were strengthened, involving methodologies such as secure development in each of the solutions implemented for the Bank's services, both internal and external. Likewise, the **creation and adjustment of rules from the point of view of fraud** was done carried out, seeking to guarantee the security of customers in all channels. These rules help mitigate social engineering, sim swapping, phishing, and vishing, among others, to which customers are exposed.

Corporate Security guarantees 100% coverage of transactional channels. In 2023, a comprehensive analysis of all transactional channels was conducted using ethical hacking, as well as adjustments to the conditions of the fraud monitoring tool, such as Aric (Feature Space), BioCatch, and Monitor plus.

Anti-fraud rules were created and adjusted to protect customers across all channels. These rules seek to prevent fraud modalities such as social engineering, sim swapping, identity theft and vishing.



In addition to the creation of rules, the following ethical hackings were performed, in order to detect possible transactional channel failures

ATM Ethical Hacking. In 2023, there was no homologation of ATM versions, for this reason it was not necessary to perform an ethical hacking tests.

Ethical hacking GloMo/GeMa. In the life cycle of the software, and through a continuous global ethical hacking circuit (white box tests[1]), both the code of the application, that is integrated into the release branches was reviewed, as well as a manual ethical hacking (black box tests[2]) was done for each new functionality or service that was brought to the hands of the customer.

NetCash Web / Net People Ethical Hacking. In the software life cycle, and through a continuous local ethical hacking circuit (white box tests), the application code that is integrated into the release branches is reviewed and a manual ethical hacking (black box tests) is done periodically.

Wallet Ethical hacking. It is dismissed, as the app was deactivated.

DDuring 2023, there were **no cases of non-compliance with regulations** or voluntary codes related to the impacts of products and services on the health and safety of products and services categories, which are monitored 24x7 and generate preventive alarms in the event of any type of event that could affect the health of the equipment. For the period, no confirmed data leaks were reported either.

In 2023, **118 events of possible credential exposures** on the dark web by social engineering attacks were identified, which have entered investigation; For this reason, prevention and awareness customer campaigns were reinforced and technically the corresponding blockages have been applied in each channel. Currently, there is no deviation derived from this use case and there is no evidence of the existence of leakage or alteration of information.

APPROACH TO IDENTIFYING AND ADDRESSING DATA SECURITY RISKS

There is a vulnerability management standard associated with patch management and remediation procedures, which defines the controls and risks that may arise from vulnerabilities.

In addition to the above, the bank places special emphasis on raising awareness among employees through the "Do the Right Thing" initiative, which includes campaigns, some of them in association with Asobancaria.

In reference to the Colombian financial sector and from the perspective of cybersecurity, different attack vectors are observed with which cybercriminals compromise the security of systems and user privacy. Among these, phishing stands out, accounting for 64% of the attacks.

No incidents were reported at the Bank in 2023 and, although there was an increase in the volume of events that the bank had to review, as of October they had not generated any impact.

BBVA Colombia has an information security model based on industry standards (NIST, ISO) to manage security incidents, complemented by tools that automate these processes and preventively alert of cyberthreats. There is also the use of cases and playbooks for both the Cybersecurity and Fraud areas.

The entity's policies, standards and procedures are based on the security standards mentioned above (ISO, NIST); Additionally, BBVA Colombia is regulated by public and private bodies that govern the banking and financial sector in the country, and the entity is certified with standards, such as PCI and Swift.

100% of BBVA's transactional channels are guaranteed by Corporate Security.

1 White-box testing in computer science can be defined as a software monitoring or testing technique in which the design, code, and internal structure are analyzed, with the aim of improving properties such as security and efficient use of the system.
2 Black box testing, functional testing or behavioral testing, is a type of direct software testing, whose purpose is to analyze the compatibility between the interfaces of each of the components of the software.

BBVA

Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

Workforce Engagement

Individual Report 2023

Workforce Engagement

In line with BBVA Colombia's commitment to the **continuous progress of its employees and the formation of a diverse and committed team,** the organization has set out to lead the promotion of diversity and to be a pioneer in digitalization in the banking and financial sector. This vision encompasses not only the promotion of inclusion in all areas, but also the incorporation of cutting-edge technological talent into its structure.

BBVA Colombia is committed to offering its employees opportunities in this new era, **supporting their growth both professionally and personally.** This translates into offering internal mobility, providing comprehensive training programs, and promoting well-being and development through innovative technological services that enrich the employee experience in the organization. This dedication reflects the Bank's commitment to growth and shared success.

The mobilizing levers of Talent and Culture (T&C) are constantly evolving, continuously adapting to the needs of the organization and the people who make it up. These levers represent a fundamental pillar for structuring continuous improvement plans, essential in achieving the company's strategic objectives.

EMPLOYMENT

GRI 2-7, 2-8, 2-30, 405-1

BBVA Colombia, employee distribution 2023

Number of employees
(staff/full-time equivalent)

Women: 57% 3,380
Men: 43% 2,512
Total: 5,892

Number of permanent employees
(staff/full-time equivalent)

Women: 3,380
Men: 2,512
Total: 5,892

Number of full-time employees
(staff/full-time equivalent)

Women: 3,325
Men: 2,501
Total: 5,826

Number of part-time employees
(staff/full-time equivalent)

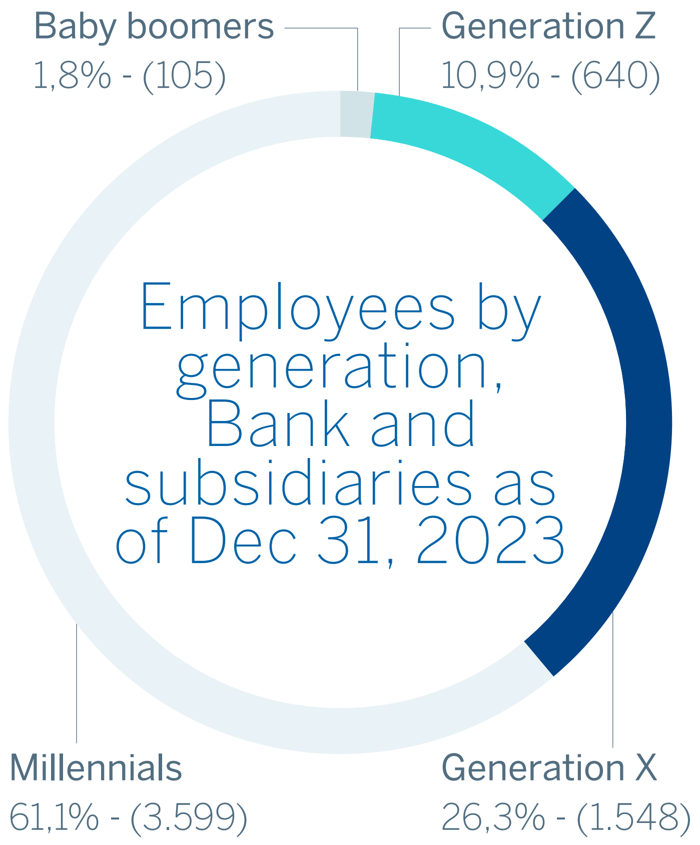
Women: 55
Men: 11
Total: 66

In 2023, 100% of BBVA Colombia's employees were covered by a collective bargaining model.

GRI 401-1

At the end of 2023, the Bank's workforce amounted to **5,892** people, of which 57% were women. Besides, the generational diversity in the BBVA Colombia team is remarkable. It is important to mention the significant representation of millennials and "generation X", which strengthens the collective performance of teams and boosts employee engagement.

Employees by generation, Bank and subsidiaries as of Dec 31, 2023



Generation	# employees	%
Under 30	1367	23.20%
Between 30 and 50	3682	62.49%
Over 50	843	14.31%
TOTAL	**5892**	**100%**

Generation	Number of employees	Distribution
Baby boomers	105	1.8%
Generation X	1,548	26.3%
Generation Z	640	10.9%
Millennials	3,599	61.1%

The age distribution at BBVA shows a rich diversity of perspectives and experiences. Based on the data collected, we can see how the different age groups are distributed among our employees: Those under 30 years old, a total of 1,367 employees, represent 23.20% of our workforce. They bring freshness, innovation and a great ability for technology.

Employees between 30 and 50 years old make up 62.49% of our team, with 3,682 employees, bringing a balance of experience and adaptability. Finally, those over 50, 843 employees, represent 14.31% of our workforce, offering valuable experience and accumulated knowledge. Together, this age diversity enriches our work environment, encourages the exchange of ideas and contributes to BBVA's continued success in a constantly evolving business world.

In 2023, and in line with the Bank's strategic objectives, **49% of new hires** were for on the Vice Presidency of Networks, specifically in positions of Comprehensive Services Advisor, Commercial Manager and SME Executive, which correspond to base positions. It is followed by the Vice Presidency of Engineering with 18%, in which software development positions predominated, equivalent to 35% of the new hires in said Vice Presidency.

New employee hires*

(Number of people, except rate of new hires)

	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Total	Rate of new hires
Women	265	184	5	454	58.35%
Men	147	173	4	324	41.65%
Total	412	357	9	778	100.00%
Rate of new hires	52.96%	45.89%	1.16%		13.20%
Total headcount	**1,367**	**3,682**	**843**		

* Information from BBVA Colombia and its subsidiaries.

Staff turnover (employees who left)*

(Number of people, except turnover rate)

	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Total	Turnover Rate
Women	71	153	40	264	7.81%
Men	55	133	34	222	8.84%
Total	126	286	74	486	
Turnover Rate	9.22%	7.77%	8.78%		8.25%

* Information from BBVA Colombia and its subsidiaries.

GRI 202-1

Relationship between hiring salary and legal minimum wage 2023*

BBVA Colombia Minimum Wage	Current Legal Monthly Minimum Salary (SMMLV for its Spanish acronym)	Salary ratio
COP 2,296,000	COP 1,160,000	2

* Information from BBVA Colombia.

The Bank follows the electronic transmission system, whose functionality is to generate a document to support the electronic payroll payment and the transmission of the DIAN (Colombia´s National Tax and Customs Directorate) as the only legal support that applies to BBVA Colombia and the Group's subsidiaries.

COMPENSATION

GRI 2-20

BBVA Colombia's [3]Compensation Policy is rooted in the **constant generation of value for the Group.** It focuses on aligning the interests of employees and shareholders in prudent risk management and in the development of the Group's strategy.

This compensation framework is a key component of the Corporate Governance System designed by the Board of Directors, and its purpose is to promote proper management and supervision for both the Bank and its Group. It is based on essential principles:

- Long-term value creation.
- Achievement of results based on responsible risk management.
- Attracting and retaining qualified talent.
- Recognition of the level of responsibility and professional experience.

3 Approved by the General Assembly of Shareholders on June 30, 2021

- Internal equity, external competitiveness and equal pay between genders.
- Encouragement of responsible conduct and fair treatment of customers, avoiding conflicts of interest.
- Ensuring transparency in the compensation model.

These pillars underpin the Compensation Policy; Not only to give back, but also to strategically align the institution with **responsible management, sustainable development and equal opportunities.**

In particular, the Compensation Committee held a strategic reflection on the Variable Compensation Model, both for the executive directors and the rest of the identified group, in order to strengthen the alignment of compensation with value creation and long-term sustainable performance and with adequate and effective risk management. maintaining policies that simultaneously attract, motivate and retain the best professionals.

The Compensation Committee was advised by the firms WTW, in terms of market analysis and comparisons, and J&A Garrigues, S.L.P. from a legal point of view, as well as the support of the Bank's internal services. As a result, it was considered appropriate to implement a new variable compensation model for the entire identified group, including the executive directors and senior management of the BBVA Group. As the main novelty, the model introduces a specific long-term variable component that will be part of the annual variable compensation , **for a greater alignment of its compensation with the Bank's performance** and with the prudent and effective management of long-term risks.

As a result, and in accordance with the aforementioned regulations, the Board of Directors, after reviewing the proposal of the Compensation Committee, and after analysis by the Risk and Compliance Committee, considered it appropriate to approve an update of the BBVA Group's General Compensation Policy.

To compensate senior management, the BBVA Group takes into account the following criteria:

- Level of responsibility for their duties.
- Compensation should be competitive with equivalent positions of peer financial institutions in the local market.

Consequently, an Executive Director is not given an additional compensation to that earned as an employee of BBVA Colombia. In relation to non-executive, independent and shareholder directors, the compensation system is based on the criteria of responsibility, dedication, inabilities and incompatibilities inherent to the position they hold.

This system comprises:

- Fixed monthly compensation in cash for membership and attendance at the Board of Directors and the various Board support committees.
- Compensation in kind, including premiums for life and accident insurance policies for directors and administrators.

Directors of shareholder origin domiciled abroad receive the travel expenses and payments necessary to attend the sessions that must be in person. The Chairman of the Board of Directors, due to the scope of his duties and the greater dedication of time required, may have a higher fixed compensation within the margins managed by peer financial institutions in the local market. Finally, it is up to the General Shareholders' Meeting to set the annual allowance that the Bank must grant to its Directors.

Further information can be found in the chapter on "Corporate Governance and Ethics", section "Compensation Policies of the Board of Directors".

Senior Management

The Compensation Policy is in line with the Group's strategy and long-term value creation. Thus, it maintains an appropriate balance between the fixed and variable components of compensation; It includes elements that ensure prudent risk management, sustainability and the strength of the business model, as well as its solvent growth and profitability. In addition, it is developed through a series of indicators for the calculation of annual variable compensation that are aligned with the strategic priorities defined by the Group.

Fixed compensation takes into account the level of responsibility, the functions performed and the professional career of each employee, the principles of internal equity and the value of the position in the market, constituting a relevant part of the total compensation. The award and the amount of the fixed compensation are based on predetermined objective criteria and not discretionary ones.

Likewise, employees may receive other benefits or salary supplements of a fixed nature as part of their compensation package, established in the local regulatory framework, the usual market practices and/or at the discretion of BBVA Colombia or the Group's entities, when appropriate to attract and retain talent or motivate their employees and payment may be made in cash or in kind.

Variable compensation is made up of payments or benefits in addition to fixed compensation, whether monetary or not, based on variable parameters. This includes both the annual variable compensation and, where applicable, the multi-year variable compensation or other variable components that the BBVA Group or the Group's entities, at any given time, may grant to their staff or to certain groups of employees. Other types of compensation do not apply, such as recruitment bonuses or incentive payments for hiring, termination severance pay or reimbursements. Retirement benefits are applied only in accordance with the provisions of the retirement scheme established by the country's general social security system.

BBVA Colombia's Strategic Plan establishes sustainability as one of its strategic priorities, reason it is promoting the **integration of sustainability and the fight against climate change into the Group's day-to-day business and activities.** This translates into the establishment of objectives that promote its execution, as well as the supervision and monitoring of its evolution. In this context, the individual objectives of each executive are linked to the Strategic Plan of the Bank and the Group. In addition, the Bank is incorporating metrics related to sustainability and ESG (environmental, social and governance) risks into the variable compensation schemes of its employees and senior management.

The **individual performance evaluation** is the main tool to measure the contributions to the Bank's results, linking the fulfillment of the defined KPIs (key performance indicators), which makes it possible to differentiate exceptional contributions from objectives and values.

The Compensation Policy for the members of the Board of Directors is based on the principles of attracting and retaining the best professionals, rewarding according to the level of responsibility and professional experience, and ensuring transparency in its compensation policy. Likewise, the Policy considers gender impartiality, guaranteeing equal compensation for the same functions or functions of equal value, without establishing differences or discrimination on the basis of gender.

All this seeks to generate recurring value for the entity, implying that the objectives related to the organization's impacts on the economy, the environment and people are **managed by highly qualified and committed directors.**

This Policy was approved by the Board of Directors to ensure its alignment with the interests of employees and shareholders, as well as to ensure prudent risk management and the development of the strategy defined by the Bank in this regard.

> The individual performance evaluation is the main tool **to measure the contributions to the results**

Annual Total Compensation Increment Percentage Ratio

GRI 2-21

Percentage increase in total annual compensation of the highest-paid person in the organization	0,025%
Median percentage increase in total annual compensation for all employees in the organization, excluding the highest-paid person	14,86%
Annual Total Compensation Increment Percentage Ratio	0,0017

The calculation of the percentage increase in total annual compensation was done considering the percentage increase in the total annual compensation of the highest paid person compared to the median percentage increase in the total annual compensation of all employees of the Bank. This calculation was based on two main components:

- The base salary (fixed pay).
- Direct compensation, which encompasses the total sum of the cash compensation.

Benefits

GRI 401-2

In terms of remuneration and benefits, the hiring salary for the Bank is 2.34 times higher than the Colombian minimum wage. BBVA Colombia offers the benefits for direct hire employees which apply to 100% of people in the country, such as non-compulsory, seniority and vacation bonuses along with optical subsidy, educational subsidy for children and employees, maternity subsidy, and funeral subsidy due to the death of parents, siblings, spouse or children. Additionally, it has exclusive benefits for assistant positions, such as food for employees who work continuous shifts and the incentive for cashiers.

Social benefits for employees

(Figures in COP million)

	Amount Paid
Food subsidy	825.9
Eye Surgery subsidy	98.3
Death subsidy	116.5
Educational subsidy for children	959.9
Educational subsidy for children with disabilities	39.4
Maternity subsidy	138.3
Optical subsidy	2,355.7
Graduate Study loan	1,435.3
Undergraduate Study loan	567.6
Incentive for cashiers	399.6
Seniority bonus	12,225.4
Vacation Bonus, Seniority Benefit	371.4
Holiday bonus	1,2146.9
Non-compulsory additional salary	90,855.3

ORGANIZATIONAL TRANSFORMATION

In 2023, initiatives were generated that leverage BBVA Colombia's strategic product and service transformation projects.

After more than 5 years with the Building Blocks model, progress was made towards the **formation of more integrated teams with a cross-cutting** vision of the main processes in each area. This change was made to continue driving BBVA Colombia's organizational evolution. The adaptation of the new model maintained the capacity to execute projects prioritized by the single development agenda (SDA) through solutions development and increased the responsibility of each area, generating flexibility and simplification in their implementation.

This evolution implies that the concepts of "discipline" and "Bex" are integrated around the service and deliverable on which they are configured, which will be called "core service", having as a premise in all cases the global and local alignment for the functions of the area.

The Bank is also promoting and working on sustainability and has established for itself a key challenge to change the future.

The "Agile" discipline has supported the process of adopting new organizational structures through adequate change management. This started with the evaluation of existing governance models, evolving towards improving service interactions, and culminating with focused support for teams that need to strengthen their models and working methods. Likewise, from the Agile discipline, efforts were on **improving the management of the Bank's strategic projects through the implementation of work frameworks,** such as the Digital Factory of Client Solutions and the improvement of the E2E of projects through synchronization and collaboration with the areas of Engineering, Finance, Talent & Culture and Client Solutions.

DIVERSITY, EQUITY, AND INCLUSION - DEI

Academic best practices. In 2023, the Bank implemented a number of activities in the academic and corporate areas to promote best practices. Its participation in the Chamber Academy of the Chamber of Diversity at the Corporate University, as well as in Wetrade's in-person event and the Latin American Diverse Business and Opportunities Fair played a pivotal role in this effort. In addition, its presence at the Expotalento Diverso e Inclusiva 2023 was highlighted.

In the area of training, the Bank extended knowledge on diversity to **2,730 employees** through introductory training, while **1,357 completed the course on Diversity, Inclusion and Belonging,** as part of the BBVA Campus Training.

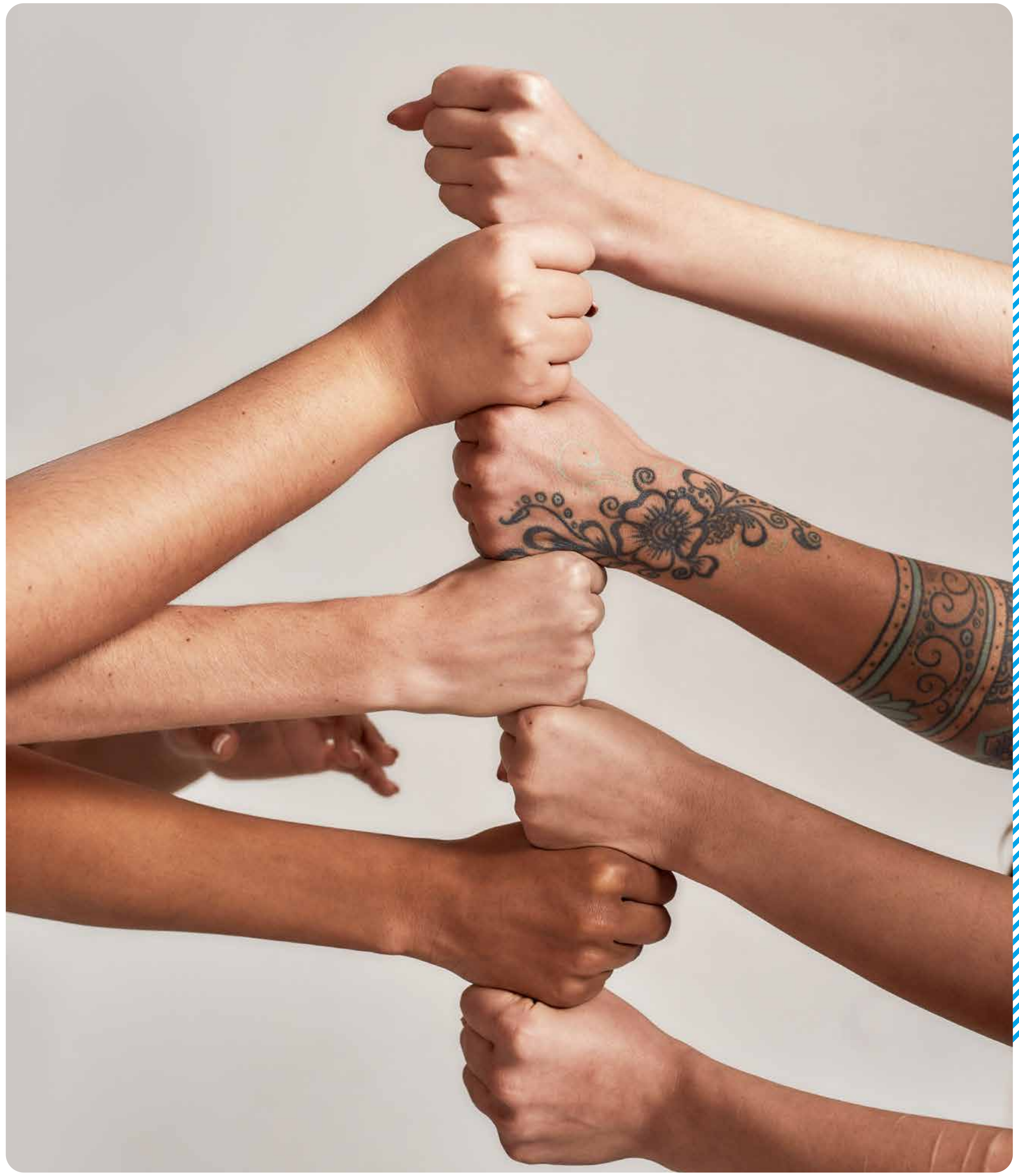
Cross-cutting best practices for the entire organization. The BBVA Group is dedicated to promoting diversity through meaningful initiatives. The organization disseminated a monthly calendar of diversity celebrations and organized a bimonthly series of conferences during the second half of the year, **offering 3.5 thousand hours of Diversity, Equity, and Inclusion (DEI) training.** In these spaces, essential topics such as unconscious biases, leadership with a gender focus, new masculinities, ethnic diversity and parenting without stereotypes are explored.

BBVA Colombia also participated in key corporate events, such as Diversity Day 2023, contributing with talks on gender, LGTBIQ+, ethnodiversity and attention to diverse customers, reflecting its strong commitment to inclusion in all areas.

Gender best practices. BBVA Colombia conducted a periodic review of gender participation at all levels of the organization, prioritizing internal equity, especially at the management levels. As a result, training plans were implemented aimed at **women identified as "top talent",** to eliminate possible internal barriers to their development and promote their professional growth.

Furthermore, a recognition event was held for the winning students of the Tech Woman Challenge of the Margarita Bosco School, in which **16 students** were selected for their outstanding performance and had the opportunity to participate in an exclusive training in development in the Girls Stem Program offered by the Code Spanish institution.

Regarding persons with disabilities, a periodic and detailed review of the situation of employees was performed, with the commitment to improve their conditions and eliminate any barriers that may hinder their inclusion. In addition, training spaces were set up in association with external partners to **eradicate unfounded prejudices that society may have towards people with disabilities.**



CERTIFICATIONS

BBVA Colombia is proud to hold the **Friendly Biz seal of the Chamber of Diversity,** an international recognition that promotes respect and non-discrimination in business environments. Throughout this process, BBVA Colombia has allocated significant resources for the training of its human talent. This seal represents more than just recognition, it is the organization's commitment to creating inclusive and discrimination-free spaces. Being designated as "business friendly" by this widely recognized distinction reinforces their determination to continue working to foster respectful and welcoming environments for all.

In December 2023, **BBVA Colombia received the recognition of Equidad Laboral Equipares - Silver Seal.** The certification is granted by the Ministry of Labor and the Presidential Council for Women's Equality, with the technical support of the United Nations Development Program (UNDP). This certification program focuses on the Gender Equality Management System, in which companies commit to closing gender gaps in the workplace through the implementation of equality measures, affirmative action, and cross-cutting strategies.

Headcount by job category and age

Job Category	Under 30 years old	Between 30 and 50 years old	Over 50 years old	Total
Management level II	0	7	4	11
Management level III	0	156	52	208
Management level IV	185	1,388	248	1,821
Management level V	655	1,564	218	2,437
Management level VI	527	567	321	1,415

Information from Banco BBVA Colombia and subsidiaries

Headcount by job category and gender

Job Category / Management level	Female	Male	Total
Management level II	3	8	11
Management level III	88	120	208
Management level IV	914	907	1,821
Management level V	1,459	978	2,437
Management level VI	916	499	1,415

Information from Banco BBVA Colombia and subsidiaries.

Employees by type of contract and by gender on payroll

Contract*	Women	Men	Total
Indefinite (term)	3,380	2,512	5,892

Information from Banco BBVA Colombia and subsidiaries.

* At close of 2023, BBVA Colombia had hired **242 people among Sena (Colombina technical school) trainees and interns,** 152 women and 90 men. In addition, it had 872 workers on mission (729 women and 143 men); Of these, 75% support the branch offices network in covering absences due to medical disability, vacations and leave of absence, among other causes; 20% were requested in the last quarter for a special project to migrate operations to clear the banking hall in the branch network, and the remaining 5% supported eventual specific projects in other areas of the Bank

Gender pay ratio broken down by job category

(Figures in COP millions, except percentages)

GRI 405-2

Job category	Average female salary	Average male salary	Average Annual Fixed Income	Female/Male Salary Ratio
Management level II	785.49	1,190.48	1,080.03	65.98%
Management level III	274.31	361.27	324.48	75.93%
Management level IV	126.36	148.66	137.47	85.00%
Management level V	78.67	90.47	83.41	86.97%
Management level VI	62.01	66.71	63.67	92.96%
Overall Average Total	**92.78**	**123.20**	**105.75**	**75.31%**

CASES OF DISCRIMINATION

GRI 406-1

Case 1. A case was reported of a person in the Sales network against another office colleague for alleged workplace harassment, mentioning issues of discrimination: "Conduct constituting harassment (...) Notoriously discriminatory treatment with respect to other employees in terms of the granting of labor rights and prerogatives and the imposition of work duties (...)".

The Labor Coexistence Committee was asked to conduct a confidential study of the case to determine whether the conduct denounced was harassment in the form of workplace discrimination. The case was reviewed by this Committee, which asked the complainant to expand the claim in order to establish the circumstances of manner, time and place, within a specific time limit. Once the complaint expired, the complaint was not extended and, therefore, the process was closed, without taking any action or restoration plans.

Case 2. A request was received by email from a former employee of the Financial Services Marketing Company (CSF) asking the Bank to review a discrimination situation against him for suffering from epilepsy. The case was reviewed by the Bank despite the fact that the complainant was not a direct employee of BBVA, considering the facts presented by the complainant. A meeting was held with the person with the aim of listening to his version of the situation. In this case, a new meeting with the person and the directors of the CSF is pending. In that case, the implemented remediation plans whose results have been evaluated through routine internal management review processes do not apply, nor is it an actionable case.

TRAINING AND TEACHING

GRI 404-1

In 2023, BBVA Colombia employees received **176 thousand hours of training,** which corresponds to an average of 29.8 hours per person.

Training hours broken down by gender

	Hours	Training average by gender
Women	97,412	29
Men	78,173	31
Total hours	175,585	

Training hours broken down by job category

Job Category	Hours	Training average by job category
G1 (Management level I, II and III)	11,802	54
G2 (Management level IV)	64,912	36
G3 (Management level V)	62,304	26
G4 (Management level VI)	36,567	26
Total	175,585	

GRI 404-2

The BBVA Group considers it a strategic priority to have **"the best and most committed teams",** hence, it has structured a professional development model that enables employees to be protagonists in the development of their growth plan through the stages of "Get to know yourself", "Improve" and "Explore".

Get to know yourself

This part of the Professional Development Model offers the tools that enable employees to decide the focus of their professional development and, to achieve this, they must first know their starting point so they can identify their strengths and areas of improvement, in order to make the best professional decisions.

What the company expects from them, the personal assessment, the annual objectives, and the performance evaluation are some of the tools made available to them to help them on this path of knowledge.

ROLES. The term role refers to the main functions, responsibilities and skills required for the proper performance of a position in the BBVA Group. The roles have been established in a homogeneous and objective manner according to the different units and geographies, to establish objective criteria and make their comparability easier.

ANNUAL APPRAISAL. The process by which employees are evaluated, the individual performance evaluation and the calculation of the talent map are done.

Evaluation. It helps the employee get to know him/herself better, by comparing the professional profile with that required in the role. With this people assessment, a **360-degree view is obtained** from the person in charge, peers, collaborators, staffer/people leader or project colleagues regarding intrinsic skills depending on the role, potential – which identifies the person´s ability and attitude to continue growing professionally and take on new responsibilities

Individual appraisal. The level of individual performance is determined by taking into account the extent to which the objectives for the year set by the manager have been achieved and how the Group's values are lived.. The results will be reflected in the variable remuneration on a scale of 1 to 5.

Talent map. It is a management and development tool whereby, as a result of sustained performance and the assessment of people's intrinsic skills, the person´s talent is grouped into 9 boxes. The horizontal axis measures the person's relative skill level, comparing them to other people who have roles of a similar required level, and the vertical axis represents the sustained performance over the last few years. Each box is therefore defined as the result of the relationship between the two variables.

Project Review. Tool designed to facilitate the feedback and assessment process for teams working on projects.

MAIN FEATURES

- Quarterly evaluation cycles, in line with project execution cycles.
- Participation of Solution Development (SD) people assigned to projects approved by the Single Development Agenda (SDA) and people from other service lines who are on the project staff.
- Assessment of common goals for the whole team.
- Assessment of team members on their contribution to the project.
- Alignment of strategy with execution, through bidirectional qualitative assessment between disciplines and team members involved in the project.

> The Bank has an open training platform (LMS, Learning Management System) with more than **20,000 resources for professional training and development**

Improvement

It is the path to work on the areas of improvement and solidify strengths using all the elements to improve the capacities and skills to adequately perform the different roles.

Focusing on the continuous development of skills to grow professionally in the current role, also allowing employees to explore other opportunities, focus on them and train in the skills that those new roles require.

Growth plan. The growth plan is essential for professional development. Before making decisions, it is crucial to conduct a feedback process with leaders to discuss possible development options and set goals together, based on role analysis and performance evaluation. Then, the type of training required will be determined and the defined actions will be added to the action plan.

Campus BBVA. The Bank has an open training platform (LMS, Learning Management System) that offers more than **20,000 resources for professional training and development.** This tool integrates the strategy related to the Up skilling and Re-skilling processes through training routes incorporated into The Camp, a gamified experience that enhances the learning

OPEN MENTORING

The BBVA Group has the Chronus platform, whereby the possibility of professional development is offered to all its employees through a mentoring scheme ("mentees"). This platform is designed to enhance communication and leadership skills, sharing knowledge and experience.

experience. It also includes a second language learning school (English) and a marketplace that guarantees access to training for its entire staff, without any type of restriction for its development.

Furthermore, in accordance with the Bank's policies, it is suggested that leaders **provide spaces during working hours to carry out the training required to perform the job functions.** No training action is done outside working hours.

Explore

It is a set of tools that enables the process of searching for new paths of interest and areas for improvement, such as the new disciplines, knowledge and skills that arise in this context of transformation. To this end, there are elements that allow employees to find out about the different roles in the Group, apply for job offers, visualize professional paths and even create the path to follow.

Mobility. All BBVA Group employees can apply for an internal change of role in their country or access a new role in another country, in compliance with the policies and principles of internal mobility, through a platform that allows them to communicate and where the registered candidates for all available positions are presented globally.

Other programs

Launch of the TGM (The Good Manager) program. Corporate initiative that seeks to be an active part in the relationship and performance of managers and people leaders, helping them to grow those who work with them and enhance their talent.

The Good Manager has tools from a global site that aims to apply to a recommended personalized plan, becoming a recommended training to create specific learning environments where new managerial skills are motivated, inspired, and promoted in a practical and collaborative way.

Employees on expeditions at The Camp. Promotion of The Camp platform, designed with game-style development processes that allow employees to certify their knowledge in leadership, data, cybersecurity, behavioral economics, design thinking, operations, digital sales and marketing, agility, financial health and sustainability, participating in a series of specialized training elements in each of these areas and obtaining certifications at valley (basic), Mountain (intermediate) and summit (expert) levels, thus promoting the upskilling and reskilling processes necessary for the acquisition of core capabilities for the development of value in the BBVA Group.

The Camp, its leading training platform, is a fundamental pillar in the professional development of employees, offering more than **10 specialized routes** that cover crucial topics for individual and collective growth. Among these training pathways, key areas such as leadership, data analytics and information security stand out, providing employees with the necessary tools to hone specific skills. The versatility of these journeys allows employees to personalize their learning experience, tailoring it to their career goals and aspirations.

The Camp not only represents an open opportunity for all members of the company, but it also **fosters an environment of self-training,** in which each individual has the power to promote its own development, contributing to the continuous growth and success of the team

Management Program. Implementation of the "Conquering the summit: Managers by nature" Program, in the Branch offices Network, Client Solutions and Engineering management areas, strengthening the skills of managers to become catalysts of change. This program seeks to empower, inspire and encourage responsibility among participants.

Certification. Business banking, Government banking, Commercial and SME banking certifications, which complement the training offer for the main network management roles and thus have a robust catalog of training elements that facilitate adaptation to different roles, reduce learning curve and contribute to improving the experience of BBVA Colombia customers.

In addition, continuity in the processes of growth plans, open mentoring, coaching and sharing, which boost the growth processes of BBV Group employees.

Main results

Evolution of training hours: from 496 thousand in 2022 to 546 thousand in 2023, a 10.1% growth These are the results of permanent employees, temporary employees, apprentices and interns.

- Program "Conquering the Summit: Managers by Nature", with 8.2 thousand hours of training for managers in the Networks Directorate, Client Solutions and Engineering.
- 1,541 employees of Networks Directorate have been certified (total enrolled, 2.3 thousand), representing 66%.
- 1,691 growth plans created by BBVA Colombia employees.
- 626 certified leaders at the "Valley" level within the Lidera training route, out of a total of 906, equivalent to 68%.
- 3.1 thousand hours of training on sustainability issues, helping staff members learn about the social and environmental policies and procedures applicable to the Bank's lines of business.
- 240 hours of the "Travesía" program, with 30 participants.

Employees participated in

546

thousand training hours in 2023

GRI FS-4

Through The Camp Sustainability platform, BBVA Colombia offers more than 90 training resources and has organized keynote sessions with experts in the field. The Bank is strongly promoting an understanding of today's environmental and social challenges. Employees have acquired **knowledge about sustainability,** understanding its importance for the BBVA Group and the crucial role played by the financial sector in this context. In addition, the BBVA Group's priority axes in terms of sustainability were presented, along with the integration initiatives and processes underway.

The Bank now has a greater understanding of **the sustainable solutions implemented across the Group,** enabling it to better support its customers on their path to a greener and more equitable transition.

PERFORMANCE APPRAISAL

GRI 404-3

At the time of preparing this report, the annual appraisal process for 2023 was still open, as all phases had not yet been completed. Given that the information requires a comparison between the years 2023 and 2022, this document does not have the necessary data.

For the 2023 annual appraisal, managers are provided with relevant feedback on their impact on teams by completing their individual report on the People Assessment Process, with a specific section for this group, which results in a new program given that the need to work on the role of the manager and evolve it has been identified. The Good Manager wants to work on leaders focusing on promoting the development of their teams, take an interest in people, have a greater vocation for service and carry out actions that allow them to empower their work teams, boosting their maximum potential and commitment

- Annual appraisal developed since November 2023 with the support of T&C Advisors and Unit Partner, which includes the people assessment and performance appraisals that will be the basis for the construction of the 2023 talent map to be published in 2024.

Employees who receive periodic performance appraisals

(In number and percentage)

Employee Category	Women		Men		Total	
G1 (Management Level I, II and III)	87	96%	127	99%	214	98%
G2 (Management Level IV)	907	99%	892	98%	1,799	99%
G3 (Management Level V)	1,441	99%	958	98%	2,399	98%
G4 (Management Level VI)	888	97%	461	92%	1,349	95%
Total	3.323	98&	2,438	97%	5,761	98%

Information from BBVA Colombia.

OCCUPATIONAL HEALTH AND SAFETY

GRI 403-9, 403-10, 403-4

People's health and safety is a priority at BBVA Colombia; hence, the Labor Relations & Health area manages various actions aimed at the **prevention of work-related accidents and diseases,** seeking a safe work environment; likewise, the Occupational Health and Safety Management System is implemented, guaranteeing compliance with the standards established by current legal regulations.

The coverage of the OSH-SG extends to all employees and each of BBVA Colombia's work centers is visited through the National Risk Prevention Strategy, managing the different needs in terms of health and safety, control and elimination of risks and hazards, as well as training focused on emergencies, self-care, prevention, healthy lifestyle habits and other strategies that aim to contribute positively at an ergonomic, psychosocial and physical level to people's health.

BBVA Colombia has a **health case management program** leveraged on a reincorporation policy, facilitating the management and follow-up of employees who have medical-occupational recommendations or who return to the work environment after prolonged disabilities. This program contemplates the validation of the situation based on the occupational medical examination, socialization of the medical concept with the person, their manager and with the support of T&C, to guarantee protection measures to affected people. For cases of mental affectation, the accompaniment of a professional in psychology from the ARL is included.

Work Accident Injuries 2023

(Includes all employees)

Concept	Result
Number and Rate of Deaths Resulting from a Workplace Injury	Deaths: 0
Number and rate of high-impact workplace injuries (not including fatalities)	Accidents : 0 Workplace Injury Rate: 0
Number and Rate of Recordable Workplace Injuries	Accidents: 53 Workplace Injury Rate: 5.64%
Main Types of Workplace Accident Injuries	The most significant injuries in workplace accidents presented by BBVA Colombia employees correspond to hitting themselves with something and contusions.
Hours worked in the year	9.38 million
Occupational hazards that present a risk of injury due to a workplace accident with great consequences	To prevent the dangers and risks present in BBVA Colombia's facilities and work centers, the required control measures are in place. According to the assessment of professionals specializing in health and safety at work, they do not constitute a hazard that can generate risks of injury with great consequences..
How are these hazards determined?	The Occupational Health and Safety Management System has a procedure for hazard identification, risk assessment and evaluation, which establishes the methodology for updating the matrix of each of the work centers on an annual basis. Those hazards that may represent a risk of injury to employees are contemplated, and controls and intervention measures aimed at eliminating, replacing and/or mitigating the identified hazards are also listed. This management is carried out with the technical advice of the ARL and is applied by professionals specialized in health and safety at work.
Which identified hazards have caused or contributed to serious workplace injury during the reporting period?	In 2023, there were no work-related accidents classified as serious. In the accident analysis, it is evident that the most relevant mechanism of accidents are falls at the same level.
Measures taken or programmed to eliminate such hazards and minimize risks through the hierarchy of control	As a strategy for the mitigation and containment of risks and hazards, different controls are implemented both with the employees and in the facilities, according to the assessment of criticality, tending towards a safe work environment.

Accident rate 2023

Type of Accident	With disability	No disability	Total
Number	19	34	53
Accident Frequency Index			2,02
Absenteeism rate			2,69%

Occupational Ailments and Diseases 2023

Concept	
Number of deaths resulting from an occupational ailment or disease	Deaths: 0
Number of cases of occupational ailments and diseases that can be recorded	Cases: 1
Main Types of Occupational Ailments and Diseases	The incidence of occupational diseases in BBVA Colombia's employees mainly occur in diagnoses that affect the musculoskeletal system, with the upper limbs being the most compromised area of the body.
Measures taken or programmed to eliminate such hazards and minimize risks through the hierarchy of control	• Active and cognitive break sessions are held to encourage preventive care and health self-management.. • In addition, ergonomic elements such as footrests and screen bases are provided to promote postural hygiene and ergonomic comfort. • Money counting machines are supplied to facilitate these tasks. • Adjustments are made to work furniture and prevention and health promotion programs are implemented. • Visits are made to all workplaces at least three times a year with the presence of professionals specializing in Occupational Health and Safety, in which preventive activities are implemented in biomechanical risk, psychosocial risk and emergencies.

Worker Participation, Query and Communication on Occupational Health and Safety 2023

Concept	
Description of the processes of worker participation and query for the development, implementation and evaluation of the occupational health and safety management system, as well as the processes for communicating relevant information.	Employees are at the center of the processes contemplated within the framework of the Occupational Health and Safety Management System. Their active participation in the implementation is evidenced in the following areas: • Responsibilities of employees vis-à-vis the OSH-SG. • Election and representation in the Joint Committee on Safety and Health at Work - COPASST. • Participation in the different actions, processes and strategies led by health and safety at work. • Accountability of the Occupational Health and Safety Management System to employees. • Delivery of results to Senior Management in accordance with the provisions of current legal regulations.
Existence of a formal worker-employer health and safety committee, a description of its responsibilities, the frequency of meetings, the decision-making authority and whether workers are represented on the committee and, if not, why this is happening.	The Joint Committee on Occupational Safety and Health (COPASST for its Spanish acronym) has been implemented in compliance with current legislation. This Committee is made up of 4 representatives of the employees and 4 representatives of BBVA Colombia, each with their respective alternate. Employee representatives are elected by open and public vote, ensuring the participation of all workers. The COPASST meets monthly or extraordinarily if required, addressing different topics focused on the Occupational Health and Safety Management System. It contemplates the promotion of people's health and safety, the prevention of occupational accidents, occupational diseases, among others. The COPASST is in force and operational for the period 2022 - 2024. Topics and decisions are recorded in the minutes of each meeting and are taken by consensus

0 WORK RELATED ACCIDENTS classified as serious occurred in 2023.

BBVA

Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

Digitalization

Individual Report 2023

Digitalization

Digital sales represented **37.4% of the Bank's total sales** in 2023.

ADVANCES IN DIGITALIZATION AND TRANSFORMATION

Digitalization

The main milestone of 2023 was the successful **migration to Glomo,** BBVA Colombia's new application aligned with the Bank's global practices, which offers a better experience to its customers. The migration started in February and lasted until June, managing to migrate 100% of customers. **The platform has 2 Million monthly unique users.**

Although at the time of drafting this report it did not yet have all functionalities implemented, Glomo has been very well received by the Bank's customers. The digital intensity KPI, i.e. the uses of the application per customer, was improved, reaching a value of 8.69, exceeding the country target of 7.58.

As for the contracting of digital products, these are still in a stabilization period, in which the aim is to match the conversion rates of the previous application. The month-on-month increase in account openings stands out, managing to equal and exceed the sales of the previous year, with more than 11 thousand per month.

E2E digital sales, i.e. digital sales that did not require human assistance, accounted for 37.4% of the Bank's total sales in 2023. The challenge in 2024 is to continue growing this indicator, seeking to **simplify the user acquiring experience** so that they need less and less support and can contract products in a self-service manner, through the Bank's digital channels.

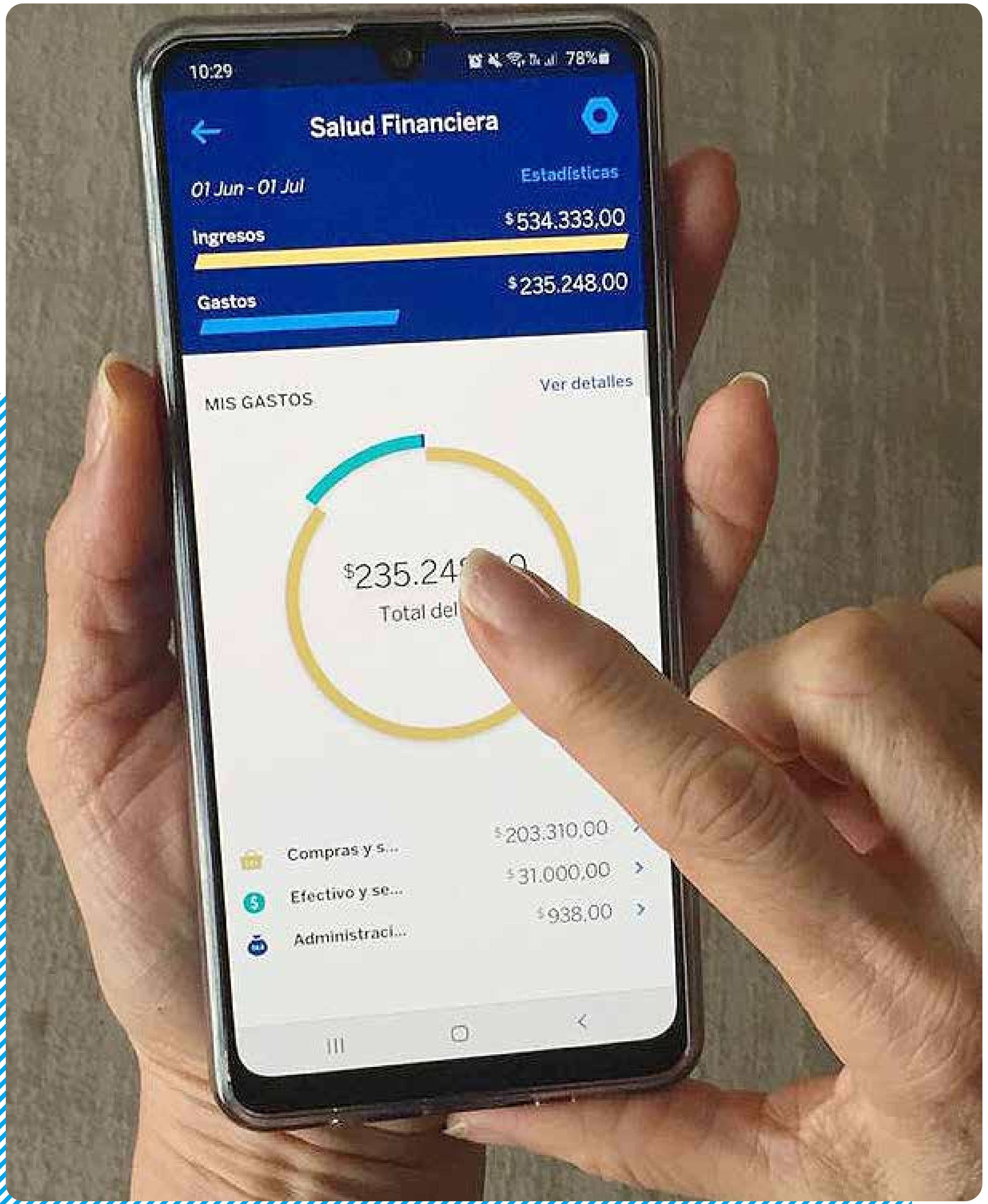
Transformation progress

In the transformation process, BBVA Colombia has focused on strengthening its digital processes, strengthening the hiring of E2E products and evolving products according to customer needs. The capacity for communication, automation and personalization of campaigns and products has been strengthened in order to have differential offers for each Colombian.

TECHNOLOGY AND INNOVATION CHALLENGES

Systems

The Bank continues on the path of innovation and continuous improvement for its customers. In June 2023, Glomo completed the migration of its 2 Million customers, offering them an application with BBVA Colombia's technological globality at their fingertips, a faster, more secure mobile resource and with the opportunity to start integrating functionalities from all geographies. Among these, it allows buy and sell foreign currency operations, **which generate a profit of € 2.23 Million per year.**



A stabilization process was also achieved quickly, reducing the abandonment rate in Glomo support calls, in the Contact Center channel, from 30% to 5%, representing the degree of stability and satisfaction of customers, and thus reaching unprecedented rating figures for the mobile application, which went from 3.6 to 4.6 in the Android markets and 4.8 in iOS. This allowed it to position itself as the number 3 app in the Colombian financial market.

On the other hand, 2023 was the year to strengthen transactional channels in the face of fraud scenarios in the country. Various measures were implemented, from **contextual communications to the reinforcement of forgot password operations** with product data. In addition, robust facial recognition tools were introduced that do not allow spoofing in transactional token and channel activation. All monetary operations were covered with the use of the transactional token, which led to **an 18% reduction in the percentage of complaints and claims associated with fraud.**

BBVA Colombia continues to implement security solutions so that its customers feel safe having their resources in the financial institution. In addition, the evolution of fraud is analyzed on a daily basis in order to implement further mitigation measures.

In the area of transactions, **BBVA Colombia has enabled cash withdrawal, collection, card payment and loan payments operations** at 51.3 thousand correspondent points, also providing coverage in territories where it does not have its own branches or ATMs. Among the partners incorporated as new or integrating new operations are Efecty, Supergiros, Punto Red and Su Red, with a monthly number of transactions of approximately 1.7 Million transactions.

In Risks, the calculation and availability of limits for SME customers was updated, in favor of a better placement and a balanced risk appetite, which results in greater placement and a reduction in the risk of non-performing loans. BBVA Colombia also evolved the analysis of customers susceptible to generating proactive product offers to double the number of offers, increasing the placement and turnover of pre-approved ones, leveraging BBVA Group's analytics and obtaining better performance by exposing the Bank's offers in all its channels.

With its SME customers in mind, the CAP of this segment evolved, giving way to greater agility in product placements, the fast track of pre-approved and the inclusion of new bureau services, which were previously pain points for customers.

In the area of Legal Entities, it experienced a year of evolution and migration in its channels. It reached a user base of **42,000 on GeMa (the mobile channel),** consolidating itself as the best app in its segment in Colombia and the best rated in the BBVA Group (iOS and Android). It also continued to strengthen its functionality by implementing 13 features globally and 8 locally.

As for Netcash (the web channel), it had 370,000 active users at the end of the year. As part of the Horizon program, the new Senda web channel for legal entities was launched, along with the ETPB transfer processing engine. Likewise, we worked hand in hand with the anti-fraud teams to close security gaps in customers, developing more than 25 functions that reduced theft events, which went from a daily frequency in the most difficult months of 2023 to one per a week.

The digital sales budget was **met with 123%,** highlighting two key products: Advance Sales (web and app) and Virtual Credit 2.0 (web).

Among the new transactional functionalities, account top-up and credit card payment via PSE on a white page were introduced. This initiative has made it possible to raise resources and enable new channels for portfolio recovery. BBVA Colombia continues to work on expanding this functionality to include loans in 2024; Likewise, the payment of taxes by credit card continues to be implemented for individuals and legal entities.

Data

In the area of Data Engineering, work was done on the following areas:

European Central Bank (BCBS239): Remediation plans were launched to advance the compliance score of the 48 processes under the perimeter of BCBS Colombia; the goal by 2024 is to bring the Bank's processes to be fully compliant, to be ready for the regulator's inspection in 2025.

ADA Project: The execution of the pre-migration phase of the Datio data platform to the AWS cloud, started according to the corporate strategy of improving and strengthening the platform at a technological level; in 2024, the pre-migration phase should be completed and migration and parallel activities should begin with a view to the shutdown of the Datio platform in 2025.

For the global KPI of Data projects in 2023, associated with the DBB and KUC, there is an execution target of 77.2 points (NGA, analytics and advanced pricing in pre-approved SMEs).

In reference to local use cases in the domains of Customer Solutions, C&B, Risk and Finance, emphasis has been placed on pricing issues (liabilities, mortgage, payouts and SMEs), adjustments in mortgage models and implementation of regulatory drivers in the Global CDD model (LOAN, sustainability, RORC change of IFRS9 needles).

In 2023, more than half of the Bank's online transactions were migrated to **low-cost, more efficient and scalable technologies.**

Likewise, we worked collaboratively with Customer Solutions, RED and Finance teams in the structuring of a data model and operating model that allows the Bank to cover information needs; In addition, it is expected to launch the lines of work that cover this strategy by 2024.

Infrastructure

In 2023, I&O worked in strengthening the reliability of platforms:

To bet on the availability of the platforms, incident response capabilities were strengthened, which made it possible to **reduce the number of relevant incidents in the main channels by 53.33%.** Additionally, channel availability was improved, reaching an average of 99.84% in customer experience measurement. This is thanks to the availability of technological monitoring capabilities that had been done over 2022 and has been strengthened with a comprehensive vision, so that the incident identification cycle time can be reduced to less than 5 minutes on average.

Together with the other technical areas, the standardization of the infrastructure and the base software was strengthened. And, from the technical field, a greater automation of the most repetitive operations of the IT operation was sought, which allows us to be more assertive when resolving incidents that arise on the platforms.

NPS measurements were implemented in the main service groups of the management, reaching a services average that exceeds 80%, while SLAs have remained above 95%.

Architecture

To advance in the transformation that has been promoted by the Architecture area and in line with the Group's strategic priorities, pieces were enabled that give globality to applications, such as Alpha and security journeys, supporting applications such as Glomo and Gema.

Significant progress was made by **migrating more than 55% of the Bank's online transactions to low-cost, more efficient and scalable technologies.** At the same time, significant efficiencies were obtained in reducing ELA licenses and in the optimization of the local Datacenter, resulting in savings of more than USD 12 Million in signed contracts; These savings will be distributed over the contract validity years, between 3 and 5 years.

Concluding a challenging year, the Architecture area promoted the training of development teams in Ether

capabilities, certifying more than **700 developers,** both internal and external. This initiative contributes to the reduction of implementation times and improves the quality of projects.

AIn addition, a process of accompaniment to more than **80 projects** was initiated, in order to ensure the correct implementation and monitoring of architectural guidelines, document processes and promote the reuse of components, thus improving the delivery of value by the engineering team. Finally, the automation of testing will continue, to reach a coverage of **15 applications and a significant reduction of 92% in the time spent on regression testing.**

BPE

BPE contributed to the transformation of different lines, obtaining achievements that contribute to the evolution of the distribution channels, sales, network, external sales force, operation and management of central areas. Here are some achievements:

Retail segment. From the strategy of vehicle approval transformation, the objective was to reduce operational activities to decrease approval times, without incurring additional costs. It was possible to reduce the average time of vehicle approvals (both for salaried employees and pensioners) from 13 hours to, 70% of them, in 2 hours. CAP developments were also restarted to achieve an automatic sanction with an approval letter in just 5 minutes. Today, about **30% of approvals are automatic, representing approximately COP 12 Billion.** In addition, an operational closure was achieved, allowing the operations team to close the approval of cases with risk delegation.

Mortgage line. A tactical model was implemented with the aim of unifying stages in the credit factory, which allowed for a reduction in operating times. In the combined scoring and document validation stage, it was possible to reduce the SLA time from 10 to 6 hours, and in risks, from 20 to 12 hours. In addition, it was possible to reduce the number of documents required from the customer to initiate a contract in this line, going from 8 to 4 documents.

Document transformation. Templates were incorporated for different purposes, such as terms and conditions for digital sales, interest rates, Transfiya, terms and conditions for selling Soat, and regulations for mobile money in Glomo. In addition, additional templates were implemented in GeMa, such as terms and conditions, insurance policies, and terms and conditions for buying and selling FX. Support was also provided for the backup of selfie alive on the front and back of the customer ID, in order to authenticate using Veridas. In association with the Operations Transformation team at Wizard, the creation of different BEX was done for the document backup of the various flows that have been implemented, which has contributed to enhancing the use of the Document Manager and the dematerialization of physical documents.

Office Network. In 2023, work was done on Office Network operational offloading, through the implementation of tactical and strategic initiatives. As a result, a **release of 20.3 thousand hours per month** was achieved, which not only reduced operational loads, but also intensified business management. It is important to note that this download included the transformation of the application process from central areas to the Office Network, with a centralization and implementation of 8 tactical actions that contributed more than 2.1 thousand hours per month to the office network operational discharge. On the other hand, the implementation of improvements in the credit card delivery process, with centralized loyalty actions, resulted in zero credit card returns to branches, which guaranteed a high percentage of deliveries at the highest level.

SME Segment. It was possible to transform the Merchant Acquisition chargeback process, which contributed significantly to operational offload in the branch network, by bringing 100% of the operational management to a centralized management. In addition, the flow of centralized disbursements from established commercial lines was improved, resulting in a decrease in the returns percentage of more than 50 points. Finally, BPE led the implementation of the **first process associated with the attention of Productive Chains in the agricultural sector,** ranging from onboarding and disbursement to additional post-disbursement procedures, all of which are 100% centralized.

Operation transformation. During 2023, BBVA Colombia managed to implement two intelligent document validation processes. The first of these was using Wizard's integration with IDP, which resulted in a **60% reduction in lead time in preparing payroll loan reports.** The second process was applied in the credit card acquisition procedure, automating the document validation stage, at the factory and reducing process time by 25%.

Wave One. In terms of Wave One transformation initiative execution, BBVA Colombia achieved spending efficiencies. In addition to this, the acquisition of asset products operational simplification was achieved, eliminating more than 20 manufacturing microtasks, with a 12% reduction in process time

Wizard. The implementation of 60 services in operations was achieved, of which 85% contribute to traceability and reduction of operational risk. In addition, BBVA Colombia has more than 350 services in other Bex. Finally, BPE led the definition and execution of the strategic plan for the transformation of E2E sales and operation (2023 - 2024).

Core area processes. Within the transformation framework, focused on 3 critical processes, initiatives aimed at the Risk Committee were implemented, achieving two proposed KPIs. Lead time was reduced by 50%, from 118 days to 59, and the experience for internal users was improved with an NPS of 4.2 points (on a scale of 1 to 5). With this project, **BBVA Colombia is positioning itself as a benchmark in other geographies, such as Peru.**

Requests, complaints and claims. As another critical and cross-cutting aspect of the Bank, the transformation of the RCC process was initiated, with the aim of reducing the number of RCC to less than 5.8%. To this end, the filing rate was reduced by up to 14.5%, which resulted in a reduction in complaints related to transactions. In addition, resolution times were maintained, decreasing the stock of fraud complaints by 50%, which led to improvements in security protocols, in response to complaints and the integration of the Financial Consumer Advocate circuit into our Salesforce RCC tool.

Financial services marketing. The company's portfolio of Tactical and Strategic Projects was formed, establishing a follow-up government. Additionally, the development of a tactical solution for the customer identity validation was completed, avoiding the manual dactyloscopy process in the credit factory. This allows for better customer response times and an additional validation mechanism, **with a 95% effectiveness for acquiring payroll loans and 130 salespeople** at the end of the year. The use of the online account registration process, assisted by salespeople, was implemented, reducing the lead time for opening accounts by 99%, going from 2 days to 10 minutes, also eliminating reprocesses for disbursement at the factory, also optimizing this activity by 99%: from 2 days to 10 minutes.

The filing of RCCs was reduced by **14.5%,** maintaining resolution times and reducing the stock of fraud complaints.

Process architecture. It closed the year with the implementation and adoption of the role of process owner at BBVA Colombia as a key pillar for transformation. Thus, Colombia is the first country to have 100% of the process owners identified, with the evolution to Taxonomy 2.0 and to launch the CoP of PO's; all this supported by the Aris tool, a methodology of the Process Academy, where 63 new practitioners have been trained in 2023, and the BPE expert network with our local community manager.

RCS (Risk Control Specialist)

The RCS IT Management manages technology security risks resulting from inadequate management of technological change, failures in IT systems, risk due to IT availability and performance, and risk due to the integrity of IT systems, among other aspects; In addition, Information & Data Security (due to unauthorized access), modification or destruction of infrastructure, risks of loss, theft or misuse of information, and cyberattacks that affect privacy or confidentiality, availability and integrity of information; and, finally, physical security, risks of inadequate management of the physical security of assets and people.

In 2023, RCS management focused on addressing the following risk hotspots:

- Preventive management of technological risks in initiatives and outsourcing presented in the WG/CARO Admission Circuit. In the implementation of control mitigation frameworks, the indicator tripled compared to 2022, the implementation percentage went from 18% to 60% of new formal controls in the Migro tool, with assurance testing to identify the correct mitigation of the associated risk.

- • An online iterative tool is available on the RCS IT website, that allows the 1st LoD to learn about the most relevant risks identified in the risk assessment and how technology projects are doing to minimize these risks. This input was made known to Senior Management, the Board of Directors and the respective risk committees. Knowledge of technological risk management was also strengthened in the first line of defense, through various mechanisms, such as risk culture campaigns, training for business officers, RCAs and technical teams, sending short lines or "pills" and face-to-face discussions.

In general, more than 3,000 employees, 1,200 technicians, 800 from subsidiaries with their RCAs and the rest of the Bank's business teams were reached.

Operations

In addition to the execution in time and with quality of the back office operational services, tactical and strategic actions were implemented that contributed to continuous improvement and the fulfillment of objectives:

Operational centralization. In synchrony with the change in the Office Network service model, Operations contributed with the operational offloading of these, centralizing key processes, such as the migration of 100% of chargeback services to Operations, eliminating this manual operation in the Branch Network; the centralization of Disbursements of Rediscount at the Factory; attention to special guarantee requirements, and the migration to the responsibility of the TDVs of the routine provision

of 69 ATMs, reducing the operational load of the network by more than 2 thousand hours/month.

Transformation. In line with the evolution of BBVA Colombia's technological systems and the needs of external and internal customers, an interdisciplinary team was created in Operations, made up of highly specialized resources, backed by a deep knowledge of operations and data analysis, which focuses on process transformation. Its mission encompasses **the elimination of manual tasks, reduction of operational risks, automation, robotics and continuous process improvement,** working in association with value areas and taking advantage of BBVA Group's global presence to enhance quality and operational efficiency.

In this first phase, the reengineering of claims data and quality complaints, the implementation of prioritization tiers for stock and third-party concepts, as well as the implementation of tactical solutions for prioritization, aligned with the Bank's needs for foreign trade customers, were achieved. In addition, we led the development of a tool for the automatic application of payroll loan payments, in the certification phase, which will reduce the response times of internal customer service by 52% and minimize the operational risk margin of the process.

Likewise, the integration of operational teams into new ways of processing was reinforced. More than **20 team members were trained in the Samurai program,** led by BBVA Peru Operations, in Agile methodology concepts, focused on self-managed BBVA Operations and Technologies such as Wizard, RDA and DashBoard, key to the transformation at all levels of operational processes.

Data models. In coordination with the Analytics teams, models were developed that provide a comprehensive view of cash-related E2E processes, allowing to forecast and project the Bank's cash-in/cash-out needs. These models cover aspects such as cash flow at ATMs, at level 4 and 7, where predictions and projections of cash needs for these devices are made. Likewise, the cash flow in the branches is also considered, which centralizes and determines the cash requirements of all branches. Finally, the cash flow in buying and selling operations is monitored, which involves tracking the daily cash holdings in the funds and defining the needs for buying, selling, or moving cash as needed.

Credit card delivery. Through a cross-cutting plan of initiatives involving business, technical and operational strategies, **the plastics delivery indicator was improved by 15 points, from 78% to 93%.** As a first measure, the model of immediate delivery of plastics in the office was implemented, ensuring that sales made through this channel are formalized, activated and delivered to the customer ready for first use, increasing deliveries in the office network from 63% to 85%.

For courier delivery, strategies were implemented for zero return of credit cards to the branches (9 thousand credit cards on average per month) and 3 hubs were created for deliveries over the counter to the customer, through the courier service, among other actions, such as the search in various internal sources with more addresses, that allow the delivery of the credit card to the customer and loyalty through calls.

The challenge is to generate a greater number of active cards, by sending SMS to the customer's mobile phone, informing them about the delivery and inviting them to activate it on the available channels. More than 14,000 SMS messages were sent with prompt activation efficiency of 52%, which is equivalent to less than 7.2 thousand plastics.

In 2023, the delivery of credit card plastics **increased by 15 points,** going from 78% to 93%.

ATM up time. By strengthening continuous improvement plans, the availability indicator in the ATM network was optimized during the end of the month, when customers need it most, by +0.33 points, reaching an availability of 97.07%. Likewise, extensive work was done for the implementation of the prediction model for the provision of cash in ATMs, which places the Bank one step ahead of the needs of its customers..

Attention to acquiring merchants. In line with the BBVA Group's strategic objectives for the incorporation of new acquiring commercial establishments, that require differential attention and specialized reports, internal processes were adapted to improve the service model. Highlights include the centralization of operations, that were traditionally done in branches (3,000 manual processes per month due to chargebacks), the reconciliation of sales with debit or credit cards vs. transactional account movements for large merchants, the automation of manual processes that affect the reconciliation of these customers (extra compensation adjustments), the improvement of the SLA, which went from 5 days to 3, the optimization of protocols for basic requests from businesses, which are now taken care of directly by Operations, and the anticipation in sending special reports agreed with the merchants.

Global market operations. It was fulfilled in a timely manner, with **88.6 thousand operations** corresponding to the portfolio of investment securities and money market operations, for **COP 181** Trillion. In addition, SLAs related to analysis and compliance times for foreign currency transactions were improved for customers in the business segment, reducing it from 2 hours to 50 minutes.

Second Payroll Loan. With the support and teamwork of different areas, the Second Payroll Loan initiative was implemented for more than a thousand agreements. A work plan was established, information was collected, and relationships were established with BBVA Payroll loan agreements, including pensioners, military forces, secretariats, governors, prosecutors' offices and private individuals. A plan was defined for the unification of payments, according to the needs of each company. Light developments were completed to optimize factory operations, which included the reporting and application of payments, operationalizing the optimal service circuit in terms of time, quality and risk. This initiative furthered BBVA Group's strategic objective of once again being the number one bank in the placement of payroll loans in Colombia.

Transfiya Implementation. BBVA Colombia implemented the Transfiya service with the clearing process on the ACH platform, which allows customers to send and receive low-value transactions immediately (up to COP 2 Million per transaction) without depending on the different cycles that are handled in interbank transfers.

Credit contacting. As part of the digital transformation of the end-to-end (E2E) process of selling and contracting credit products, manual operations in the credit factory were simplified, eliminating more than 20 microtasks. These actions are aligned with business needs, risk management, and process engineering, which has improved operational response times by 12%. In addition, this breakthrough paves the way for the implementation of massive process automation strategies planned for 2024.

Security

Corporate Security aims to **facilitate transactional operations of the Bank's customers,** through the physical and digital channels provided by the bank, complying with all the protection measures to achieve confidence and peace of mind in the operational processes done at BBVA Colombia.

To achieve a comprehensive protection scheme, a layered security model has been

implemented, consisting of several levels of validation and verification, that cover the end-to-end of each activity done, on a day-to-day basis, in banking operations, ensuring aspects such as technology, processes and the information processed in each operation.

The security model implemented at BBVA Colombia allows to cover **100% of the physical and digital channels available to its customers,** securing and analyzing every transactional operation done through these means.

The Bank's physical and digital channels that are covered under the security model established by Corporate Security are:

- ATM
- Glomo (new mobile banking, individuals)
- Net personas - eb (individuals)
- Enterprise Net (NetCash) - Web (Legal Entity)
- Senda (new business network)
- GeMa (New Mobile Banking, Legal Entity)

The security processes established at BBVA Colombia are aligned with the 3 lines of defense model, performing a comprehensive risk analysis from the second line of defense, which includes Corporate Security. This involves the identification of potential vulnerabilities through ethical hacking processes and the setting of thresholds in monitoring tools to detect process deviations and alert in timely basis about any event that may affect the provision of services.

UP TO COP 2 MILLION per transaction through Transfiya, which allows customers to make low-amount transfers immediately.

In 2023, development processes were strengthened, incorporating methodologies such as secure development into all solutions for the Bank's services, both internal and external. In addition, the creation and adjustments of rules from the point of view of fraud were done, which aim to ensure the safety of customers in each of the channels. These rules address social engineering, sim swaps and phishing, among others to which BBVA Colombia customers may be exposed.

Orientation of main efforts

Fraud prevention. The Bank's work has focused on supporting business areas in the launch of new services and products, giving confidence to our customers and securing business products with a 360-degree vision and intensive use of data analytics, such as dynamic CVV and Aqua cards, likewise, supporting good practices and functionality implementation, such using tokens and transactional profile validation in risky operations.

Likewise, the transformation of risk models, using Next Gen technologies as pillars of fraud prevention was addressed. Taking advantage of the lessons learned in other geographies, in 2023 we implemented fraud engines with state-of-the-art analytics in the Net channel in record time, an initiative that will continue to expand its coverage in 2024 and will give the Bank the ability to decline transactions to prevent fraud from materializing.

Information security and protection of sensitive data. Continuous training and awareness-raising activities were done for employees and customers about the different types of fraud and theft of personal information, which is later used to materialize fraud. This year talks to legal entities (SMEs) began and the Data Privacy Security Model – DPSM was implemented on the Datio platform, treating data classified as identifying and enabling fraud.

In compliance with the requirement of the European Bank, the EBA project was developed, which mandates that applications with CCI (critically confidential information) information be protected, so that, in the event of a leak affecting customers or the Bank, with the support of Systems and Cybersecurity, the KPIs and KRIs committed to Holding are met.

With the support of the Holding, talks were held for Business customers, including one to raise awareness of their **responsibility to protect their company from ransomware.** In addition, an anti-fraud talk was held with the support of Asobancaria.

On the other hand, a talk was given to Senior Management on the responsibility they have in the implementation of information security policies in the company. From this position, it was sought that guidelines be transmitted to other employees on the importance of including information security as a business lever. In addition, precautions were addressed to recognize and avoid being a victim of CEO fraud.

Finally, a talk was held aimed at the group of developers to inform them about protection measures throughout the software lifecycle. A crisis was also simulated, aimed at Senior Management, where cyber threats and crises that could occur in a real context were presented. The objective was to raise awareness, train and practice a response, as well as to homogenize decision-making in the Group.

Physical security. The main effort was focused on strengthening the security scheme in the country's office network. This included an increase in the hours of monthly surveillance with the security company, which helped prevent the materialization of theft incidents, robbery and other criminal actions.

The Bank continues to work on strengthening its physical security measures to prevent theft in branches and is making progress in proposing plans articulated with control bodies, such as the National Police and interbank collaboration, to reduce the rate of events that may occur in branches.

> The Bank completed **awareness-raising and training activities for employees and clients** on the different types of fraud and theft of personal information.

Safety data analytics. Its main objective is to develop advanced analytical models (balance score card), that allow optimizing decisions and security layers to prevent the materialization of security breaches and contribute to a better customer experience. During the year, different analytical models were implemented to attack fraud, such as rule creation models and physical security risk models.

Efforts are constantly made to incorporate BBVA Group and sector best practices in all areas of action, seeking excellence in security management.

BBVA

Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

Corporate Social Responsibility

Individual Report 2023

Corporate Social Responsibility

COP 13 billion was invested by BBVA Colombia in compliance with its Social Responsibility and Community Investment Strategy through **programs and initiatives that benefited more than 340 thousand Colombians in 2023.**

In 2021, the BBVA Group made public its commitment to the community, which involves **allocating €550 million to social initiatives by 2025,** combining the efforts of all the geographic locations where the Bank and its foundations have a presence. BBVA Colombia contributes to this commitment through its Social Responsibility and Community Investment Strategy, through which more than **COP 13 billion was invested in programs and initiatives that benefited more than 340 thousand Colombians in 2023.**

These social actions focus on education, the reduction of social inequalities and sustainability, with the aim of contributing to inclusive growth and promoting the economic and social development of the country.

EDUCATION AS A PILLAR OF THE STRATEGY

BBVA-12

The BBVA Group understands education as the engine of growth in society, the gateway to opportunities and, perhaps, the most important force for correcting the inequalities that exist in society.

In 2023, the Bank invested around **COP 8 billion in education,** equivalent to 62% of the investment budget in the community, benefiting more than 250 thousand people through programs to support and strengthen basic, middle, higher and continuing education.

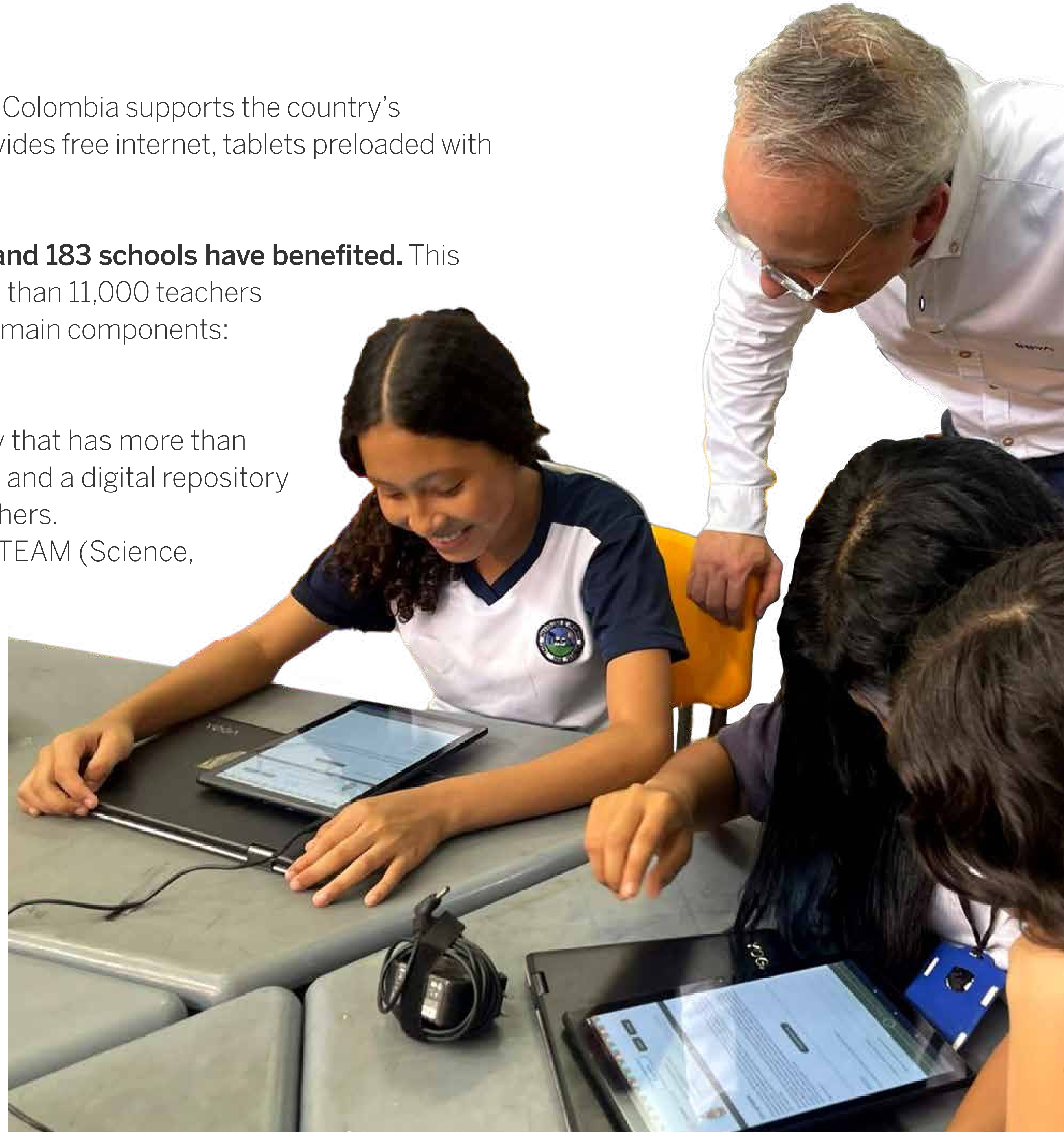
Connected by Education

Through an alliance with *Claro por Colombia,* BBVA Colombia supports the country's educational institutions through this program that provides free internet, tablets preloaded with digital libraries and Steam skills training for teachers

In two years, **3,320 equipment have been delivered and 183 schools have benefited.** This program, which benefitted 549 teachers directly, more than 11,000 teachers indirectly and more than 318,000 students, includes 3 main components:

- Free internet for the technology room.
- 15 tablets per institution loaded with a digital library that has more than 600 literary, informative and sustainability content, and a digital repository owned by Fundalectura, with didactic tools for teachers.
- 70-hour teacher training, aimed at strengthening STEAM (Science, Technology, Engineering, Arts and Mathematics) skills, under a methodology of formulating problems and their alternative solutions in a creative, imaginative, collaborative and participatory way.

In the first quarter of 2024, 132 more institutions will join the initiative, bringing the total number of schools benefiting from this initiative to 315, reaching 28 departments and 96 municipalities in the country.



Higher Education Scholarship Programs

BBVA Colombia helps **156 young people** to pursue their university degree, **through 4 scholarship programs,** with an annual investment of **COP 1,898 million.**

Transforming Realities, a scholarship awarded jointly with Bancamía, an entity of the BBVA Microfinance Foundation, through which **21 adolescent children** of microentrepreneur customers from Bancamía are currently pursuing their higher education degrees. In 2023, in commemoration of Bancamía's 15th anniversary, **100 more scholarships were awarded,** so that as of 2024 these young adolescents can begin studying a college degree, completing **121 educational grants.**

In collaboration with La W Radio, in 2023 BBVA Colombia awarded scholarships to 31 young people through the "Vamos Pa'lante" (Let´s go forward) initiative, which consists of awarding rescue and maintenance scholarships for one semester to undergraduate students from the universities Icesi, Eafit, Los Andes and Tecnológica de Bolívar, who are at risk of dropping out of their careers for economic reasons.

BBVA Colombia continues to aid **8 young people** through the Youth and Peace Fund, in collaboration with Manos Visibles, with scholarships to pursue their undergraduate studies at Icesi University.

Furthermore, support continues to be provided to **5 Afro-descendant women** who are pursuing bachelor's degrees at Icesi University through the "Afro Teachers" program.

Continuing education and productive training

In 2023, the implementation of **two training programs** aimed at promoting sustainable development and productivity in territories began, targeted at Afro-descendant and peasant communities:

Higher education Diploma courses at Icesi University. The first cohort of 3 diploma courses targetter at Afro-descendant communities was launched. With an investment of COP **259.8 million,** these diploma courses are taken by 75 people belonging to 7 social organizations in Istmina (Chocó) and Buenos Aires and Padilla (Cauca). The diploma courses are: Social Management and Management of Natural Resources in Ancestral and Collective Territories; Social Entrepreneurship and Afrocentric Community Development, and Management of Social Projects with an Ethnic and Gender Focus in the Pacific.

Through these diplomas, the skills of young people, women and people from Afro-descendant communities on the Pacific coast will be strengthened, providing them with tools for the effective management of resources and social projects in their respective territories.

Productive training for peasant communities. Through an alliance with the Soy Doy Foundation, in 2023 BBVA Colombia launched a productive training initiative aimed at coffee and cocoa-producing communities. The project benefits **680 inhabitants of Planadas (Tolima) and La Unión (Caquetá),** two communities with the crucial need to increase their income by improving the quality of their crops and allowing them to market them more effectively. The training includes fundamental modules in entrepreneurship, agroecology and permaculture.

In addition, biofactories will be built in both communities for the production of organic fertilizers and pesticides, and the necessary technical capacities will be installed to continue implementing agroecological practices, as well as administrative skills to achieve greater efficiency and profitability in local enterprises.

School kits

In 2023, BBVA Colombia delivered more than **11,000 school kits to children in 23 departments.** This initiative began in 2008 and, to date, has benefited communities throughout the country, with more than 459,000 school kits delivered. The initiative is part of the Bank's commitment to foster access to education by providing essential resources to students to aid retention in the education system and ease the financial burden on families.

Education for members of the Armed Forces

Since 2014, BBVA Colombia has maintained an agreement with the Gustavo Matamoros Corporation, through which the Bank allocates 0.6% of purchases made with the Heroes credit card to support social programs focused on the well-being and rehabilitation of members of the law enforcement forces. In 2023, the agreement was modified, directing the resources of this collaboration towards educational initiatives. During the year, **COP 385 million** were raised, which will be allocated to 3 programs: higher education scholarships, virtual training in digital marketing and a high school degree program for adults. These efforts are designed with the goal of benefiting more than 300 members of the Armed Forces.

"I'm counting on you" campaign

Thanks to the resources donated by customers through collections made at BBVA Colombia ATMs within the framework of the "I´m counting on you" campaign, **103 educational institutions in the 32 departments of the country** benefited from this program that made it possible to strengthen the Institutional Plans for Reading, Writing and Orality (Pileo) from the school library, through a process of training, access to quality digital and printed reading materials and technological equipment.

In the course of this initiative, more than **340 teachers** were trained in the strengthening of the Pileo program through a 70-hour course in hybrid mode (in person and online) carried out by the Reading Promotion Foundation, Fundalectura. In addition, each institution was provided with a pedagogical endowment that included **38 physical books and 8 computers with more than 600 digital reading material,** in order to strengthen the infrastructure and resources available in the institutions.

"I'M COUNTING ON YOU" IN NUMBERS

- 103 educational institutions
- More than 100,000 students and more than 4,000 teachers benefited
- Presence in 93 municipalities in 32 departments
- Contribution of customers to the campaign: COP 1,742 million

Financial education

BBVA-1

The BBVA Group believes in the potential of financial education as a key element to improve people's financial health and contribute to the transition to a more sustainable and fair economy; hence, within the social responsibility strategy, financial education is a priority. In this regard, the following initiatives were carried out in 2023:

Financial education training. In April and May 2023, **123 BBVA Colombia employees** were trained as Financial Education trainers, for them to train employees of different organizations on saving, debt management, cash flow, the correct use of credit cards, finances for different moments in life, investment and cybersecurity, among other topics.

Through 48 in person and 14 online meetings, more than **4,800 people from 53 public and private organizations were trained.**

Communal Finance Group. A pilot project was initiated to promote financial inclusion and education in communities in the Colombian Pacific, through the voluntary formation of community finance groups through which people can save and make loans among their members.

- In this initiative, the community is the protagonist, and the group defines by common agreement the minimum savings amounts, their periodicity, the interest rates and the maximum amounts of credits, among other points, thus strengthening local economies, community integration and people's education and financial health.

Dissemination of financial health content. On an ongoing basis and through the web portal, social media and dissemination in other media, BBVA Colombia creates financial health content through press releases, videos, social media publications, and radio and television broadcasts.

Some of the initiatives and figures achieved in 2023 are:

- Creation of **"The Faculty",** a series of videos shared on Youtube that teach basic topics on economics and finance in a simple and didactic manner. This initiative was **awarded by the Colombian Stock Exchange (BVC)** in the ninth version of the awards granted by this entity, in partnership with Fedesarrollo and Portafolio.
- **Alliance with Caracol Radio.** Between September and November, **25 radio interventions** were made on Tropicana, La W, and Caracol Radio, with tips given by BBVA Colombia on financial health. With this initiative, more than 5 million listeners were reached on a monthly average, and more than 12 thousand views of the publications were achieved through social networks.
- Through BBVA Colombia's institutional information web portal, **18 financial health notes** were published on topics as diverse as payroll management, home purchases, will planning, dividends, the tax system in Colombia, income tax returns, financial recommendations to take advantage of the extra salary and cybersecurity. These notes were consulted by around 40,000 people.
- The media cited BBVA Colombia in **250 publications on financial health**, generating a 191% increase in media appearances compared to 2022.

Permanent presence on BBVA Colombia's official social media, such as Instagram, LinkedIn, Facebook and X, where an average of two weekly publications are made with financial health and wellness content.

CORPORATE VOLUNTEER PROGRAM

BBVA-11

Within the framework of the BBVA Group's corporate purpose, "Put the opportunities of this new era within everyone´s reach", the Bank's Corporate Volunteering program "Connected to our purpose" seeks to bring employees closer together to contribute their time, knowledge and effort to improving the living conditions of people in vulnerable conditions.

In Colombia, the Volunteer Program focused on 3 axes, education, environment and humanitarian aid, **mobilizing 767 volunteers among employees and their families.**

VOLUNTEER PROGRAM IN NUMBERS:

- 767 volunteers
- More than 6 thousand hours of dedication
- More than 30,000 people benefited
- 1,630 trees planted and 2,200 seedlings propagated

Volunteers for Education

In line with the Bank's strategic axis of social investment, in 2023 **12 volunteer days** were held aimed at aiding and strengthening educational processes in schools and universities in different areas of the country, through the following activities:

- **10 days of volunteering in educational institutions** in the departments of Atlántico, Bolívar, Cesar, Cundinamarca, Huila, Magdalena, Norte de Santander, Santander, Tolima and Valle del Cauca. During these days, a reading corner was built in the school library and the maintenance and beautification of sports and classroom spaces in the institutions was carried out, benefiting more than 15 thousand students.

- For two months, **8 employees from BBVA Colombia's UX & Design Implementation area** trained 40 students of Social Communication and Journalism from the Technological University of Chocó, on topics such as Design Thinking, User Experience, Design Sprint, strategic thinking and content creation. This training was carried **out within the framework of the volunteer program "Training Inspires - Chocó 2023 UX Edition"** in mixed modality, with 85% of the training offered online and 15% in person in Quibdó. At the program's graduation ceremony, 7 students were awarded computers and tablets in recognition of their final projects and outstanding performance. The students who received the training belong to the Afro-descendant population and vulnerable communities of Quibdó.

- The Engineering area joined the corporate volunteering program through the participation of **8 employees who designed and carried out a master class in Digital Literacy,** which was recorded in the studios of the Claro TV program Red + Noticias and will be transmitted to the teachers of the program "Connected by Education", in order to strengthen knowledge related to the use of digital technologies in the classroom.

Humanitarian volunteering

Aware of the country's great challenges in terms of equal opportunities and the humanitarian needs of the population, the volunteers, **together with the Banco de Alimentos de Bogotá,** participated in two days of packaging and delivery of groceries for vulnerable populations in Chocó and Cundinamarca.

- Wealth Banking carried out a day of packaging 200 aimed at vulnerable populations in Chocó.

- \- In December, the **12 members of the Steering Committee and their teams carried out a day of delivery of 2,500 Christmas food baskets in 5 sectors in Bogotá** (Ciudad Bolívar, San Cristóbal, Kennedy, Usaquén and Puente Aranda) and in the Porvenir del Río neighborhood (Mosquera), in order to contribute to the district's objectives of reducing hunger and providing support and joy during the Christmas season to those who need it most.

Volunteers for the Planet

BBVA Colombia contributes to the conservation and restoration of strategic ecosystems located within the National System of Protected Areas of Colombia (Sinap), to the social valuation of nature through citizen participation and to the mobilization of employees around these important causes. The following activities were carried out in 2023:

- **Together with WWF,** conservation and restoration actions were carried out in the EcoPalacio Civil Society Nature Reserve, located in the **Chingaza National Natural Park (Cundinamarca), the Farallones de Cali National Natural Park (Valle del Cauca)** and the La Trinidad Corporation in eastern Antioquia, through activities such as plant reproduction, planting of native trees and shrubs, Maintenance of planted areas and improvement of infrastructure of ecological trails, nurseries and signage.

  All the interventions included local labor, purchases of food and materials from the area for a value of more than **COP 150 million,** boosting the economy and the purchasing processes for local production.

- In the first semester, a day of planting **250 native trees** was carried out in La Calera, on civil society land that in past decades was dedicated to agricultural and livestock activity, displacing the original forests of the area and that today seek to reverse that situation through reforestation and ecological recovery of the ecosystem.

  In the reforestation, 14 species of native trees were used, 16 people benefited directly and 56 people indirectly through the activities carried out.

- **BBVA Fiduciaria volunteers** carried out a day of planting 840 native trees in "paramo" (high elevation) ecosystems and watersheds in the municipality of Subachoque. This activity is part of the Páramo Fund initiative, through which the Trust Society allocates 25% of the proceeds from the administration commissions of this fund for the preservation of the country's páramos.

The ecological restoration and improvement of infrastructure in the areas of influence of protected areas represents a comprehensive initiative that leads to the recovery of vital ecosystems, as well as the strengthening of community processes for the conservation of the territory. The activities carried out have contributed to restoring biodiversity, improving the health of protected areas, encouraging community participation and strengthening local economies.

HUMANITARIAN SUPPORT

In 2023, a significant effort was made to provide support in climate and social emergency situations in various regions of Colombia, through the **alliance with the Food Bank of Bogotá** and its allies in territories. With **an investment of COP 1,155 million, 19,700 humanitarian aid** items were delivered, including groceries and cleaning kits, benefiting 78,800 people.

In the first half of the year, 12,000 aid packets were delivered to the population affected by the winter wave in Cauca, Nariño and Bogotá, and an additional 2,000 aid packets were delivered to the displaced communities of Caldas and Tolima due to the alert generated by the activity of the Nevado del Ruiz volcano.

During the second half of the year, attention was focused on emergencies in Quetame (Cundinamarca), where 1,200 aid packets were delivered to families affected by avalanches and landslides. In addition, 2,000 aid packets were provided to families in La Guajira affected by the humanitarian emergency situation in that department. Finally, in December, 2,500 groceries baskets were distributed to families in neighborhoods with high hunger rates in Bogotá. This joint effort provided relief and support to vulnerable communities, demonstrating the importance of collaboration at critical times.

The activities implemented have contributed to restoring biodiversity, improving the health of protected areas and **encouraging community participation.**

In the last two years, BBVA Colombia and the Food Bank delivered **40,000 groceries baskets, alleviating the situation of more than 160,000 Colombians.**

BBVA MICROFINANCE FOUNDATION

FS-13

As part of **its commitment to financial inclusion, in 2007 the BBVA Microfinance Foundation (hereinafter, also referred to as "BBVAMF") was created,** a non-profit entity whose purpose is to promote the sustainable development of people in vulnerable situations who have productive activities.

Through productive finance, BBVAMF seeks the development of these people in 5 Latin American countries, bringing a complete range of financial products and services to their homes, as well as training and advice on the management of their small businesses. In 2023, BBVAMF continued its work with **3 million entrepreneurs** served by its microfinance institutions, 57% of them women, which contributes to reducing gender inequality and adds to its ongoing effort to reach the most remote and needy geographical areas.

Since its establishment in 2007, BBVAMF entities have disbursed an aggregate volume of more than **US$19.6 billion** in Latin America to people with few resources for the development of their productive activities, making it the largest private philanthropic initiative in the region.

In Colombia, the Microfinance Foundation is present through Banco de las Microfinanzas Bancamía, whose mission is to improve the quality of life of low-income families who have difficulty accessing formal banking. Bancamía offers them financial and non-financial products and services adapted to their needs, including microcredits for productive activities, savings accounts, TDC, insurance (operated by third parties) and international transfers, and channels and services such as mobile banking and financial education.

As of December 2023, Bancamía had served more than 1.6 million people, 55% of them women. Of the customers with loans, 42 % live in rural areas, 38 % have only primary education and 86 % are vulnerable in terms of income.

Alliance to support the country´s microentrepreneurs

In 2023, BBVA Colombia and Bancamía worked hand in hand to benefit the country's most vulnerable communities. 3 high-impact initiatives stand out:

- To facilitate transactional services for entrepreneurs and savers in the country's popular economy, **BBVA Colombia and Bancamía have partnered to allow the shared use of ATMs and branches,** allowing customers of the two entities and micro-entrepreneurs to mobilize their resources in all departments of the country.
- In this alliance, **BBVA Colombia enables its ATM network for Bancamía's savings customers,** who will be able to move their resources and make transactions with or without a debit card, at zero cost. For its part, Bancamía will make its 230 branches, located in all departments of the country, available for BBVA Colombia customers to make deposits to their savings accounts and pay bills under authorized agreements.
- In the second half of the year, **the Microenterprise of the Year Award was held, in which Bancamía, BBVA Colombia and RCN Radio recognized 5 Colombian microenterprises, selected from more than 680 candidates,** for their contributions to the economic development of the country and society in the categories

of Sustainability, Innovation, Young, Women and Rural Microenterprise.

- BBVA Colombia and Bancamía reinforced their commitment to the education of the most vulnerable populations. In the 2023 edition of the Transforming Realities scholarship, they decided to go from **10 to 100 new university scholarships** targeted at children of Bancamía microentrepreneurs. More than 1,300 young people from 347 municipalities in the country applied, of which 81% of their mothers are heads of household, 84% are in conditions of economic vulnerability, 35% live in rural areas and 34% of parents have primary education at most.

Benchmark in the measurement of social impact

Every year, the Foundation publishes its Social Performance Report, which summarizes the social and economic impact of its activity on the lives of the entrepreneurs served by its organizations and whose ultimate purpose is to serve as a benchmark for improving the service and support they provide.

This social impact measurement system has been highlighted by the United Nations and has established itself as a benchmark for the sector. Furthermore, **BBVAMF is the first private sector entity to use the Oxford Multidimensional Poverty Index** to measure the deprivations of its clients and thus learn about the deprivations faced by the millions of vulnerable entrepreneurs served by its microfinance institutions and design value propositions that improve their living conditions.

International Cooperation, Memberships and Recognitions

BBVAMF and Bancamía have signed several international commitments and cooperation agreements related to social affairs and sustainable development. Likewise, the entities have received several awards and recognitions for their social work, among which the following stand out:

- In 2016, the United Nations Economic and Social Council (ECOSOC) granted BBVAMF **consultative status,** in recognition of the Foundation's work in its field of action: microfinance for development. BBVAMF participates in various meetings at the United Nations to recommend actions that contribute to sustainable development.

- BBVAMF is a member of the OECD Network of Foundations Working for Development (NetFWD), which brings together leaders in philanthropy and connects them with authorities and experts to **address the world's most pressing development challenges.**

- In 2023, the BBVA Microfinance Foundation was designated as an **Observer Organization at the United Nations Climate Change Conference, COP28,** in Dubai. This status allows it to represent and to intervene as an observer in the sessions of the Conference of the Parties.

- The Foundation, together with its entities, Bancamía in Colombia and Financiera Confianza in Peru, has joined as a **founding member of the Financial Network for the Amazon** promoted by IFC and IDB Invest.

- In 2023, the Foundation signed a **cooperation agreement** to strengthen and promote social development initiatives with the Central American Bank for Economic Integration (CABEI) and its Social Support Foundation, to support innovation, inclusion and empowerment of women in CABEI member countries, where BBVAMF has a presence through its entities.

- Once again, BBVAMF has had the support of Her Majesty the Queen of Spain, who participated in the event "Technology to close gaps. Creating without limits" and witnessed the Foundation's commitment to digital transformation to bring technology closer to millions of entrepreneurs with few financial resources who serve its entities in **5 Latin American countries.**

- The Queen visited 2 entrepreneurs from Bancamía in Cali during her international cooperation trip and also received in Spain 24 children of entrepreneurs served by BBVAMF entities in Colombia and Peru, winners of higher education scholarships. This opportunity allows them to be the first generation of college students in their families.

- *After the Rain,* a documentary that tells the success and determination stories of 3 families of entrepreneurs from Bancamía, **was awarded best documentary in 2023 by the CSR communication observatory (Ocare) and by the Pila Festival.** In addition, it was nominated in several film competitions such as the Rural Festival (Spain), Urban Mediamakers Festival (United States), the FIFAK Festival (Tunisia) and CineSol Film Festival (United States).

- Bancamía, in the sixth edition of the Global SME Finance Awards, held in Mumbai (India), received the **Silver Award in the category of Best Funder for Women Entrepreneurs.** This award, organized by the IFC and the SME Finance Forum, effectively and successfully recognizes innovative financial practices that have achieved excellent results in expanding finance and services for microenterprises.

- The Productive Entrepreneurship for Peace (EmproPaz) program, led by Bancamía in partnership with USAID, was selected as one of the **5 best initiatives with social and economic impact on the planet, in the 2023 P3 Impact Awards** by the Concordia Organization, the Office of Global Partnerships of the U.S. Department of State, and the Institute for Business at the Darden School of the University of Virginia.

EIn 2024, **the BBVA Microfinance Foundation will continue to work to contribute to inclusive and sustainable growth.** It will continue to deepen its scale and scope with an expanded value proposition for the progress of entrepreneurs in vulnerable situations, through digitalization and impact measurement as tools for development, thus fulfilling its commitment that its entities **disburse €7 billion in microcredits and serve 4.5 million people in the period 2021-2025.**

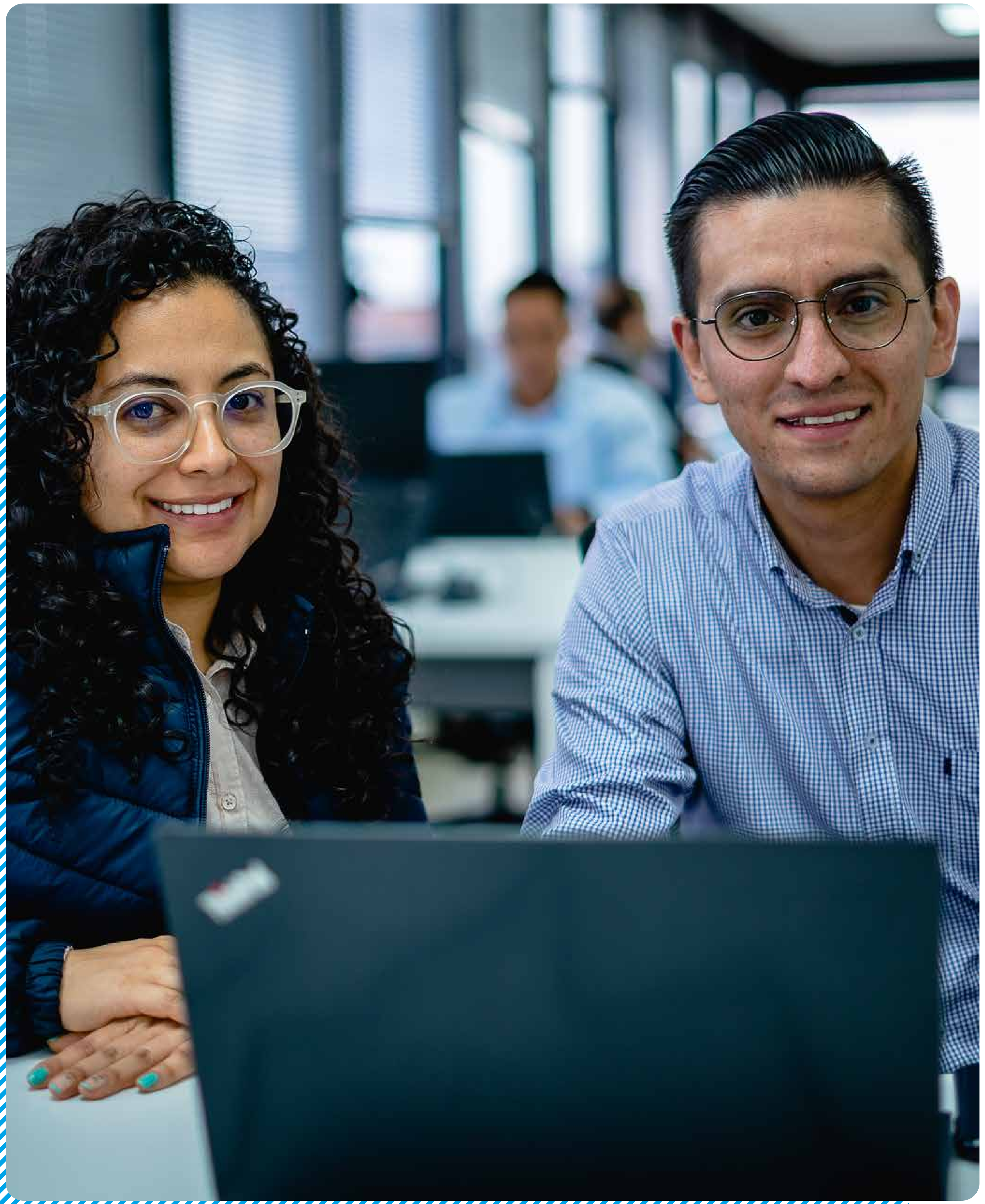
Creando Oportunidades

14

INVESTING IN OUR COUNTRY´S FUTURE

Internal audit

Individual Report 2023



Internal audit

2023 represents significant progress in the implementation of the initiatives that make up the Global Strategic Plan 2020-2024, with the aim of achieving a profound transformation of the area, aimed at ensuring that BBVA Colombia's Internal Audit continues to be a reference point, both within the Group in Colombia and in the national market.

Among the most significant aspects are the initiatives to support the deployment of the Group's internal control model in Colombia, the intensive use of data as a lever to improve the quality and efficiency of the area's work, the search for solutions that provide greater and better coverage of the audit universe, the design of a comprehensive plan for talent management and participation in established trade activities. In short, **a plan aimed at adding value to the BBVA Group.**

As part of the structure line and governance, Internal Audit reports to the Board of Directors, through the Audit Committee (Holding), a situation that is replicated in Colombia, where there is direct reporting to the Audit Committee. Likewise, the Head of Internal Audit - Colombia maintains a direct report with the Chief Audit Executive of the BBVA Group through business review, activities that guarantee a high level of independence of the function and the adequate reporting of review results and associated weaknesses (situations that, according to their relevance, are presented at the local level and at the Holding level).

The Agile structure allows maintaining the production and value contribution of the area, accompanying the performance of the administration and the regulator, for a consolidated and efficient organization.

The Internal Audit reports the following aspects to the Audit Committee, among others:

- Approval of the Internal Audit Plan and quarterly commitment updates
- Plan Activity Tracking
- Most relevant conclusions of the work done
- Internal Audit recommendations follow-up

The Agile structure, consolidated as a model, allows for **the production and value contribution of the area to be maintained,** directly accompanying the performance of the administration and the regulator, for a consolidated and efficient organization. With the support of the Holding, the established roles are:

Head of Audit Colombia / Audit Partners. Responsible for establishing relationships with each business area and supervisors, assuming responsibilities for continuous risk assessment and the Internal Audit Plan, follow-up of recommendations and reporting to governance and control bodies.

Program Managers (PMs). With the support of team leaders and team members, they are responsible for the execution of a program (set of projects in a specialty). The PMs define the strategy for the execution of the works established in the Audit Plan and lead the teams to ensure the quality and time-to-market of the projects.

People. Responsible for talent and people management who are part of Internal Audit, in accordance with the policies defined by Talent & Culture. Among its functions is the allocation of the resources of the Solutions Development Team (pool of auditors) to the projects that make up the Internal Audit Plan.

Agile Transformation (Holding). Assumes the responsibility for promoting and ensuring the transformation of the area towards a totally "Agile" scheme, both from the cultural point of view and from the way of working.

Discipline & Portfolio (Holding). It is responsible for the definition and maintenance of the global methodology of the area and ensures its correct application through the Technical Forum. Likewise, it leads the prioritization process of the Audit Projects Single Portfolio and the monitoring of its execution. Finally, it is in charge of the tools in the area.

The Internal Audit work plan is determined in a triennial reference, that is updated annually. The annual vision is specified in quarterly plans, that result from a prioritization process that Internal Audit does every quarter. To define these plans, a continuous risk assessment (RA) is done that analyses the level of risk and the degree of control of the activity performed by each company in the Group. The result of the RA is materialized in the annual prioritization ceremonies, which facilitate the formation of the triennial reference, and in the quarterly prioritization ceremonies, in which **it is determined which works are going to be started and a commitment is established** on the number of works that are going to be issued in the following quarter.

In addition to the result of the continuous RA, the quarterly prioritizations consider the commitments and expectations of the supervisors, the Group's strategic objectives, the strategic lines of Internal Audit and the requests received from the units. For the first time, the risk analysis and quarterly plans for 2023 have been structured **around BBVA Group's corporate risk taxonomy, consisting of twenty risks.**

The 2023 assurance work **has complied with the Agile archetype** defined by the Audit department.

The 2023 Internal Audit Plan featured quarterly prioritization ceremonies, as well as the integration of Intra Q (unplanned) work, where audit partners were responsible for assessing the needs presented by management and the regulator. Similarly, the 2023 assurance work has complied with the Agile archetype defined by the Audit department as part of the support provided by the Internal Audit team to the strategy of the Bank and its subsidiaries.

Below are the activities that, having yielded significant results, were monitored by Senior Management and the Audit Committee.

Data management risk. It refers to the fact that the entity's data is not organized in a practical and usable way, so there is no guarantee that the entire body of the entity's data is accurate, consistent, easily accessible, and adequately protected.

In 2023, the area developed the Transactional Monitoring Tools work, in which it observed the need to work to strengthen the transaction monitoring system, in order to **ensure adequate fraud prevention and detection,** as well as develop proactive management to reduce fraud levels.

Similarly, the calculation of the Liquidity Coverage Ratio (LCR) was assessed, in which it was observed that improvements should be made in the estimates of "liquidity outflows," which, although these reduce the ratio, would not entail a breach of the established limit, nor would these have an impact on consolidated reporting. In addition, it is necessary to adapt the criteria and controls applied in the calculation of estimates, specifically in the segmentation of customers and the determination of retail and operational deposits.

Transactional Processing Risk. It is the risk of loss resulting from a failure or processes, personnel, internal systems, or external events inadequacies. Global Markets' Transaction Valuation and Registration work made it possible to establish the need to strengthen the governance framework to guarantee the traceability of operations and to establish improvements around the authorization of cancelled, modified and pre-dated operations in the Murex and Star applications.

Business model risk. It refers to the impact on the ability to generate profits in adverse scenarios as a result of internal factors (e.g., erroneous pricing, inadequate targets, or failures in strategy implementation) and external factors (e.g., changes in the macro environment or competition).

As part of the activities aligned with the strategy, the Credit Card Marketing and Management activity was developed, requiring an adjustment in the management of unproductive sales, anticipation of possible deterioration in the product and monitoring of the placement of the product in the hands of the customer. Similarly, the area developed the review of the **New Office Model (NMO),** identifying the need to monitor transactions that do not have adequate functional segregation, as well as considering activities that impact the operational load, not considered in the initial project analysis.

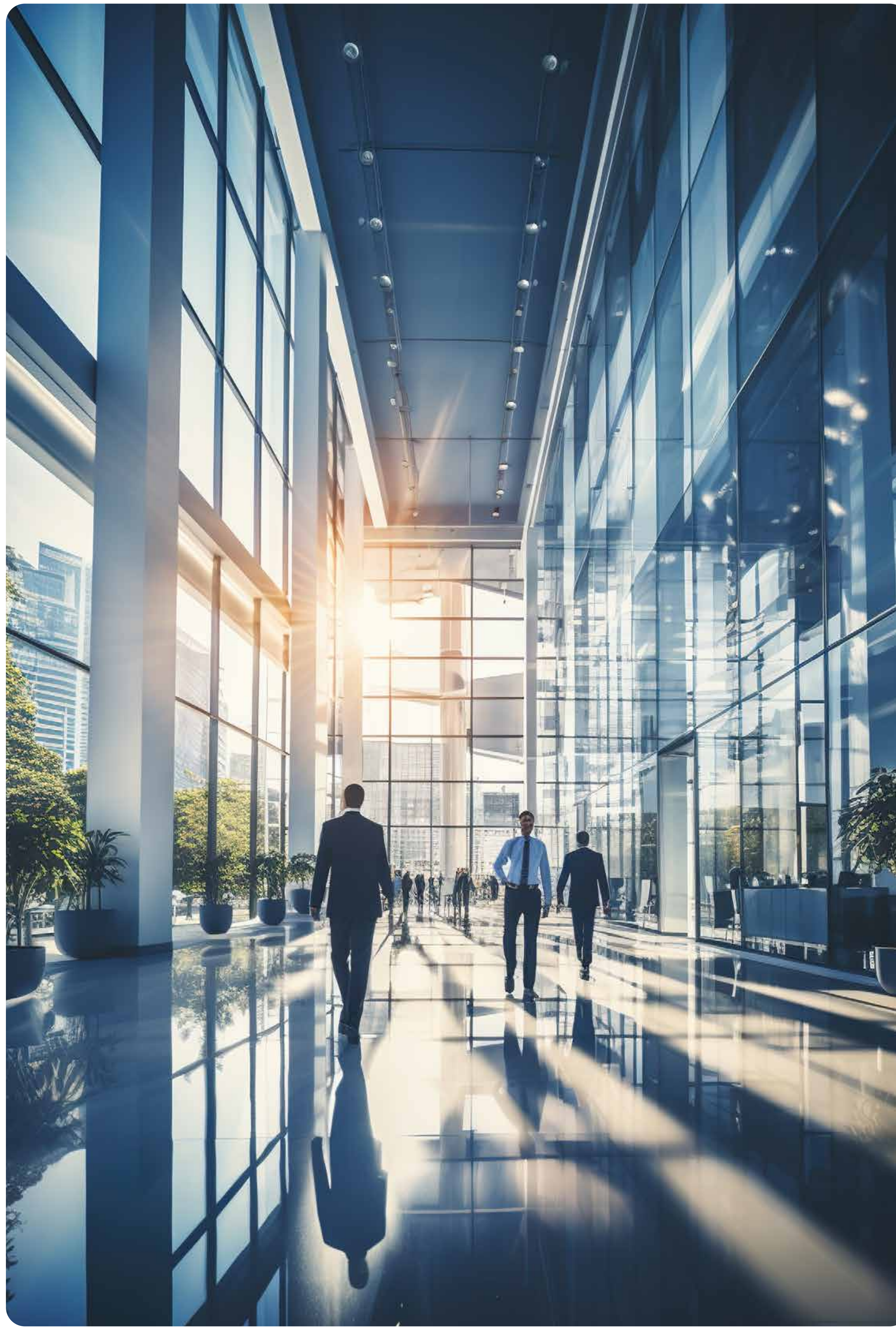
Technological risk. It is defined as the potential for the Bank to suffer negative financial, business, capital or reputational impacts arising from information technology and improper processing, in terms of availability, integrity, authenticity and confidentiality.

The activity completed in 2023, corresponding to software security assurance, identified the need to strengthen controls that guarantee security testing prior to going into production, as well as the establishment of a secure development methodology.

Information Security Risk. It is associated with the potential for threats to exploit the vulnerability of an information asset or group of information assets and thereby cause damage to the entity. In line with the Group's strategy in Colombia, the area secured the Global Mobile App (GloMo) tool, observing weaknesses regarding fraud identification under modalities such as vishing. Likewise, the need to strengthen activities related to service continuity and vulnerability detection was identified.

For each of these activities, management established action plans to mitigate the identified risks. These plans are subject to follow-up by Internal Audit and, at the end of 2023, no overdue actions were observed according to the established methodology.

The Risk Management Systems (Comprehensive Risk Management System - SIAR, Consumer Service System - SAC and Risk Management System for Money Laundering and Terrorist Financing - SARLAFT), were assessed according to regulations and periodicity defined by the regulator, drawing attention to the SAC, in which the area observed the need to align some aspects established with the entry of the Superintendence's tool Financiera de Colombia, Smartsupervision.



Similarly, in 2023, reviews were performed on the rest of the risks associated with the new taxonomy, without identifying additional situations to those discussed to the Audit Committee or the supervisory and control bodies.

The monitoring of Internal Audit actions is a priority point of interest for the governing bodies, the Group's management and the main supervisory bodies. The high degree of awareness and involvement of BBVA Group's management in the implementation of recommendations and measures aimed at proactive follow-up by Internal Audit had a positive impact, as can be seen in the decrease in recommendations in recent years.

Finally, Internal Audit has a **Quality Assurance and Improvement Program (PAMC)** that covers all the activities it performs. This model has been designed to ensure that the area performs its work in accordance with International Internal Auditing Standards and that the internal methodology is complied with.

In 2023, KPMG conducted the assessment of the Internal Audit Function (IAF), concluding that:

"In the last 5 years, since the previous review of the function, the IAF has achieved a series of key strategic milestones, which have allowed it to maintain a trend of constant evolution in its function, until achieving a sophisticated methodology and a high degree of maturity."

BBVA
Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

External Verification

Individual Report 2023

External Verification

GRI 2-4, GRI 2-5

BBVA Colombia has several instruments to guarantee the quality of the information reported to its stakeholders.

In the first place, over reporting processes, various areas are involved that provide information and that are also subject to the Bank's usual **supervision, verification and auditing methods.** In these areas, roles in charge of providing and approving the information are defined, in order to have a double review process.

The process of consolidating and reporting sustainability information is notified to senior management through the Management Committee. BBVA Colombia includes in its reporting practices the annual verification (under limited assurance) of the Non-Financial Information Report, through an independent third party. Once the document has been submitted, reviewed and consolidated, it is presented to the Board of Directors for approval.

Finally, the Report is presented to the General Shareholders' Meeting, which approves the final version for publication and communication to stakeholders. **In 2023, two information updates were presented** with respect to what was reported in previous periods, due to the inclusion of the SASB (Sustainability Accounting Standard Board) standards and the TCFD framework (Task Force on Climate-related Financial Disclosures), to strengthen the dissemination of economic and governance, social and environmental issues, including climate change, while External Circular 031 of the Financial Superintendence of Colombia is completed.

> In order to disclose transparent and quality information to stakeholders and the general public, this report was verified by a third party that reviewed its adaptation of the contents to the GRI sustainability reporting standard.

Building a better working world

Messrs. Banco Bilbao Vizcaya Argentaria S.A.
Bogotá, D.C.

AS-3020-24
March 21st, 2024

Independent Practitioner's Assurance Report

To the Management of Banco Bilbao Vizcaya Argentaria S.A.

1. Scope

We have been engaged by Banco Bilbao Vizcaya Argentaria S.A.(hereinafter "BBVA" or "The company" to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on BBVA's identified sustainability information (the "Subject Matter") detailed in the Annex 1 (the "Criteria") we carry out limited assurance procedures to BBVA "Informe Individual 2023's" (the "Report") in its Spanish version for the period from January 1st to December 31st, 2023.

2. Criteria applied by BBVA

In preparing the Subject Matter BBVA applied the GRI Global Reporting Initiative Standards and the GRI G4 Financial Services Sector Disclosures (the Criteria). Such Criteria were specifically designed for Report the Sustainability Performance of the BBVA; As a result, the subject matter information may not be suitable for another purpose. The Criteria is listed in the Annex 2 of this report.

3. BBVA's Responsibilities

BBVA's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

4. EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Ernst & Young Audit S.A.S.
Bogotá D.C.
Carrera 11 No 98 - 07
Edificio Pijao Green Office
Tercer Piso
Tel. +57 (601) 484 7000

Ernst & Young Audit S.A.S.
Medellín – Antioquia
Carrera 43A No. 3 Sur-130
Edificio Milla de Oro
Torre 1 – Piso 14
Tel: +57 (604) 369 8400

Ernst & Young Audit S.A.S.
Cali – Valle del Cauca
Avenida 4 Norte No. 6N – 61
Edificio Siglo XXI
Oficina 502
Tel: +57 (602) 485 6280

Ernst & Young Audit S.A.S.
Barranquilla - Atlántico
Calle 77B No 59 – 61
Edificio Centro Empresarial
Las Américas II Oficina 311
Tel: +57 (605) 385 2201

Building a better working world

Messrs. Banco Bilbao Vizcaya Argentaria S.A.

Page 2
March 21st, 2024

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)) and the terms of reference for this engagement as agreed with BBVA in the addendum 001 on the audit contract AS-5901-23 signed on February the 19th 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

5. Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

6. Description of Procedures Performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Building a better working world

Messrs. Banco Bilbao Vizcaya Argentaria S.A.

Page 3
March 21st, 2024

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter detailed in Annex 1 and related information and applying analytical and other appropriate procedures.

Our procedures included:

a. Conduct interviews with Company personnel to understand the business and the process of preparing The Report.

b. Conduct interviews with those responsible for preparing the Report to understand the process of collecting, consolidating, reviewing and presenting the information of the Subject Matter.

c. Verify that the calculation criteria have been correctly applied in accordance with the methodologies described in the Criteria.

d. Conduct analytical review procedures to support the reasonableness of the data.

e. Identify and test the assumptions that support the calculations.

f. Test, based on sampling, the source information to verify the accuracy of the data.

g. Identification and verification of assumptions that support the calculations.

We also performed such other procedures as we considered necessary in the circumstances.

7. Limitations of Our Assurance Engagement

Our assurance engagement was limited to the Subject Matter included in Annex 1 contained in the Report for the period from January 1st to December 31st, 2023, it does not include information from previous years included in the Report, nor related to projections or future goals.

Neither did it attempt to determine whether the technological tools used to develop the Report are the most appropriate and/or efficient.

Building a better working world

Messrs. Banco Bilbao Vizcaya Argentaria S.A.

Page 4
March 21st, 2024

8. Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter detailed in the Annex 1 of the Report for the year ended December the 31st 2023 in order for it to be in accordance with the Criteria and the Subject Matter.

9. Use of this Limited Assurance Report

This report is intended solely for the information and use of BBVA and is not intended to be used, nor should it be used, by anyone other than those specified parties.

Our responsibility, in carrying out limited assurance activities, is solely with the Company's Management, therefore we do not accept or assume any liability in any matter of any other purpose or to any other person or organization.

10. Other matters

Notification to the Global Reporting Initiative (GRI) about the publication of the Report, assuring the guidelines of the GRI standard 1: Fundamentals, Conformity requirement 9: Notify GRI (the organization must notify GRI of the use of GRI standards and its declaration of use, by sending an email to reportregistration@globalreporting.org), is the responsibility of the Company and they have told us that it will be done within 5 business days following the issuance of this conclusion.

Cordially,

GLORIA MARGARITA MAHECHA GARCIA

Digitally signed by GLORIA MARGARITA MAHECHA GARCIA

Gloria Margarita Mahecha García
Independent Accountant
Professional ID 45048-T
Ernst & Young Audit S.A.S.

Building a better working world

ANNEX 1

Subject Matter

The sustainability information identified in the indicators included in the printed Report and included by BBVA on its website[1] is presented in the following table:

Relevant Matter (Material)	Standard	Indicator/ Content	Unit	Insured value
Economic performance	GRI	201-1 Direct economic value generated and distributed.	Millions of COP	• Direct economic value generated 3,784,445. • Distributed economic value 2,369,077. • Retained economic value 1,415,368.
Commitment to our workforce	GRI	202-1 Ratios of standard entry level wage by gender compared to local minimum wage.	Rate	• 1.97
Inclusive growth / Climate action	GRI	203-2 Significant indirect economic impacts. (BBVA's impact on the environment)	Qualitative indicator	BBVA finances projects that generate a positive impact on society, through the financing of the lines "Work with small and medium-sized companies", "financing of social interest housing (VIS) projects", and "Financing of development plans municipal and departmental governments."
Procurement practices	GRI	204-1 Proportion of spending on local suppliers	Percentage	• Proportion of spending to local suppliers 72.57%

[1] The maintenance and integrity of the Company's website (Informes Responsabilidad corporativa | BBVA Colombia), the repository of the Report, is the responsibility of the Management of BBVA. The work carried out by EY does not include consideration of these activities and, therefore, EY accepts no responsibility for any difference between the information presented on that website and the Subject Matter contained in the Report on which the Commitment was made, and the conclusion was issued. Other than as described in the table, which sets out the scope of our work, we do not apply assurance procedures on the remaining information included in the Report and, accordingly, we do not express a conclusion on such information.

Building a better working world

Relevant Matter (Material)	Standard	Indicator/ Content	Unit	Insured value
Corporate governance and ethics	GRI	205-2 Communication and training about anti-corruption policies and procedures.	Number and percentage	• Total number of members of government bodies communicated and trained on the organization's anti-corruption policies and procedures - 5 • Total %of members of government bodies communicated and trained on the organization's anti-corruption policies and procedures - 100 • Total number of employees communicated about the organization's anti-corruption policies and procedures – 5,529. • Total %of employees communicated about the organization's anti-corruption policies and procedures – 100. • Total number of employees trained on the organization's anti-corruption policies and procedures – 5,338. • Total %of employees trained on the organization's anti-corruption policies and procedures – 97. • The total number of business partners to whom the organization's anti-corruption policies and procedures have been communicated – 16,067.
Corporate governance and ethics	GRI	205-3 Confirmed incidents of corruption and actions taken.	Cases	0 incidents of corruption and 0 public legal cases related to corruption were identified.

Building a better working world

Relevant Matter (Material)	Standard	Indicator/ Content	Unit	Insured value
Corporate governance and ethics	GRI	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	Cases	0 legal actions.
Climate action	GRI	301-1 Materials used by weight or volume.	kg	243,960.
Climate action	GRI	302-1 Energy consumption within the organization	kWh	• 18,115,336
Climate action	GRI	303-5 Water consumption	M^3	• Total water consumption of all areas. 229,143.
Climate action	GRI	305-1 direct (scope 1) GHG emissions.	TonCO_2Eq	• 876.6
Climate action	GRI	305-2 Energy Indirect (scope 2) GHG emissions	TonCO_2Eq	• 0
Climate action	GRI	305-3 Other indirect (scope 3) GHG emissions	TonCO_2Eq	• 3,488
Climate action	GRI	306-3 Waste generated	Ton	• Total weight of waste generated in metric tons and breakdown of this total based on the composition of the waste 13,718Ton. • Non-hazardous waste 11,888 Ton. • Hazardous waste 1,830 Ton.

Building a better working world

Relevant Matter (Material)	Standard	Indicator/ Content	Unit	Insured value
Commitment to our workforce	GRI	401-1 New employee hires and employee turnover	Number and rate	• a. Total number of new employees (under 30 years old) 412. • a. Total number of new employees (between 30 and 50 years old) 357. • a. Total number of new employees (Over 50 years old) 9. • a. Total number of new employees (Women) 454. • a. Total number of new employees (Men) 324. • a. Hiring rate of new employees (Under 30 years of age) 0.5296. • a. Hiring rate of new employees (between 30 and 50 years old) 0.4589. • a. Hiring rate of new employees (Over 50 years old) 0.0116. • a. Hiring rate of new employees (Women) 0.5835. • a. Hiring rate of new employees (Men) 0.4165. • b. Total amount of staff turnover (under 30 years old) 126.

EY
Building a better working world

Relevant Matter (Material)	Standard	Indicator/ Content	Unit	Insured value
				• b. Total amount of staff turnover (between 30 and 50 years) 286. • b. Total amount of staff turnover (Over 50 years old) 74. • b. Total number of staff turnover (Women) 264. • b. Total number of staff turnover (Men) 222. • b. Staff turnover rate (under 30 years old 0.3936. • b. Staff turnover rate (between 30 and 50 years old) 0.1746. • b. Personnel turnover rate (Over 50 years) 0.0985. • b. Staff turnover rate (Women) 0.2124. • b. Personnel turnover rate (Men) 0.2174.
Commitment to our workforce	GRI	401-2 Benefits provided to full-time employees that are not provided to part-time or temporary employees.	Qualitative indicator	The company offers the following benefits: • Feeding assistance • Eye surgery assistance • Death assistance • Educational assistance for children • Educational assistance for children with disabilities • Maternity aid

EY
Building a better working world

Relevant Matter (Material)	Standard	Indicator/ Content	Unit	Insured value
				• Optical aid • Graduate Study Credit • Undergraduate Study Credit • Incentive for cashiers • Seniority bonus • Vacation bonus seniority benefit • Vacational bonus • Extralegal bonus
Commitment to our workforce	GRI	403-9 work-related injuries.	Number and rate	• Number of deaths resulting from a work-related injury. 0 • Death rate resulting from a work-related injury. 0 • Number of injuries due to work accidents with major consequences, not including deaths. 0 • Rate of injuries due to work accidents with major consequences, not including deaths. 0 • Number of recordable workplace accident injuries. 53 • Recordable work accident injury rate. 5.64% • Number of hours worked 9.36 million. • Rates have been calculated per 1,000,000 hours worked.
Commitment to our workforce	GRI	403-10 Work-related ill health	Number	• Number of deaths resulting from an occupational illness or disease 0

Building a better working world

Relevant Matter (Material)	Standard	Indicator/Content	Unit	Insured value
				• Number of cases of recordable occupational ailments and diseases 1
Commitment to our workforce	GRI	404-1 Average hours of training per year per employee	Average training hours	• Average training hours: 29.8 By gender: • Woman 29 • Man 31 By job category: • G1 (Management level I, II and III) - 54 • G2 (Management level IV) - 36 • G3 (Management level V) - 26 • G4 (Management level VI) – 26
Commitment to our workforce	GRI	404-3 Percentage of employees receiving regular performance and career development reviews	Percentage	• Total – 98 • Total men – 97 • Total women – 98 • G1 (Management Level I, II, III) Men - 99 • G2 (Management Level IV) Men - 98 • G3 (Management Level V) Men - 98 • G4 (Management Level VI) Men - 92 • G1 (Management Level I, II, III) Women - 96 • G2 (Management Level IV) Women - 99 • G3 (Management Level V) Women - 99 • G4 (Management Level VI) Women - 97

Building a better working world

Relevant Matter (Material)	Standard	Indicator/Content	Unit	Insured value
				• G1 (Management Level I, II, III) Total - 98 • G2 (Management Level IV) Total - 99 • G3 (Management Level V) Total - 98 • G4 (Management Level VI) Total - 95
Commitment to our workforce	GRI	405-1 Diversity of governance bodies and employees	Percentage	• Percentage of people within government bodies (Male) 80% • Percentage of people within government bodies (Women) 20% • Percentage of people within governing bodies Age group (Under 30 years of age) 0% • Percentage of people within governing bodies Age group (Between 30 and 50 years) 40% • Percentage of people within governing bodies Age group (Over 50 years old) 60% • Percentage of employees (Women) 57% • Percentage of employees (Men) 43% • Age group Under 30 years old Management level II 0%

Building a better working world

Relevant Matter (Material)	Standard	Indicator/ Content	Unit	Insured value
				• Age group Under 30 years old Management level III 0% • Age group Under 30 years old Management level IV 13% • Age group Under 30 years old Management level V" 48% • Age group Under 30 years Management level VI 38% • Age group Between 30 and 50 years Management level II 0% • Age group Between 30 and 50 years Management level III 4% • Age group Between 30 and 50 years Management level IV 38% • Age group Between 30 and 50 years Management level V 42% • Age group Between 30 and 50 years Management level VI 15% • Age group over 50 Management level II 0% • Age group over 50 years Management level III 6% • Age group over 50 years Management level IV 29%

Building a better working world

Relevant Matter (Material)	Standard	Indicator/ Content	Unit	Insured value
				• Age group over 50 years Management level V 26% • Age group over 50 years Management level VI" 38%
Commitment to our workforce	GRI	406-1 Incidents of discrimination and corrective actions taken.	Number	0 cases of discrimination confirmed
Commitment to our workforce	GRI	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services.	Cases	0 Cases of non-compliance
Economic performance	GRI	417-1 Requirements for product and service information and labeling	Percentage	100%
Economic performance	GRI	417-2 Incidents of non-compliance concerning product and service information and labeling	Cases	0 Cases of non-compliance
Economic performance	GRI	417-3 Incidents of non-compliance concerning marketing communications	Cases	0 cases of non-compliance
Economic performance	GRI	418-1 Substantiated complaints	Claims	260 complaints

Building a better working world

Relevant Matter (Material)	Standard	Indicator/ Content	Unit	Insured value
		concerning breaches of customer privacy and losses of customer data		
Climate Action	GRI Sector Supplement	FS1 Policies with specific environmental and social components applied to business lines	Qualitative indicator	Qualitative indicator. Policy information with specific social and environmental components can be found on page 134 of the 2023 individual report.
Inclusive growth	GRI Sector Supplement	FS7 Monetary value of products and services designed to deliver a specific social benefit for each line of business broken down by purpose.	Millions COP and % with respect to banking	• 2,859,901 • 5.03%
Climate action	GRI sector supplement	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each line of business broken down by purpose.	Millions COP and % with respect to banking	• 2,085,690 • 3.67%

Building a better working world

ANNEX 2

1. GRI Content Criteria

The assurance criteria that are applicable to the Subject Matter and the declaration of presentation of conformity are defined based on the provisions of the GRI 1 Fundamentals 2021 document, its thematic contents on the page https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-spanish-translations-download-center/

Indicators of the GRI Financial Sector Supplement https://www.globalreporting.org/search/?query=g4

Item	GRI Standard Indicators	Criterion
2-1 – 2-30	General disclosures	The assurance criteria that are applicable to the Subject Matter and the declaration of presentation of conformity are defined based on the provisions of the GRI 1 Fundamentals 2021 document, its thematic contents on the page https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-spanish-translations-download-center/
3-1 – 3-3	Material topics	
201-1	Direct economic value generated and distributed.	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage.	
203-2	Significant indirect economic impacts. (BBVA's impact on the environment)	
204-1	Proportion of spending on local suppliers	
205-2	Communication and training about anti-corruption policies and procedures.	
205-3	Confirmed incidents of corruption and actions taken.	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	
301-1	Materials used by weight or volume.	
302-1	Energy consumption within the organization	
303-5	Water consumption	
305-1	Direct (scope 1) GHG emissions.	

Building a better working world

Item	GRI Standard Indicators	Criterion
305-2	Energy Indirect (scope 2) GHG emissions	
305-3	Other indirect (scope 3) GHG emissions	
306-3	Waste generated	
401-1	New employee hires and employee turnover	
401-2	Benefits provided to full-time employees that are not provided to part-time or temporary employees.	
403-9	Work-related injuries.	
403-10	Work-related ill health	
404-1	Average hours of training per year per employee	
404-3	Percentage of employees receiving regular performance and career development reviews	
405-1	Diversity of governance bodies and employees	
406-1	Incidents of discrimination and corrective actions taken.	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	
417-1	Requirements for product and service information and labeling	
417-2	Incidents of non-compliance concerning product and service information and labeling	
417-3	Incidents of non-compliance concerning marketing communications	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	

Building a better working world

Item	GRI Standard Indicators	Criterion
FS-1	Policies with specific environmental and social components applied to business lines	The assurance criteria that are applicable to the Indicators for the Financial Services sector supplement (G4) are available at the following link https://www.globalreporting.org/search/?query=g4
FS-7	Monetary value of products and services designed to deliver a specific social benefit for each line of business broken down by purpose.	
FS-8	Monetary value of products and services designed to deliver a specific environmental benefit for each line of business broken down by purpose.	

BBVA

Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

GRI Index Tables

Individual Report 2023

Material Subject	Content	Location	impacted SDG	Omission or explanation	Verification
General contents					
GRI 2: Contents General 2021	2-1 Organization Details	General contents Page. 9	8		x
	2-2 Entities included in sustainability reporting	General contents Page. 7	8		x
	2-3 Reporting period, frequency, and point of contact	General contents Page. 9	8		x
	2-4 Restatement of information	External Verification Page. 204	8		x
	2-5 External Verification	External Verification Page. 204	8		x
	2-6 Activities, value chain and other business relationships	Who we are Page. 27	8 and 12		x
	2-7 Employees	Who we are Pp. 8, 160	8 and 5		x
	2-8 Workers Who Are Not Employees	Employment Page. 160	8 and 5	This indicator is not disclosed for information management reasons that are not within the authority of the Bank	x
	2-9 Structure and composition of corporate governance	Structure of the company's administration Page. 79	8 and 16		x
	2-10 Appointment and selection of the highest governing body	Appointment Process for Board Members Page. 66	8 and 16		x
	2-11 President of the highest governing body	Chairman of the Board of Directors Page. 75	8 and 16		x
	2-12 Role of the highest governing body in overseeing impact management	Functions of the Board of Directors Page. 76	8 and 16		x
	2-13 Delegation of responsibilities for impact management	Functions of the Board of Directors Page. 76	8 and 16		x
	2-14 Role of the highest governing body in sustainability reporting	Role of the highest governing body in sustainability reporting Page. 78	8 and 16		x
	2-15 Conflict of interest	Conflicts of interest Page. 82	8 and 16		x
	2-16 Communicating Critical Concerns	Communicating Critical Concerns Page. 78	8 and 16		x
	2-17 Collective knowledge of the highest governing body	Collective knowledge of the highest governing body Page. 78	8 and 16		x
	2-18 Performance assessment of the highest governing body	Board of Directors Self-Assessment Page. 80	8 and 16		x

Material Subject	Content	Location	impacted SDG	Omission or explanation	Verification
GRI 2: Contents General 2021	2-19 Compensation Policies	Policies and Processes for Determining Compensation Page. 69	8 and 16		x
	2-20 Processes for determining compensation	Compensation Pp. 69, 162	8 and 16		x
	2-21 Total Annual Compensation Ratio	Compensation Page. 165	8 and 16		x
	2-22 Declaration on the Sustainable Development Strategy	Strategy and objectives ESG Page. 22	2, 3, 4, 8, 9, 10, 11, 13		x
	2-23 Policy Commitment	Standards of Conduct Page. 96	8 and 16		x
	2-24 Policy Commitment Incorporation	Standards of Conduct Page. 96	8 and 16		x
	2-25 Processes to Remedy Negative Impacts	Processes to Remedy Negative Impacts Page. 133	8 and 16		x
	2-26 Mechanisms for seeking advice and raising concerns	Complaints and Claims Management Page. 128	8 and 16		x
	2-27 Compliance with laws and regulations	Compliance with laws and regulations Page. 86	8 and 16		x
	2-28 Membership in associations	Membership in associations Page. 87	8, 16 and 17		x
	2-29 Approach to Stakeholder Engagement	Stakeholders Page. 27	8 and 16		x
	2-30 Collective bargaining agreements	Employment Page. 158	8 and 16		x
Material Topics					
Material Topics	3-1 Process for Determining Material Issues	Dual materiality analysis Page. 29	8 and 16		x
	3-2 List of Material Topics	Dual materiality analysis Page. 29	8 and 16		x
	3-3 Management of material issues	Dual materiality analysis Page. 29	8 and 16		x
Specific content					
Economic performance	201-1 Direct Economic Value Generated and Distributed	Direct Economic Value Generated and Distributed Page. 125	8		x
Inclusive Growth	203-1 Investments in infrastructure and supported services	Mobilizing resources for projects with social impact Page. 113	4, 6, 7, 8, 9, 10, 11, 13, 15		

Material Subject	Content	Location	impacted SDG	Omission or explanation	Verification
Inclusive Growth Climate Action	203-2 Significant indirect economic impacts. (BBVA's impact on the environment)	Mobilizing resources for projects with social impact Page. 113 Environmental Business Pipeline Page. 15	4, 6, 7, 8, 9, 10, 11, 13, 15		x
Procurement Practices	204-1 Proportion of Spend on Local Suppliers	Value chain and other business relationships Page. 15	12		x
Corporate Governance and Ethics	205-2 Communication and training on anti-corruption policies and procedures	Standards of Conduct Pg. 96	8 and 16		x
	205-3 Confirmed cases of corruption and measures taken	Anti-corruption and other aspects Page. 99	8 and 16		x
	206-1 Legal actions related to unfair competition and monopolistic practices and against free competition	Anti-corruption and other aspects Page. 99	8 and 16		x
Climate Action	301-1 Materials Used by Weight or Volume	Materials Page. 149	8, 13 and 15		x
	301-2 Recycled inputs	Materials Page. 149	8, 13 and 15		
	302-1 Energy consumption within the organization	Energy Page. 150	7 and 13		x
	303-5 Water Consumption	Water Pg. 151 For this report, the report of water consumption in areas of water stress is not considered.	6, 13 and 15		x
	305-1 Direct GHG emissions (scope 1)	Emissions Page. No energy use from combustible sources is reported 152	12, 13 and 15		x
	305-2 Direct GHG emissions from power generation (scope 2)	Emissions Page. 153	7, 12, 13, 15		x
	305-3 Other indirect GHG emissions (scope 3)	Emissions Page. 154	12, 13 and 15		x
	306-3 Significant waste-related waste generated	Waste management p. 154	11, 12, 13 and 15		x
	306-2 Management of significant waste-related impacts	Emissions Pg. XX			
	306-3 Waste generated	Waste management Page. 154			
	BBVA-10 Percentage of employees in ISO 14001 and LEED certified buildings	Certified Real Estate Area Page. 156	6, 7, 11, 12, 13, 15		

Material Subject	Content	Location	impacted SDG	Omission or explanation	Verification
Commitment to our workforce Compromiso con nuestra fuerza laboral	401-1 New Employee Hires and Staff Turnover	Employment Page. 160	5 and 8	This year, the information disaggregated by region is not reported because the source does not have the information. However, the requirement to have that detail in future reports has been established.	x
	401-2 Benefits for full-time employees that are not given to part-time or temporary employees	Proceeds Page. 165	3, 4, 2008		x
	202-1 Ratio of the standard entry-level wage by sex to the local minimum wage	Employment Page. 160	5 and 8		x
	403-4 Worker involvement, consultation and communication on occupational health and safety	Occupational health and safety Page. 175	3, 8		
	403-9 Workplace Accident Injuries	Occupational health and safety Page. 175	3, 8		x
	403-10 Occupational ailments and illnesses	Occupational health and safety Page. 175	3, 8		x
	404-1 Average number of hours of training per year per employee	Training & Teaching Page. 170	4, 8		x
	404-2 Employee Upskilling Programs and Transition Assistance Programs	Training & Teaching Page. 170	4, 8		
	404-3 Percentage of employees who receive regular performance reviews and professional development	Performance reviews Page. 174	4, 8		x
	405-1 Diversity in governing bodies and employees	Diversity Page. 68	5, 8, 10		x
	405-2 Ratio of women's basic salary and compensation to men	Diversity, Equity, & Inclusion - DEI Page. 167	5, 8, 10		
	406-1 Discrimination cases and remedial actions taken	Diversity, Equity, & Inclusion - DEI Page. 167	5, 8, 10		x
Cybersecurity	416-1 Assessment of the health and safety impacts of product or service categories	Corporate security Page. 157	8 y 12		
Compromiso con nuestra fuerza laboral	416-2 Non-compliance cases relating to health and safety impacts of product and service categories	Corporate security Page. 157	3, 8, 12		x
Economic performance	417-1 Requirements for information and labeling of products and services	Marketing Page. 133	8, 12		x
	417-2 Cases of non-compliance related to information and labelling of products and services	Marketing Page. 133	8, 12		x
	417-3 Cases of Non-Compliance Related to Marketing Communications	Marketing Page. 133	8, 12		x
	418-1 Substantiated claims regarding violations of customer privacy and loss of customer data	Complaint and claim management p. 128	8, 12		x

Material Subject	Content	Location	impacted SDG	Omission or explanation	Verification
Economic performance	BBVA-2 Number of SME customers	SMEs Page. 136	8, 9, 10		
	BBVA-3 Number of financings to SME customers.	SMEs Page. 136	8, 9, 10		
	BBVA-6 Claim Resolution Time	Complaint and claim management Page. 128	8, 12		
	BBVA-7 Percentage of Claims Resolved on Time	Complaint and claim management Page. 128	8, 12		
	BBVA-8 Percentage of RCC managed by the SPC	Complaint and claim management Page. 128	8, 12		
	BBVA-9 Channel Operations	Channel Operations Page. 134	8, 9, 10		
Climate Action	FS-1 Policies with specific social and environmental components applied to business lines	Policies with specific social and environmental components Page. 143	6, 7, 8, 10, 11, 12, 13, 15		x
Commitment to our workforce	FS-4 Processes to improve the competence of workers when implementing social and environmental policies and procedures applicable to lines of business	Other Programs Pg. 174	4, 8, 12		
Inclusive Growth	FS-7 Monetary value of products and services designed to provide a specific societal benefit for each line of business broken down by purpose	Mobilizing resources for projects with social impact Page. 113	3, 4, 5, 8, 9, 10		x
Climate Action	FS-8 Monetary value of products and services designed to provide a specific environmental benefit, by product line and broken down by purpose	Mobilizing resources for projects with environmental impact Page. 146	6, 7, 11, 12, 13, 15		x
Economic performance	FS-14 Initiatives to improve access to financial services for disadvantaged people	SAC - Customer Service System Page. 126	8, 10, 12		
Corporate Responsibility	BBVA-1 Number of beneficiaries of the "Finance for the Future" Financial Education Program	Corporate Social Responsibility Page. 190	4, 8, 10		
	BBVA-12 Number of people benefiting from education support programs (backpacks with school supplies and educational scholarships)	Education as a pillar of the strategy Page. 190	4, 8, 10		
Inclusive Growth	BBVA-4 Value corresponding to disbursements to finance sustainable development and infrastructure projects and energy efficiency	Mobilizing resources for projects with social impact Page. 113	6, 7, 8, 12, 13, 15		
Corporate Responsibility	BBVA-11 Number of BBVA volunteers	Corporate Volunteer Program Page. 194	4, 8, 12, 17		

Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

SASB Indicator Tables

Individual Report 2023

SASB Indicator Tables

COMMERCIAL BANK

SASB Topic:	DATA SECURITY
BBVA Colombia Material Topic:	Cybersecurity
Accounting Parameter:	1. Number of data breaches 2. Percentage of personal data leakage 3. Number of affected account holders
Category:	Quantitative
Code:	FN-CB-230a.1

Answer:

For the reporting period, the Bank did not identify any confirmed data breaches. It identified 118 events of possible credential exposure on the dark web due to social engineering attacks, which entered the investigation process and prevention and awareness campaigns were reinforced to customers, technically applying the corresponding blockages in the different channels. In addition, within BBVA Colombia, special emphasis was placed on raising awareness among and employees through the "Do the Right Thing" initiative, which led to various internal and external campaigns in association with Asobancaria.

In reference to the Colombian financial sector and from a cybersecurity perspective, different attack vectors were observed with which cybercriminals compromised the security of systems and the privacy of users. Among them, phishing accounted for 64% of the attacks. From the Bank's point of view, no incidents were determined at the end of 2023 and although there was an increase in the volume of events that the Bank had to review, these did not generate any impact. The entity had an information security model based on industry standards (NIST - National Institute of Standards and Technology and ISO), for the management of security incidents, complemented by security tools that automated these processes and warned preventively about cyber threats. In addition, the Bank had use cases and playbooks for both the Cybersecurity and Fraud areas.

The policies, rules and procedures of the entity are based on the security standards mentioned above (NIST - National Institute of Standards and Technology and ISO), and the Bank is regulated by public and private bodies that govern the banking and financial sector at the level of Colombia. On the other hand, the Entity is certified with standards such as the Peripheral Component Interconnect - PCI and Society for Worldwide Interbank Financial Telecommunications - Swift.

Accounting Parameter:	Description of the approach to identifying and addressing Data Security Risks
Category:	Discussion and analysis
Code:	FN-CB-230a.2

Answer:

The Bank has a vulnerability management standard associated with a patch and remediation management procedure, which defines the controls and risks that may arise. In addition, the Entity has training programs for employees, such as "The Eighth Layer of Security", which is included in the Annual Training Plan, which is mandatory. This content is constantly reviewed and updated in line with security trends.

Regarding the procedures for disclosing data breaches to its customers, the Bank, fulfilling its commitment to keep customers and control entities informed of any data breach, may use official media communications in the event of incidents that affect the confidentiality of data through its website and social networks. It will also issue an official statement to control entities, such as the Financial Superintendence of Colombia, as long as the security of customer data is compromised.

The Bank's policies, rules and procedures are based on the security standards mentioned above (NIST - National Institute of Standards and Technology and ISO). In addition, the Bank is regulated by public and private bodies that govern the banking and financial sector in Colombia. The entity is also certified with standards such as the Peripheral Component Interconnect - PCI and Society for Worldwide Interbank Financial Telecommunications - Swift. With respect to comprehensive data management, the Bank complies with Law 1581 of 2012 on general rules for the processing of personal data, Law 1273 of 2009 on the protection of information and data, and Law 1266 of 2008 (Habeas Data), which guarantees the right of all persons to know, update and rectify its financial information collected in databases, among other regulations.

In reference to the Colombian financial sector and from the perspective of cybersecurity, different attack vectors are observed with which cybercriminals compromise the security of systems and the privacy of users. Among them, phishing stands out, accounting for 64% of attacks. From the Bank's point of view, no incidents have been determined in 2023 and although there is an increase in the volume of events that the Bank must review, these do not generate any impact.

The Bank has an information security model that is based on industry standards (NIST - National Institute of Standards and Technology and ISO), for the management of security incidents, complemented by security tools that automate these processes and preemptively warn about cyber threats. In addition, it has use cases and playbooks for both the Cybersecurity and Fraud areas.

SASB Topic:	**INCLUSION AND CAPACITY BUILDING FINANCIAL**
BBVA Colombia Material Topic:	**- Risk management - Inclusive growth**
Accounting Parameter:	1. Number 2. Amount of outstanding loans qualified programs designed to promote small Business & Community Development
Category:	Quantitative
Code:	FN-CB-240a.1

Answer:

1. In 2023, SME banking improved the digital experience of small and medium-sized business customers, reaching 85% of businesses with an advance on sales throughout the national territory, which represented a contribution of 7.5% to the total SME turnover. The Bank has 50,222 legal entities and 27,075 individuals with businesses eligible for the granting of credit, to which more than 28,000 pre-approved loans were offered, with more than 3,300 contracts, for a total of COP 566 Billion. In addition, 39% of these loans originated through digital products in the following lines: working capital, leasing, refilling, portfolio purchase, virtual credit and business credit card.

2. Currently, in terms of financing, Banco BBVA has a customer profile that ranges from COP 200 million to COP 15 billion in annual sales. This covers the profile of SMEs, within which there are lines for working capital, promotion of asset, products and sustainable line financing. In addition, the Bank has a line of financing that does not have minimum sales requirements and that leverages on the monthly electronic sales transactions of businesses, advance sales and digital product, financing for 120 days, from COP 300 thousand and covering both individuals with business and legal entities. Several of the customers take out this line, which represents their first financing loan. In the Bank's strategy, it is clear to support the promotion and growth of SME customers, not only with financing lines, but also with a transactional portfolio that offers preferences in commissions and costs, as an alternative payments and collection solution of customer sales.

Accounting Parameter:	1. Number 2. Amount of outstanding loans qualified for programs designed to promote small Business & Community Development
Category:	Quantitative
Code:	FN-CB-240a.2

Answer:

The Bank monitors these indicators on a monthly basis in the following product lines:

Line	Amount disbursed (Figures in COP billions)	Number of registrations
Rediscount	305	1,317
Leasing	223	1,609
Agro	668	2,239
Comex	601	7,070
Factoring	1,012	43,311
Constructor	44	86
Other companies	1,111	6,319
Total	3,964	61,951

Accounting Parameter:	Number of no-cost retail checking accounts provided to previously unbanked customers or underbanked.
Category:	Quantitative
Code:	FN-CB-240a.3

Answer:

The SME segment manages the monitoring of retail demand deposit accounts. During this period, 286,000 savings and checking accounts were registered at no cost for new customers, classified within the financial inclusion segment with the code 85100.

Accounting Parameter:	Number of participants in education initiatives financial services for unbanked, underbanked customers or neglected.
Category:	Quantitative
Code:	FN-CB-240.4

Answer:

BBVA believes in the potential of financial education as a key element to improve people's financial health and contribute to the transition to a more sustainable and fair economy. That is why, as part of its Social Responsibility strategy, financial education is a priority. In this regard, the following initiatives were completed in 2023:

- Financial education training: In April and May, 123 BBVA employees were trained as financial education trainers, to replicate knowledge about saving, debt management, cash flow, the correct use of credit cards, finances for different moments in life, investing, cybersecurity, among others. In addition, the Bank trained more than 4,800 people from 53 public and private organizations through 48 face-to-face and 14 virtual meetings.

- Communal Finance Group: The Bank carried out a pilot project whose objective is to promote the inclusion and financial education of communities in the Colombian Pacific, through the voluntary formation of communal finance groups, through which people can generate savings and make loans among their members. In this initiative, the community is the protagonist and the group defines by common agreement the minimum savings amounts, the periodicity, the interest rates of the loans and their maximum amounts, among others, thus strengthening local economies, the integration of the community and the education and financial health of the people.

- Dissemination of financial health content: Financial health content is generated continuously through the web portal, social networks and disseminated through different media, press releases, videos, publications on networks, radio and television notes.

Some of the initiatives and figures achieved in 2023 were:

- Creation of The School: A series of videos shared on YouTube that teach basic topics of economics and finance in a simple and didactic way. This initiative was awarded by the Colombian Stock Exchange (BVC) in the ninth version of the awards granted by this entity, in partnership with Fedesarrollo and Portafolio.

- Partnership with Caracol Radio, through which 25 radio interventions were made in the second half of the year at Tropicana, La W and Caracol Radio, with BBVA's tips on financial health. With this initiative, thousands of listeners were reached and more than 12 thousand views were achieved, through the social network publications made.

- Through BBVA's website, 18 articles were published on financial health on topics as diverse as payroll, home purchases, state planning, dividends, the tax system in Colombia, income tax returns, financial recommendations to take advantage of the extra salary and cybersecurity, among others. These articles were consulted by around 40,000 people.

- The media cited BBVA Colombia in 250 publications on financial health, generating a 191% increase in media appearances compared to 2022.

- On BBVA's official social networks, on platforms such as Instagram, LinkedIn, Facebook and X, there are regular publications with content on financial health and well-being.

SASB Topic:	**INCORPORATION OF ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE FACTORS IN CREDIT ANALYSIS**
BBVA Colombia Material Topic:	**- Risk management - Climate action**
Accounting Parameter:	Description of the Approach to Include environmental, social and governance (ESG) factors in credit analysis
Category:	Discussion and analysis
Code:	FN-CB-410a.2

Answer:

BBVA Colombia has worked on the implementation of the Environmental and Social Risk Management System (SARAS for its Spanish acronym), hand in hand with the International Finance Corporation (IFC). In 2023, the Bank included SARAS in the General Sustainability Policy and approved the General Standard on Environmental and Social Risks by the Risk Management Committee (RMC), which establishes a comprehensive management framework that includes policies, standards, procedures, tools, and mechanisms for identifying, categorizing, assessing, controlling, monitoring and following-up on the environmental and social risks that could be generated by projects, works, activities and clients to whom financing is granted and that may result in financial, reputational, credit, market and civil liability risks for BBVA Colombia. This is managed by the Wholesale Credit Direction of the Bank's Risk Vice Presidency.

The environmental and social risk assessment process is integrated into the credit process, which includes the stages of pre-admission, admission, formalization, and monitoring and control. The due diligence of operations that comply with the established criteria and filters is done based on the review of the following aspects:

- Excluded and Restricted Activity Lists
- Compliance with national legislation
- System for the assessment and management of environmental and social risks and impacts
- Labor and working conditions
- Resource efficiency and pollution prevention
- Community Health & Safety
- Land acquisition and involuntary resettlement
- Biodiversity conservation and sustainable management of natural resources
- Indigenous peoples
- Cultural heritage

SARAS is aligned with other tools and methodologies used at the Group level, such as the analysis of the Ecuador Principles and compliance with the Environmental and Social Framework, as well as the standards, performance norms and exclusion lists of the International Finance Corporation (IFC) and the standards of the Environmental and Social Policy Framework (ESMP) of the Inter-American Development Bank (IDB).

In the last quarter of 2023, BBVA Colombia generated technical capabilities for the teams involved in the assessment process, based on the generation of training and capacity building spaces that allowed the implementation of the system to be deployed internally for its operation and start-up in 2024. In addition, in this last period, the first pilot assessment exercise was completed for an energy sector operation, which gave the Bank the possibility of identifying the main environmental and social impacts associated with the financed operation.

In addition to the practices and methodologies used at BBVA Colombia, the BBVA Group considers the risks associated with climate change (transitional and physical) as an additional factor that affects the risk categories already identified and defined and are therefore managed through the Group's risk management frameworks. As a result, the integration of climate change-related risks relies on their incorporation into established processes and governance, considering regulation and supervisory trends. For proper planning, it is essential to have reliable, complete and up-to-date data, all aimed at guaranteeing a complete view of these risks, for their correct control and management. Among the data considered is that related to customer climate scorings, energy efficiency of buildings, ESG ratings, greenhouse gas emissions, location of assets and collateral, and sector-specific metrics. Climate change risk management in the BBVA Group is based on the risk planning process, which is marked by the defined risk appetite and is reflected in the management framework that establishes the treatment of risk on a day-to-day basis.

Once climate change risk has been incorporated into the Risk Appetite Framework and business strategy, it is also necessary to integrate it into risk management, forming part of the decision-making associated with assisting the Group's clients. To do this, it is necessary to identify these, for their subsequent integration into management processes, including the adaptation of policies, procedures, tools, parameterization, risk limits and risk controls in a consistent way. Currently, BBVA Colombia is developing the methodologies and tools necessary for the identification and measurement of the different components of climate change risk, and for the analysis of the financial impact of each of them with a view to integrating them into management.

These tools are based on metrics of financed emissions, alignment with decarbonization processes, vulnerability analysis and exposure to the clients and their collateral climate hazards and climate scenarios analysis that allow a forward-looking view of risks, opportunities and financial impacts. The adaptation of policies and procedures has initially focused on the inclusion of transition risk into the Sectoral Frameworks (a basic tool in the definition of risk appetite in the wholesale credit portfolios) where climate criteria is specified in the onboarding guidelines and in the Mortgage and Vehicle Action Frameworks in retail credit. This work has made it possible to define strategies and business plans aimed at meeting established medium term alignment objectives, as well as mitigating the risks related to balance sheet decarbonization.

Along with integration into industry frameworks, the BBVA Group has also continued to systematically integrate sustainability factors into customer analysis processes for credit origination, allowing these to be incorporated into decision-making.

This analysis is done in the Sustainability Toolkit, an environment integrated into BBVA's systems that has a common interface for the Risk and Business teams, where customers' sustainability information is visualized. This interface provides information on climate transition strategies, governance practices and management of climate risks and opportunities, decarbonization metrics and targets, as well as progress in the management of other ESG aspects relevant to the client's activity sector, compliance with BBVA's Environmental and Social Framework, the existence of social controversies, environmental and ethical standards, and their level of alignment with the goals of the Paris Agreement and the level of emissions financed.

In this environment, the transition risk score calculation, called the Transition Risk Indicator, is included. For those sectors classified as High Transition Risk, an advanced transition risk score has been developed that allows all dimensions of transition risks to be incorporated into a client's profile. It assesses the current low-carbon profile, the levels of regulatory pressure in the geographical areas where it is present, its level of disclosure, in terms of climate management, in line with the recommendations of the TCFD, and the ambition and maturity of its decarbonization targets. The result of the score is a valuable tool to identify customers' strengths and weaknesses and allows specific products to be defined to help them transition to low-carbon business models.

SASB Topic:	FINANCED ISSUES
BBVA Colombia Material Topic:	- Climate action - Risk management
Accounting Parameter:	Absolute gross emissions financed, disaggregated by: - Scope 1 - Scope 2 - Scope 3
Category:	Quantitative
Code:	FN-CB-410b.1

Answer:

ID	Asset Class	Risk (Figures in € million)	Emissions (Figures in tCO_2)	Scope 1, 2, 3 (Figures in tCO_2)	Intensity (Figures in tCO_2/€ million)	Score	Risk (Figures in COP million)	Intensity (tCO_2/COP million)
1	Business loans	4,374	12,929,933	S1: 8,132,909 S2: 242,998 S3: 4,542,714	2,956	3.92	18,473,000	0.70
2	Project finance	162	13,935	S1: 3,725 S2: 900 S3: 9,310	86	4	684,185	0.02
3	Commercial real estate	880	187,123	S1: 41,884 S2: 145,239	213	5	3,716,561	0.05
4	Mortgages	3,474	25,721	S1: 16,973 S2: 8,748	7	4	14,671,971	0.0018
5	Motor vehicle loans	375	145,471	-	388	5	1,583,762	0.09

Accounting Parameter:	Gross exposure for each industry by asset class
Category:	Quantitative
Code:	FN-CB-410b.2

Answer:

ID	Asset Class	Risk (Figures in € million)	Emissions (Figures in tCO_2)	Scope 1, 2, 3 (Figures in tCO_2)	Intensity (Figures in tCO_2/€ million)	Score	Risk (Figures in COP million)	Intensity (tCO_2/COP million)
1	Business loans	4,374	12,929,933	S1: 8,132,909 S2: 242,998 S3: 4,542,714	2,956	3.92	18,473,000	0.70
2	Project finance	162	13,935	S1: 3,725 S2: 900 S3: 9,310	86	4	684,185	0.02
3	Commercial real estate	880	187,123	S1: 41,884 S2: 145,2399	213	5	3,716,561	0.05
4	Mortgages	3,474	25,721	S1: 16,973 S2: 8,748	7	4	14,671,971	0.0018
5	Motor vehicle loans	375	145,471	-	388	5	1,583,762	0.09

Accounting Parameter:	Percentage of gross exposure included in the calculation of financed emissions
Category:	Quantitative
Code:	FN-CB-410b.3

Answer:

ID	Asset Class	Risk (Figures in € million)	Emissions (Figures in tCO_2)	Scope 1, 2, 3 (Figures in tCO_2)	Intensity (Figures in tCO_2/€ million)	Score	Risk (Figures in COP million)	Intensity (tCO_2/COP million)
1	Business loans	4,374	12,929,933	S1: 8,132,909 S2: 242,998 S3: 4,542,714	2,956	3.92	18,473,000	0.70
2	Project finance	162	13,935	S1: 3,725 S2: 900 S3: 9,310	86	4	684,185	0.02
3	Commercial real estate	880	187,123	S1: 41,884 S2: 145,239	213	5	3,716,561	0.05
4	Mortgages	3,474	25,721	S1: 16,973 S2: 8,748	7	4	14,671,971	0.0018
5	Motor vehicle loans	375	145,471	-	388	5	1,583,762	0.09

BBVA has adopted the PCAF methodology. This calculation covers all portfolios and geographic areas, **allowing for a global view of emissions financed,** identifying in which portfolios and sectors these emissions are concentrated, and subsequently defining mitigation plans.

Accounting Parameter:	Description of the methodology used for the calculation of financed emissions
Category:	Discussion and analysis
Code:	FN-CB-410b.4

Answer:

BBVA has focused all its efforts on measuring the emissions financed in the retail and wholesale portfolios. To perform this measurement, BBVA has adopted the PCAF (Partnership for Carbon Accounting Financials) methodology. This calculation covers all portfolios and geographical areas, which makes it possible to obtain a global view of the financed emissions, identify in which portfolios and sectors these emissions are concentrated and, subsequently, define mitigation plans. In addition, it provides a cross-sectional view of the quality of the data available to perform these calculations.

In the case of the Bank, the scope for measuring financed issuances of corporate, project finance, commercial and real estate, mortgages and vehicles was defined. As a result of the estimation of the emissions financed in BBVA Colombia, it is identified that these are composed as follows:

Corporate Loans	12,929,933 tons CO2
Project Finance	13,935 tons CO2
Commercial & Real Estate	187,123 tons CO2
Mortgages	25,721 ton CO2
Vehicles	145,471 ton CO2

SASB Topic:	**BUSINESS ETHICS**
BBVA Colombia Material Topic:	**- Risk management - Corporate governance, ethics and transparency**
Accounting Parameter:	Total amount of monetary losses as a result fraud-related legal proceedings, insider trading, antitrust, unfair competition, market manipulation, bad praxis or other related laws or regulations of the Financial Industry.
Category:	Quantitative
Code:	FN-CB-510a.1

Answer:

At the end of 2023, the Bank recorded losses of COP 542 million, in 18 legal actions issued by the Superintendence of Industry and Commerce, associated with civil fraud, that is, litigation promoted against the entity on the occasion of customer complaints regarding the performance of non-consensual monetary operations through digital channels, i.e., wire fraud. The lawsuits culminated in adverse, final judgments. On this matter, at the end of 2023, there were 240 lawsuits valued at COP 7,596 million.

Accounting Parameter:	Description of Whistleblowing Policies and Procedures
Category:	Discussion and analysis
Code:	FN-CB-510a.2

Answer:

During 2023, the Internal Control and Compliance area disseminated the Whistleblowing Channel as the main mechanism for managing conduct risk at BBVA, through the socialization of the tool provided for the reception of complaints and with, mainly, virtual training, reviewing and reinforcing the legal update content through the "Legal Requirements" course that has been completed by 94% of employees and through the sending communications with content and case studies through the "Al Día" mailbox, with the support of the Talent & Culture and Responsible Business area.

The Basic Legal Circular issued by the Financial Superintendence of Colombia, Part 1, Title I, Chapter IV, Numeral 3.4.1.4, establishes, among other points, the obligation, for supervised entities, to have "specific and exclusive communication channels for the reception of complaints against employees, administrators and/or third parties hired, so that persons who notice or know of possible irregularities, regulatory breaches, violations of the code of ethics and conduct, or other facts or circumstances that affect or may affect the proper functioning of the ICS, bring them to the attention of the competent bodies of the supervised entities", as well as establish protection measures for those who report internally on actions or omissions, avoiding retaliation.

In addition, the General Policy for Communications Management was adopted in the whistleblowing and whistleblower protection channel, in order to ratify BBVA's commitment to the fight against corruption and the protection of those who report internally on conduct that is not aligned with current legislation, the Code of Conduct or Internal Regulations. Among the aspects included in the Policy, the following stand out:

- Whistleblower Protection General Principles.
- Overview of the communications management procedure in BBVA's whistleblowing channel.
- Prohibition of retaliation or other adverse consequences against bona fide whistleblowers.
- Obligation to maintain confidentiality regarding the identity of the informant and to comply with the regulations on the protection of personal data.

In the different campaigns, it was highlighted that, through the whistleblowing channel, employees, customers and suppliers of BBVA entities can report any breach they observe or are informed, reminding them of their obligation not to tolerate behavior that deviates from the Code. Likewise, the way in which communications can be sent through BBVA Colombia's whistleblowing channel tool through the following link was reiterated: www.bkms-system.com/bbva

The Compliance area has diligently and promptly processed the complaints received, promoting their verification and promoting measures for their resolution, in accordance with the recently reviewed and updated procedures for the management of the whistleblowing channel, and analyzing the information in an objective, impartial and confidential manner.

SASB Topic:	SYSTEMIC RISK MANAGEMENT
BBVA Colombia Material Topic:	- Risk management
Accounting Parameter:	Importance Bank Assessment Score Global Systemic Index (G-SIB), by category
Category:	Quantitative
Code:	FN-CB-550a.1

Answer: Not applicable.

Accounting Parameter:	Description of the approach to integrating the results of the mandatory and voluntary stress tests in the Capital adequacy planning, strategy long-term corporate and other business activities
Category:	Discussion and analysis
Code:	FN-CB-550a.2

Answer:

Since 2016, the Financial Superintendence of Colombia has requested for the implementation of a stress test scheme for banks, financing companies, financial corporations and financial cooperatives. Therefore, the Bank's objective is to apply stress tests that will allow for the identification of risk factors and vulnerabilities that may arise as a result of market fluctuations, affected by the macroeconomic variables designated by this Superintendence, in two possible scenarios (one base and one adverse), in the areas of credit, liquidity, market risk and profitability of the Bank.

To perform this exercise, the base scenario presents a dynamism related to the behavior of the economy, since it is the most likely scenario estimated by the Economic Studies teams. For the adverse scenario, they took the scenario proposed by the Economic Studies teams, considering the parameters established to comply with the requirement of Circular Letter No. 26 of 2023 of the Financial Superintendence of Colombia and In this manner, subject the entity to high levels of stress. In this way, the application of the stress tests makes it possible to determine how the provisions of the segments, of each of the credit portfolios (consumer, commercial and housing), would behave in accordance with the Superintendence requirements, impacting these in a manner consistent with macroeconomic variables.

The calculation of the stress tests contains the same methodology used in 2021, considering that it is necessary to generate very adverse macroeconomic scenarios, that bring solvency below the minimum required that will lead to exceeding the limits established in internal risk appetite policies. Subsequently, the Bank applies recovery measures (mitigating actions) to recover the bank from the adverse scenario, thus showing that in the face of such economic and situation at BBVA, they have the capacity to adequately recover. To perform the analysis as set out in the previous paragraph, BBVA used 3 key instruments already included in the bank's normal management and designed some years ago thanks to the convergence to Basel made by the parent company, BBVA S.A., some time earlier than what was done in Colombia, thus ensuring total synchrony between the different stress and recovery exercises done by the bank, both internal and regulatory.

TABLE 2. Activity Parameters - Commercial Bank

Accounting Parameter:	1. Number 2. Value of Checking and Savings Accounts by segments: a. Individual b. Small Businesses
Category:	Quantitative
Code:	FN-CB-000. To

Answer:

The financial area is responsible for consolidating the figures related to savings and checking accounts by Individual category segments:

Code Segment	Segment	Number Quantity of accounts*	Average Account Balances* (COP million)
80.000	Private Wealth	3	392,745
80100	Wealth premium plus	11	2,329,599,000
81000	Premium Wealth	122	8,766,447,553
82000	BP Value	996	18,323,194,046
82100	Classic BP	918	11,764,314,496
83000	Particular value	6,844	20,836,366,624
84000	Classic Particular	105,957	135,367,067,160
85100	Financial Inclusion	334,890	28,769,271,927
	Total	**449,741**	**226,156,653,551**

Segment	Number of customers - current account	Value Checking Accounts (COP million)	Number of customers - Savings Accounts	Value Savings Accounts (COP million)
Pyme	22,704	1,244	20,758	1,099
PNN	8,740	162	14,522	169

* Figures as of December 2023.
Savings and checking accounts for natural persons who are new customers.

Activity Parameter:	1. Number 2. Value of loans by segments: a. Individual b. SME c. Corporate
Category:	Quantitative
Code:	FN-CB-000. B

Answer::

Segment	Number of loans* / credits	Value (COP million)
Individual	967,822	11,021
SME	19,100	1,947
NNP	6,405	590
Total	**993,327**	**13,558**

* Loans refers to natural person

CONSUMER FINANCE

SASB Topic:	**CUSTOMER PRIVACY**
BBVA Colombia Material Topic:	**- Corporate governance, ethics and transparency**
Accounting Parameter:	Number of account holders whose information is used for secondary purposes
Category:	Quantitative
Code:	FN-CF-220a.1

Answer:

It does not apply, as BBVA does not use cardholder information for secondary purposes. A secondary purpose is defined as the intentional use of the data by the entity outside of the primary purpose for which it was collected; Examples of secondary purposes may be the sale of targeted advertising and the transfer of data or information to a third party through sale, rental, or sharing.

Accounting Parameter:	Total amount of monetary losses as a result of legal proceedings relating to the Customer Privacy
Category:	Quantitative
Code:	FN-CF-220a.2

Answer:

By Resolution of October 9, 2023, the Directorate of Personal Data Protection Investigations of the Superintendence of Industry and Commerce resolved the administrative sanctioning action identified with File 21-90213, declaring that BBVA Colombia did not duly inform the purpose of the collection of personal data and the rights it had as the owner, contrary to paragraphs b) and c) of article 17 of Law 1581 of 2012, in accordance with paragraphs b) and c) of article 4 and article 12 of the same law, and articles 2.2.2.25.2.2. and 2.2.2.25.2.5. of Decree 1074 of 2015.

A fine of COP 339.3 million was imposed on BBVA Colombia and an administrative order was issued requiring BBVA to "implement a procedure to request authorization for the processing of the personal data of the referred persons, if the processing of such data is going to be done for reasons other than those of verifying the identity of the applicant at the time he or she enters into a legal transaction with the Bank. Such authorization must respect the requirements established in Law 1581 of 2012 and its Regulatory Decrees." For this purpose, 3 months were granted from the execution of the Resolution, for which a certification signed by the Legal Representative of BBVA Colombia must be submitted. BBVA filed the legal remedies and, consequently, is awaiting the Authority's ruling.

SASB Topic:	**DATA SECURITY**
BBVA Colombia Material Topic:	**- Risk management - Corporate governance, ethics and transparency - Cybersecurity**
Accounting Parameter:	1. Number of data breaches 2. Percentage of personal data leakage 3. Number of affected account holders
Category:	Quantitative
Code:	FN-CF-230a.1 FN-CB-230a.1

Answer:

(1) (2) (3) For the reporting period, the Bank has not identified confirmed data breaches. It has identified 118 events of possible credential exposure on the dark web, due to social engineering attacks, which have entered the investigation process, prevention campaigns, customer awareness have been reinforced and the corresponding blockage has been technically applied in the different channels. In addition, within the Bank, special emphasis is placed on raising awareness among employees through the "Do the Right Thing" initiative, which results in various internal and external campaigns in association with Asobancaria.

In reference to the Colombian financial sector and from the perspective of cybersecurity, different attack vectors are observed with which cybercriminals compromise the security of systems and the privacy of users. Among them, phishing accounts for 64% of attacks. From the Entity's point of view, no incidents have been determined at the end of 2023 and, although there is an increase in the volume of events that the Entity must review, these do not generate any affectation.

The entity has an information security model that is based on industry standards (NIST - National Institute of Standards and Technology and ISO), to manage security incidents, complemented by security tools that automate these processes and preventively alert of cyberthreats. In addition, the Bank has use cases and playbooks for both the Cybersecurity and Fraud areas.

The entity's policies, rules and procedures are based on the aforementioned security standards (NIST - National Institute of Standards and Technology and ISO); Likewise, the Bank is regulated by public and private organizations that govern the banking and financial sector at the Colombian level. On the other hand, the Entity is certified with standards such as the Peripheral Component Interconnect - PCI and Society for Worldwide Interbank Financial Telecommunications - Swift.

Accounting Parameter:	Loss from card-related fraud: 1. Cardless 2. With the presence of a card and other types of fraud
Category:	Quantitative
Code:	FN-CF-230a.2

Answer:

The Corporate Security area is responsible for consolidating the results related to fraud losses:

- The declaration of fraud originating from debit and credit cards is made, achieving the identification of the movements and effects, due to fraud, on customers, with the Bank assuming a loss, due to fraud, of COP 1,846.2 million for the 2023 period.
- The percentage of fraud originating from debit and credit cards is published, internally and to the regulatory bodies, by the entity. Fraud by CNP debit was COP 840.7 million and by CNP credit is COP 1,005.4 million. Fraud originates in face-to-face and non-face-to-face channels, affecting both customers and the Bank directly, due to the different modalities and vectors used to perpetrate these.
- A calculation of the value of losses, that are assumed by the Bank and that must be reimbursed to customers, was made.
- All values corresponding to losses due to unauthorized use of resources are analyzed and quantified.
- A control is maintained over the total number of fraudulent transactions, in which the entity has incurred In refunds.

Accounting Parameter:	Description of the approach to identifying and addressing Data Security Risks
Category:	Discussion and analysis
Code:	FN-CF-230a.3 FN-CB-230a.2

Answer:

The Bank has a vulnerability management standard, associated with patches and remediation management procedures, which define the controls and risks that may arise. Additionally, the entity has a training programs for employees with programs such as "The Eighth Layer of Security", which is included in the training plan for employees and is mandatory within the annual training plan. This content is constantly reviewed and updated according to security trends.

In view of the procedures for disclosing data breaches to its customers, the Bank, complying with its commitment to keep customers and control entities informed of any data breach, may make use of communications in official media, in the event of incidents that affect the confidentiality of data through its website and social networks. In the same way, an official statement will be issued to the Financial Superintendence, as long as customer data is compromised.

The Bank's policies, rules and procedures are based on the security standards mentioned above (NIST - National Institute of Standards and Technology and ISO), and the Bank is also regulated by the public and private organizations that govern the banking and financial sector in Colombia. Additionally, the entity is certified with standards such as the Peripheral Component Interconnect - PCI and Society for Worldwide Interbank Financial Telecommunications - Swift. In terms of comprehensive data management, the Bank is aligned with compliance with Law 1581 of 2012 on general rules for the processing of personal data, in which it correctly processes data. On the other hand, it complies with Law 1273 of 2009 on the protection of information and data, as well as Law 1266 of 2008 (Habeas Data) on the right of all people to know, update and rectify their financial information collected in databases, Circular J-634 Processing of personal data advertising, SIC, Circular J-460-Regulatory Cleansing Basic Legal Circular Public Consultation SFC, External Circular 005 2019 - SFC Use of cloud computing services.

In reference to the Colombian financial sector and from the perspective of cybersecurity, different attack vectors are observed with which cybercriminals compromise the security of systems and the privacy of users. Among these, phishing stands out, accounting for 64% of attacks. From the Entity's point of view, no incidents have been determined so far in 2023 and although there is an increase in the volume of events that the Entity must review, these do not generate any affectation.

The Bank has an information security model that is based on industry standards (NIST - National Institute of Standards and Technology and ISO), for the management of security incidents, complemented by security tools that automate these processes and preventively alert of cyber threats. On the other hand, it has use cases and playbooks for both the Cybersecurity and Fraud areas.

SASB Topic:	SALES PRACTICES
BBVA Colombia Material Topic:	- Corporate governance, ethics and transparency - Economic performance
Accounting Parameter:	Percentage of total covered employee compensation which is variable and coupled to the quantity of products and services sold
Category:	Quantitative
Code:	FN-CF-270a.1

Answer:

The total compensation of covered employees operating under a variable business model is 14%. The settlement and payment of variable compensation for the fourth quarter of 2023 is expected to take place in February 2024.

Accounting Parameter:	Pass Rate of: 1. Credit 2. Prepaid Products for Applicants
Category:	Quantitative
Code:	FN-CF-270a.2

Answer:

The approval rate for consumer loans, which includes free investment, payroll loans, vehicle and revolving products, was 41.7% in the last quarter.

The Bank does not offer prepaid products.

Accounting Parameter:	1.Average commission of complementary products 2. Average APR for Credit Products 3. Average Age of Credit Products 4. Average Number of Credit Accounts 5.Average Annual Product Fees
Category:	Quantitative
Code:	FN-CF-270a.3

Answer:

Product Line	Insurance Product	Dependent Rates	Independent Rates
Consumption	Consumer insurance fee	6.30%	7.50%
Vehicle	Vehicle insurance fee	6.30%	7.50%
Mortgage	Mortgage insurance payment	6.10%	7.35%
Libranza	Insurance fee	6.55%	6.55%

Rate (%)												
Guy	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Savings	6.08	5.51	6.14	6.13	6.53	6.71	6.21	6.58	6.92	6.77	6.82	6.89
View	3.40	3.79	3.61	3.98	4.44	4.26	4.08	4.12	3.63	4.11	3.75	3.48
Savings + Sight	5.44	5.09	5.53	5.61	6.03	6.14	5.71	6.00	6.19	6.16	6.14	6.16

Accounting Parameter:	1. Number of customer complaints filed 2. Percentage with monetary or non-monetary relief
Category:	Quantitative
Code:	FN-CF-270a.4

View Editable Matrix file, CF editable tab, metric-related table.

Financial Consumer Advocate 2023

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
287	355	512	308	795	1,898	1,150	1,287	1,107	1,692	1,243	1,422	12,056

From the first quarter of the year onwards, there was a greater participation of the Ombudsman's Office due to the massive use of this resource by customers within the Bank's white page (non-transactional).

Answer 1:

Product	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Savings account	146	198	262	118	383	969	566	627	493	770	555	683	5,770
Credit Card	72	73	116	95	217	453	301	310	290	413	317	375	3.032
Consumer Credit	29	38	63	39	120	230	132	154	175	226	184	177	1.567
Housing Credit	25	22	39	35	38	121	73	103	53	127	92	102	830
Vehicle Credit	5	8	18	8	20	85	52	56	77	112	70	53	564
Time Deposit	4	7	13	9	11	23	16	21	11	19	18	22	174
Demand Deposit Account	6	8	1	3	5	10	8	12	6	19	6	9	93
Without a product		1		1	1	7	2	4	2	5	1		24
Remittances										1		1	2
Total													12,056

Answer 2:

Financial Consumer Advocate

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total cases
Monetary	11%	14%	16%	18%	7%	8%	20%	13%	10%	8%	20%	18%	**13%**
Non-Monetary	89%	86%	84%	82%	93%	92%	80%	87%	90%	92%	80%	82%	**87%**

Accounting Parameter:	Total amount of monetary losses as a result of legal proceedings relating to the sale and product maintenance
Category:	Quantitative
Code:	FN-CF-270a.5

Answer:
No economic losses were recorded on civil contingencies.

TABLE 2. Activity Parameters – Consumer Financing

Accounting Parameter:	Number of unique consumers with an active account of: 1. Credit Card 2. Prepaid debit card
Category:	Quantitative
Code:	FN-CF-000. A

Answer:

	Number of customers	Number of cards
Debit card	4,242,766	4,674,603
Credit Card	955,828	1,210,978

Accounting Parameter:	Number of unique consumers with an active account of: 1. Credit Card 2. Prepaid debit card
Category:	Quantitative
Code:	FN-CF-000. B

Answer:

	Number of customers	Number of cards
Debit card	4,242,766	4,674,603
Credit Card	955,828	1,210,978

INDUSTRY: MORTGAGE FINANCING

SASB Topic:	LOAN PRACTICES
BBVA Colombia Material Topic:	- Economic performance - Corporate governance, ethics and transparency
Accounting Parameter:	1. Number 2. Value of Residential Mortgages by the following types: a. Hybrid & Variable Rate b. Prepayment Penalty
Category:	Quantitative
Code:	FN-MF-270a.1

Answer:
The number of variable-rate residential mortgages is 4,577, for COP 448 billion for 2023, while the number of hybrid-rate residential mortgages is 33,829, for COP 2.3 trillion for 2023. No prepayment penalties were reported for the evaluation period.

	Number of mortgages	Value (in COP)
UVR	4,577	448 billion
Highest rate	33,829	2.3 trillion

Accounting Parameter:	1. Number 2. Value of: a. Modifications to Residential Mortgages b. Foreclosures c. Short sales or delivery of deeds in lieu of a foreclosure
Category:	Quantitative
Code:	FN-MF-270a.2

Answer:

For the year 2023, the financial area, through its monthly monitoring, consolidated the following results in relation to residential mortgages:

	Number	Value
(COP billions)	14,299	1,560.2
Modification	14,299	1,560.2
Foreclosure/Adjudication	95	3.1
Deed in execution / Dation in payment	5	1.7

Accounting Parameter:	Total amount of monetary losses resulting from judicial proceedings relating to communications to customers or the remuneration of Loan originators
Category:	Quantitative
Code:	FN-MF-270a.3

Answer:

During 2023, no economic losses were recorded on civil contingencies related to the aforementioned issues.

Accounting Parameter:	Description of the remuneration structure of Mortgage Loans
Category:	Discussions and analysis
Code:	FN-MF-270a.4

Answer:

The variable incentive of branch officials is managed through grids, which are a set of indicators where each indicator has a weight and the sum of all the indicators gives 100% of the employee's incentive. Each of the employees in the network handles specific grids, according to their responsibilities and business focus. Monthly grid calculations are made and the payment is quarterly, based on the average execution of the quarter of each official.

In the case of the mortgage issue, the indicator that was handled in December 2023 is that of housing loan billing, which is directly on the grid of commercial managers, handling between 15 and 20 points of the total grid, as documented below:

	Business manager		
Saving culture	Payroll additions with payment greater than COP 750 million	10	25
	(SP of renewals + fixed savings + funds + AFC + CDT + Mi Project) Individuals + SMEs	15	
Individual quota gain	Housing billing	15	35
	Total consumption billing (without digital)	10	
	Active TCC (without digital)	10	
SME Bank	Registration of new MPOS / Merchant Acquisition (activation of the channel + payment of COP 100 thousand)	10	20
	Registration or referral of new asset product	10	
Customer profitability	Insurance premium Total	10	10
The most relatable bank	Irene	10	10
Total			**100**

Quarterly		
Product	**Variable**	**Weight**
Credit Card	Aqua delivered	0.25
	Secured	1
	Aqua Card Secured and delivered	1
	Classic	1
	Gold	2
	Platinum/Black	3
Insurance	Stand alone Insurance	1
	Insurance domiciled in credit card	1.5
	Premium collection semi-annual / annual	2
	Credit card life insurance	2
Housing Revenue	VIS/UVR	1.3
	Leasing	1.2
	No VIS in pesos	0.8
	Clients with a mortgage loan and who register a new payroll (with and without payment)	20% Extra

For payment outside the grid or Cash Value Referrals, a bonus will be recognized per type of referral, as follows:

- Target SME and or Personal Banking + 5 points
- Premium or premium plus + 10 points
- Private + 20 points

To achieve additional points for referrals, the manager must meet the minimum score of his EDI (70 points)

Business manager with restricted access			
Saving culture	Payroll additions with payment greater than COP 750 million	10	30
	(SP of renewals + fixed savings + funds + AFC + CDT + Mi Project) Individuals + SMEs	20	
Individual quota gain	Housing billing	20	50
	Total consumption billing (without digital)	15	
	Active TCC (without digital)	15	
Customer profitability	Insurance premium Total	10	10
The most relatable bank	Irene	10	10
Total			**100**

Quarterly		
Product	**Variable**	**Weight**
Credit Card	Aqua delivered	0.25
	Secured	1
	Aqua Card Secured and delivered	1
	Classic	1
	Gold	2
	Platinum/Black	3
Insurance	Stand alone Insurance	1
	Insurance domiciled in credit card	1.5
	Premium collection semi-annual / annual	2
	Credit card life insurance	2
Housing Revenue	VIS/UVR	1.3
	Leasing	1.2
	No VIS in pesos	0.8
	Clients with a mortgage loan and who register a new payroll (with and without payment)	20% Extra

For payment outside the grid or Cash Value Referrals, a bonus will be recognized per type of referral, as follows:

- Target SME and or Personal Banking + 5 points
- Premium or premium plus + 10 points
- Private + 20 points

To achieve additional points for referrals, the manager must meet the minimum score of his EDI (70 points)

Branch manager (without Epy)			
Saving culture	Payroll additions with payment greater than COP 750 million	10	20
	(SP of renewals + fixed savings + funds + AFC + CDT + Mi Project) Individuals + SMEs	10	
Individual quota gain	Housing billing	10	40
	Total consumption billing (without digital)	5	
	Active TCC (without digital)	10	
	Registration of new MPOS / Merchant Acquisition (activation	15	
SME Bank	of the channel + payment of COP 100 thousand)	10	20
	Channel activation + payment CO 500,000 Registration SME	10	
Customer profitability	Insurance premium	10	10
The most relatable	High Value Referrals	0	10
	Irene	10	
Total			**100**

Quarterly		
Product	**Variable**	**Weight**
Credit Card	Aqua delivered	0.25
	Secured	1
	Aqua Card Secured and delivered	1
	Classic	1
	Gold	2
	Platinum/Black	3
Insurance	Stand alone Insurance	1
	Insurance domiciled in credit card	1.5
	Premium collection semi-annual / annual	2
	Credit card life insurance	2
Housing Revenue	VIS/UVR	1.3
	Leasing	1.2
	No VIS in pesos	0.8
	Clients with a mortgage loan and who register a new payroll (with and without payment)	20% Extra

For payment outside the grid or Cash Value Referrals, a bonus will be recognized per type of referral, as follows:

- Target SME and or Personal Banking + 5 points
- Premium or premium plus + 10 points
- Private + 20 points

To achieve additional points for referrals, the manager must meet the minimum score of his EDI (70 points)

The indicator measured is "Housing billing" and has the following characteristics:

Indicator	Periodicidad	Escala	Detalle
Monthly Housing Billing Measurement	Daily	0-70-100-130	Monthly housing billing, includes all mortgage credit by-products.

The measurement scheme consists of each official registering the mortgage contracts he or she has registered in a Bank tool. Through the Bank's databases, the invoiced amount is obtained, which is accumulated and compared with the monthly objective of each employee, generating a percentage of compliance. With this percentage of compliance, the scale that defines how many points are assigned to the official is applied.

In the case of housing billing, the scale of 0-70-100-130 means that between 0 and 70% 50% of the points are awarded. If 100% is achieved, 100% of the points are awarded, and if 130% compliance is achieved, 150% of the points are awarded. In other words, in the case of the commercial manager who has 15 points on the grid, if he obtains a compliance of 70%, he will earn 7.5 points; if 100% compliance is reached, you will earn 15 points; And if 130% compliance or higher is achieved you'll get 22.5 points.

Additionally, within the calculation, a multiplier is established according to the type of mortgage contract according to the following table:

Product	Variable	Weight
Housing Billing	VIS/UVR	1.3
	Leasing	1.2
	No VIS in COP	0.8
	Customer with a mortgage loan, who registers for a new payroll account (with and without payments)	Additional 20%

This implies that in the month of December, if you have a mortgage loan in UVR, the turnover will be multiplied by 1.3; In other words, a loan of COP 100 million in UVR will have a turnover of COP 130 million.

SASB Topic:	DISCRIMINATORY LENDING
BBVA Colombia Material Topic	- Economic performance - Corporate governance, ethics and transparency - Inclusive growth
Accounting Parameter:	1. Number 2. Value 3. Weighted Average Loan-to-Value Ratio of mortgages granted to: a. Minority borrowers b. All other borrowers
Category:	Quantitative
Code:	FN-MF-270b.1

Answer:

BBVA does not have information breakdown on minorities, since internal policies do not discriminate against any age or ethnic group. The Bank does not have policies that favor or distinguish some minorities and offers the same conditions for all its users.

For more information on these policies, please refer to the Bank's Code of Conduct, page 10: https:// https://www.bbva.com.co/content/dam/public-web/colombia/documents/home/body/inversionista/espanol/gobierno-corporativo/codigo-de-conducta/Codigo-de-conducta-bbva-2.pdf

Accounting Parameter:	Total amount of monetary losses as a result of legal proceedings relating to Discriminatory Mortgage Lending
Category:	Quantitative
Code:	FN-MF-270b.2

Answer:

In 2023, there were no economic losses on civil contingencies related to the aforementioned issues.

Accounting Parameter:	Description of policies and procedures for Ensure the opening of mortgages without discrimination
Category:	Discussion and analysis
Code:	FN-MF-270b.3

Answer:

In accordance with BBVA Colombia's commitment to Human Rights and non-discrimination, with the objective of respecting equality and diversity, preventing unfair biases in access to financial products, in admission policies intended for individuals, the following variables are not considered: gender, color, ethnic origin, disability, religion, sexual orientation or political opinion.

For more information on these policies, please refer to the Bank's Code of Conduct, page 10: https://www.bbva.com.co/content/dam/public-web/colombia/documents/home/body/inversionista/espanol/gobierno-corporativo/codigo-de-conducta/Codigo-de-conducta-bbva-2.pdf

SASB Topic:	ENVIRONMENTAL RISK OF PROPERTIES
BBVA Colombia Material Topic:	- Climate action - Risk management
Accounting Parameter:	1. Number 2. Value of Mortgage Loans in Residential Areas exposed to 100-year floods
Category:	Quantitative
Code:	FN-MF-450a.1

Answer:

For the reporting period of this report, there is no information related to this metric.

Accounting Parameter:	1. Expected Total Loss 2. Default loss attributable to Mortgage Loan Default and Delinquency caused by natural disasters associated with climate, by geographic region.
Category:	Quantitative
Code:	FN-MF-450a.2

Answer:
For the reporting period of this report, there is no information related to this metric.

Accounting Parameter:	Description of how climate change and other risks are incorporated into mortgages opening and underwriting.
Category:	Discussion and analysis
Code:	FN-MF-450a.3

Answer:
The Bank does not incorporate climate or other environmental risks into the opening and/or underwriting of mortgages.

Table 2. Activity Parameters - Mortgage Financing

Accounting Parameter:	1. Number 2. Value of open mortgages by category: a. Residential b. Commercial
Category:	Quantitative
Code:	FN-MF-000. To

Answer:
Number of mortgages: 111.181 Value: COP 10,047,524 million

Accounting Parameter:	1. Number 2. Value of open mortgages by category: a. Residential b. Commercial
Category:	Quantitative
Code:	FN-MF-000. B

Answer:
Commercial mortgages are not a product of the Bank.

BBVA
Creando Oportunidades

INVESTING IN OUR COUNTRY´S FUTURE

TCFD Report

Individual Report 2023

TCFD Report

Pillar GOVERNANCE

Disclose the organization's governance on climate-related risks and opportunities.

At the executive level, the BBVA Group has a global sustainability business area, which reports directly to the Chairman (in this case, in areas related to strategy and transformation) and to the CEO.

BBVA Colombia's Board of Directors conducts and participates in the following activities related to climate change:

- Approval of the TCFD (Task Force on Climate-Related Financial Disclosures) 2023 Report.
- Monthly monitoring of the progress of the KPIs for the placement of sustainable business invoicing, including those for climate action.
- Escalation of sustainability and responsible business issues reported to the Corporate Governance, Sustainability and Social Responsibility Committee. This committee supports the Board of Directors by monitoring the agenda, work plans, and fulfillment of goals set by the Bank in this regard. The results presented by management are discussed and it is urged to continue efforts and actions aimed at materializing the bank's strategic priority, aimed at helping customers in this transition to a sustainable future, including climate issues.

Within the governance associated with climate change issues, there is a process in which issues are first taken to the Governance and Sustainability Committee on a quarterly basis. Items that require approval then go to the Board of Directors. This is recorded in a report coordinated by the Legal Services area. Within the Board of Directors, there is a member who has worked and has experience in sustainability issues.

The BBVA Group has set targets for aligning financed emissions with the guidelines of the Net Zero Banking Alliance (NZBA) for the oil and gas, power generation, auto, steel, cement and coal sectors. Likewise, a governance model has been defined for the approval and monitoring of these alignment objectives, the levers to implement them, as well as the decision-making derived from:

1. The creation of a Sustainability Alignment Steering Group (SASG).
2. The definition of a business area leader for each sector.
3. Integration into business processes and risks.

BBVA Colombia's Strategic Plan establishes sustainability as one of its strategic priorities, reason it is promoting the integration of sustainability and the fight against climate change into the Group's day-to-day business and activities, establishing objectives that facilitate its execution, and the supervision and monitoring of its evolution. In this context, the individual objectives of each executive are linked to the strategic plan of the Bank and the Group. The Bank is incorporating metrics related to sustainability and ESG (Environmental, Social and Governance) risks into the variable compensation schemes of its employees and BBVA's Senior Management.

The file "Editable Matrix - TCFD Editable Tab, Annex 1" presents the organizational chart from the BBVA Group and how the areas that respond to the sustainability and climate change guidelines for the Board of Directors are defined and, in turn, how BBVA Colombia participates in these areas and the groups in charge of aligning Colombia's strategy.

BBVA Group's organizational chart and how the spaces that respond to the sustainability and climate change guidelines for the Board of Directors are defined and, in turn, how BBVA Colombia participates in these spaces and the groups in charge of aligning Colombia's strategy.

Compensation Policies

BBVA Colombia's Compensation Policy is rooted in the constant generation of value for the BBVA Group and focuses on aligning the interests of employees and shareholders, prudent risk management and the development of the BBVA Group's strategy.

This compensation framework is a key component of the Corporate Governance System designed by the Board of Directors. This Compensation Policy aims not only to give back, but also to strategically align the institution with responsible management, sustainable development and equal opportunities within the organization.

With regard to employees, at the Group level (and, consequently, at BBVA Colombia) there is a variable compensation tied to the sustainable business mobilization target of € 300 billion to be implemented between 2018 and 2025. In addition, Executive Directors and Senior Management have variable compensation linked to decarbonization objectives (subject to the approvals of the corresponding corporate bodies).

Pillar STRATEGY

Disclose the current and potential impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning, where such information is significant

The BBVA Group has identified a series of climate change opportunities for each economic sector, which are set in a medium-term time horizon (4 to 10 years). In Colombia, opportunities related to the development of products and services are linked to loans for the acquisition of hybrid and electric vehicles, financing at the point of sale through alliances with retail chains for the acquisition of appliances with an efficient label, sustainable mortgage credit for the purchase of housing that has sustainability certifications.

With respect to the risks associated with climate change, the BBVA Group has identified the following physical and transition risks:

- For acute physical risks (cyclones, heat waves, fires and river flooding) and chronic physical risks (drought and coastal flooding), the sectors most vulnerable to these risks were identified as power generation, basic materials, construction, consumption and real estate.

- In the face of transition risks, risks have been identified in the categories of legal and regulatory, technological, market and reputational. The sectors identified as most exposed (High Transition Risk) are oil and gas, power generation, autos, steel and cement.

Currently, BBVA Colombia has not yet identified in detail the risks and opportunities of climate change; However, this issue, from a financial perspective, is considered a significant issue. BBVA Colombia is working on the implementation of the Environmental and Social Risk Management System (Saras), hand in hand with the International Finance Corporation (IFC).

In 2023, Saras was included in the General Sustainability Policy and the Risk Management Committee (RMC) approved the General Standard for Environmental and Social Risks. This standard establishes a comprehensive management framework that includes policies, standards, procedures, tools, and mechanisms for the identification, classification, evaluation, control, monitoring, and follow-up of environmental and social risks that could be generated by projects, works, activities, and clients to whom financing is granted. These risks may result in financial, reputational, credit, market and liability risks for BBVA Colombia.

Saras is managed by the Wholesale Credit Department of BBVA Colombia's Risk Vice Presidency. This is aligned with other tools and methodologies used at the Group level, such as the analysis of the Ecuador Principles and compliance with the Environmental and Social Framework. In addition, it is aligned with the International Finance Corporation (IFC) standards, performance norms, and exclusion lists and the standards of the Inter-American Development Bank's (IDB) Environmental and Social Policy Framework (ESP).

The BBVA Group incorporates sustainability into its daily activities, both in its relationship with customers and in its internal processes, including its management control and reporting processes. The BBVA Group is integrating sustainability into its financial reporting to senior management and business areas. On a recurring basis, financial reports are used for decision-making based on the sustainability axis, including data on the sustainable business pipeline, profitability, percentage of penetration of sustainable activity, as well as balance sheets and income statements that allow monitoring of sustainable operations for each of the activity segments.

The BBVA Group's Single Development Agenda (SDA) allocates financial and human resources to those projects that are best aligned with BBVA's strategy and that will have the greatest impact.

BBVA is one of the founding banks of the Net Zero Banking Alliance and, as such, has made a commitment to be carbon neutral (Net Zero) by 2050. For this reason, the Group has set intermediate decarbonization targets for 2030 in emissions financed in 6 sectors: oil and gas, electricity generation, cars, steel, cement and coal. Also, in 2022, decarbonization targets were set for the portfolios managed by BBVA Asset Management.

BBVA Colombia follows the same guidelines as the Group with respect to the incorporation of sustainability in its financial reports, as well as the allocation of resources and the definition of goals.

Pillar RISK MANAGEMENT

Disclose how the organization identifies, assesses, and manages climate-related risks and opportunities

Climate change risk management in the BBVA Group is based on the risk planning process, which is marked by the defined risk appetite and is reflected in the management frameworks that establish the treatment of risks on a day-to-day basis.

At the Group level, a Risk Appetite Framework (RAF) is in place for risk planning, which determines the levels of risk that the BBVA Group is willing to assume in order to achieve its objectives. Once climate change risk has been incorporated into the Risk Appetite Framework and business strategy, it is also necessary to integrate it into risk management, forming part of the risk decision-making associated with the support of the Group's customers. It is necessary to identify this type of risk for its subsequent integration into management processes, including the adaptation of policies, procedures, tools, parameterization, risk limits and risk controls in a consistent manner.

Currently, the BBVA Group is developing the methodologies and tools necessary to identify and measure the different components of climate change risk, and for the analysis of the financial impact of each of them with a view to integrating them into management. These tools are based on metrics of financed emissions, alignment with decarbonization scenarios, analysis of the vulnerability and exposure to climate threats of customers and their collateral, and the analysis of climate scenarios that allow a forward-looking view of risks, opportunities and their financial impacts.

The adaptation of policies and procedures has initially focused on the integration of transition risk into sectoral frameworks (a basic tool in the definition of risk appetite in wholesale credit portfolios), where climate criteria are specified in the admission guidelines and in the frameworks for action for mortgages and vehicles in retail credit. This work has made it possible to define strategies and business plans aimed at meeting the alignment objectives established in the medium term, as well as mitigating the risks related to decarbonization on the balance sheet.

The BBVA Group, through the Risk Assessment, carries out a self-assessment of how the risk factors associated with climate change impact the main types of risks (credit, market, liquidity and operational). Subsequently, an analysis is made of the sectors that are most sensitive to this risk.

BBVA Colombia is in the process of identifying and assessing climate-related risks. However, this is in line with the policies and metrics implemented by the Group, reason BBVA Colombia has defined the framework of specific metrics by risk typologies. In the file "Editable Matrix - TCFD Editable Tab, Annex 4", you will find the distribution and its percentages.

Pillar METRICS & GOALS

Disclose the metrics and targets used to assess and manage climate-related risks and opportunities, relevant where such information is significant

For BBVA Colombia, one of the strategic priorities of the Responsible Banking model has to do with products with a high environmental impact, which are developed as financial products and services in which differential social and environmental attributes are integrated. With the initiatives developed in 2023, BBVA Colombia financed projects and operations for COP 6.8 billion, of which COP 3 billion were for the climate action strategy.

Climate action			
Energy efficiency	**Circular economy**	**Reduction of carbon intensity**	**Agricultural and forestry activities**
Includes financing for LED lighting, heating and cooling equipment, and energy efficient assets in real estate property	Includes financing technologies that facilitate the adoption of recycling, sustainable materials and responsible use of natural resources, such as water. Construction, expansion and operation of wastewater collection and treatment, among others	Includes the financing of technologies with low emissions of greenhouse gases (renewable energies And other sources of energy without CO_2 and electrical mobility, among others)	They include financing aimed at certified organic agricultural production and specific technologies that involve water savings, among others.
CIB: COP 3,450 million Government Banking: COP 180 million Business Banking: COP 270,109 million SME Banking: COP 17,014 million Individual customers banking: COP 31,327 million	Business Banking: COP 14,229 million SME Banking: COP 5,975 million Individual customer banking: COP 246 million	CIB: COP 677,088 million Government Banking: COP 354,000 million Business Banking: COP 184,677 million SME Banking: COP 19,682 million Individual banking: COP 123,683 million	Business Banking: COP 329,266 million SME Banking: COP 7,681 million Individual banking: COP 189 million

This table shows how funding has been distributed by company size and project focus.

BBVA Colombia has measured each of the scopes (1, 2 and 3) for estimating the carbon footprint over the last few years, with 2019 as a baseline.

Carbon footprint (In tons CO_2eq)					
GHG emissions	**2019 (baseline year)**	**2020**	**2021**	**2022**	**2023**
Scope 1 Direct emissions associated with the use of fuels in the Bank´s facilities and vehicle fleet, as well as the use of refrigerant liquids	140.9	135.4	1,823.7	1,904.7	76.6
Scope 2 indirect emissions associated with purchased electric energy	2,930.5	2,899.6	0	0	0
Scope 3 Emissions associated with business air travel and waste generation	14,040.6	244.7	1,504.1	1,442.1	3,489.0
Total	17,112.0	3,279.7	3,327.8	3,347.0	4,365.5

One can see each year with its respective scope and associated emissions. With the aim of continuing to reduce its carbon footprint, BBVA Colombia implemented the Global Eco-Efficiency Plan (PGE) 2021-2025, which seeks to improve results and reduce direct impacts while maintaining a strategic position in the sector with respect to climate change and thus being able to project itself towards a sustainable future. In addition, BBVA Colombia has a measurement of its financed issuances with respect to its asset class.

Metrics and thresholds 2024 Scope: Council			
		Metrics	**Maximum appetite 2024 Thresholds**
Economic solvency / CER risk profile		Metrics	Maximum appetite
		2024 Thresholds	7%
CER Risk X / Capital Base		Credit	70%
		Market	7%
Portfolio Structure	Retail	Interest type	10%
		Operational	7%
		Total Lending retail	750%
		Mortgage	230%
	Wholesale	Consumption and cards	440%
		SME	80%
		Total lending	450%
		Sector Top 1	120%
Sustainability		High Transition Risk	55%
Asset quality		Stage 3 (delinquency rate)	6%
		Stage 2	14%
Non-Financial Risks		IRO	1.25%
Profitability	Profitability	RAROEC lending	15%
	Recurrence of results	Margin at risk	5.50%
		IRRBB	5.50%

The BBVA Group and BBVA Colombia have a clear commitment to society and the environment. Thus, the global strategy for reducing direct impacts is articulated around 4 main axes:

- Reduction of consumption through energy efficiency initiatives
- Use of energy from renewable sources
- Employee Awareness & Engagement
- Decreasing its environmental footprint in Scopes 1, 2 and part of Scope 3.

In 2023, BBVA Colombia, through the Global Eco-Efficiency Plan (PGE), achieved reductions in the following areas:

- Materials: BBVA Colombia has classified them as non-renewable used and renewable used. 100% of the paper used was eco-friendly paper made from sugarcane fiber, which allows it to be disintegrated in water by stirring. In addition, actions are being implemented to reduce its use, such as the elimination of operating receipts.
- Energy efficiency management is a growing commitment for BBVA Colombia An energy model has been defined in which goals related to direct operation in our facilities are established, focused on energy savings and the use of clean energies with less environmental impact. Some of the initiatives implemented include performing preventive maintenance on equipment and constantly monitoring office energy consumption and investing in replacing obsolete or old equipment with more efficient equipment. In 2023, 18,115 mWh worth of clean energy certificates were purchased nationwide.
- In the search for the efficient use of water, the Bank implemented a public service management tool to measure the aqueduct service, in order to periodically monitor consumption and detect leaks, excessive charges and incorrect measures, to implement corrective actions and prevent and reduce deviations and monetize savings in this service. In 2023, progress was made in the constant monitoring of water consumption in most of BBVA Colombia's branches. For the same year, the Bank reduced 14,719 m^3 compared to 2022, thanks to the measures implemented with the aforementioned tool.
- Scope 1 emissions are associated with fuel consumption at the Bank's facilities and vehicle fleet, as well as the use of refrigerants.
- Scope 2 emissions are associated with purchased electrical energy. During the years 2022 and 2023, these emissions were zero since the energy purchased is certified as clean, as indicated in the energy efficiency management.
- Scope 3 emissions are associated with business air travel and waste generation. In 2023, there was an increase compared to 2022, since that year the trips taken by employees from the central areas and the branch office network were reported, while in 2022 only the trips from the central areas were reported.
- In terms of waste management, in 2023 BBVA Colombia, together with its strategic partners, managed 11.8 tons of waste, of which 98% corresponds to usable waste, thus contributing to the country's comprehensive waste management.

BBVA Colombia has 3 buildings in Bogotá and 44 offices certified under the ISO 14001:2015 standard, which accredits them as environmentally sustainable. By 2023, 24% of the surface area of the properties had been certified, and the goal for 2025 is to have 30% of the total area certified.

BBVA

Creating Opportunities

INVESTING IN THE COUNTRY´S FUTURE

Separate Financial statements and explanatory notes

as of December 31, 2023 and 2022

Separate Report 2023

Statutory Auditor's Report

EY
Building a better working world

Statutory auditor's report

To the Shareholders of Banco Bilbao Vizcaya Argentaria Colombia S.A.

Opinion

I have audited the separate financial statements of Banco Bilbao Vizcaya Argentaria Colombia S.A., which comprise the statement of financial position as at December 31, 2023, and the corresponding statements of income, comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as the explanatory notes to the separate financial statements that include information on material accounting policies.

In my opinion, the accompanying separate financial statements, taken from the accounting books, present reasonably, in all material respects, the financial position of the Bank as of December 31, 2023, the results of its operations and its cash flows for the year then ended in that date, in accordance with the International Financial Reporting Standards accepted in Colombia.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing accepted in Colombia. My responsibilities in compliance with these standards are described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of this report. I am independent of the Bank, in accordance with the International Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the separate financial statements in Colombia, and I have fulfilled my other applicable ethical responsibilities. I believe that the audit evidence obtained is sufficient and appropriate to support my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of the most significance in my audit of the attached separate financial statements. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, but not to provide a separate opinion on these matters. Based on the above, below, I explain how each key audit matter was addressed during my audit.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the separate financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the attached separate financial statements.

Ernst & Young Audit S.A.S.
Bogotá D.C.
Carrera 11 No 98 - 07
Edificio Pijao Green Office
Tercer Piso
Tel. +57 (1) 484 7000
Fax. +57 (1) 484 7474

Ernst & Young Audit S.A.S.
Medellín – Antioquia
Carrera 43A No. 3 Sur-130
Edificio Milla de Oro
Torre 1 – Piso 14
Tel: +57 (4) 369 8400
Fax: +57 (4) 369 8484

Ernst & Young Audit S.A.S.
Cali – Valle del Cauca
Avenida 4 Norte No. 6N – 61
Edificio Siglo XXI
Oficina 502-510
Tel: +57 (2) 485 6280
Fax: +57 (2) 661 8007

Ernst & Young Audit S.A.S.
Barranquilla - Atlántico
Calle 77B No 59 – 61
Edificio Centro Empresarial Las Américas II
Oficina 311
Tel: +57 (5) 385 2201
Fax: +57 (5) 369 0580

EY
Building a better working world

Key audit mater	Audit Response
Estimation of Credit Risk Losses of the Commercial Portfolio The estimation of expected credit losses due to credit risk is determined in accordance with Chapter XXXI of the Basic Accounting and Financial Circular – Standards Relating to Credit Risk Management and the Commercial Reference Model (Annex 1), issued by the Financial Superintendence of Colombia, is one of the most significant and complex areas in the process of preparing the Bank's financial information. Note 3.9 – Loan portfolio, financial leasing and interest on loan portfolio and other items in the attached separate financial statements, details the relevant principles and criteria applied by the Bank for the estimation of the expected credit losses on the commercial portfolio and the amounts corresponding to such estimation. The methodology for assigning the credit risk rating for the commercial portfolio is considered a key audit matter, because it incorporates elements of judgment in its analysis. This assigned risk rating is incorporated as a parameter in the reference model for the calculation of allowances for credit losses for the commercial portfolio amounting to $ 833,921 million as of December 31, 2023.	Among the audit procedures carried out in this area: • Evaluated the design and tested the effectiveness of the overall control environment. The audit procedures on the determination of the calculation of the credit risk for expected credit losses of the portfolio focused on: • Review of the policies, procedures and controls established by the Bank, as well as the models required by the applicable regulations. Likewise, involvement of professionals with experience and knowledge in the evaluation of credit risk assessment and information technology, to evaluate certain internal controls related to the Bank's process for determining the allowances for credit losses. • Review of the completeness and accuracy of the data sources used in the calculations for the determination of credit risk impairment, based on the control processes of the Altamira information system. • Review of the conditions of refinancing or restructuring operations. • Review of the rating processes based on the current situation of the debtor through the Credit Committees implemented by the Bank. • Test of completeness of the information used as the basis for the estimation of the Commercial Reference Model (Annex 1), both in financial and non-financial information. • Recalculation of the expected credit risk losses estimated by the Bank in both the procyclical and countercyclical allowances for credit losses. • Inspection of credit portfolio files, to verify that the rating granted to portfolio clients complies with the standards defined by the Financial Superintendence of Colombia for the allowances for credit losses system and that it is supported by the financial, qualitative or economic characteristics of the client and its subsequent incorporation into the reference model for the calculation of allowances for credit losses. • Review of the recoveries of allowances for credit losses recognized during the period. • Review of the attached disclosures, assessing that they contain the information required by the regulatory framework for financial reporting applicable to the Bank.

Building a better working world

Responsibilities of management and those charged with governance for the Separate Financial Statements

Management is responsible for the preparation and correct presentation of the separate financial statements in accordance with International Financial Reporting Standards accepted in Colombia; to design, implement and maintaining the internal control relevant to the preparation and correct presentation of separate financial statements free from material misstatement, whether due to fraud or error; for to selecting and applying appropriate accounting policies; and, establish reasonable accounting estimates in the circumstances.

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

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the Separate Financial Statements

My objective is to obtain reasonable assurance about whether the separate 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 is not a guarantee that an audit conducted in accordance with International Standards on Auditing accepted in Colombia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users make based on these financial statements.

As part of an audit in accordance with International Standards on Auditing 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 separate 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 the 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.

- Evaluate the appropriateness of accounting policies used, 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 may cast significant doubt on the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I are required to draw attention in my auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify my opinion. The auditor´s conclusions are based on the

Building a better working world

audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

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

I communicate with those charged with governance regarding, 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.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that could reasonably be expected to affect my independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the separate financial statements of the current period and that are, consequently, key matters of the audit. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, it is determined that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected exceed the public interest benefits of such communication.

Other Issues

The separate financial statements under International Financial Reporting Standards Accepted in Colombia of Banco Bilbao Vizcaya Argentaria Colombia S.A. as of December 31, 2022, which are part of the comparative information of the attached financial statements, were audited by me, in accordance with International Auditing Standards Accepted in Colombia, on which i expressed my unqualified opinion on February 27, 2023.

Report on other legal and regulatory requirements

Based on the scope of my audit, I am not aware of situations of non-compliance with the following obligations of the Bank: 1) keep the minutes book, register of shareholders and accounting, according to the legal and the accounting technical regulations; 2) perform operations in accordance with the bylaws and decisions of the Shareholders' meeting and the Board of Directors; 3) the information contained in the integrated contribution settlement forms, and in particular that related to the affiliates, and that corresponding to their income contribution bases, has been taken from the accounting records and documentation as of December 31, 2023; likewise to date, the Bank is not currently in default for contributions to the Social Security System; 4) keep correspondence and accounting vouchers; (5) the proper administration and provision of assets received in payment; 6*)* Reflect the impact of the quantified risks in the statement of financial position and the income statement, the impact of the risks to which the Bank is exposed, measured in accordance with the Integrated Risk Management System (SIAR), Money Laundering and Terrorist Financing Risk Management System (SARLAFT), based on what is established by the Basic Accounting and Financial and Legal Circulars of the Financial Superintendence of Colombia and 7) To follow up on my recommendations on internal control and other matters of which, according to my professional

Building a better working world

criteria, as of the date of this report, 60% have been implemented and 40% are in the process of implementation. Additionally, there is concordance between the attached separate financial statements and the accounting information included in the management report prepared by the Administration on the free circulation of invoices with endorsement issued by sellers or suppliers. I issued the report corresponding to what is required by article 1.2.1.2 of Decree 2420 of 2015 separately on February 19, 2024.

Gloria Margarita Mahecha García
Statutory Auditor and Partner in Charge
Professional Card 45058 -T
Designated by Ernst & Young Audit S.A.S. TR-530

Bogotá, Colombia
February 19, 2024, except for note 43 to the separate financial statements dated on March 22, 2024

Certification of the Legal Representative and General Accountant

The undersigned, Legal Representative and Accountant of BBVA Colombia S.A., in compliance with Article 37 of Law 222 of 1995, certify that the Separate Financial Statements of the Bank as of December 31, 2023, along with its explanatory Note, have been prepared based on in the Accounting and Financial Reporting Standards (NCIF) accepted in Colombia, applied uniformly, ensuring that these reasonably present the financial situation and the results of its operations. Before being made available to the General Shareholders Meeting and third parties, we have verified that:

- The figures included in the financial statements and explanatory Note have been faithfully taken from the books and prepared according to the Accounting and Financial Reporting Standards issued by the International Accounting Standards Board (IASB). Likewise, the interpretations issued by the "International Financial Reporting Interpretations Committee" (IFRS-IC), with the exception of the application of IAS 39 and IFRS 9 for the loan and investment portfolio, which are recognized, classified and measured according to the provisions of the Financial Superintendency of Colombia, contained in chapter I and II of External Memorandum 100 of 1995, and IFRS 5 for the determination of the deterioration of assets received in payment, which are provisioned according to the provisions of the Financial Superintendency of Colombia.

- The measurement and valuation procedures have been applied uniformly with those of the previous year and reasonably reflect the Financial Situation as of December 31, 2023.

- All assets and liabilities included in the Bank's financial statements as of December 31, 2023 exist and all transactions included in such statements have done during the year ended on that date.

- All economic events carried out by the Bank during the year ending December 31, 2023 have been recognized in the financial statements.

- All economic events that affect the Bank have been correctly classified, described and disclosed in the financial statements.

- Assets represent probable future economic benefits (rights) and liabilities represent probable future economic sacrifices (obligations), obtained or payable by the Bank as of December 31, 2023.

- All elements have been recognized by their appropriate values according to the Financial Reporting Standards (NCIF) accepted in Colombia.

In compliance with Law 964 of 2005, in its article 46, we certify that the financial statements and other reports relevant to the public do not contain defects, inaccuracies or errors that prevent us from knowing the true financial situation or the operations of the entity.

Esther Dafauce Velázquez
Legal Representative

Wilson Eduardo Díaz Sanchez
Accountant
T.P. 62071-T

Separate Statement of Financial Position as of December 31, 2023 and 2022

(in Millions of Pesos)

	Note	2023	2022
Assets			
Cash and cash equivalents	(7)	$ 11,139,894	$ 10,274,116
Investment financial assets, net	(8)	9,938,380	$ 8,785,322
Tradeable investments		3,693,672	2,182,124
Investments available for sale		2,980,736	3,589,852
Investments held to maturity		3,263,972	3,013,346
Derivative financial instruments and cash operations	(9)	9,539,609	10,061,268
Loan portfolio and financial leasing op-erations, net (10)	(10)	71,155,573	66,680,868
Commercial		30,975,524	29,891,939
Consumer		29,187,967	26,139,389
Mortgage		14,974,638	14,485,367
Microcredit		2	2
Impairment of loan portfolio and finan-cial leasing, net		(3,982,558)	(3,835,829)
Accounts receivable, net	(13)	791,795	1,487,828
Tangible assets, net	(14)	792,597	759,573
Investments in subsidiaries and joint ventures	(15)	330,718	322,009
Intangible assets, net	(16)	223,942	173,643
Non-current assets held for sale, net	(17)	43,000	37,470
Other assets, net	(18)	15,402	10,432
Deferred tax asset, net	(38)	1,189,277	420,189
Deferred tax		354,206	420,189
Other tax asset		835,071	0
Total Assets		$ 105,160,187	99,012,718
Liabilities			
Customer deposits	(19)	77,226,585	69,184,087
Derivative financial instruments and cash operations	(20)	12,279,669	13,398,384
Financial obligations	(21)	5,137,874	5,370,684
Investment securities in circulation	(22)	2,519,332	2,676,790
Accounts payable	(23)	1,013,179	974,999
Other liabilities	(24)	495,328	372,760
Employee benefits	(25)	339,092	295,135
Estimated liabilities and provisions	(26)	213,161	283,546
Income tax liability, net	(38)	0	289,421
Current tax		0	289,421
Total Liabilities		99,224,220	92,845,806
Shareholders' equity			
Share equity	(27)	89,779	89,779
Share Equity Placement Premium		651,950	651,950
Reserves	(28)	4,559,860	4,093,083
Retained earnings		450,062	1,190,872
Other Comprehensive Income (OCI)	(30)	184,316	141,227
Total Shareholders' Equity		5,935,967	6,166,911
Total liabilities and shareholders' equity		$ 105,160,187	$ 99,012,718

See the accompanying Note which form an integral part of the Separate Financial Statements.

1. The undersigned, Legal Representative and Accountant, certify that we have previously verified the statements contained in these separate financial statements and that these have been faithfully taken from the Bank's accounting books.

Esther Dafauce Velázquez
Legal Representative[1]

Wilson Eduardo Díaz Sánchez
Accountant
Professional License 62071-T

Gloria Margarita Mahecha García
Statutory Auditor
Professional License 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530 (See report from March 22, 2024)

Comparative Separate Income Statement as of December 31, 2023 and 2022

(Figures expressed in millions of Colombian pesos except basic earnings per share)

	Note	For the years ended December 31	
		2023	2022
Interest and valuation income	(33)		
Loan portfolio and financial leasing op-erations		$ 9,657,758	$ 6,537,571
Financial instruments valuation by, net		1,627,615	(345,611)
Total income from interest and valua-tions		11,285,373	6,191,960
Interest and valuation expenses	(34)		
Customer deposits		(6,490,984)	(3,055,543)
Financial obligations		(562,618)	(251,446)
Total interest and valuation expenses		(7,053,602)	(3,306,989)
Total net interest margin and valuation of financial instruments		4,231,771	2,884,971
Impairment of financial assets			
Impairment of loan portfolio and finan-cial leasing operation, net			
Impairment of non-current assets held for sale		(1,631,870)	(1,137,649)
Recovery of financial investment assets		(12,583)	(22,912)
Recovery (impairment) property and equipment		346	3,585
Recovery of other impairments		5,975	1,532
Total impairment of financial assets, net		191,942	160,510
Commission income		(1,446,190)	(994,934)

	Note	For the years ended December 31	
		2023	2022
Commission income	(35)		
Commission expenses		846,022	716,673
Total commission income, net		(544,777)	(473,181)
Other operating expenses		301,245	243,492
Other operating income			
Income from the equity method	(36)	557,836	509,450
Other operating expenses		46,887	57,913
Total other operating expenses	(37)	(3,408,590)	(1,299,296)
Profit before income tax		(2,803,867)	(731,933)
Income tax			
Deferred tax		282,959	1,401,596
Total results for the year	(38)	(137,962)	(727,704)
Basic profit per ordinary share (in pesos)	(38)	49,691	259,622
Number of subscribed and paid shares, common and preferred		$ 194,688	$ 933,514
Basic profit per ordinary share (in pesos)	(29)	14	65
Number of subscribed and paid shares, common and preferred		14,387	14,387

See the accompanying Note which form an integral part of the Separate Financial Statements.

1. The undersigned, Legal Representative and Accountant, certify that we have previously verified the statements contained in these separate financial state-ments and that these have been faithfully taken from the Bank's accounting books.

Esther Dafauce Velázquez
Legal Representative[1]

Wilson Eduardo Díaz Sánchez
Accountant
Professional License 62071-T

Gloria Margarita Mahecha García
Statutory Auditor
Professional License 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530 (See report from March 22, 2024)

Other Comprehensive Income Statement Separate Comparative as of December 31, 2023 and 2022

(in Millions of Pesos)

	Note	For the years ended December 31	
		2023	2022
Result of the exercise		$ 194,688	$ 933,514
Other comprehensive income			
Items that will not be reclassified to the result of the period:			
Earnings (losses) from investments using the equity participation method		3,662	(1,620)
Actuarial losses on defined benefit plans		(8,757)	(2,235)
Valuation of participation in Other Comprehensive Income of non-controlled interests		45,841	12,911
Related deferred tax		(3,270)	(11,209)
Subtotal items that will not be reclassified to the result of the period)		37,476	(2,153)
Items that can be reclassified later to the result of the period:			
Gains (losses) from new measurements of finan-cial assets available for sale		31,996	(31,165)
Losses (gains) from cash flow hedges		(22,642)	16,267
Related deferred tax		(3,741)	5,481
Subtotal items that can be reclassified later to the result of the period		5,613	(9,417)
Total Other Comprehensive Income	(30)	43,089	(11,570)
Total Other Comprehensive Income for the year		$ 237,777	$ 921,944

See the accompanying Note which form an integral part of the Separate Financial Statements.

1. The undersigned, Legal Representative and Accountant, certify that we have previously verified the statements contained in these separate financial statements and that these have been faithfully taken from the Bank's accounting books.

Esther Dafauce Velázquez
Legal Representative[1]

Wilson Edgardo Díaz Sánchez
Accountant
Professional License 62071-T

Gloria Margarita Mahecha García
Statutory Auditor
Professional License 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530 (See report from March 22, 2024)

Changes in Equity Statement Separate Comparative as of December 31, 2023 and 2022

(Figures expressed in millions of Colombian pesos)

					Retained earnings			
Item	Note	Capital sub-scribed and paid	Premium on placement of shares	Reserves	Results for the year	Adjustments in adoption for the first time NCIF	Other comprehensive income (OCI)	Total shareholders' equity
Balances as of December 31, 2021		$ 89,779	$ 651,950	$ 3,643,860	$ 895,242	$ 253,674	$ 152,797	$ 5,687,302
Dividends paid in cash, pre-ferred and common shares		0	0	0	(446,019)	0	0	(446,019)
Appropriation for legal reserve		0	0	449,223	(449,223)	0	0	0
Profit for the year	(29)	0	0	0	933,514	0	0	933,514
Realization of assets subject to first-time adop-tion		0	0	0	0	7,715	0	7,715
Deferred taxes (Net)		0	0	0	0	(4,031)	0	(4,031)
Other compre-hensive results:								
Movement Other Compre-hensive Income	(30)	0	0	0	0	0	(5,842)	(5,842)
Net deferred taxes	(30)	0	0	0	0	0	(5,728)	(5,728)
Balances as of December 31, 2022		$ 89,779	$ 651,950	$ 4,093,083	$ 933,514	$ 257,358	$ 141,227	$ 6,166,911

Item	Note	Capital subscribed and paid	Premium on placement of shares	Reserves	Retained earnings: Results for the year	Retained earnings: Results for the prior year	Retained earnings: Adjustments in adoption for the first time NCIF	Other comprehensive income (OCI)	Total shareholders' equity
Balances as of December 31, 2022		$ 89,779	$ 651,950	$ 4,093,083	$ 933,514	$ 0	$ 257,358	$ 141,227	$ 6,166,911
Dividends paid in cash, preferred and common shares		0	0	0	(466,737)	0	0	0	(466,737)
Appropriation for legal reserve		0	0	466,777	(466,777)	0	0	0	0
Profit for the year	(29)	0	0	0	194,688	0	0	0	194,688
Realization of assets subject to first-time adoption		0	0	0	0	19,251	(19,251)	0	0
Deferred taxes, net		0	0	0	0	0	(1,984)	0	(1,984)
Other comprehensive results:									
Movement Other Comprehensive Income	(30)	0	0	0	0	0	0	50,100	50,100
Net deferred taxes	(30)	0	0	0	0	0	0	(7,011)	(7,011)
Balances as of December 31, 2023		$ 89,779	$ 651,950	$ 4,559,860	$ 194,688	$ 19,251	$ 236,123	$ 184,316	$ 5,935,967

See the accompanying Note which form an integral part of the Separate Financial Statements.

1. The undersigned, Legal Representative and Accountant, certify that we have previously verified the statements contained in these separate financial statements and that these have been faithfully taken from the Bank's accounting books.

Esther Dafauce Velázquez
Legal Representative[1]

Wilson Eduardo Díaz Sánchez
Accountant
Professional License 62071-T

Gloria Margarita Mahecha García
Statutory Auditor
Professional License 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530 (See report from March 22, 2024)

Cash Flow Statement Separate Comparative as of December 31, 2023 and 2022

(Figures expressed in millions of Colombian pesos)

	2023	2022
Balance at the beginning of the period	$ 10,274,116	$ 11,005,116
Cash flows from operating activities:		
Disbursements and payments received from loan portfolio and other leasing operations clients	(1,093,034)	(10,302,149)
Demand Deposits Payments and Receipt	506,987	(763,323)
Term Deposits Payments and Receipt	7,923,829	10,540,196
Other Deposits and On-Demand Liabilities Payments and Receipts	(2,655,714)	1,672,814
Payments and redemption income from debt financial and derivatives instruments	(798,958)	(684,942)
Payments to suppliers and employees	(3,991,007)	(4,375,655)
Interest received from loan portfolio, leasing operations clients and others	8,757,195	5,735,677
Interest paid on deposits and on-demand liabilities	(6,489,868)	(3,054,781)
Income tax paid	(1,418,837)	(738,582)
Cash advances and loans granted to third parties	(776,202)	(955,041)
Collections from the repayment of advances and loans granted to third parties	873,839	891,283
Net cash flow provided by (used in) operating activities	838,230	(2,034,503)

	2023	2022
Cash flows from investing activities:		
Payments on Investment held to maturity	(434,667,427)	(474,279,599)
Proceeds on Investment held to maturity	436,221,420	471,321,239
Dividends received	38,483	47,353
Property and equipment acquisition	(51,341)	(36,112)
Purchase of intangible assets	(113,859)	0
Sales price of property and equipment	11,063	12,258
Cash inflows related to investment activities	604,045	251,056
Net cash flow provided by (used in) investing activities	2,042,384	(2,683,805)
Cash flows from financing activities:		
Loan payments and other financial liabilities	(4,243,503)	(3,350,857)
Loan collections and other financial liabilities	3,796,155	5,057,446
Dividends paid to owners	(454,455)	(434,477)
Cash inflows related to financing activities	707,432	398,226
Net cash flow (used in) provided by financing activities	(194,371)	1,670,338
Cash and cash equivalents:		
Effect of changes in the exchange rate on cash held in foreign currency	(1,820,465)	2,316,970
Balance at the end of the period	$ 11,139,894	$ 10,274,116

See the accompanying Note which form an integral part of the Separate Financial Statements.

1. The undersigned, Legal Representative and Accountant, certify that we have previously verified the statements contained in these separate financial statements and that these have been faithfully taken from the Bank's accounting books.

Esther Dafauce Velázquez
Legal Representative[1]

Wilson Eduardo Díaz Sánchez
Accountant
Professional License 62071-T

Gloria Margarita Mahecha García
Statutory Auditor
Professional License 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530 (See report from March 22, 2024)

BBVA

Creating Opportunities

INVESTING IN OUR COUNTRY´S FUTURE

Separate financial statements and explanatory notes

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.

Separate Report 2023

As of December 31, 2023 and 2022I
(Expressed in millions of pesos, except the exchange rate and net income per share)

1. Reporting Entity

Banco Bilbao Vizcaya Argentaria Colombia S.A. (BBVA Colombia) (hereinafter, "the Bank" or "BBVA Colombia") is a subsidiary of Banco Bilbao Vizcaya Argentaria S.A., which owns 76% of its shares. The Bank is a private banking institution incorporated according to Colombian laws on April 17, 1956 through Public Instrument No. 1160 granted by Notary Public 3 of Bogotá and with term of duration until December 31, 2099; this term may be extended in accordance with banking laws.

The Financial Superintendency of Colombia (hereinafter, "the Superintendency" or SFC, through Resolution No. 3140 of September 24, 1993, renewed the operating permit definitively.

The main activity of the Bank is to provide loans to public and private sector companies and to individuals. It also conducts international banking activities, privatizations, financial projects and other banking activities in general, as well as leasing services.

The following are the most significant statutory reforms:

- Public Deed 2599 of March 12, 1998, of Notary 29 of Bogotá, business name change to Banco Ganadero, preceded by the acronym BBV.
- Public Deed 2886 of October 30, 1998, of Notary 47 of Bogotá, merger with Leasing Ganadero.
- Public Deed 2730 of April 21, 1999, of Notary 29 of Bogotá, duration until 2099.
- Public Deed 1821 of August 8, 2000, of Notary 47 of Bogotá, increase in authorized capital to COP 645,000.
- Public Deed 3054 of December 15, 2000, of Notary 47 of Bogotá, merger with Corporación Financiera Ganadera.
- Public Deed 3120 of March 26, 2004, of Notary 29 of Bogotá, business name change to BBVA Colombia S.A.
- Public Deed 1177 of April 28, 2006, of Notary 18 of Bogotá, merger with Banco Granahorrar.
- Public Deed 6310 of December 24, 2009, of Notary 36 of Bogotá, merger by absorption of by the company BBVA Leasing S.A., and its registration in the mercantile registry became effective on January 4, 2010.

Law 1328 of July 15, 2009, better known as the Financial Reform, allowed bank institutions to offer leasing services, without the need to create a separate company to manage the resources through this economic arrangement. This allows BBVA Colombia to manage leasing transactions from its headquarters and as of January 2010, these transactions were included in the Bank's Statement of Financial Position.

The Bank conducts its activities at its main registered office in the city of Bogotá domiciled at Carrera 9 # 72-21, through its 507 and 508 offices as of December 31, 2023 and 2022, respectively, located in different cities of Colombia, as follows

	2023	2022
Branches	384	360
In house	94	87
Service centers	6	6
Agencies	0	29
Remote banking	24	25
Total offices	508	507

Additionally, it has 37 financial services contracts through Non-Banking Correspondents (NBC), which amount to 63,949 and 43,505 service points as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the Bank has the following subsidiaries share percentages:

Affiliates	Share %	Location
BBVA Asset Management S.A. Sociedad Fiduciaria	94.51	Bogotá
BBVA Valores Colombia S.A. Comisionista de Bolsa	94.44	Bogotá

The Bank belongs to Grupo Empresarial BBVA Colombia, registered in the mercantile registry, and it has a national work force that, at the at close of December 2023 and 2022, amounted to 5,529 and 5,253 employees, respectively

2. Bases for the preparation and presentation of the Separate Financial Statements

2.1. Statement of Compliance

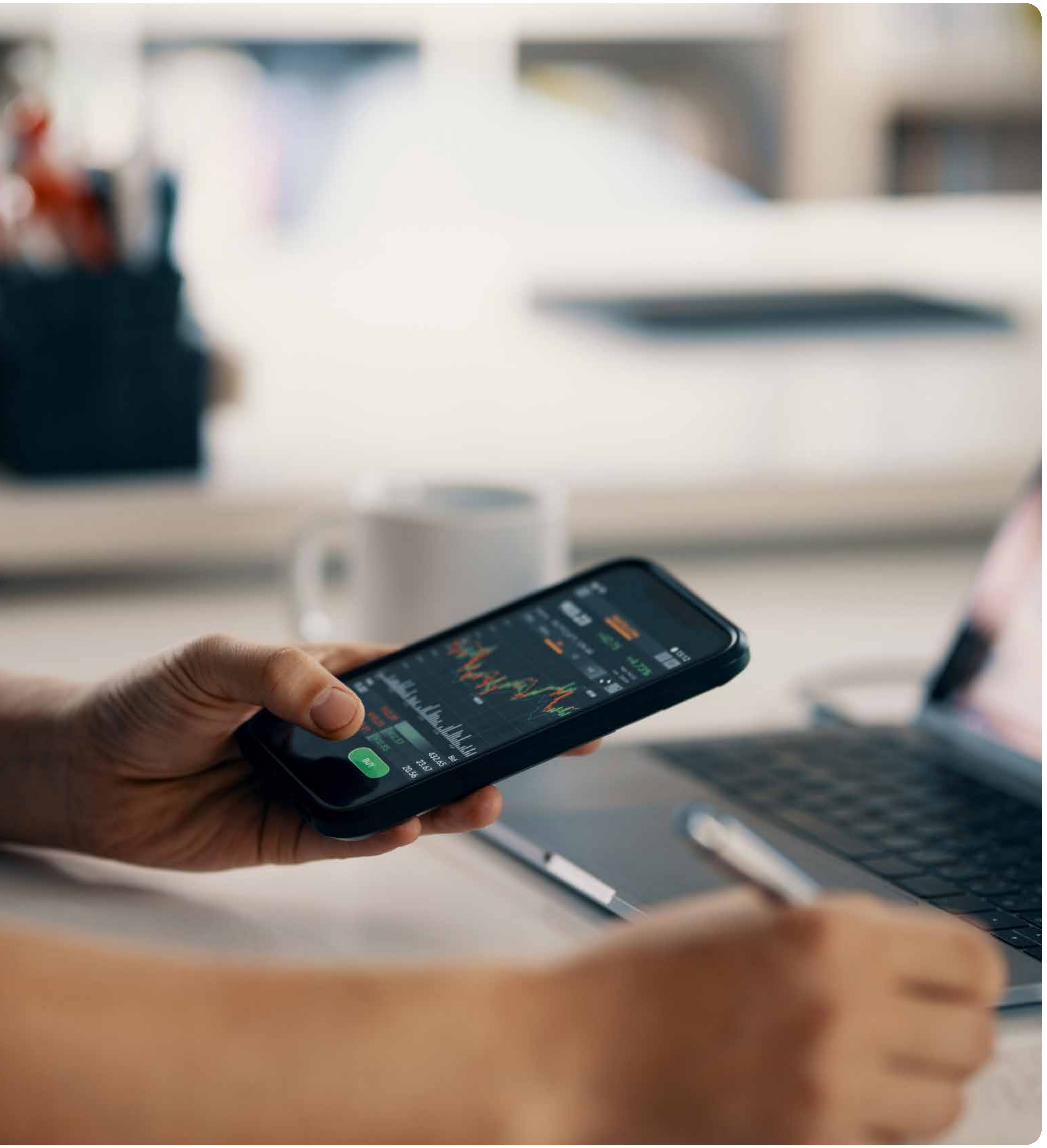
The Company prepares its separate financial statements according to the accounting and financial reporting standards accepted in Colombia (NCIF), issued by Decree 2420 of 2015 and amendments. These accounting and financial reporting standards correspond to the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), in the versions accepted by Colombia through the aforementioned Decrees.

Title 4, Chapter 1 of Decree 2420 of 2015, contains exceptions for financial sector entities proposed by the Financial Superintendency of Colombia (SFC) for prudential reasons for financial statements.

Title 4, Chapter 2 of Decree 2420 of 2015, contains exceptions for entities in the financial sector proposed by the Financial Superintendency of Colombia (SFC). These exceptions refer to the classification and valuation of investments, for which the provisions of the Basic Accounting and Financial Memorandum of the SFC will continue to be applied, instead of the application of IFRS 9.

Numeral 4 of article 2.1.2 of Decree 2420 of 2015, added by Decree 2496 of 2015 and amendments, requires the application of article 35 of Law 222 of 1995, which indicates that interests in subsidiaries must be recognized in the separate financial statements by the equity participation method, instead of recognition, according to the provisions of IAS 27, at cost, fair value or the equity method.

Approval of separate financial statements. The separate financial statements for the year ended December 31, 2023, prepared according to accounting and financial reporting standards accepted in Colombia - NCIF applicable to companies in the financial system, have been approved for issuance on March 22, 2024 by the Board of Directors of the Bank. These separate financial statements will be submitted for approval by the General Shareholders Meeting, which will be held within the deadlines established by Law. The General Shareholders Meeting is scheduled for March 22, 2024.



2.2. Issued Standards Not in Force

The standards and interpretations that have been published but are not applicable as of the date of these financial statements are disclosed below. The Bank will adopt these regulations on the date these come into effect, according to the decrees issued by the local authorities.

IFRS 17: Insurance contracts

In May 2017, the IASB issued IFRS 17, a new comprehensive accounting standard for insurance contracts that covers measurement and recognition, presentation and disclosure. Once it is enforced, IFRS 17 will replace IFRS 4, issued in 2005. IFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue these, as well as certain guarantees and financial instruments with characteristics of discretionary participation. This rule includes a few exceptions.

The general objective of the standard is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. Contrary to the requirements of IFRS 4, which primarily seeks to protect prior local accounting policies, IFRS 17 provides a comprehensive model for these contracts, including all relevant topics. The essence of this standard is a general model, supplemented by:

- A specific adaptation for contracts with features of direct participation (variable fee approach).
- A simplified approach (allocation premium approach) primarily for short duration contracts.

To date, IFRS 17 has not been introduced into the Colombian accounting framework by means of any decree.

Improvements 2021

Modifications to IAS 8: Definition of Accounting Estimates

The amendment, published by the IASB in February 2021, clearly defines an accounting estimate as : "Accounting estimates are monetary amounts, in financial statements, which are subject to measurement uncertainty." Clarify the use of an accounting estimate and differentiate it from an accounting policy. In particular, it is mentioned: "An accounting policy could require that elements of the financial statements to be measured in a way that involves measurement uncertainty, that is, the accounting policy could require that these elements be measured by monetary amounts that cannot be directly observed and must be estimated. In this case, an entity develops an accounting estimate to achieve the objective established by the accounting policy."

The modifications were incorporated through decree 1611 of 2022, which will take effect as of January 1, 2024. The Bank is evaluating the potential effect of this rule on its financial statements.

Modifications to IAS 1: Information to be Disclosed on Accounting Policies

The modifications clarify the following points:

- The word "significant" is modified by "material or of relative importance."
- It clarifies the accounting policies that must be disclosed in the Note to the financial statements "an entity shall disclose information about its accounting policies that are materially significant or of relative importance."
- It clarifies when an accounting policy is considered material or of relative importance.
- It incorporates the following paragraph: "Accounting policy information that focuses on how an entity has applied

the IFRS requirements to its own circumstances provides specific information about the entity that is more useful to users of financial statements than the standardized information or information that only duplicates or summarizes the “IFRS Standards” requirements.

The modifications were incorporated through decree 1611 of 2022, which will take effect as of January 1, 2024. The Bank is evaluating the potential effect of this regulation on its financial statements.

Modifications to IAS 12: Deferred Taxes Related to Assets and Liabilities Arising from a Single Transaction.

The modification allows for the recognition of a deferred tax liability or asset arising from a transaction that is not a business combination, upon initial recognition of an asset or liability that, at the time of the transaction, does not give rise to taxable and deductible temporary differences of equal amounts.

The cumulative effect of the change in accounting policy shall be recognized from the beginning of the earliest comparative period presented as an adjustment to the opening balance of accumulated earnings at that date.

The modifications were incorporated through Decree 1611 of 2022, which will be effective from January 1, 2024. The Bank is currently assessing the potential impact of this standard on its financial statements..

2.3 Measurement Bases

The Financial Statements have been prepared based on historical cost, except for certain properties and financial instruments which are measured at fair value as of each reporting date, such as:

- Investments measured at fair value through profit or loss or through OCI.
- Derivative financial instruments measured at fair value.
- Financial investment assets available for sale measured at fair value.
- Employee benefits related to retirement obligations and other long-term obligations through actuarial discounting techniques.
- Non-current assets held for sale measured at fair value less cost of sale.
- The Bank has applied the significant accounting policies, the judgments, estimations and assumptions described in Note 3.

2.4. Functional and Reporting Currency

The Bank has established, by bylaws, that it will conduct an annual year-end close of its accounts on December 31st and prepare and distribute general purpose financial statements. These statements will be presented in Colombian pesos as the reporting and presentation currency for all purposes. The amounts reflected in the financial statements and disclosures are presented in the functional currency of BBVA Colombia, which is the Colombian peso (COP), considering the economic environment where the Bank carries out its operations and the currency in which the main cash flows are generated.

2.5. Relative Importance and Materiality

The Bank, in preparing and presenting its financial statements, has considered the materiality of the amounts in relation to key indicators when determining their relevance, based on the specific item being reported.

There is no mandatory accounting principle or measurement criterion that would have a significant effect on the annual accounts that has not been applied in preparing them.

2.6. Judgments and Estimates

The Bank's Management is responsible for the information contained in these financial statements. In preparing the financial statements, judgments, estimates and assumptions have been used to quantify the carrying amounts of certain assets and liabilities, which apparently do not arise from other sources, based on historical experience and other relevant factors. The final results may vary from said estimates.

These estimates are continually revised on a continuous basis. Changes in the accounting estimates are recognized prospectively, recognizing the effects of the changes in the corresponding accounts of the Separate Income Statement for the fiscal year, as applicable, starting from the fiscal year in which such revisions are made.

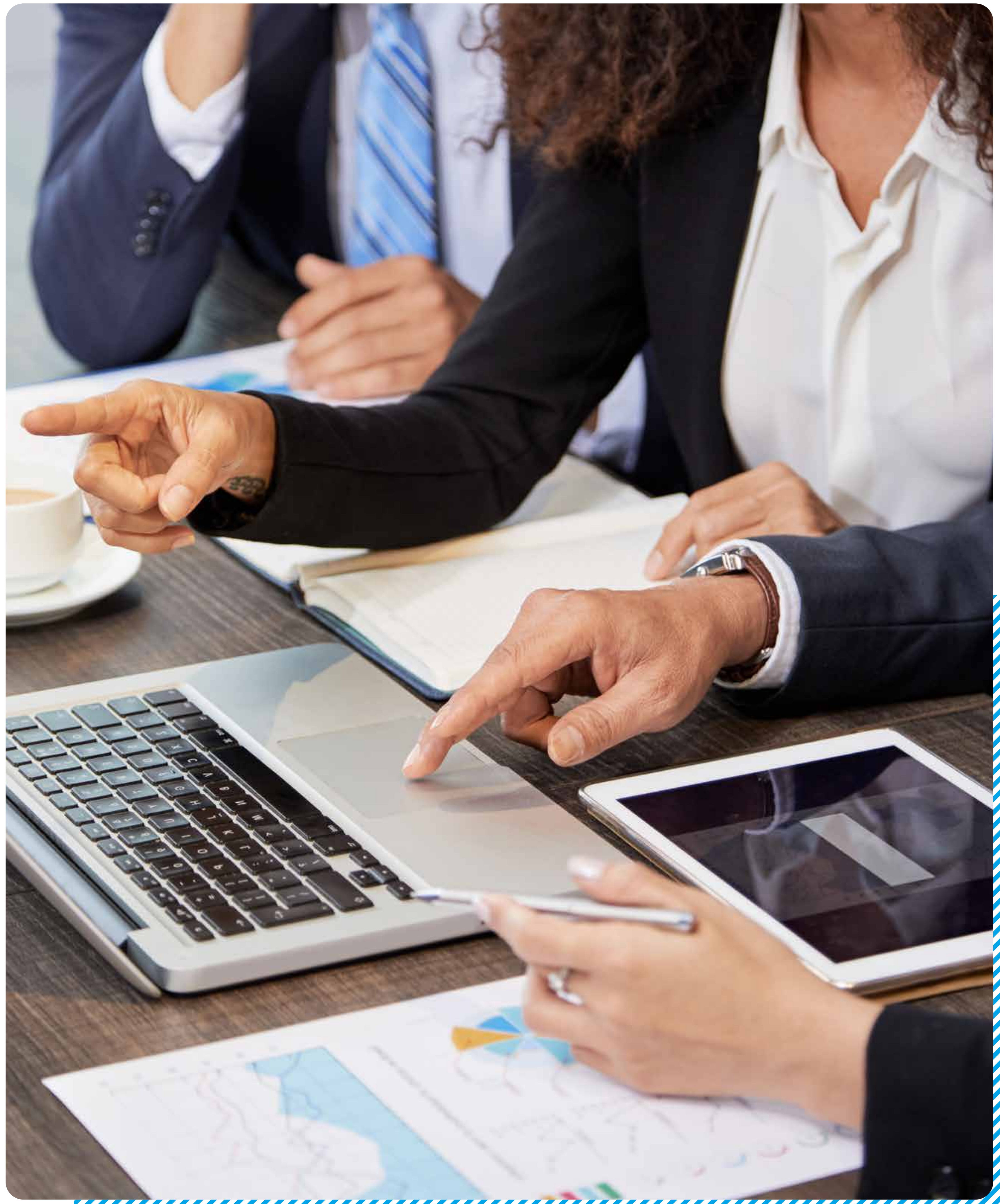
2.7. Changes in the presentation of financial statements

In compliance with that indicated in IAS 1 in paragraph 41 regarding the changes in the presentation of the financial statements.

The changes in the presentation of the 2023 financial statements compared to 2022 occur after a thorough review of compliance with the International Standard and benchmarking with the main national and international banks, with the aim of maintaining uniformity among the sector, for correct reading by our clients and investors.

Statement of financial position. The condensation of each of the concepts was done within the same components of assets, liabilities and equity, where the items are being condensed, since these are going to be discriminated in the Note that contain them.

The Statement of Financial Position for the year ending December 31, 2022 is presented below, in order for the figures to be comparable with the figures for the year ending December 31, 2023.



Item	Note	Balance as of December 31, 2022 unchanged	Balance as of December 31, 2022 with changes
Assets			
Cash and cash equivalents	(7)	$ 10,274,116	$ 10,274,116
Cash and deposits in banks		9,375,035	0
Money market transactions		899,081	0
Financial investment assets, net	(8)	8,785,322	8,785,322
Investments at fair value with change in results		2,182,124	2,182,124
Investments at fair value with change in results in OCI		3,589,852	3,589,852
Investments at amortized cost		3,013,346	3,013,346
Derivative financial instruments and cash transactions (Asset)	(9)	10,061,268	10,061,268
For hedging		9,492,092	0
For trading		569,176	0
Loan portfolio and financial lease transactions, net	(10)	65,701,100	66,680,868
Commercial		29,427,960	29,891,939
Consumer		25,524,156	26,139,389
Mortgage		13,779,501	14,485,367
Micro-credit		2	2
Employees (Mortgage and Consumer)		531,587	0
Impairment losses for loan and leasing portfolio		(3,562,106)	(3,835,829)
Interest on loan portfolio and other items, net	(10)	979,768	0
Commercial		460,820	0
Consumer		489,051	0
Mortgage		292,305	0
Employees (Mortgage and Consumer).		3,126	0
Other interest on portfolio		8,189	0
Impairment losses and other loan and leasing portfolio concepts, net		(273,723)	0
Accounts Receivable, Net	(13)	1,238,243	1,487,828
Tangible assets, net	(14)	660,816	759,573
Investments in Joint Ventures	(15)	322,009	322,009
Intangible assets, net	(16)	173,643	173,643
Non-current assets held for sale, net	(17)	37,470	37,470
Other assets, net	(18)	10,432	10,432
Advances to contracts, suppliers and other debtors	(13)	203,561	0
Right of use asset	(14)	98,757	0
Other tax assets	(13)	646	0
Prepaid expenses	(13)	45,378	0
Income tax asset		420,189	420,189
Deferred tax, net		420,189	420,189
Common Tax	(38)	0	0
Total Assets		$ 99,012,718	$ 99,012,718

Item	Note	Balance as of December 31, 2022 unchanged	Balance as of December 31, 2022 with changes
Liabilities			
Deposits and on-demand liabilities	(19)	69,184,087	69,184,087
On-demand		40,621,391	0
Term		28,562,696	0
Money Market Operations and Simultaneous	(20)	3,207,099	0
Derivative financial instruments and cash operations (Liabilities)	(20)	10,191,286	13,398,385
Trading		10,191,286	0
Financial obligations	(21)	5,370,684	5,370,684
Outstanding securities	(22)	2,676,790	2,676,790
Accounts payable	(23)	799,553	974,999
Other liabilities	(24)	265,447	372,760
Employee benefits	(25)	295,135	295,135
Estimated liabilities and provisions	(26)	283,546	283,546
Liabilities for rights of use	(24)	107,313	0
Income tax liability		464,867	289,421
Liabilities for other taxes	(23)	175,446	0
Current tax	(38)	289,421	289,421
Total liabilities		$ 92,845,807	$ 92,845,807
SHAREHOLDER´S EQUITY			
Subscribed and Paid-in Capital	(27)	89,779	89,779
Share issue premium		651,950	651,950
Reserves	(28)	4,092,577	4,093,083
Current year net income		933,514	0
Retained earnings		0	1,190,872
Adjustment on first-time adoption of IFRS		257,358	0
Other comprehensive income (OCI)	(30)	141,227	141,227
Reserve Article 6 Law 4/80		506	0
Total shareholder´s equity		$ 6,166,911	$ 6,166,911

Statement of income. Condensation is done for the presentation of each item, since these will be discriminated in the Note that contain these.

Below are the changes made to the Statement of Income for the year ended December 31, 2022, so that the figures are comparable with the year ended December 31, 2023.

Item	Note	Balance as of December 31, 2022 unchanged	Balance as of December 31, 2022 with changes
Interest and valuation revenue	(33)		
Loan and lease portfolio		$ 6,537,571	$ 6,537,571
Consumer		1,961,399	0
Commercial		2,455,914	0
Mortgage		899,908	0
Credit Cards		595,987	0
Factoring		86,516	0
Financial Leases		178,691	0
Residential Leasing		359,156	0
Total income interest revenues		6,537,571	6,537,571
Income from Securities		2,412,042	0
Income from equity method		57,913	0
Income from derivatives		49,024,753	0
Income from disposals		333,910	0
Expenses from securities		(2,228,103)	0
Expenses from derivatives		(49,554,303)	0
Expenses from disposals		(285,751)	0
Expenses for interests and valuations	(34)		
Client deposits		(3,055,543)	(3,055,543)
Saving accounts		(1,168,279)	0
Term deposit certificates and real value unit adjustment profit readjustment		(1,887,264)	0
Financial obligations		(251,446)	(251,446)
Other interest expenses		(548)	0
Financial instrument Valuation, net		0	(345,611)
Total		(3,307,537)	(3,652,600)
Total Interest and instrument valuation revenue, net		3,230,034	2,884,971

Item	Note	Balance as of December 31, 2022 unchanged	Balance as of December 31, 2022 with changes
Impairment of financial assets			
Impairment of loan portfolio and financial leasing operation, net		$ (2,625,595)	$ (1,137,649)
Reversal of impairment of loan portfolio		1,487,946	0
Impairment of non-current assets held for sale		(22,912)	(22,912)
Recovery of investment financial assets		3,585	3,585
Recovery (impairment) of property and equipment		1,532	1,532
Recovery of other impairments		160,510	160,510
Total impairment of financial assets, net		(994,934)	(994,934)
Commission income	(35)		
Commission income		716,673	716,673
Commission expenses		(473,181)	(473,181)
Total net commission income, net		243,492	243,492
Other operating expenses			
Non-interest income	(36)	175,540	509,450
Income from the equity method		0	57,913
Other operating expenses	(37)	(2,182,409)	(1,299,296)
Total other operating expenses		(2,006,869)	(731,933)
Exchange difference, net		1,169,412	0
Profit before income tax		1,401,596	1,401,596
Income tax	(38)	(727,704)	(727,704)
Deferred tax	(38)	259,622	259,622
Total result for the period		$ 933,514	$ 933,514

Statement of changes in Equity. Condensation is done for the presentation of each item, since these will be discriminated in the notes that contain these.

Below are the changes made in the Statement of Changes in Equity for the year ended December 31, 2022, so that figures are comparable with those of the year ended December 31, 2023.:

		Subscribed and Paid-in Capital		
		Non-voting preferred dividend share	Common shares	Subscribed and Paid-in Capital
Item	Note	Balance as of December 31, 2022 unchanged	Balance as of December 31, 2022 unchanged	Balance as of December 31, 2022 with changes
Balance as of January 1, 2022		$ 2,994	$ 86,785	$ 89,779
Balance as of December 31, 2022		$ 2,994	$ 86,785	$ 89,779

		Reserves	Reserves Article 6 Law4/80	Reserves
Item	Note	Balance as of December 31, 2022 unchanged	Balance as of December 31, 2022 unchanged	Balance as of December 31, 2022 with changes
Balance as of January 1, 2022		$ 4,092,577	$ 506	$ 4,093,083
Legal Reserve Appropriation		466,777	0	466,777
Balance as of December 31, 2022		$ 4,559,354	$ 506	$ 4,559,860

		Current year income	Retained Earnings	Current year income
Item	Note	Balance as of December 31, 2022 unchanged	Balance as of December 31, 2022 unchanged	Balance as of December 31, 2022 with changes
Balance as of January 1, 2022		$ 895,242	$ 0	$ 895,242
Transfers		(895,242)	895,242	0
Dividends paid in cash Preferred dividend and common shares		0	(446,019)	(446,019)
Legal Reserve Appropriation		0	(449,223)	(449,223)
Current year income		933,514	0	933,514
Balance as of December 31, 2022		$ 933,514	$ 0	$ 933,514

3. Main Accounting Policies for the Preparation and Presentation of the Separate Financial Statements

The significant accounting policies used by the Bank to prepare and present its Separate Financial Statements are detailed below. These policies have been uniformly applied in all the periods presented.

3.1. Cash and cash equivalents

The entity classifies cash, immediately available deposits in Banks (including the Central Bank), checks on hold and remittances in transit as cash, which were validated using the following criteria:

- These meet the definition of an asset.
- It is probable that any economic benefit associated with the item will be received by the entity.
- The amount can be reliably measured.

The Bank classifies money market transactions investments (interbank funds, swap transactions and overnight investments) as cash equivalents, using the following validating criteria:

- These are short-term highly liquid investments (less than 90 days).
- These are easily convertible into determined amounts of cash.
- These are subject to insignificant risk of changes in value.

As of December 31, 2023 and 2022, all the positions held as money market transactions met the conditions to be classified as cash equivalents.

3.2. Money market and related transactions

Repos, simultaneous transactions, temporary securities transfers, interbank funds and on-demand deposits are recognized at the amount of the transaction and measured at present value over the term of the transaction, using the reference short-term interest rate "IBR" (market indicator developed by the private sector, backed by Banco de la República of Colombia and other entities, in order to reflect the liquidity of the Colombian money market), which reflects the price at which banks are willing to offer or collect funds on the money market.

The agreed returns are calculated exponentially during the term of the transaction and recognized in the profit and loss statement according to the accrual accounting principle.

3.3. Transactions in Foreign Currency

Transactions in foreign currency are converted into Colombian pesos using the spot market exchange rate as of the date of the transaction.

At the end of each reporting period, the following guidelines are followed:

A. Monetary assets and liabilities denominated in foreign currency are translated using the accounting exchange rate at the reporting date

B. Non-monetary assets and liabilities denominated in foreign currency that are not measured at fair value are translated using the foreign exchange rate at the transaction date.

C. Non-monetary assets and liabilities valued at fair value are translated using the foreign exchange rate at the date on which fair value was determined.

Any resulting negative or positive foreign exchange difference is recognized under the exchange difference line item in the Separate Statement of Income. The foreign exchange rate used for adjusting resulting balances in US Dollars as of December 31, 2023 and 2022 was COP $3,822.05 y $4,810.20 per USD 1, respectively.

3.4. Financial investment assets, derivative financial instruments and cash transactions

Financial instruments are classified as assets, liabilities or equity, based on the substance of the contractual agreement that gave rise thereto. Interest, dividends, gains and losses generated by a financial instrument classified as an asset or liability are recognized as income or expenses in the Separate Statement of Income.

Classification of financial instruments. The Bank recognizes its financial instruments as of the trading date in its Separate Financial Statements according to regulations of the Financial Superintendency of Colombia (SFC) and classifies them as: i) Loans and accounts receivable, ii) Tradeable investments, iii) Investments available for sale, iv) Investments held to maturity, v) Liabilities at amortized cost and vi) Assets at fair value.

Effective Interest Rate Method. The effective interest rate method is a method used to calculate the amortized cost of a financial instrument and to allocate financial income throughout the relevant period. The effective interest rate is the discount rate that exactly matches estimated receivable or payable cash flows (including fees, basic interest points paid or received, transaction costs and other premiums or discounts included when calculating the effective interest rate) over the expected life of the financial instrument or, when applicable, over a shorter period, to the net carrying amount at the time of initial recognition.

Interest income is recognized based on the effective interest rate for debt instruments other than financial assets classified as at fair value through profit or loss.

Financial assets at fair value through profit or loss. Assets are measured at fair value and the amount of any change in value is recognized as income or expense, depending on their nature. However, variations arising from foreign exchange rate differences are recorded in the "exchange differences, net" line item of the income statement.

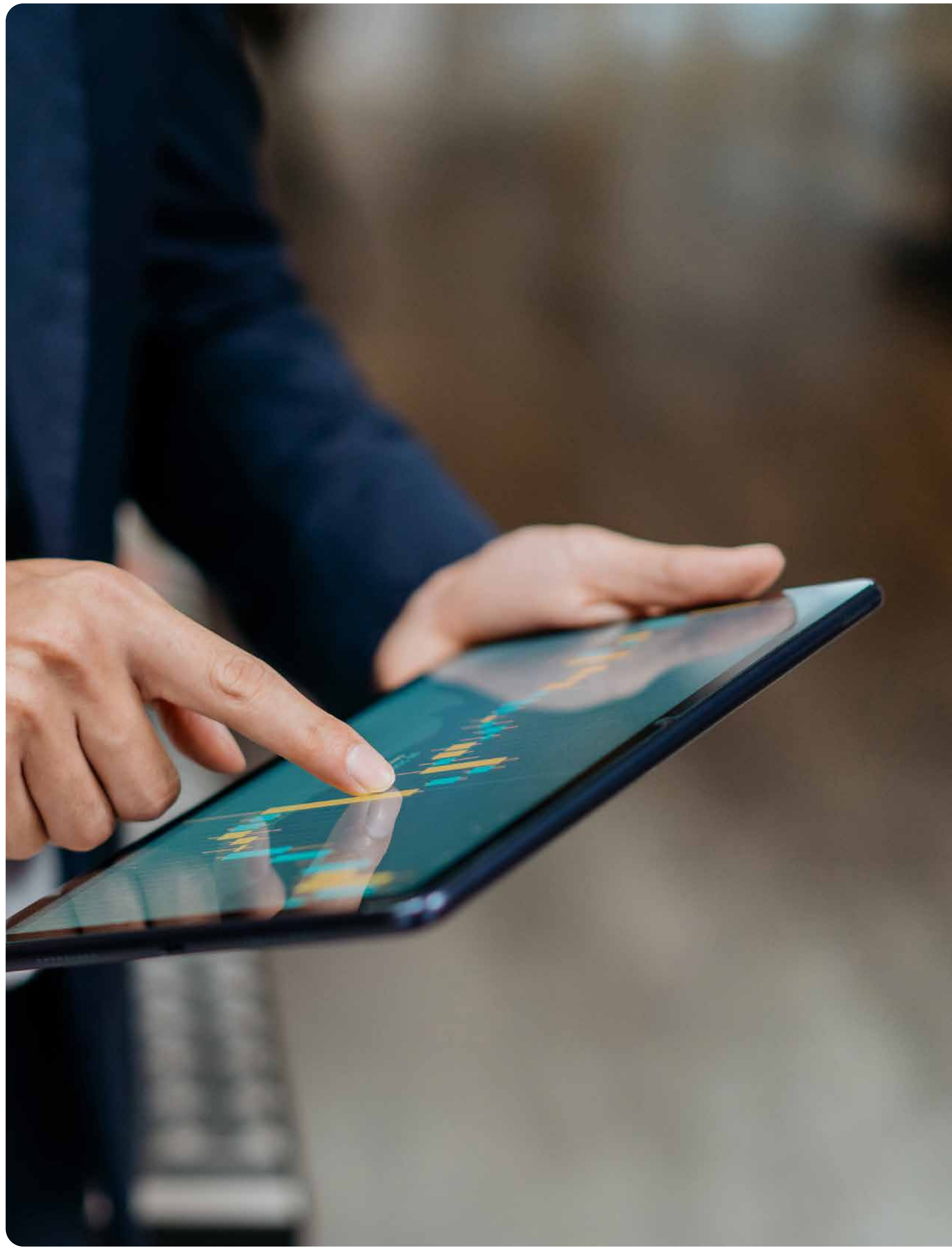
Impairment of financial assets. The Bank evaluates whether there is any objective evidence that a financial asset measured at amortized cost has been impaired.

For the loan portfolio and investments in the Separate Financial Statements, the Bank follows the instructions of the Financial Superintendency included in the Basic Accounting and Financial Memorandum 100 of 1996, Chapter XXXI - Comprehensive Risk Management System (SIAR for its Spanish acronym), Annex I of Credit Risk.

If, in later periods, the value amount of the loss from impairment decreases, this decrease can be objectively related to an event after the impairment was recognized, the loss recognized previously will be reversed from the allowance account and the amount of the reversal will be recognized in the statement of income for the period.

When the possibility of recovery of any recognized amount is considered to be remote, such amount shall be written off from the Statement of Financial Position, notwithstanding any actions that may be taken to collect the amount, until the rights thereto have definitively expired, whether by legal provision, forgiveness or other causes.

In the case of particularly significant financial assets, as well as assets that are not subject to classification within the homogeneous groups of instruments in terms of risk, the evaluation of the amounts to write off is determined individually, even though there is a possibility of collectively measuring the financial assets of minor value subject to being classified in homogeneous groups.



Derecognition of financial instruments from the Statement of Financial Position. The financial assets are derecognized from the accounts only in the following cases:

- The contractual rights to the cash flows generated by these assets have expired.
- The assets are transferred pursuant to IFRS 9, once the transfer, Risk and benefit, and control tests have been applied

Financial liabilities are only derecognized from the Statement of Financial Position accounts when the Bank's obligations have been extinguished.

In the cases where the derecognition of assets refers to recognition criteria within the Conceptual Framework, these will be written off only following authorization by the Board of Directors and/or according to the levels of authorization established in the Internal Standardization Process (PNI, for its Spanish acronym).

Asset write-offs applied based on forgiveness shall be made following the due approval process stipulated in the Internal Rules and Procedures (PNI).

Financial investment assets. Investments are classified, valued and recognized according to the provisions of Chapter I-1 of the Basic Accounting and Financial Memorandum, which compiles in a single document the applicable rules and instructions issued by the Financial Superintendency of Colombia.

It includes investments acquired by the Bank in order to maintain a secondary liquidity reserve and comply with legal or regulatory provisions, with the purpose of maximizing the risk-return ratio of the portfolios and/or assets under management and taking advantage of opportunities arising in the markets in which the Bank operates.

The Bank values most of its investments using information provided by its pricing supplier. Said supplier provides inputs for the valuation of investments (prices, rates, curves, margins, etc.) and uses approved valuation methodologies pursuant to Decree 2555/2010 issued by the Finance Ministry, as well as the instructions set out in the Basic Legal Public Memorandum of the Financial Superintendency.

Classification of the investments. The investments must be classified according to the business model defined by the Bank. For these effects, the business model is the strategic decision adopted by the Board of Directors, or its equivalent, on the manner and the activities through which it will develop its corporate purpose.

Investments may be classified as marketable investments, held-to-maturity investments, and available-for-sale securities. The valuation, recognition, and measurement of these investments will vary based on their classification and may be recorded at fair value with changes in profit or loss, amortized cost, or fair value with changes in Other Comprehensive Income, respectively.

Adoption of the classification of investments. The decision to classify an investment in any of the three (3) categories specified in sections 3.1, 3.2 and 3.3 of Chapter I-1 of the Basic Accounting and Financial Memorandum must be adopted by the entity at the time the investment is acquired or purchased.

Reclassification of investments. For an investment to be maintained in any of the aforementioned classification categories, it must meet all the characteristics or conditions for that class of investments. Investments are reclassified according to the provisions of Section 4.1 for the reclassification of investments held to maturity to tradeable investments; of Section 4.2 for the reclassification of investments available for sale to tradeable investments or to investments held to maturity, and according to the instructions given in Section 4.3 of Chapter I-1 of the Basic Accounting and Financial Memorandum.

Frequency of measurement and recognition thereof. The investments in debt securities must be measured on a daily basis, unless other provisions indicate a different frequency. Likewise, the accounting records necessary for the recognition of the measurement of the investment must be made with the same frequency as the valuation. The valuation of equity instruments and corresponding entries are made on a monthly basis.

Characteristics of tradeable investments. These are investments held in a portfolio for managing fixed-income and variable-income investments, other than shares, with the main purpose of earning profits from short-term fluctuations in the market value of different instruments and in activities involving securities trading. Involves active buying and selling.

Characteristics of investments available for sale. Securities and in general any type of investment that is not classified as a tradeable investment or as an investment held to maturity.

According to the business model, this portfolio includes fixed income investments that are managed with the main objective of obtaining the contractual cash flows and of selling when the circumstances require to do so, to maintain an optimal combination of profitability, liquidity and coverage that provides a relevant support for profitability to the Bank's Statement of Financial Position.

Measurement of tradeable and held for sale investments. Debt securities classified as for trading or as available-for-sale investments are measured based on a price supplied by a price vendor designated as official provider for the corresponding segment, according to the instructions of the Basic Legal Public Memorandum, taking into consideration the following instructions:

a. Tradeable investments and investments available for sale represented in securities or debt securities must be measured based on the price determined by the price vendor using the following formula:

Where:

$$FV = NV * DP$$

FV: Fair Value
NV: Nominal Value
DP: Dirty Price determined by the valuation price vendor

b. For exceptional cases where a fair value price determined according to item a) of this section does not exist on a given measurement date, the valuation must be made exponentially based on the Internal Rate of Return. The fair value of the respective investment must be estimated or approximated by calculating the sum of the present value of future flows corresponding to returns and capital.

Recognition of tradeable investments. These investments are recognized in the respective accounts of "Investments at Fair Value Through Profit or Loss" of the Exclusive Financial Reporting Catalog for Monitoring Purposes. The difference between the current fair value and the previous measurement must be recognized as a greater or lower value of the investment through profit or loss of the period. This procedure is carried out daily.

Recognition of investments available for sale – debt securities. These investments are recognized in the respective accounts of "Investments at Fair Value Through Other Comprehensive Income (OCI)" of the Exclusive Financial Reporting Catalog for Monitoring Purposes. The difference between the present value on the date of measurement and the previous measurement (calculated based on the Internal Rate of Return estimated at the time it was acquired, on the basis of a 365-day year), is recognized as a greater value of the investment through profit or loss. The difference between the fair value and the present value calculated as described in the previous paragraph is recognized in the respective account of "Unrealized Gains or Losses (OCI)." This procedure is carried out daily..

Characteristics of investments classified as held to maturity. Securities for which the Bank has the intent and the legal, contractual, financial and operating capacity of holding until the date of their maturity or redemption, considering that the structure of financial instruments eligible for this portfolio only results in payments of principal and interest.

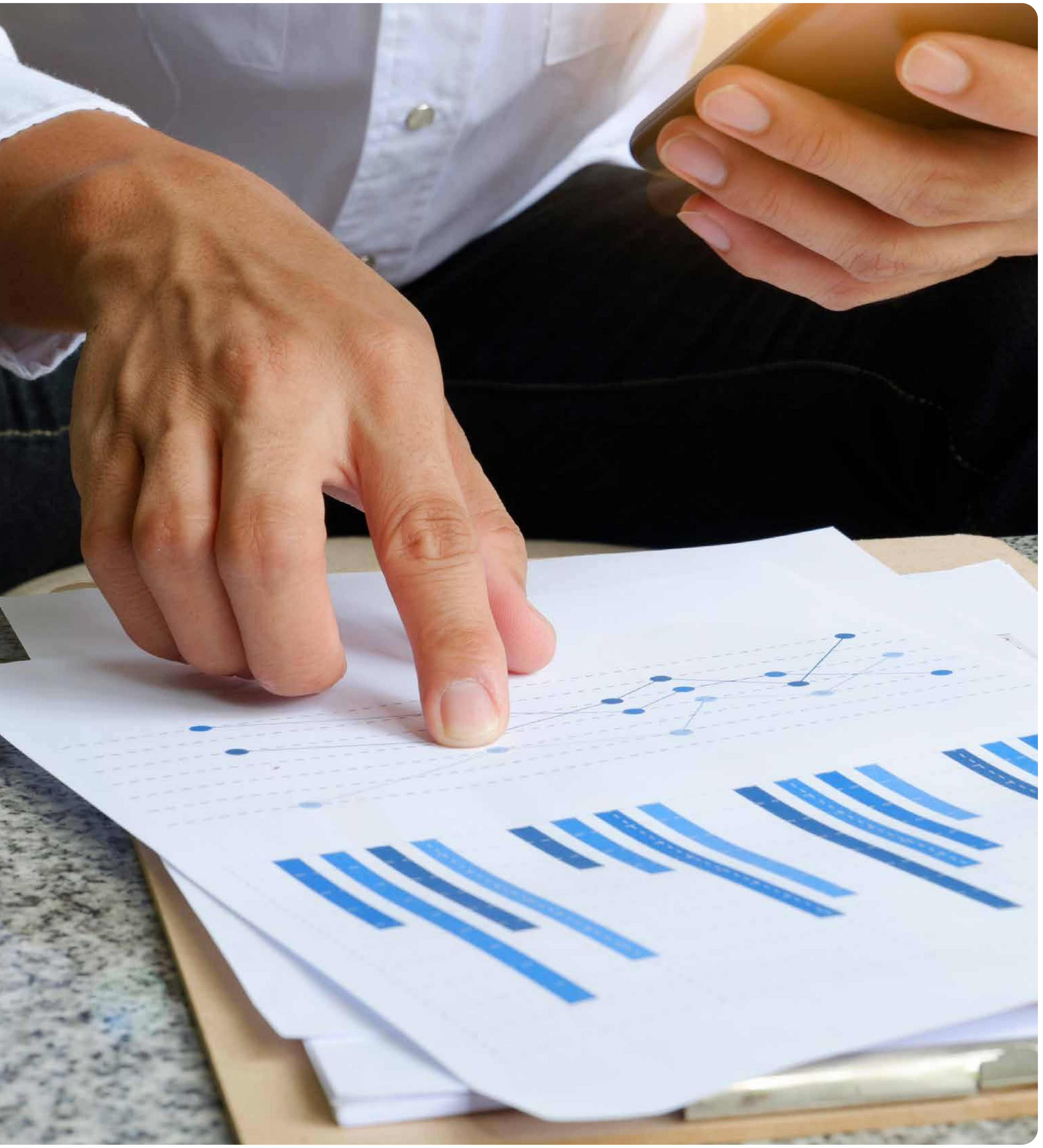
Valuation of investments held to maturity. Securities classified as held-to-maturity investments are valued exponentially based on the internal rate of return calculated at the time of purchase, using a 365-day year. This procedure is carried out daily.

Recognition of investments held to maturity. These investments are recognized in the respective accounts of "Investments at Amortized Cost," of the Exclusive Financial Reporting Catalog for Monitoring Purposes. The difference between the current fair value and the previous measurement of the respective security must be recognized as a greater or lower value of the investment through profit or loss of the period.

Enforceable yields pending to be collected are recorded as a greater value of the investment. Consequently, the collection of those returns is recognized as a lower value of the investment. This procedure is carried out daily.

Valuation of equity securities not listed on securities exchanges. These are measured at the price determined by the price vendor designated as official for the corresponding segment. In the event the price vendor does not have a valuation methodology in place for such investments, the entities must increase or reduce the acquisition cost in proportion to the share of interest of subsequent changes in the equity of the respective issuer, calculated on the basis of the certified expenses as of June 30 and December 31 each year. However, if more recent certified financial statements are available, these must be used. The respective update must be made within three (3) months from the cut-off date of the financial statements, at the latest.

Impairment (allowances) or losses from the issuer's risk rating. The price of debt securities, and of equity securities through profit or loss, must be updated as of each measurement date based on:



- The rating of the issuer and/or of the security if such rating is available.

- Objective evidence that an impairment loss has been or could be incurred on these assets. These criteria apply even for recognizing impairment in an amount that is greater than the amount calculated by simply using the rating of the issuer and/or the security, if required based on evidence.

The impairment loss amount must always be recognized in profit or loss for the period, regardless of whether the specific investment has any amount recognized under Other Comprehensive Income (OCI).

Internal or external public debt securities issued or endorsed by the Nation, securities issued by the Central Bank and those issued or guaranteed by the Financial Institutions Guarantee Fund ("Fondo de Garantías de Instituciones Financieras – FOGAFIN") will not be subject to the provisions of the previous paragraph.

Any impairment on investments in subsidiaries, affiliates, associates or joint ventures is measured and recognized according to the provisions of IAS 36 Impairment of Assets, which is included in the Technical Regulatory Framework in the Annex to Decree 2420/2015, or any provisions that amend or replace it.

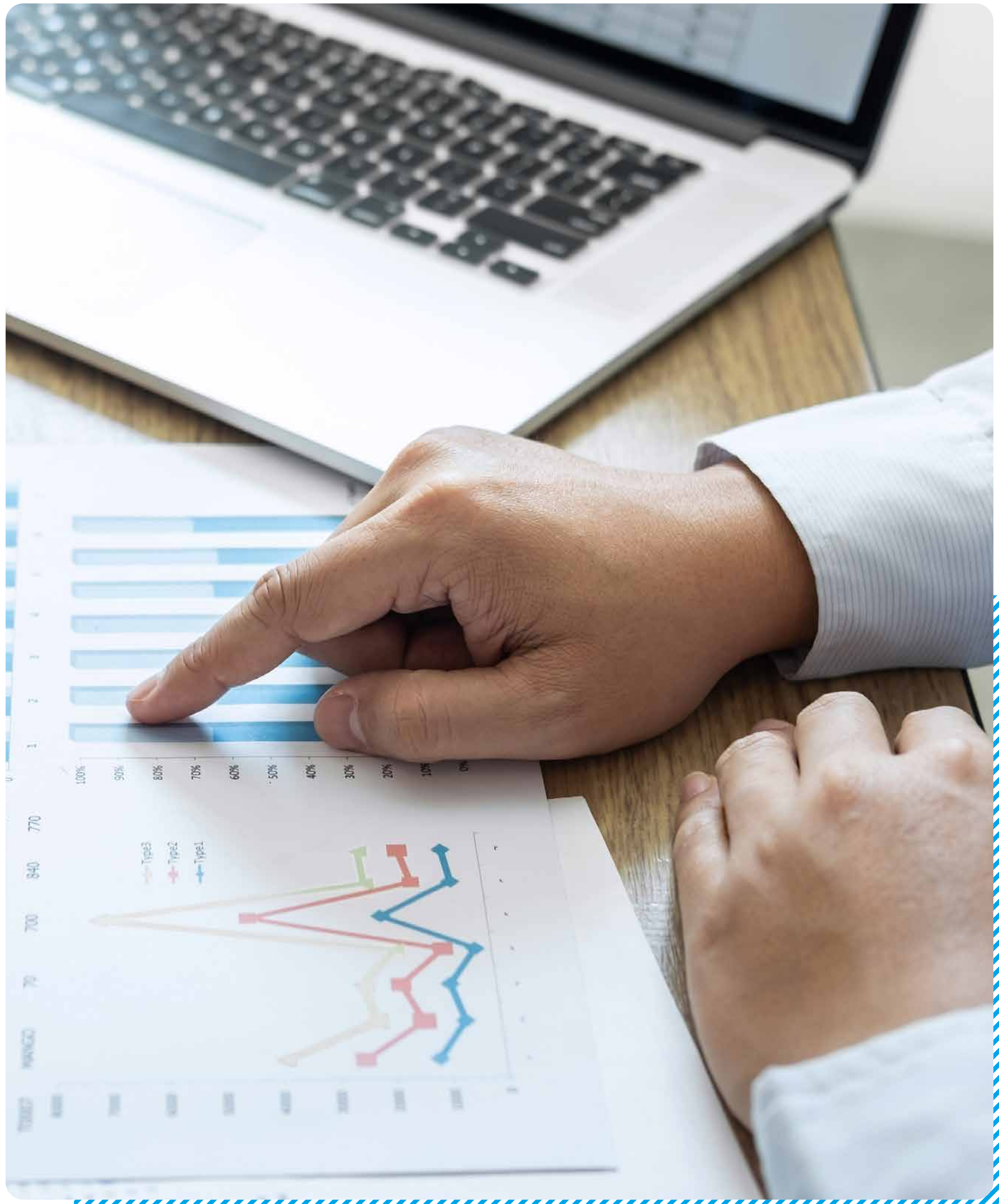
Securities of issues or issuers with external credit ratings. Securities of issues or issuers with one or more ratings granted by external ratings agencies recognized by the SFC, or debt securities issued by entities that have been rated by the same agencies, may not be recognized in an amount exceeding the following percentages of their nominal value net of the amortization made up to the measurement date:

Long-term Rating	Maximum Value %	Short-term Rating	Maximum Value %
BB+, BB, BB-	Ninety (90)	3	Ninety (90)
B+, B, B-	Seventy (70)	4	Fifty (50)
CCC	Fifty (50)	5 y 6	Zero (0)
DD,EE	Zero (0)	-	-

Non-rated securities or issuers. The Bank uses the following criteria to determine the allowances, pursuant to Chapter I-1 of the Basic Accounting and Financial Memorandum (Public Memorandum 100/1995 of the SFC).

Category/Risk	Characteristics	Allowances
A - Normal	These comply with the security's agreed terms and have adequate capacity to pay principal and interest.	Not applicable.
B - Acceptable	These are issues that display uncertainty factors that might affect the capacity to continue to adequately service the debt. Likewise, the financial statements and other information available on the issuer display weaknesses that may affect its financial position.	In the case of debt securities, the value at which these are recognized must not be greater than eighty percent (80%) of the nominal value net of amortizations made up to the measurement date. In the case of equity securities, the value net of credit risk allowances (cost less allowance) at which these are recognized must not the greater than eighty percent (80%) of the acquisition cost
C- Substantial	These are issues that display a high or medium probability of failing to make timely payments of principal and interest. In addition, its financial statements and other available information show deficiencies in their financial position that compromise the recovery of the investment.	In the case of debt securities, the value at which these are recognized must not be greater than sixty percent (60%) of the nominal value net of amortizations made up to the measurement date. In the case of equity securities, the value net of credit risk allowances (cost less allowance) at which these are recognized must not the greater than sixty percent (60%) of the acquisition cost.
D - Significant	These are issues that are in default of the agreed terms of the security, as well as its financial statements and other information available indicate substantial deficiencies in its financial position.	In the case of debt securities, the value at which these are recognized must not be greater than forty percent (40%) of the nominal value net of amortizations made up to the measurement date. In the case of equity securities, the value net of credit risk allowances (cost less allowance) at which these are recognized must not the greater than forty percent (40%) of the acquisition cost.
E - Uncollectible	Investments that, based on the issuer's financial statements and other available information, are deemed unlikely to be collectable.	An allowance is made for the full amount of these Investments.

External classifications referred to for this type of valuation must be made by a security rating company duly authorized by the Superintendency, or by an internationally recognized security rating agency, when referring to securities issued by foreign entities and placed abroad.



Investments provided as collatera. These are investments in debt securities that are provided as collateral to guarantee fulfillment of the transactions accepted by a counterparty clearing house for offsetting and settlement. These securities are measured daily and recognized in the Statement of Financial Position and the Separate.

Statement of Income following the methodology and procedure that applies to the category in which these were included before being provided as collateral.

3.5. Investments in subsidiaries and joint arrangements

Investments in subsidiaries are those in which the Bank has direct or indirect control, that is, when it has all of the following elements:

- Power over the entity, i.e., rights that grant it the capacity to direct the relevant activities that significantly affect the subsidiary's profits.
- Exposure to, or entitlement to, variable returns originating from its interest in the subsidiary.
- The ability to use its power over the subsidiary to influence the amount of the Bank's returns.

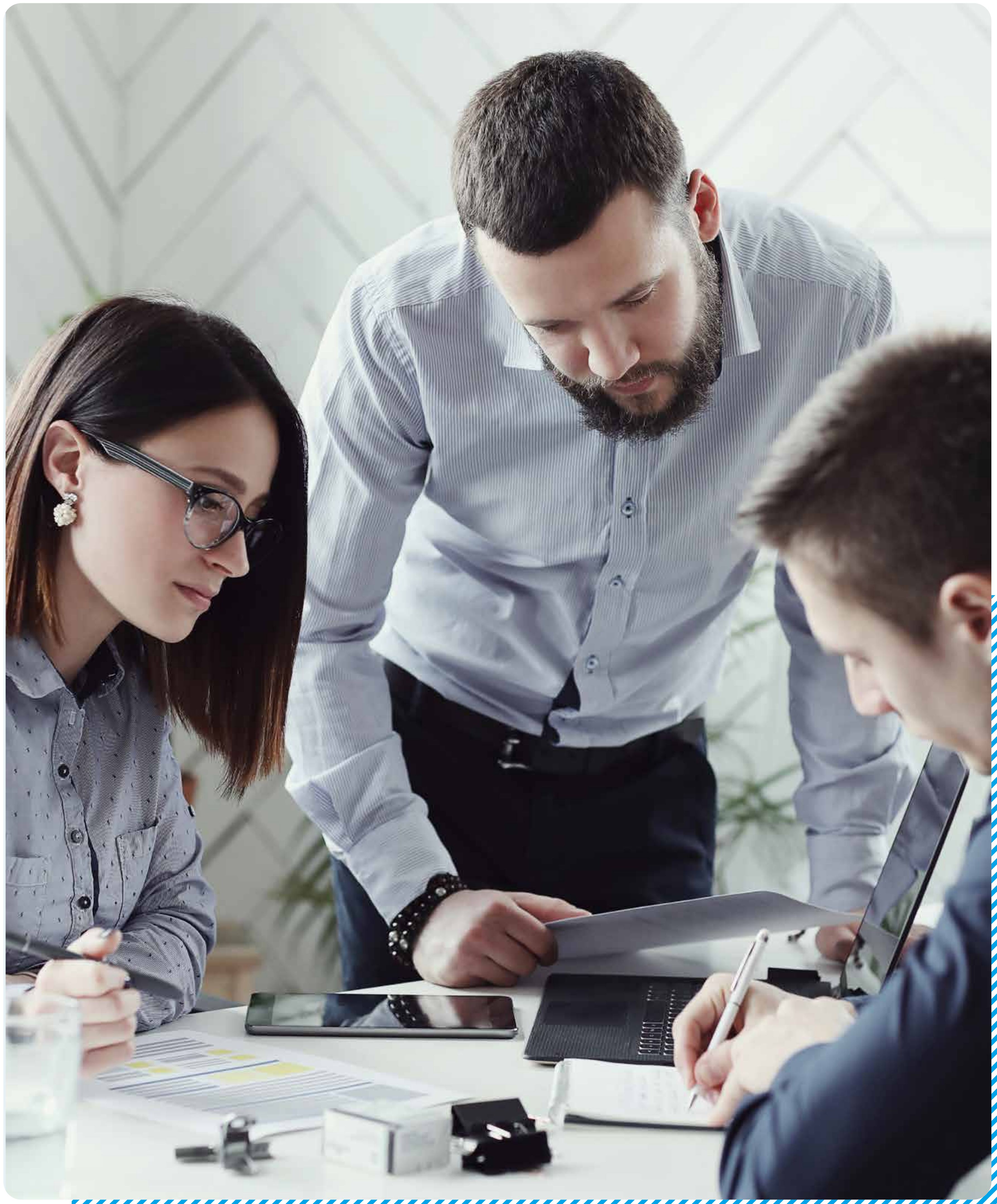
A joint arrangement is one in which two or more parties have joint control over the arrangement, i.e., when decisions regarding relevant activities require the unanimous consent of the parties that share control. The joint arrangement is further divided into joint operation, in which the parties have joint control of the arrangement and have rights to the assets and obligations with respect to the related liabilities; and in joint venture, in which the parties that have control of the agreement have the right to the net assets.

Valuation of investments in subsidiaries, affiliates, associates and joint ventures. According to Article 35 of Law 222/1995, investments in subsidiaries must be recognized in the accounts of the separate financial statements of the parent or controlling company using the equity method. Whenever the Code of Commerce or other legal provisions do not provide for the accounting treatment of investments in subsidiaries, affiliates, associates, and interests in joint ventures, these must comply with the provisions of IAS 27 Separate Financial Statements, IAS 28 Investments in Associates and Joint Ventures and IAS 11 Construction Contracts, among others, as applicable.

3.6. Derivative financial instruments

Derivatives are initially recognized at fair value on the date that the derivative contract is signed, and subsequent changes are adjusted through debits or credits in the Statement of Income, as applicable. The resulting profit or loss is recognized in the Separate Statement of Income immediately, unless the derivative is designated as an effective hedging instrument, in which case the timing of recognition in profits or losses will depend on the nature of the hedging relationship and on its effectiveness.

Financial derivative contracts are reported as assets when their fair value is positive, and as liabilities when it is negative.



For valuation purposes, for presentation in the Financial Statements, and for disclosure and reporting information to the Financial Superintendency of Colombia, on a daily basis, the Bank must include the credit risk adjustment of the respective counterparty, or CVA ("'Credit Valuation Adjustment"), or the own credit risk adjustment or DVA ("'Debit Valuation Adjustment") in the fair value calculation ("risk free") of transactions involving OTC derivative financial instruments or any unstandardized derivatives that are held in its portfolios.

CVA and DVA adjustments do not apply when a counterparty clearing house is involved as a counterparty for monitored entities in transactions with derivatives. The methodologies used to measure a CVA and DVA adjustment for transactions with OTC derivatives or unstandardized derivatives should at least consider the following seven (7) criteria:

- Deadline for fulfillment and settlement of the transaction;
- Financial strength: of the counterparty for the CVA, as well as the DVA itself;
- Netting or offsetting agreements with counterparties for transactions with derivative financial instruments. In this case, a CVA and DVA adjustment should be calculated for the entire portfolio of transactions with derivatives that are open with the respective counterparty and not individually by transaction;
- Collateral associated with the transaction;
- Risk rating, if any, granted by at least one internationally recognized or authorized credit rating agency in Colombia, as applicable;
- Exogenous circumstances or events that may affect payment capacity and fulfillment of obligations: of the counterparty for the CVA and of the DVA itself; and
- Any others that the Bank deems relevant.

3.7. Implicit Derivatives

Implicit derivatives in main contracts are treated as separate derivatives when these meet the definition of a derivative and when their risks and characteristics are not closely related to said main contracts and the contracts are not measured at fair value through profit or loss.

As of December 31, 2023 and 2022, the Bank did not hold any implicit derivatives balances.

3.8. Hedge Accounting

A derivative intended to achieve the financial hedging of a certain risk is treated as hedge accounting if, when trading, the changes in its fair value or cash flows are expected to be highly effective in offsetting changes in the fair value or cash flows of the hedged item, directly attributable to the hedged risk from the start, which should be documented in the trading of the derivative and during the hedging period. The Bank continues to apply IAS 39 Financial Instruments for hedge accounting.

The Bank designates certain hedging instruments, which may include implicit derivatives (if any), and non-derivatives with respect to foreign currency risk, as fair value hedging, cash flow hedging or net investment hedging of a business abroad. Foreign currency risk hedging of a firm commitment may be recorded as cash flow hedging.

At the start of the hedging, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking several hedging transactions. At the start of the hedge and on a continuous basis, said documentation includes the

manner in which the entity measures the effectiveness of the hedging instrument to offset exposure to changes in the fair value of the hedged item or to changes in cash flow attributable to the hedged risk.

Note 12 includes details on the fair value of derivatives used for hedging purposes.

Fair value hedging. Changes in the fair value of derivatives that are designated and rated as fair value hedges are recognized from the time that the effective hedge is designated through profit or loss, along with any other change in the fair value of the hedged asset or liability attributed to the hedged risk. Variations in the fair value of a hedged risk of the hedged item are recognized in the Separate Statement of Financial Position in the item related to the hedged item.

Hedge accounting is suspended when the Bank revokes the hedging relationship, the hedging instrument matures, or is sold, terminated or completed, or it no longer meets the criteria for hedge accounting.

Cash flow hedging. The portion of changes in the fair value of derivatives determined as an effective cash flow hedge will be recognized in Other Comprehensive Income (OCI) and accumulated under the item "cash flow hedging reserve." The ineffective portion will be immediately recognized through profit or loss for the period, under the line item "Other Operating Profits and Losses."

- The amounts previously recognized as Other Comprehensive Income and accumulated in equity are reclassified to the income statement in the periods when the hedge item affects income, under the same line item as the recognized hedged item. However, if hedging a planned transaction later results in recognizing a non-financial asset or non-financial liability, the profits or losses previously recognized in Other Comprehensive Income and accumulated in equity are transferred and included in the initial measurement of the cost of the non-financial asset or liability.

- Hedge accounting will be suspended when the Bank revokes the hedging relationship, the hedging instrument expires, or is sold, resolved or completed, or it no longer meets the criteria for hedge accounting. The profit or loss that has been recognized as Other Comprehensive Income and accumulated as equity will continue as equity and be recognized when the planned transaction is recognized in the statement of income. When the planned transaction is no longer expected to occur, any profit or loss accumulated in equity is recognized immediately as profit or loss.

3.9. Loan portfolio and finance lease transactions and Interest on loan portfolio and other items

The criteria for recognition, classification and impairment of the loan portfolio in the Separate Financial Statements are those currently set out in Chapter XXXI of the Basic Accounting and Financial Memorandum (Public Memorandum 018 of 2021) of the Financial Superintendency of Colombia, according to Decree 1851/2013 (amended by Decree 2267/2014).

Loans are recognized at the disbursed amount, except for acquired loans and/or factoring transactions, which are recognized at cost, and are classified as commercial, consumer, mortgage or microcredit loans. The financial income from assets under financial leases are measured considering a constant rate of return over the net financial investment.

Mortgage portfolio. It records, regardless of the amount, the credits granted to natural persons (individuals) for the acquisition of new or used housing, or for the construction of individual housing, with the following characteristics:

- These are denominated in Real Value Units (UVR, for its Spanish acronym) or local currency. The UVR is used to update long-term loans. This unit allows the value of the loans to be adjusted over time according to the country's cost of living (Consumer Price Index - CPI). The RVU value is currently calculated by the Central Bank of Colombia for every day of the year.
- These are covered by a first degree mortgage on the financed property.
- The amortization term must be between a minimum of five (5) years and a maximum of thirty (30) years.
- It must have a remunerative interest rate, which shall be fixed during the entire term of the credit, unless a reduction thereof is agreed and must be stated only in terms of annual effective rate.
- The loan amount shall be for up to eighty percent (80%) of the value of the property in the case of loans to finance social interest housing (VIS, for its Spanish acronym) and up to seventy percent (70%) for all other loans. In the case of residential leasing of Non-LIH Housing (Non-Low Income Housing), the financing shall be up to eighty five percent (85%).

Early repayment can be made on all or part of the loan at any time without any penalty. In the case of partial prepayments, the debtor has the option of choosing whether the amount paid will be used to reduce the amount of the installment or the term of the loan.

Consumer loan portfolio. It recognizes all loans granted to individuals whose purpose is to finance the acquisition of consumer goods or the payment of services for non-commercial or non-business purposes, regardless of their amount and different from loans classified as micro-credits (see credit risk rating model of reference in Note 10).

Micro-credit portfolio. It recognizes the loans granted to micro-enterprises whose workforce does not exceed ten (10) workers and whose total assets are less than COP 501, and the maximum amount of the loan is 25 legal minimum monthly wages (SMMLV, for its Spanish acronym). The balance of the debtor's loans may not exceed 120 SMMLV, excluding mortgage loans to finance housing.

Commercial loan portfolio. Loans granted to individuals or legal entities to carry out organized economic activities, other than those granted under the micro-credit modality.

As from July 1, 2007 and July 1, 2008 the commercial and consumer portfolio loans, respectively, are rated and provisioned on a monthly basis using the reference models defined by the Financial Superintendency of Colombia (SFC). Likewise, as of April 2010, procyclical and countercyclical allowances are calculated according to applicable regulations (Annex II Chapter XXXI, Credit Risk of the Basic Accounting and Financial Memorandum of the SFC - Public Memorandum 100 of 1995).

Pursuant to Chapter XXXI of the Basic Accounting and Financial Memorandum (Public Memorandum 100 of 1995) of the Financial Superintendency of Colombia, the Bank has been conducting two evaluations of its commercial loan portfolio, during the months of May and November, as well as a monthly update of new ordinary loans and restructured loans. The update of the ratings is recorded during the months of June and December and provisions are recorded based on these. According to the regulations, loans are classified by risk levels: (A- Normal, B- Acceptable, C-Substantial, D- Significant, and E- Uncollectible). Portfolio assessment seeks to identify subjective risk factors, determining the short- and medium-term payment capacity; in this fashion, it allows anticipating possible losses through the adjustment in the rating.

As from the second semester of 2010, the loan portfolio assessment is performed semiannually in an entirely automated fashion, through statistical processes that infer customer information such as minimum probable income, adding debt servicing behavior and sector performance, among other factors, with the purpose of determining the most relevant risk factors. It is a proactive process aimed at achieving prudent and effective risk measurement.

Prior to the process of determining the allowances and ratings for each debtor, an internal alignment is performed that consists in assigning the highest risk category to all loans of the same modality granted to the debtor (see credit risk rating model of reference).

The assessments and estimates of the likelihood of loan impairment and of expected losses are made by weighting objective and subjective criteria, considering the following aspects:

Credit risk rating. The Bank constantly assesses the risk incorporated in its credit assets, both at the time the loans are granted and over their lifetime, including any restructuring. To this effect, it has designed and adopted a Credit Risk Management System (SARC, for its Spanish acronym) that consists of credit risk management policies and procedures, the models of reference for estimating expected losses, the system of allowances to cover credit risk and internal control processes.

The following criteria are applied as sufficient objective conditions to classify and rate the loans in risk categories:

Category	Granting	Commercial Loan Portfolio	Consumer Loan Portfolio
"AA"	Loans with an assigned rating of "AA" at the time granted.	Loans whose rating obtained using the rating methodology of the MRC model defined by the regulations is equal to "AA."	Loans whose rating obtained using the rating methodology of the Model of Reference for Consumer Loans (MRCO, for its Spanish acronym) defined by the regulations is equal to "AA."
"A"	New loans with an assigned rating of "A" at the time these were granted are classified in this category.	Loans whose rating obtained using the rating methodology of the MRC model defined by the regulations is equal to "A."	Loans whose rating obtained using the rating methodology of the MRCO model (model of reference for Consumer Loans) defined by the regulations is equal to "A."
"BB"	New loans with an assigned rating of "BB" at the time these were granted are classified in this category.	Loans whose rating obtained using the rating methodology of the MRC model defined by the regulations is equal to "BB."	Loans whose rating obtained using the rating methodology of the MRCO model (model of reference for Consumer Loans) defined by the regulations is equal to "BB."
"B"	New loans with an assigned rating of "B" at the time these were granted are classified in this category	Loans whose rating obtained using the rating methodology of the MRC model defined by the regulations is equal to "B.".	Loans whose rating obtained using the rating methodology of the MRCO model (model of reference for Consumer Loans) defined by the regulations is equal to "B."
"CC"	New loans with an assigned rating of "CC" at the time these were granted are classified in	Loans whose rating obtained using the rating methodology of the MRC model defined by the regulations is equal to "C."	Loans whose rating obtained using the rating methodology of the MRCO model (model of reference for Consumer Loans) defined by the regulations is equal to "CC."
"Default"	this category.	Previously granted loans that are 150 or more days past due or that having been restructured are 60 or more days past due.	Consumer loans that are 90 or more days past due or that having been restructured are 60 or more days past due.

The following table is used to standardize the credit ratings of the commercial and consumer loan portfolios for the effects of indebtedness reports and financial statements:

	Aggregation of Reported Categories	
Risk	**Commercial**	**Consumer**
"A"	AA	AA
		"A" currently between 0-30 days past due
"B"	A	"A" currently more than 30 days past due
	BB	BB
"C"	B	B
	CC	BB
	C	B
"D"	D	B
"E"	E	B

Classification and rating of mortgage and micro-credit loans. Done based on the time past due, as indicated below

	Micro-credit	Mortgage
Risk	**(Months past due)**	**(Months past due)**
"A" Normal	Current and up to 1	Up to 2
"B" Acceptable	From 1 to 2	From 2 to 5
"C" Substantial	From 2 to 3	From 5 to 12
"D" Significant	From 3 to 4	From 12 to 18
"E" Uncollectible	More than 4. Additionally, this category includes restructured obligations that are 60 or more days past due for the micro-credit modality	More than 18, or when having been restructured is 90 or more days past due

Classification and rating of commercial loans: The following are the minimum conditions for the risk classification of commercial loans according to the model of reference (MRC):

Risk (days past due)	Commercial
"AA"	Current and up to 29
"A"	From 30 to 59
"BB"	From 60 to 89
"B"	From 90 to 119
"CC"	From 120 to 149
"D and E" Default	More than 149

Credit ratings of territorial entities. IIn addition to the foregoing, the Bank reviews and verifies compliance with the different conditions established by Law 358/1997.

Loans to customers that are admitted to proceedings under Law 550/December 1999 issued by the Ministry of Finance, maintain the rating they had before the restructuring agreement, keep the allowances that were previously recognized, and the accrual of interest is suspended.

Classification and rating of consumer loan. Consumer loans are rated according to the MRCO – Model of Reference for Consumer Loans established by the Financial Superintendency of Colombia, which considers segments of products (automobiles, credit cards, and others) and credit establishments (banks and financing companies). Additionally, behavioral variables are taken into consideration, such as: time past due at the cut-off date, payment behavior in the last 36 months, payment behavior in the last three quarters, other active loans in segments other than the segment being assessed, liens, mortgages and prepayment of credit cards. Based on the above variables, a value (z) is assigned to each customer, depending on the segment, which replaces the value in the following equation that determines the calculated score.

$$\text{Score} = \frac{1}{1+e^{-z}}$$

The table for determining the rating according to the score obtained is:

Rating	Score up to: General -Automobiles	Score up to: General others	Score up to: Credit Card
AA	0,2484	0,3767	0,3735
A	0,6842	0,8205	0,6703
BB	0,8151	0,8900	0,9382
B	0,9494	0,9971	0,9902
CC	1	1	1
D-E	More than 90 days past due, customers with written-off loans, or restructured loans 60 or more days past due.		

Subsequently, it may change its rating to lower risk categories, as long as the conditions established by the Superintendency of Finance of Colombia are met.

Impairment (allowance) for loans and accounts receivable. To cover credit risks, the Bank has established an allowances system, which is applied to the outstanding loan balance by applying the models of reference for the commercial loan portfolio (MRC) and the consumer loan portfolio (MRCO).
In the case of the mortgage and micro-credit loan modalities, the allowance is determined based on the customer's past due status.

Mortgage loans. According to Annex2 of Chapter XXXI of the Basic Accounting and Financial Memorandum (Public Memorandum 018 of 2021 of the SFC), an allowance is recognized on the principal balance of the loan based on the following assigned credit ratings:

Rating del crédito	Porcentaje de provisión sobre la parte garantizada	Porcentaje de provisión sobre la parte no garantizada
A	1%	1%
B	3,2%	100%
C	10%	100%
D	20%	100%
E	30%	100%

Furthermore, if the loan that has remained in Category E for 2 to 3 consecutive years it will be provisioned at 60% if for two consecutive years and 100% if for three consecutive years, with respect to the guaranteed portion.

Micro-credit loans. The lower limit of the allowance on principal for each risk level is as follows, weighting the collateral at 70% for loans up to twelve months past due:

Credit Rating	Minimum allowance Percentage Net of Collateral	Minimum allowance Percentage
A	0%	1%
B	1%	2,2%
C	20%	0%
D	50%	0%
E	100%	0%

Guarantees (Collateral). For provision calculation purposes the collaterals are weighted using the following percentages according to the delinquency of loans:

Mortgage Collateral or Mortgage Collateral Trusts		Non-mortgage Collateral	
Months past due	Percentage	Months past due	Percentage
0 – 18	70%	0 – 12	70%
18 – 24	50%	12 – 24	50%
24 – 30	30%	>24	0%
30 – 36	15%	-	-
> 36	0%	-	-

According to current standards in force, as from January 1, 2002, any pledge collateral that should exist on the debtor's commercial or industrial establishments, the mortgage collateral on immovable assets where it operates the respective establishment and the collateral on immovable assets for destination that are part of the respective establishment, are weighted at 0% of their value; reason these were reclassified as non-fit collateral.

Commercial loan portfolio (model of reference). The expected credit loss for commercial loans is calculated using the following formula:

*Expected loss = (P.I.) * (exposure of asset) * (LGD)*

Where:
P.I. *(probability of default)* Probability that within 12 months a debtor will default. It is assigned according to the company's segment and its rating, as follows:

Segment	Size by assets
Large	More than 15,000 SMMLV
Medium	Between 5,00 and 15,000 SMMLV
Small	Less than 5,000 SMMLV
Individuals	Does not apply

The Bank uses the Current legal minimum monthly wage (SMMLV for its Spanish acronym) in effect at the date on which the customer's financial statements were updated.

The following are the probabilities of default by segment:

Probabilities of default by segment

	Matrix A				Matrix B			
Rating	Large company	Medium company	Small company	Persona natural	Large company	Medium company	Small company	Persona natural
AA	1.53%	1.51%	4.18%	5.27%	2.19%	4.19%	7.52%	8.22%
A	2.24%	2.40%	5.30%	6.39%	3.54%	6.32%	8.64%	9.41%
BB	9.55%	11.65%	18.56%	18.72%	14.13%	18.49%	20.26%	22.36%
B	12.24%	14.64%	22.73%	22.00%	15.22%	21.45%	24.15%	25.81%
CC	19.77%	23.09%	32.50%	32.21%	23.35%	26.70%	33.57%	37.01%
Default	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

L.G.V. *(Loss Given Default):* This is the economic impairment the Bank would incur in the event the default materializes.
A customer will be considered in default in the following cases:

- Commercial loans that are 150 or more days past due.
- Debtors with reported bad debts with the Bank or the financial system, according to information from credit bureaus.
- Customers that are in bankruptcy proceedings.
- Debtors with restructured loans with the Bank under the same modality.
- Customers with extraordinary credit restructuring (rated C, D or E).

The Loss Given Default. LGD para deudores calificados en la Category de Defaults sufre un aumento paulatino de acuerdo con los días transcurridos después de la clasificación en dicha Category. La LGD por Type of Collateral de la cartera Comercial es la siguiente:

Type of Collateral	LGD	Days after default	New LGD	Days since default	New
Non-admissible collateral	55%	270	70%	520	100%
Subordinated loans	75%	270	90%	540	100%
Admissible financial collateral	0 - 12%	-	-	-	-
Commercial and residential real estate properties	40%	540	70%	1.080	100%
Leased real estate assets	35%	540	70%	1.080	100%
Leased assets other than real estate	45%	360	80%	720	100%
Other collaterals	50%	360	80%	720	100%
Collection fees	45%	360	80%	720	100%
With no collateral	55%	210	80%	420	100%

Asset's exposed value: The outstanding balance for principal, interest and other concepts that the client owes at the moment of estimating expected losses is considered the asset's exposed value.

Consumer loans. The expected loss for consumer loans shall result from the application of the following formula:

$$\text{Expected loss} = (PD) * (\text{Exposure of Asset}) * (LGD) * (\text{Term Adjustment}) * k$$

Where:

K: Is the adjustment factor that seeks to recognize the risk associated with the increase in the level of leverage of debtors with terms greater than 72 months. This factor will not be applicable to payroll loans granted to retired individuals, nor to the Credit Card and Revolving segments. The value of the variable K will be assigned according to the following expression:

Where:

$$K = \begin{cases} 1 & \text{if } PR \leq 72 \\ 1{,}1 & \text{if } 72 < PR \leq 108 \\ 1{,}4 & \text{if } PR > 108 \end{cases}$$

Term Adjustment (TA) : Is the value of the term adjustment, calculated according to the following formula:

$$\text{Term Adjustment (TA)} = \left\{ \frac{\text{Remaining Term}}{72} \right\}$$

Remaining Term: Corresponds to the number of months remaining compared to the agreed term of the loan at the time the expected loss is calculated. If the agreed term or remaining term is less than 72, TA takes the value of one (1). For the Credit Card and Revolving Credit segments, TA takes the value of (1).

For loans that were originated, disbursed, restructured or acquired before December 1, 2016, TA takes the value of (1).

For loans that were originated, disbursed, restructured or acquired after December 1, 2016, the expected loss is calculated using the adjustment to the remaining term (TA).

The term adjustment was incorporated by Public Memorandum 047 of 2016 of the SFC, and any additional allowances generated by the implementation of the term adjustment must be fully recognized by February 28, 2017, at the latest.

PD (Probability of Default): Probability that over a 12-month period the debtors of a certain segment and consumer credit rating will incur in default.

The probability of default in 2023 was defined as follows:

	Matrix A			Matrix B		
Rating	**General -Automobiles**	**General - Others**	**Credit Card**	**General -Automobiles**	**General - Others**	**Credit Card**
AA	0.97%	2.10%	1.58%	2.75%	3.88%	3.36%
A	3.12%	3.88%	5.35%	4.91%	5.67%	7.13%
BB	7.48%	12.68%	9.53%	16.53%	21.72%	18.57%
B	15.76%	14.16%	14.17%	24.80%	23.20%	23.21%
CC	31.01%	22.57%	17.06%	44.84%	36.40%	30.89%
Default	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

The LDG by type of guarantee of the Consumer portfolio is as follows

Type of Collateral	LGD	Days after default	New LGD	Days since default	New LGD
Admissible financial collateral	0 - 12%	0	0%	0	0%
Commercial and residential real estate	40%	360	70%	720	100%
Leased real estate assets	35%	360	70%	720	100%
Leased assets other than real estate	45%	270	70%	540	100%
Collection fees	45%	360	80%	720	100%
Other suitable collateral	50%	270	70%	540	100%
Unsuitable collateral	60%	210	70%	420	100%
Payroll loan collateral	45%				
With no collateral	75%	30	85%	90	100%

Additional allowances of a temporary nature, Public Memorandum 026/2012. The Superintendency, in exercising its legal powers, considers prudent for the entities to create, on a temporary basis, an additional individual allowance on the consumer loan portfolio, if certain indicators on growth of past due receivables indicated in the same Memorandum have been reached.

The entities required to create the additional individual allowance must calculate the individual procyclical component in the standard manner, as established by Section 1.3.4.1, of Chapter XXXI of the Basic Accounting and Financial Memorandum, and these shall add to it 0.5% over the principal balance of each consumer loan of the month of reference, multiplied by the corresponding LGD.

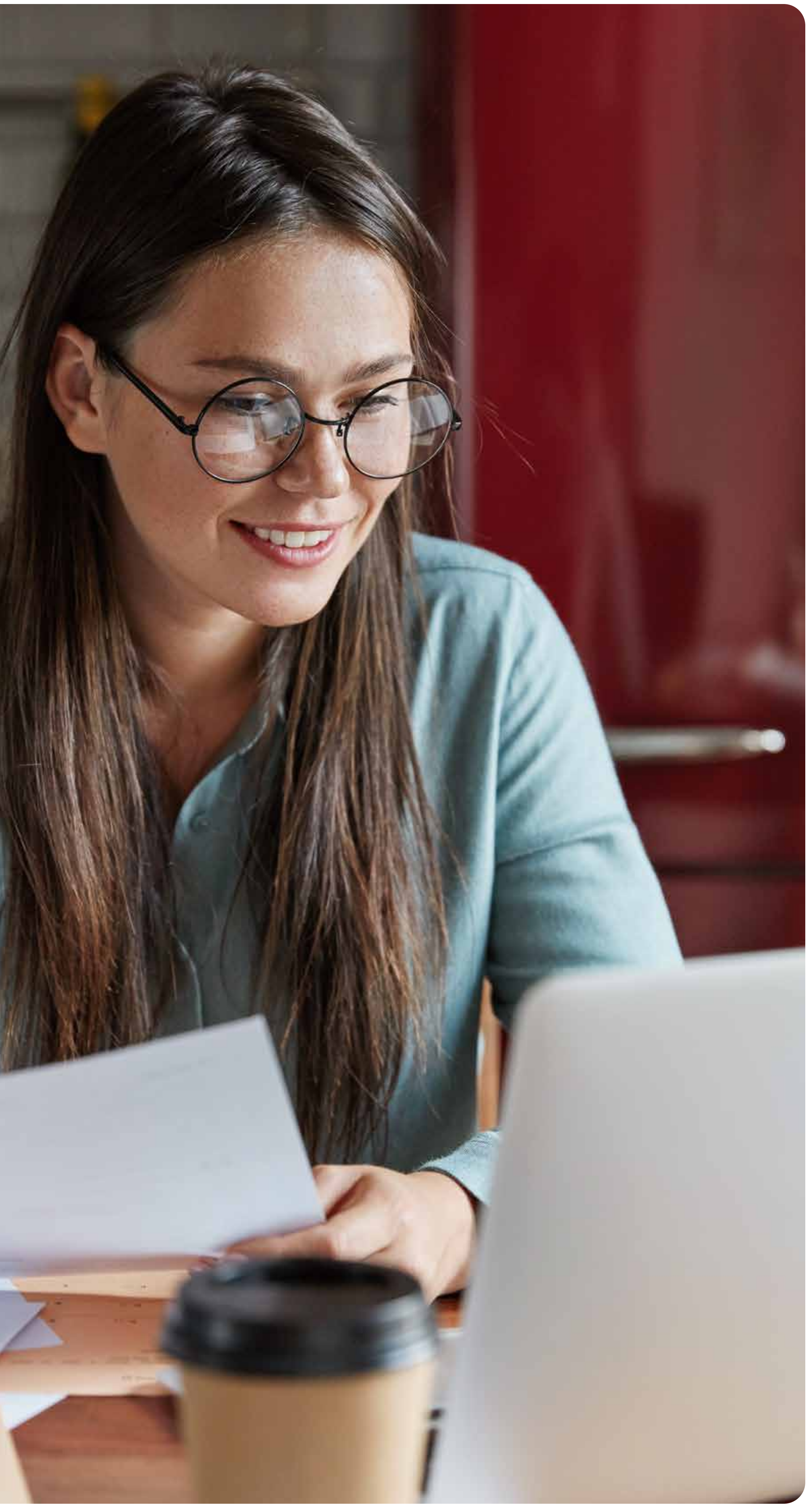
The additional allowance of 0.5% on the principal balance of each consumer loan applies whenever the annual balance of Alpha (α) is greater than zero (α > 0).

LGD (Loss Given Default): This is the economic impairment the Bank would incur in the event the default materializes. A customer will be considered in default in the following cases:

- Consumer loans that are 150 or more days past due.
- Debtors with reported bad debts with the Bank or the financial system, according to information from credit bureaus.
- Customers that are in bankruptcy proceedings.
- Debtors with restructured loans with the Bank under the same modality.
- Customers with extraordinary credit restructuring (rated C, D or E).

The Loss Given Default (LGD). LGD for debtors rated in the default category increases gradually with the number of days elapsed after having been classified in this category. The LGD by type of collateral of the Commercial Loan is as follows:

Type of Collateral	LGD	Days after default	New LGD	Days since default	New LGD
Non-admissible collateral	55%	270	70%	540	100%
Subordinated loans	75%	270	90%	540	100%
Admissible financial collateral	0 - 12%	-	-	-	-
Commercial and residential	40%	540	70%	1	100%
Leased real estate assets		540	70%	1	100%
Leased assets other than real estate	45%	360	80%	720	100%
Other collaterals	50%	360	80%	720	100%
Collection fees	45%	360	80%	720	100%
With no collateral	55%	210	80%	420	100%



Exposure of assets: It is defined as the outstanding balance of principal, interest and other items owed by the customer at the time the expected loss is estimated.

Individual Allowance. As from April 1, 2010, pursuant to Public Memorandum 035/2009 issued by the Financial Superintendency of Colombia (SFC), the Bank applied the allowance calculation methodology in a cumulative phase based on the assessment of indicators.

Accordingly, the individual loan allowance under the reference models is established as the sum of two individual components defined as follows:

Individual Procyclical Component (hereinafter CIP, for its Spanish acronym). Is the portion of the individual loan loss allowance that reflects the credit risk of each debtor, at present.

Individual Countercyclical Component (hereinafter CIC, for its Spanish acronym). is the portion of the individual loan portfolio that reflects the possible changes in the debtors' credit risk in times when the impairment of those assets increases. This portion is created with the purpose of reducing the impact on the separate statement of income whenever that situation should appear. The internal or reference models must consider and calculate this component based on the available information that reflects those changes.

With the purpose of determining the methodology to be applied for calculating these components, the following indicators must be evaluated on a monthly basis:

a. Real quarterly variation (deflated) of individual loan loss allowances B, C, D and E.

b. Quarterly accumulated allowances net of recoveries (loan and leasing portfolio) as a percentage of the quarterly accumulated interest income from portfolio and leasing.

c. Quarterly accumulated allowances net of recoveries of loans and leases portfolio as a percentage of the quarterly accumulated gross adjusted financial margin.

d. Real annual growth rate (deflated) of the gross portfolio.

The methodology for calculating the components of the individual loan loss allowances is determined once the above indicators have been calculated. If during three consecutive months the following conditions are all fulfilled, the calculation methodology to be applied during the following six months shall be the calculation Methodology for the de-cumulative phase. In all other cases, the calculation methodology to be applied in the following month shall be the calculation methodology for the cumulative phase.

The Bank complied with the indicators for the consumer portfolio indicated in Chapter XXXI SIAR of the Basic Accounting Memorandum of the Financial Superintendency of Colombia (Annex 1 Credit Risk, section 2 Reference Models), as of July 2023, thus and by communication to the Financial Superintendency of Colombia, we inform that we would enter into impairment calculation under a de-cumulative methodology only for said Portfolio, a process that must be carried out for 6 consecutive months ending in January 2024:

$$(\Delta ProvInd_{BCDE})_T \geq 9\% \ y \ (PNR / IxC)_T \geq 17\% \ y$$
$$[(PNR / MFB_{Ajusted})_T \geq 0\% \ ó \ (PNR / MFB_{Ajusted})_T \geq 42\%] \ y \ \Delta CB_T < 23\%$$

Calculation methodology in cumulative phase. For each portfolio type subject to reference models the individual portfolio allowance will be independently calculated and defined as the sum of two components (CIP+CIC), hereinafter, understand i as each obligation and t as the time of calculation of the allowances:

Procyclical individual component (CIP). For the entire portfolio, it is the expected loss calculated with Matrix A, that is, the result obtained after multiplying the debtor's exposure, the Default Probability (hereinafter PI for its Spanish acronym) of Matrix A and the Loss Given Default (hereinafter PDI, for its Spanish acronym) associated to the debtor's collateral, as established in the corresponding reference model.

Individual Countercyclical Component (CIC). This is the maximum value between the individual countercyclical component in the previous period (t-1) affected by the exposure and the difference between the expected loss calculated with Matrix B and the expected loss calculated with Matrix A at the time of calculating the allowance (t), according to the following formula:

Where:

$$\max\left(CIC_{i,t-1} * \left(\frac{Exp_{i,t}}{Exp_{i,t-1}}\right); (PE_B - PE_A)_{i,t}\right) \quad \text{with} \quad 0 \leq \left(\frac{Exp_{i,t}}{Exp_{i,t-1}}\right) \leq 1$$

Expi,t is the exposure of obligation (i) at the time the provision is calculated (t) according to what is established in the different reference models.

$$\left(\frac{Exp_{i,t}}{Exp_{i,t-1}}\right) > 1 \text{ it is assumed as being one (1)}$$

Methodology of calculation in de-cumulative phase. For each modality of loan portfolio subject to reference models, the individual loan loss allowance is calculated independently, defined as the sum of two components (CIP + CIC), hereinafter i is understood as each obligation and t as the time of calculation of the allowances:

Individual Procyclical Component (CIP). For loan portfolio A, this is the expected loss calculated with Matrix A, that is, the result obtained from multiplying the debtor's exposure, the PD of Matrix A and the LGD associated to the debtor's collateral, as established in the corresponding model of reference.

For portfolios B, C, D, and E this is the expected loss calculated with Matrix B, that is, the result obtained after multiplying the exposure of the debtor, the PI of Matrix B and the PDI associated to the debtor's collateral, as established in the corresponding reference model.

Individual Countercyclical Component. It is the difference between the individual countercyclical component in the previous period (t-1), and the highest value between the individual de-accumulation factor (FD) and the individual countercyclical component of the previous period (t-1) affected by the exposure, according to the following formula:

$$CIC_{i,t} = CIC_{i,t-1} - \max\left\{FD_{i,t}; CIC_{i,t-1} * \left(1 - \frac{Exp_{i,t}}{Exp_{i,t-1}}\right)\right\}$$

The de-accumulation factor is calculated as follows:

$$FD_{i,t} = \left(\frac{CIC_{i,t-1}}{\sum_{activas(t)} CIC_{i,t-1}}\right)_m * (70\% * PNR_{CIP-m})$$

PNR_{CIP-m}	Are the provisions net of recoveries for the month, associated to the procyclical individual component in the respective portfolio modality (m).
$\sum_{activas\ (t)} CIC_{i,t-1}$	This is the addition over the active obligations at the moment of calculating the provision (t) in the respective modality (m), of the balance of the countercyclical individual component thereof in (t-1).
$FD_{i,t} \geq 0$	If the amount is negative, it takes the value of zero.
$\left(\frac{Exp_{i,t}}{Exp_{i,t-1}}\right) > 1$	When it is assumed as being one (1)

General allowance. As established by current regulations of the Superintendency, the Bank has established a mandatory general allowance equivalent to one percent (1%) of the gross mortgage and micro-credit loan portfolios.

Alignment rules. The Bank applies the following criteria for the alignment of its debtors' ratings:

- Prior to making the allowances and determining the ratings, the Bank conducts a monthly internal alignment process, to which effect all the loans of the same modality granted to each debtor are assigned the highest risk category.
- According to the applicable legal provisions, the Bank is required to consolidate the financial statements, and consequently assigns the same ratings to all loans of the same modality granted to the same debtor.

Loan write-offs. The Bank selects loans that have been 100% provisioned, and on which collection has not been achieved after having executed various collection mechanisms, including judicial methods, in order to request to the Board of Directors the derecognition of those assets by means of a write-off. Once the Board of Directors authorizes the write-off of the selected transactions the corresponding report is submitted to the Financial Superintendency of Colombia in the form designed for that purpose.

Notwithstanding having made the write-off of credit transactions given the impossibility of their collection, the administrators continue with their collection management through formulas that lead to the total recovery of the obligations.

As a general rule, integral punishment is assessed on the customer, labeling all the customer's active operations as in default. Likewise, the best possible ratio regarding missing provisions should be sought so as to minimize the cost effect of the write-off.

Suspension of accrual of interest and other items. With respect to the suspension of return accruals, the regulation establishes that whenever a loan is delinquent in excess of two (2) months for mortgage and consumer loans, in excess of one (1) month for micro-credits, and in excess of three (3) months for commercial loans, it will no longer accrue interest, monetary correction, fees or other revenues.

At the same time when yield accrual is suspended, the entire amount pending to be collected corresponding to those concepts is provisioned.

Collateral. Collateral is an additional security the Bank requests from its customers in order to reduce the inherent risks of the lending business. The collateral is not considered a means of payment. Suitable collateral is assessed according to the instructions of the Financial Superintendency of Colombia.

Loan restructuring. Loan restructuring is defined as any exceptional mechanism instrumented through any legal business whose purpose is to change the conditions that were originally agreed upon, in order to allow the debtor to adequately service the debt in view of the actual or potential impairment of its payment capacity. Additionally, agreements established under Law 550/1999, enacted by the Ministry of Finance, Law 617/2000 enacted by the National Planning Department, and Law 1116/2006 enacted by the Superintendency of Industry and Commerce, or their subsequent amendments and replacements, are recognized as restructurings. This also includes extraordinary restructurings and novations.

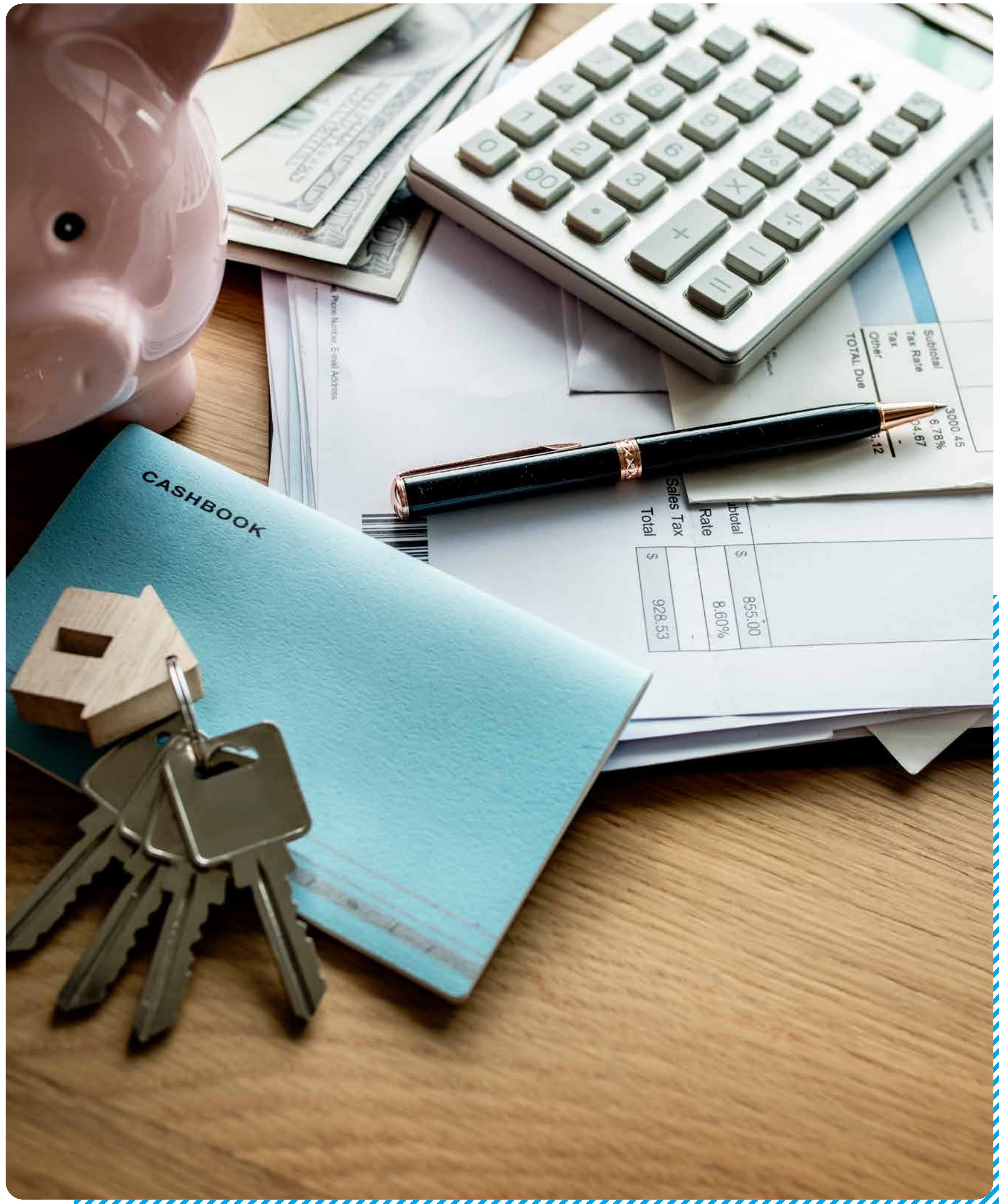
Public Memorandum 009/202 of the Financial Superintendency, standardizes the policies for the adequate management of loans that present modifications in their conditions due to potential or real deterioration of the payment capacity of their debtors and establishes that the Bank may amend the terms and conditions that were initially agreed upon without this being considered restructuring in the terms of Subsection 2.3.2.3.1 of Chapter XXXI of the Basic Accounting and Financial Memorandum 018/20211995, as long as during the latest 6 months the loan has not incurred in past due payments of more than 60 days for micro-credit and consumer loans and more than 90 days for commercial and mortgage loans. These amendments can be made at the request of the debtor or by initiative of the entity, subject to prior agreement with the debtor. Amendments to loan terms must not become a generalized practice for regularizing the behavior of the loan portfolio. This regulation establishes special criteria for rating restructured loans at the time these are restructured and subsequently therefrom.

According to Public Memorandum 016/2019 of the Financial Superintendency, which is effective as of July 2, 2019, the Bank may amend the terms and conditions that were initially agreed upon without this being considered restructuring in the terms of Subsection 2.3.2.3.1 of Chapter XXX of the Basic Accounting and Financial Memorandum 100/95, as long as during the latest 6 months the loan has not incurred in past due payments of more than 60 days for micro-credit and consumer loans and more than 90 days for commercial and mortgage loans. These amendments can be made at the request of the debtor or by initiative of the entity, subject to prior agreement with the debtor. The above is in order to enable the debtor to adequately service the loan because of the actual or potential impairment of the debtors' payment capacity. This Regulation establishes that the Bank may not reverse the provisions of restructured loans that, as of June 30, 2019, are rated in the default category, unless the reduction is due to the application of the conditions defined in Subsection 2.3.2.3.1 of Chapter XXXI II of the CBCF (Credit rating after restructuring, which adds that for debtors that have been subject to several restructuring processes, their rating must disclose this greater risk), or to the decrease in the asset's exposure associated with the payments made by the debtors.

The Bank can eliminate the status of restructured once the debtor begins to make regular and effective payments of principal and interest for an uninterrupted period of 9 months for micro-credit loans and 12 months for all other modalities; at that time, the credit can go out of monitoring.

Additional temporary allowances, Memorandum 026/2022 of the Financial Superintendency of Colombia: In order to promote the healthy and sustainable expansion of the consumer portfolio, and to acknowledge the potential impact on the debtors' payment capacity amid an economic slowdown and persistent inflation, among other factors, the following factors are taken into account: (i) the possible escalation in default rates of the debtors due to their idiosyncratic circumstances and their resilience against possible changes in the macroeconomic environment, and (ii) the potential utilization of contingent quotas owing to the impact on income in light of the economic slowdown.

Agreements with Loans. Loans to customers that are admitted to bankruptcy proceeding are immediately rated "E" (Uncollectible) and are subject to the allowances defined for this category. Once the payment agreement is made within the proceedings, the loans may be reclassified as "D" (Significant). Subsequently, reclassifications to lower risk categories can be made provided that all requirements established by the Financial Superintendency in that respect are met.



3.10. Accounts receivable

Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not traded in an active market.

These assets are initially recognized at fair value plus the transaction costs directly attributable to their acquisition or issuance.

In subsequent measurement, the fair value of accounts receivable is deemed to be equal to their carrying value, where this is the best estimate. There are accounts receivable of less complexity that are characterized by being short-term and not containing a significant financial component of value. Through the simplified approach in which impairment is calculated for the entire life of the asset, the accounts receivable that are recorded in BBVA fit into the valuation that allows a possible impairment to be determined while the instrument is active.

Looking at the current IFRS 9 paragraph 5.5.15 implementation process, entities can apply the simplified approach when the asset is one year maturity or less or when it does not have a significant financing component. However, in literal b of the same paragraph it establishes that entities can use the simplified approach even when the asset has a significant financing component, but that due to accounting policy these decide to measure the correction of the value for the entire life of the asset.

BBVA Colombia has defined that, to calculate the provision of the accounts receivable, considering the type of accounts it holds, their volume and the risk involved in recovering said accounts, it must make a provision equivalent to 100% of the account receivable when it is overdue by more than 180 days.

For accounts receivable corresponding to leasing advances that records the items disbursed to suppliers in the purchase process of an asset to place it in a leasing contract, in amounts that are registered in the name of the clients, are subject to deterioration and will be those that meet any of the following conditions:

- Leasing contracts in the advance payment stage that have one or more installments due in the payment of monthly interest.
- Leasing contracts in the advance payment stage that have not been activated when the maximum term defined for each line expires.
- Clients who do not meet any of the two previous conditions may be considered for impairment, but for whom, due to various circumstances, it is identified that these may generate a situation of impairment or risk for the Bank.

According to the above, if the client meets any of the indicated conditions, the Leasing Operations Area will include the client in the list of clients that will be reviewed and analyzed by the Advance Payments Committee. The Leasing Specialist, or his or her designated replacement, will present to the members of the Committee the details or conditions of why the operation has not complied with the payment of interest or is outside the time established for the advance payment stage. For both cases, the maximum date established by assets for advance operations will be considered and the provision will be determined for each of the suggested clients, according to the methodology proposed below.

3.11. Non-current Assets Held for Sale

Non-current assets and groups of assets for disposal are classified as held-for-sale if their carrying value is recoverable through a sales transaction, rather than through continuous use. This condition is considered to be met only when the sale is highly probable and the asset (or disposal group) is immediately available for sale in its current state, subject only to the terms that are usual and adapted to the sale of these assets (or disposal groups). Management must be committed to the sale, which must be recognized as a final sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are calculated at the lowest value between the carrying value and the fair value of the assets less estimated costs of sale. The difference between both amounts is recognized in profit or loss.

If the assets are not sold within the established term, these are reclassified to the categories from which these originated. The Bank does not depreciate (or amortize) the asset while it is classified as held for sale.

Assets received in lieu of payment of obligations (BRDP, for its Spanish acronym), repossessed assets and returned leased assets. These assets are classified as non-current assets held-for-sale, if their carrying amount is mainly to be recovered through a sales transaction, rather than from their continuous use, and these must meet the following conditions:

- These must be available, in their current state, for immediate sale, subject exclusively to the usual and regular terms of sale for these assets (or groups of assets for disposal).
- Its sale must be highly probable, according to an appropriate level of management that must be bound with a plan to sell the asset

(or disposal group) with the active execution of a plan to find a buyer and actively negotiate a fair price and complete said plan.

These are recognized at whichever is lowest between the carrying amount and their fair value less the cost of disposal. On the date of classification in this category, the entity identifies the following as costs of disposal for this class of assets:

- Deed expenses.
- Compensation for the personnel carrying out and formalizing the sale process.
- Non-recoverable taxes associated with its application.

Los Assets no corrientes mantenidos para la Sale no se deprecian ni se amortizan mientras permanezcan en esa Category.

Non-current assets held-for-sale are not depreciated or amortized while in this category. When the asset is a result of reclassifying another asset, it is recorded at the carrying amount at the time of its reclassification and when it is received in lieu of payment or as a return, it is recognized at the fair value of the asset received or returned minus its cost of sale.

Subsequently, non-current assets held for sale originating from awards or recoveries will be measured at fair value, taking as a reference the valuations made by the authorized rating companies in the geographical areas where the assets are located, which must not be more than one year old, except when there is evidence of impairment of these assets.

Gains and losses generated by transferring assets and liabilities classified as non-current assets held-for-sale, as well as losses due to impairment and, when applicable, their recovery, are recognized through profit or loss. Other income and expenses related to said assets and liabilities are classified under the appropriate line items of the statement of income, depending on their nature.

Independently from their accounting classification (loan portfolio, investments, non-current assets held-for-sale and other assets), according to the instructions of the Financial Superintendency of Colombia (SFC, for its Spanish acronym), an allowance is calculated on assets received in lieu of payment as prescribed in Chapter III of the Basic Accounting and Financial Memorandum (CBCF, for its Spanish acronym), in which the intention of the allowance is not to cover the impairment of the assets, but to avoid risk and preserve the Bank's equity.

Transfers. If the asset has not been sold within the maximum term established for the sale (one year from the date of its classification and/or justified actions for deferment), due to actions or circumstances beyond the Bank's control, and there is sufficient evidence that the Bank is still committed to its plan to sell the asset, under the conditions indicated in IFRS 5, the period needed to complete the sale will be extended.

The commercial value of the immovable assets is updated with a new appraisal, whose date can be no greater than three (3) years; however, the possibility of impairment must be evaluated at least once per year.

The Bank maintains a strict analysis at the time of recording this class of assets, for which, through the Non-Financial Asset Management (GANF, for its Spanish acronym) department, establishes receipt percentages for assets; this receipt value is calculated using variables with the current market, the type of property, its location and its physical and legal condition.

The maximum allowable percentage for receipt is defined by the Non-Financial Asset Management Department, taking the above as basis, in addition to the possible time it will take to resell it, which generates administrative, security and tax expenses that are forecast up to the possible time of sale.

When the acquisition cost of a real estate property is lower than the value of the debt recognized in the Statement of Financial Position, the difference must be immediately recognized through the separate statement of income.

When the commercial value of a BRDP is lower than its carrying value, an allowance for the difference must be recognized.

With respect to the methodology implemented to assess the allowance level, the Bank applied Public Memorandum 034/2003 issued by the Financial

Superintendency of Colombia, which determined the deadline of December 31, 2005 for financial entities to establish allowances equivalent to at least 80% of the adjusted cost of the real estate properties received before October 1, 2001.

Based on the provisions established in Public Memorandum 036/2014 of the SFC, the Bank measures and recognizes the allowances within the framework of the rules established in Section 1.3.1.2 of Chapter III of the Basic Financial and Accounting Memorandum, as follows:

- Through monthly proportional allocations, an allowance shall be established equivalent to thirty percent (30%) of the value of receipt of the asset within the year following the date of reception. Such allowance percentage shall be increased until reaching sixty percent (60%) through monthly proportional allocations within the second year, counted from the date of reception of the BRDP.
- For personal property and transferable securities, the allowances are created according to Section 1.3.2 of Chapter III of the Basic Accounting and Financial Memorandum. However, the Bank, based on the principle of prudence, in some cases sets the allowance at up to 100% of the received value of the asset.

Derecognition due to sale of the asset. A sale is considered complete when the significant risks and rewards derived from ownership of the asset have been transferred to the buyer. When no involvement is retained by the seller in connection with management of the asset, nor is effective control retained over it, the amount of revenue from ordinary activities can be measured reliably, and it is probable that the economic rewards associated with the transaction will be received, and the costs incurred, or to be incurred, related to the transaction can be measured reliably.

The Bank recognizes gains or losses not previously recognized at the date of sale of a non-current asset on the date on which its derecognition occurs.

3.12. Properties Taken Through a Financial Lease

At the beginning of a contract, BBVA Colombia evaluates whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee. At the beginning or upon amendment of a contract containing a lease component, BBVA Colombia assigns the consideration in the contract to each lease component on the basis of a separate relative price. However, for property leases, BBVA Colombia has chosen not to separate the non-lease components and to recognize both lease and non-lease components as a single lease component.

BBVA Colombia recognizes a right-of-use asset and a lease liability at the start date of the lease. The right-of- use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the start date, plus the initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site where it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term unless the lease transfers ownership of the underlying asset to BBVA Colombia at the end of the lease term or the cost of the right-of-use asset reflects that BBVA Colombia will exercise a purchase option. In that case, the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as property and equipment. In addition, the right-of-use asset is periodically reduced for impairment losses, if applicable, and adjusted for certain new measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments not paid at the start date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. BBVA Colombia defines the discount rate as the funding rate for similar liabilities.

The lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate on the start date;
- Amounts expected to be paid as a residual value guarantee; and
- The exercise price of a call option that BBVA Colombia is reasonably certain to exercise, lease payments over an optional renewal period if BBVA Colombia is reasonably certain to exercise an extension option, and penalties for early termination of a lease, unless BBVA Colombia is reasonably certain not to terminate early.
- Estimation of dismantling costs, which must be evaluated and updated from the Talent and Culture – Properties and Services area in order to guarantee the different market situations and with the periodicity required for the presentation of the annual committee.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be paid under a residual value guarantee, if BBVA Colombia changes its assessment of whether it will exercise a call, extension or termination option, or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying value of the right-of-use asset, or it is recognized in the statement of income if the carrying value of the right-to-use asset has been reduced to zero. BBVA Colombia presents right-of-use assets that do not meet the definition of investment property under "Property, Plant and Equipment," and lease liabilities under "Loans and Obligations" in the Statement of Financial Position.

BBVA Colombia presents assets for right of use that do not meet the definition of investment property as "property, plant and equipment," and the lease liabilities are recorded in "loans and obligations" in the statement of financial position.

Improvements in other people's properties – The Bank records in this item improvements to properties taken for lease [MA1] [MPA2] [HSG3] [MPA4] [HSG5], as well as the cost estimate of dismantling, amortizing the amounts in the lowest term, between the useful life of the property and the validity of the contract of lease.

Short-term leases and leases of low value assets. BBVA Colombia has decided not to recognize right-of-use assets and lease liabilities for leases of low-value assets (less than USD 5,000 in new contracts) and short-term leases (less than or equal to 12 months), including technological equipment and common areas. BBVA Colombia recognizes the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

As a lessor. At the beginning or upon amendment of a contract containing a lease component, BBVA Colombia assigns the consideration in the contract to each lease component on the basis of their separate relative prices.

When BBVA Colombia acts as lessor, it determines at the beginning of the lease whether the lease is a finance or operating lease.

To classify each lease. BBVA Colombia makes a general assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, BBVA Colombia considers certain indicators such as whether the lease covers most of the economic life of the asset.

If a contract contains both lease and non-lease components, BBVA Colombia applies IFRS 15 "Revenue from ordinary activities from contracts with clients" to allocate the consideration in the contract.

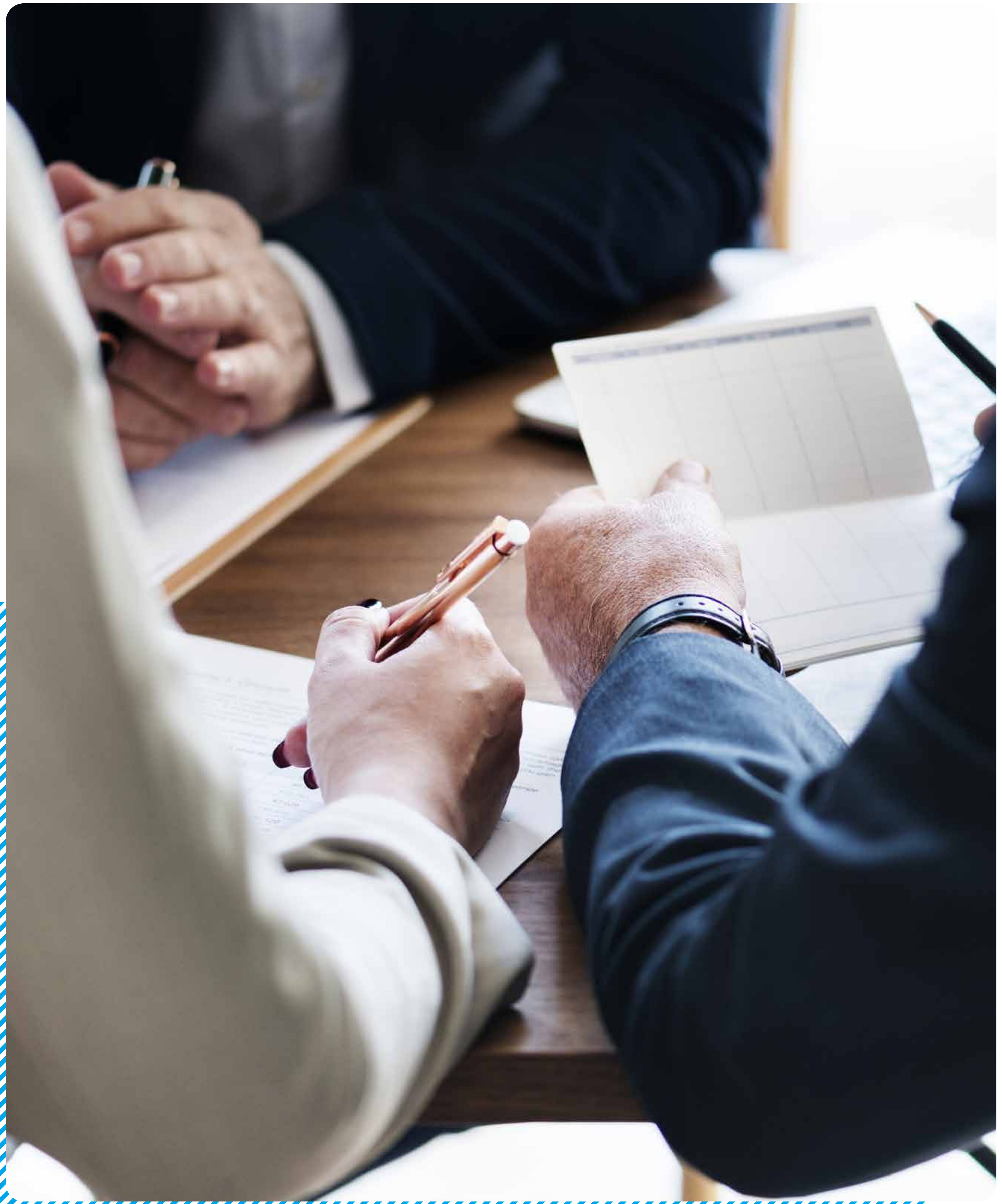
BBVA Colombia applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease. Additionally, it periodically reviews the estimated unguaranteed residual values used in the calculation of the gross lease investment.

BBVA Colombia recognizes lease payments received under operating leases as income on a straight-line basis over the lease term, including them as part of "other income."

In general, the accounting policies applicable to BBVA Colombia as a lessor in the comparative period were not different from IFRS 16 Leases.

Leased Assets. Assets leased by the Bank are classified at the time of contract signing as either finance leases or operating leases.

Lease contracts classified as finance leases are included in the Statement of Financial Position under the heading "Loan portfolio and financial leasing operations" and are accounted for in accordance with the regulatory criteria issued by the Financial Superintendence of Colombia for Loan Portfolios.



Lease contracts classified as operating leases are included within the property and equipment account and are accounted for and depreciated in the same manner as this class of assets.

3.13. Property and Equipment

Property and equipment are tangible assets held by an entity for use in the production or supply of goods and services, to lease them to third parties or for administrative purposes, and these are expected to be used for more than one term.

Initial recognition. Property and equipment are initially recognized at cost, which includes the purchase price (import duties and indirect, non-recoverable taxes that form part of the acquisition, after deducting any trade discount or rebate), the costs directly attributable to the startup of the asset in situ and in the conditions necessary for it to operate in the manner intended by the Bank, and the initial estimated disassembly costs, notwithstanding the amount.

Initially attributable costs. The cost of property and equipment items includes:

- Their acquisition price, including import duties and indirect and non-recoverable indirect taxes accrued in the acquisition, after deducting any discounts or rebates.
- All costs directly attributable to the placement of the asset at the location and in the conditions necessary for it to operate in the manner intended by Management.
- The initial estimate of disassembly and disposal costs of the element, as well as the restoration of the space where it is located.

Useful life. The Bank determines the useful life of the asset in terms of the profit that is expected to be contributed to the entity. The IAS 16 Property, Plant and Equipment establishes that the life usefulness of an asset is a matter of judgment, based on the experience that the entity has with similar assets. In this sense, BBVA Colombia, based on the behavior history of the assets, has established the useful life of its assets as follows:

Asset	Useful Life
Buildings	Economic life established by the appraiser (50 to 100 years)
Computer equipment	Between 2 and 6 years, according to the obsolescence management policy.
Furniture and fixtures	10 years
Machinery and Equipment o	10 years
Vehicles	5 years

Subsequent recognition. Subsequent measurement of property and equipment is performed using the cost model, which equals the cost of acquisition less accumulated depreciation and, if applicable, accumulated impairment losses.

Interest costs that are directly attributed to the acquisition, construction or production of a qualified asset will form part of the asset's cost under the terms of IAS 23 - Loan costs.

As of December 31, 2023 and 2022, there is no balance recorded for these transactions.

Costs following initial recognition. Costs following initial recognition, such as additions and improvements that increase efficiency, will be capitalized and included as a greater cost of the asset only if it is probable that such costs will result in future economic rewards in addition to those originally assessed and these can be reliably measured. Regarding certain maintenance costs in which the elements significantly affect the proper operation of the asset, this amount will be included in the value of the asset. Capitalization as a greater value of the asset for refurbishment must be supported by the preparation of a technical document (business case) demonstrating the importance and relevance of said refurbishment for the asset.

Preservation and maintenance expenses of material assets for the entity's own use are recognized as an expense during the fiscal year in which these are incurred.

The entity will not recognize the routine maintenance costs of the elements that are considered necessary for the repair and preservation as a greater value of the property and equipment, unless these significantly influence the asset's operation and will be taken directly to expense. Routine maintenance costs are mainly labor and consumables, which may include the costs of small parts.

Replacement of parts or repairs that extend future economic rewards are capitalized, and in turn, the cost of existing items is removed.

Depreciation. The Bank uses the straight line method to depreciate its property and equipment. In addition, the depreciable amount is determined after deducting its residual value. An impairment test will be performed on an annual basis for long-lived assets in order to indicate possible evidence of impairment, in which case the Property and Equipment (PE) will be reassessed, which will include the new useful life and the residual value.

Residual value. This is the estimated amount that an entity may obtain at present for the disposal of an asset, after deducting the estimated disposal costs, if the asset has already aged and the other conditions expected at the end of its useful life have been met.

The factors listed below, among others, may indicate that the residual value or useful life of an asset has changed from the most recent annual reporting date, namely:

- A change in the use of the asset.
- Unexpected, significant wear and tear.
- Changes in market prices

If these indicators are present, the Bank will revise its previous estimates and, if the current expectations are different, it will modify the residual value and recognize the change in residual value, the impairment method or the useful life as a change in the accounting estimate.

Impairment. At each reporting period closing, the Bank analyzes whether there are indications, both external and internal, that a material asset may be impaired. If there is evidence of impairment, the Bank requests an update of the appraisal to generate the respective alert. Based on the result of the appraisal, the Bank compares said amount with the net carrying value of the asset and when the carrying value exceeds the appraised value, a loss for value impairment of the asset is recognized and the charges for the asset's depreciation will be adjusted in future periods systematically throughout the remaining useful life thereof.

The Bank determines the recoverable value of its buildings through independent appraisals by authorized suppliers and, particularly, in the case of the buildings for its own use, based on independent appraisals, in such a way that these are no more than 3-5 years old, except when there are signs of impairment. The lower value of the appraisal and the net book value are recorded, directly affecting the expense.

The Bank's established policy is that the impairment of assets on which the attributed cost exemption was applied will not affect the statement of income for the fiscal year in which any such impairment is determined if it exists.

Improvements to third-party properties. The Bank recognizes improvements to real estate properties under lease in this category, as well as the estimated disassembly costs, amortizing the amounts in the lesser period between the useful life and the term of the lease contract for the real estate property.

Derecognition due to sale of the asset. A sale is considered complete when the significant risks and rewards derived from ownership of the assets have been transferred to the buyer, the seller does not retain any involvement in the management associated with the ownership or any effective control over the asset, the amount of revenue from ordinary activities can be measured reliably, and it is probable that economic rewards associated with the transaction will be received, and the costs incurred, or to be incurred, related to the transaction can be measured reliably.

The Bank recognizes gains or losses not previously recognized at the date of sale of a non-current asset on the date on which its derecognition occurs.

The revaluation surplus recognized in adoption adjustments for the first time in the process of convergence to IFRS, for application of the attributed cost exemption included in the assets, will be reduced by the realization of these properties at time of sale and for the depreciation of said revaluation with charge to retained earnings.

3.14. Prepaid expenses

Transactions are recognized in prepaid expenses provided that these meet the criteria for recognizing assets, such as the software and hardware maintenance insurance policies that represent an enforceable right due to non-compliance of the supplier for the Group, and contributions.

Contributions that are recognized in this category include payments made for contributions or memberships with entities as long as their amortization does not exceed the fiscal period. Therefore, these are amortized during the accounting period, and these must have a balance of zero at the end of the period.
Prepaid expenses on account of insurance policies are amortized during the term of such expenses.

3.15. Intangible Assets

These are non-monetary identifiable assets without physical substance, which are held for use in the production or supply of goods and services.

Initial recognition. Intangible assets are recognized, if and only if, it is probable that the expected future economic rewards attributable to the asset will flow to the Bank and their cost can be reliably measured.

Probability criteria are applied to intangible assets that are acquired independently or in a business combination. In addition, their fair value can be measured with sufficient reliability to be recognized separately from goodwill.

Subsequent disbursements. Subsequent disbursements are recognized as an expense when these are incurred, in the case of research and development disbursements that do not meet the requirements for being recognized as an intangible assets.

Subsequent disbursements are recognized as intangible assets in the case of development disbursements that meet the requirements for being recognized as intangible assets.

All IT software that is strategic for the Bank is classified under this category, as well as projects that have a long estimated useful life. These **projects generally involve substantial amounts, and the Bank includes software licenses in this category.**

Substantial local IT developments are also included.

Useful life. An intangible asset is considered to have an indefinite useful life when, based on the analysis of all relevant factors, there is no foreseeable limit to the period during which the asset is expected to generate net cash inflows for the Bank.

The Bank, in line with the policies adopted by its parent company, established a period of five (5) years for the amortization of intangible assets (software, licenses and substantial applications), except when, based on an analysis of the expected future economic rewards, this term could be extended.

Subsequent measurement. The Bank measures its intangible assets using the cost model. Based on the criteria established in IAS 38 Intangible Assets for Own Software, useful life is defined as finite and the amortization period is dependent upon the time during which the future economic rewards are expected to be obtained.

The subsequent measurement of intangible assets is its cost less, when applicable, the accumulated amortization and any impairment loss.

Intangible assets with a defined useful life are amortized based on the benefit generation pattern during their useful life. When this pattern cannot be reliably determined, the asset is amortized using the straight line method.

Amortization begins when the asset is in the conditions expected for its use and will end when the asset is classified as a non-current asset for sale or when it is derecognized from the Statement of Financial Position.

Subsequent disbursements of an intangible item are recognized as an expense unless these are part of the intangible asset meeting the recognition criteria for this category.

Impairment of intangible assets. It is necessary to perform a deterioration test twice a year (coinciding with the June and

December semiannual closing), both for the software in use and for that which is in the development phase.

A deterioration test has 2 phases:

1. In the first, it must be evaluated if there are signs of deterioration. The following circumstances are considered signs of software deterioration:

- If the software is not used, it must necessarily deteriorate.
- The realization that the software is not expected to be used or provide the service for which it was built.
- Any other circumstance that indicates that the recoverable value of the asset is lower than its book value.
- Replacing an old platform or application with a new one. In these cases, in order to determine whether there are indeed signs of deterioration, the transition periods in which both platforms/applications can coexist must be assessed.
- In case the software was intended for a line of business that has been abandoned.

If any of these circumstances occur or any other indication of deterioration is perceived, the second phase of the test must continue and the estimate of deterioration must be calculated.

2. In the second, the amount of impairment must be estimated.

Performing an impairment test does not necessarily imply the total deterioration of the asset. That is, the result of the analysis does not have to be that the software has no value. In the event that the software is being used, but there are signs of deterioration and it is considered that it is not appropriate to completely deteriorate it, the value in use of the asset must be estimated, for which the net cash flows (inflows and outflows) derived from its use must be estimated and discounted at a market rate.

In the event that the loss of value is caused by stopping to use some functionality of a specific software and the individualized construction cost of that functionality is available, the amount pending amortization of that functionality will deteriorate. If it is not possible to estimate a recoverable value reliably, the asset will be totally impaired.

In the specific case of software in development, the following circumstances could indicate that the software is not expected to be finalized and launched. It should be noted that these would be refutable indications and not evidence that effectively determines the existence of deterioration:

- Lack of budgeted or incurred expenses on the project.
- Programming difficulties that cannot be resolved in a timely manner.
- Significant cost overruns.
- Information indicating that the costs of internally developed software will significantly exceed the cost of comparable third-party software, such that management may attempt to acquire third-party software rather than complete in-house software.
- The introduction of new technologies that increase the likelihood that management will choose to acquire third-party software rather than complete the internal project.
- The lack of profitability of the business segment/unit to

which the software belongs or the actual or potential discontinuation of the same.

At the close of each period, the Bank evaluates the end date of amortization to validate if there is any indication of deterioration in the value of intangible assets. This is done through the observation of variables such as the right of use, term of use of the asset, state of the asset and amortization time.

3.16. Impairment of non-financial assets

Non-financial assets include property and equipment, intangible assets, and non-current assets held-for-sale. These assets will be recognized at cost and will not be remeasured in the future. Additionally, periodic reviews will be carried out to determine an average optimal recovery, in order to detect and alert of asset impairment.

The Bank has defined, for each class of asset, an impairment test based on internal and external sources, which is performed annually in order to determine whether there is evidence of impairment. If, as a result of applying the test, signs or evidence of impairment are obtained for a type of asset, its recoverable amount will be calculated, that is, the greater between the fair value and its value in use.

The value of an asset is impaired when its carrying value exceeds its recoverable value. This, in turn, is the greater between its fair value less the costs of disposal and its value in use, and the value in use is the present value of the future cash flows estimated to be obtained from an asset or cash-generating unit.

The recoverable value of an intangible asset is the greater between the value in use and its fair value less costs of disposal. The fair value of this type of asset will be calculated by the entity whenever there is evidence of impairment.

After recognizing an impairment loss, the charges for the asset's depreciation will be adjusted in future periods, in order to distribute the revised carrying amount of the asset, less its potential residual value, systematically over the remaining useful life.

3.17. Deposits and on-demand liabilities

Deposits and other on-demand liabilities. This category includes all on-demand liabilities, except term deposits, which are not considered to be on-demand liabilities because of their special features. On-demand deposits are defined as those on which payment could have been required in the period.

Term deposits and other term liabilities. This category presents the balances of deposits for which a term has been established with the customer through a security, at the end of which these are considered payable. Term deposits are initially recognized at the amount of the transaction, plus inherent costs.

Term deposits and other term liabilities are financial liabilities measured at amortized cost, which is determined using the effective interest rate method, given that the entity’s intention is to hold these instruments until maturity.

Attributable costs. Transaction costs are treated as a lesser amount of the liability measured at amortized cost.

3.18.Financial obligations

These are financial liabilities that are initially recognized at the fair value net of the transaction costs incurred and are subsequently classified at amortized cost. These include obligations with other banks in the country and with banks abroad and are subsequently measured at amortized cost using the effective interest rate.

It includes banker’s acceptances, which are bills accepted by financial entities to be paid to the beneficiaries within a term not to exceed six (6) months, are included in financial obligations. These may only be originated in import and export transactions or transactions for the purchase-sale of personal property assets in the country. At the time of acceptance of such bills, we recognize in liabilities the net value of the right and obligation of the bank acceptance. Subsequently, we assess the value of the rights for credit risk.

3.19. Outstanding Investment Securities

This include subordinated bonds and ordinary bonds placed on the local market or abroad.

Regarding bonds issued in foreign currency, the Bank, for initial recognition, recognizes them at the price of the transaction, including transaction costs, deferred over the life of the security, and these are subsequently measured at the amount initially recorded, less principal reimbursements, plus or less the accumulated amortization of any difference between the initial amount and the reimbursement value upon maturity. The effective interest rate in the amortized cost method is the IRR (Internal Rate of Return).

3.20. Labor liabilities

Labor liabilities are recognized on a monthly basis and adjusted annually according to the current legal provisions and labor agreements. The payroll system computes the value of the liability for each active employee. Benefits are recognized when the Bank has consumed the economic rewards derived from the services provided by the employees. In order to recognize it as a personnel or general expense, the entity differentiates between benefits and work tools.

Cumulative short-term benefits. Short-term employee benefits are those that the Bank expects to fully settle within 12 months from the reporting date, such as wages and salaries, vacation and severance pay, among others. These benefits accrue as these are incurred by debiting income.

Long-term benefits. The Entity has chosen to apply financial discount techniques (accounting method and actuarial discount techniques) where it is required to use the actuarial hypotheses, directly affecting actuarial gains and losses in the income statement for benefits given to employees per five years of employment (seniority bonus).

Post-retirement benefits. Post-retirement benefits other than defined social security contributions will be recorded based on the report generated by the independent actuary by applying the Projected Credit Unit method.

Retirement pensions. Current values for these commitments are calculated on an individual basis, having applied, in the case of active employees, the valuation method of the "projected credit unit" which considers each year of service as generating an additional unit of entitlement to benefits, and values each of these units separately.

To determine the calculation of post-employment liabilities, the criteria of IAS 19 are applied. Employee Benefits of Annex 1.1 of the Technical Regulatory Framework (Decree 2420/2015 and its amendments). The calculation of pension liabilities to be paid by the Bank are disclosed in the notes to the financial statements according to the parameters established in Decree 1625/2016 (Articles 1.2.1.18.46 and subsequent articles), reporting the variables used and the difference with the calculation made under IAS 19 Employee Benefits.

Actuarial methods. Liabilities and the cost of services for the current period are calculated using the "Projected Unit Credit" method. This method quantifies the benefits of each participant in the plan as long as these are entitled to them, considering future salary increases and the formula for the plan to assign benefits. Therefore, the total estimated benefit that each participant is expected to be entitled to after departure from the entity is divided into units, each associated with one year of proven service, whether it is in the past or future.

The valuation will be performed individually for each employee. By applying actuarial hypotheses, the amount of the projected benefit that depends on the estimated date of termination, the proven service and the salary at the time of the act is calculated.

The estimated benefit to which an individual is entitled, for purposes of a valuation associated with a termination date, corresponds to the benefit described in the plan calculated with the projected salary for the benefit at the expected date of termination.

The benefit attributed to service provided during a period is the difference between the liability from the valuation at the end of the period less the liability at the start of the period, that is, at the valuation date.

Therefore, the liability for defined benefits at the end of the period is calculated by applying the proportion between proven service at the date of measurement and the total service that each participant will provide until the expected date of retirement to the total amount of estimated benefits.

The liability for benefits defined under the plan is the sum of the liability for each individual at the date of measurement, and the cost of services for the current plan period is calculated as the sum of costs of individual services for the current period.

The Bank establishes its pension liability based upon the actuarial valuation that covers all personnel, who according to legal provisions are entitled to, or have the expectation of, a retirement pension at the expense of the Company, and covers the benefits established in the current pension system.

For commitments for post-employment compensation, the Bank applies the defined contribution and the defined benefits plan.

Defined contribution plan. En estos planes, la obligación de la entidad se limita a la aportación que haya acordado entregar a un fondo de pensión o compañía de seguros. En consecuencia, el riesgo actuarial y de inversión son asumidos por el empleado.

Defined benefits plans. The company's liability consists of providing the agreed benefits to current and former employees. The actuarial risk (in the event that people have a greater cost than expected) and the investment risk are assumed by the entity.

Currently, Colpensiones (formerly, Instituto de Seguros Sociales "ISS") and other entities authorized by law (private AFPs -Pension Fund Administrators- since 1994), receive contributions from the Bank and its workers to the General Pension System.

Those entities are in charge of covering the disability, old age and death risks defined by the System in favor of the workers. The pension liability directly on the Bank's account is essentially for personnel hired on or before 1960, and/or personnel subsequently hired up to 1984 and who worked in certain regions of the country where the Bank had offices and where the ISS did not provide coverage for disability, old age and death risks. The liability amount is determined based on actuarial studies adjusted according to the applicable provisions and regulations on the matter.

The total amount of the reserve, as well as the actuarial gains or losses generated were assumed by the Bank and were accounted for based on the IAS 19 guideline, where the present cost of the service and the net interest of the liability, are recorded in the statement of income for the period, while new measurements of the liability for defined benefits will be accounted for as Other Comprehensive Income.

3.21. Estimated Liabilities and Provisions

Includes the amounts recognized to cover the Bank's current liabilities arising from past events that are clearly identified in terms of their nature, but have an undetermined amount or date of payment, and settlement. Upon maturity of these obligations, and in order to cancel them, the Bank expects to give up resources that incorporate economic benefits.

These liabilities may arise from legal or contractual provisions, valid expectations created by the Bank regarding third parties involving taking on certain types of liabilities or through the expected development of the regulations affecting the entities' operations, and specifically, draft regulations from which the Bank cannot be released. Provisions are liabilities in which there is uncertainty as to their amount or due date. These provisions are recognized in the Statement of Financial Position when there is a current liability (legal or constructive) as a result of past actions or events and it is probable that an outflow of resources from the Bank will be required to settle the liability and the amount of these resources can be reliably measured.

When the effect of the time value of money is significant, the amount of the provision is the present value of the expenses expected to be incurred in settlement.

Among other items, these provisions include commitments made with employees, as well as provisions for tax and legal disputes.

The provisions are recalculated at each reporting date and are used to cover the specific liabilities for which these were originally recognized; these may be subsequently reversed, in full or in part, when such liabilities cease to exist or decrease.

The provisions are classified based on the liabilities covered, as follows:

- Provisions for personnel benefits and remuneration.
- Provisions for tax and legal disputes.
- Provisions for contingent credit risk.
- Provisions for other contingencies.

Contingent assets are possible assets arising as a result of past events whose existence is conditional and that will only be confirmed upon the occurrence or non-occurrence of future events that are beyond the Bank's control.

Contingent assets are not recognized in the Statement of Financial Position nor in the statement of income, but these are reported in the financial statements when an inflow of economic benefits is probable for this reason.

Additionally, the Bank registers the liability for provisions based on the evaluation of experts in the Legal, Labor Relations and Tax Advisory areas. These experts, according to the current status of each legal process, qualify and categorize each case. In addition, decision trees prepared according to the nature of the contingency, whether judicial, labor or fiscal, are applied for classification according to the following criteria for the constitution of the provision:

- Probable Obligation: are recorded and disclosed.
- Possible Obligation: are revealed.
- Remote Obligation: are not recorded or disclosed.

Contingent liabilities are possible liabilities for the Bank, arising as a result of past events, whose existence is conditional on the occurrence or non-occurrence of future events that are beyond the entity's control. These also include the entity's current liabilities whose settlement is not probable to produce an outflow of resources embodying economic benefits or whose amount, in extremely rare cases, cannot be quantified with sufficient reliability.

3.22. Income tax

The income tax expense represents the amount of the current income tax payable and the deferred income tax.

Current income tax. The current tax payable is based on the taxable income recorded during the year. Taxable income is different from the income recorded in the profit and loss statement and Other Comprehensive Income, due to the taxable or deductible income or expense items in other years and items that are never taxable or deductible. The Bank's current income tax liabilities are calculated using the tax rates enacted or substantially enacted at the end of the reporting period. The Bank determines the income tax provision based on taxable income or presumptive income, whichever is higher, estimated at the rates specified by tax laws.

Deferred tax. The deferred tax is recognized on temporary differences between the carrying value of the assets and liabilities included in the financial statements and the corresponding tax bases used to determine taxable income. The deferred income tax liability is generally recognized for all temporary tax differences. A deferred income tax asset will be recognized for all the deductible temporary differences, to the extent that the entity is likely to have future taxable income against which it can debit the deductible temporary differences. 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 does not affect taxable income or accounting income.

The deferred tax from taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, must be recognized, except those in which the Bank can control the underlying temporary difference and when there is the possibility that it may not be reversed in the near future.

The carrying value of a deferred income tax asset must be subject to review at the end of each reporting period and it must be reduced to the extent that it is probable that there will not be sufficient taxable income in the future to recover all or part of the asset.

The deferred income tax assets and liabilities must be measured using the tax rates expected to be applicable in the period in which the assets are realized or the liabilities are settled, based on the rates (and tax laws) enacted or

substantially enacted at the end of the reporting period following the approval process.

Recognition in accounting. Current and deferred taxes must be recognized through profit or loss, except when these are related to items that are recognized through Other Comprehensive Income or directly in equity, in which case the current or deferred tax is also recognized in Other Comprehensive Income or equity, respectively. In the case of a business combination, when the current or deferred tax arises from the initial recognition of the business combination, the tax effect is included in the recognition of the business combination.

3.23. Real value unit – UVR (for its Spanish acronym)

Banco de la República certifies the real value unit (UVR) and this reflects the purchasing power based on the variation of the consumer price index (CPI) during the calendar month immediately preceding the month of the beginning of the calculation period.

The UVR is a unit of account used to calculate the cost of mortgage loans, which allows financial institutions to maintain the purchasing power of the money lent. Banco de la República's Board of Directors established The methodology used to calculate said indicator, in strict compliance with that ordered by the Constitutional Court in ruling C-955/2000.

The Bank performs operations to obtain savings deposits, grant short and long-term loans and investments, in real value units (UVR) reduced to legal currency, according to the provisions of Law 546 of December 23, 1999, which created the legal framework for mortgage financing.

This law established the general objectives and criteria to which the national government must adhere to regulate the system, also creating savings instruments intended for said financing. The financing system is expressed in Real Value Units (UVR) and reflects the purchasing order of the currency, which implies being linked to the consumer price index.

3.24. Adequate equity

According to the provisions of Section 2.1 of Chapter XIII-16 of the Basic Accounting and Financial Memorandum (Public Memorandum 100/1995 of the Financial Superintendency of Colombia (SFC)), the Bank's adequate equity must comply with the following two minimum levels of solvency:

- **Basic solvency ratio:** It is defined as the value of Ordinary Basic Equity Net of Deductions (hereinafter PBO, for its Spanish acronym) divided by the Credit Risk Weighted Value of Assets (APNR, for its Spanish acronym) and market and operational risks. This ratio cannot be less than 4.5%.

$$\textit{Basic Solvency} = \frac{PBO}{APNR + \frac{100}{9}\left(VeR_{RM} + VeR_{RO}\right)} \geq 4{,}5\%$$

- **Additional Basic Solvency Ratio:** It is defined as the sum of the value of the PBO and the Additional Basic Equity (PBA, for its Spanish acronym) divided by the value of the APNR and market and operational risks. This ratio must not be lower than 6%.

$$\textit{Additional Basic Solvency Ratio} = \frac{PBO + PBA}{APNR + \frac{100}{9}\left(VeR_{RM} + VeR_{RO}\right)} \geq 6\%$$

- **Leverage Ratio:** defined as the sum of the values of PBO and PBA divided by the leverage value. This ratio must not be lower than 3%.

$$\textit{Leverage Ratio} = \frac{PBO + PBA}{\textit{Leverage Value}} \geq 3\%$$

- **Total Solvency Ratio:** It is defined as the value of Technical Equity (PT, for its Spanish acronym) divided by the value of the APNR and market and operational risks. This ratio must not be lower than 9%.

$$\textit{Total Solvency Ratio} = \frac{PT}{APNR + \frac{100}{9}\left(VeR_{RM} + VeR_{RO}\right)} \geq 9\%$$

Where:

APNR (Assets Weighted by Credit Risk Level) calculated according to the instructions given in Section 2.4 of Chapter XIII-16 of the Basic Accounting and Financial Memorandum (Public Memorandum 100/1995 of the Financial Superintendency of Colombia - SFC) and in Form 239 (Proforma F.1000-141) "Solvency Margin Information Report and Other Equity Requirements and Solvency Margin Law Control Statement".

⟦VeR⟧_RM= Value of market risk exposure calculated as per the instructions given in Chapter XXI "Rules Concerning the Market Risk Management System" of the Basic Accounting and Financial Memorandum (CBCF).

⟦VeR⟧_RO= Value of the operational risk exposure calculated according to the instructions set forth in Chapter XXIII "Rules Related to Operational Risk Management" of the Basic Accounting and Financial Memorandum (CBCF)

Leverage value. Corresponds to the sum of the value of all assets net of provisions; the net exposures in all repurchase or repo transactions, simultaneous transactions, and temporary transfer of securities; the credit exposures in all derivative financial instruments and the exposure value of all contingencies. To determine the exposure value of the contingencies, we must multiply the nominal amount net of allowances of the exposure by the credit conversion factor applicable to it, as established in paragraphs a) to c) of Article 2.1.1.1.3.5 of Decree 2555/2010.

The value of the assets deducted to calculate the PBO, pursuant to Article 2.1.1.1.11 of Decree 2555/2010, or deducted to calculate the PT, pursuant to Article 2.1.1.3.2 (10) of Decree 2555/2010, must be computed at a value of zero for purposes of determining the leverage value.

The calculation of each of the items that make up the minimum solvency ratios and buffers must be made considering the monthly and quarterly information of the Exclusive Financial Reporting Catalog for Monitoring Purposes and Form 239 (Proforma F.1000-141- "Report on the Solvency Margin and Other Equity Requirements and Solvency Margin Control Statement"), as indicated in each of the components of the solvency ratios and buffers, as well as the current instructions established for the Consolidated Financial Statements.

The considerations set forth in PN 036 / 2014 are considered in determining and calculating this legal control. See details in Note 2.1.

3.25. Share issue premium

The share issue premium is the additional value to the nominal value of the shares that is charged when transferring them and arises when the shares are placed in the market for a price higher than the nominal value.

It originates in a share subscription agreement and is a legally valid option. However, while the shares obtained as a result of the aforementioned contract are part of the share capital, the premium, as an additional value to the nominal value of the share, constitutes an equity item crediting the legal reserve.

3.26. Recognition of revenue and expenses

Interest income and expenses, as well as service commissions, are recorded in the current year´s results to the extent that these accrue, based on the time of the operations that generate them. Revenue is measured by the fair value of the consideration received or to be received, and represents amounts receivable for services provided, net of discounts and value added tax. The Bank recognizes revenue when its amount can be reliably measured, it is probable that future economic benefits will flow to the entity, and when the specific criteria for each of the Bank's activities have been met.

- Recognition of interest income is applied using the effective interest method, which is a method of calculating the amortized cost of an asset and allocating the interest cost income over the relevant period. The effective interest rate is that which exactly equals the estimated future payments or cash collections over the expected life of the financial instrument, or when appropriate, for a shorter period, to the net book value of the asset at the initial time. To calculate the effective interest rate, the cash flows are estimated considering all the contractual terms of the financial instrument without considering future credit losses, considering the initial transaction or granting balance, the transaction costs and the premiums granted less commissions and discounts received that are an integral part of the effective rate.

- For general revenue and expenses, the Bank uses the principles of the conceptual framework, such as: Accrual Basis, Recognition, Certainty, Reliable Measurement, Correlation of Revenue and Expenses, Cost-Benefit Consideration, Measurement and Materiality. Or relative significance.

- Revenue from the sale of property is recognized when the risks and rewards of ownership are transferred to the buyer, the buyer does not retain ownership or control of the properties sold, the amount of revenue can be reliably measured, it is likely to receive the economic rewards associated with the transaction and the costs incurred by the transaction can be reliably measured.

- Revenue and expenses arising from transactions or services that extend over time are recognized over the life of said transactions or services.

- Dividends received by associates, non-controlled holdings and joint ventures are recognized when the right to receive them has been established.

From a legal point of view, default interest is contractually agreed and can be assimilated to variable interest caused by a default by the debtor. Such interest is accrued from the moment the contractual obligation to do so arises, regardless of future credit losses, as established by the definition of the effective interest rate. Therefore, said balance is part of the total indebtedness with the client that is evaluated to determine impairment, following the procedures established for this purpose, either through individual evaluation or collective evaluation.

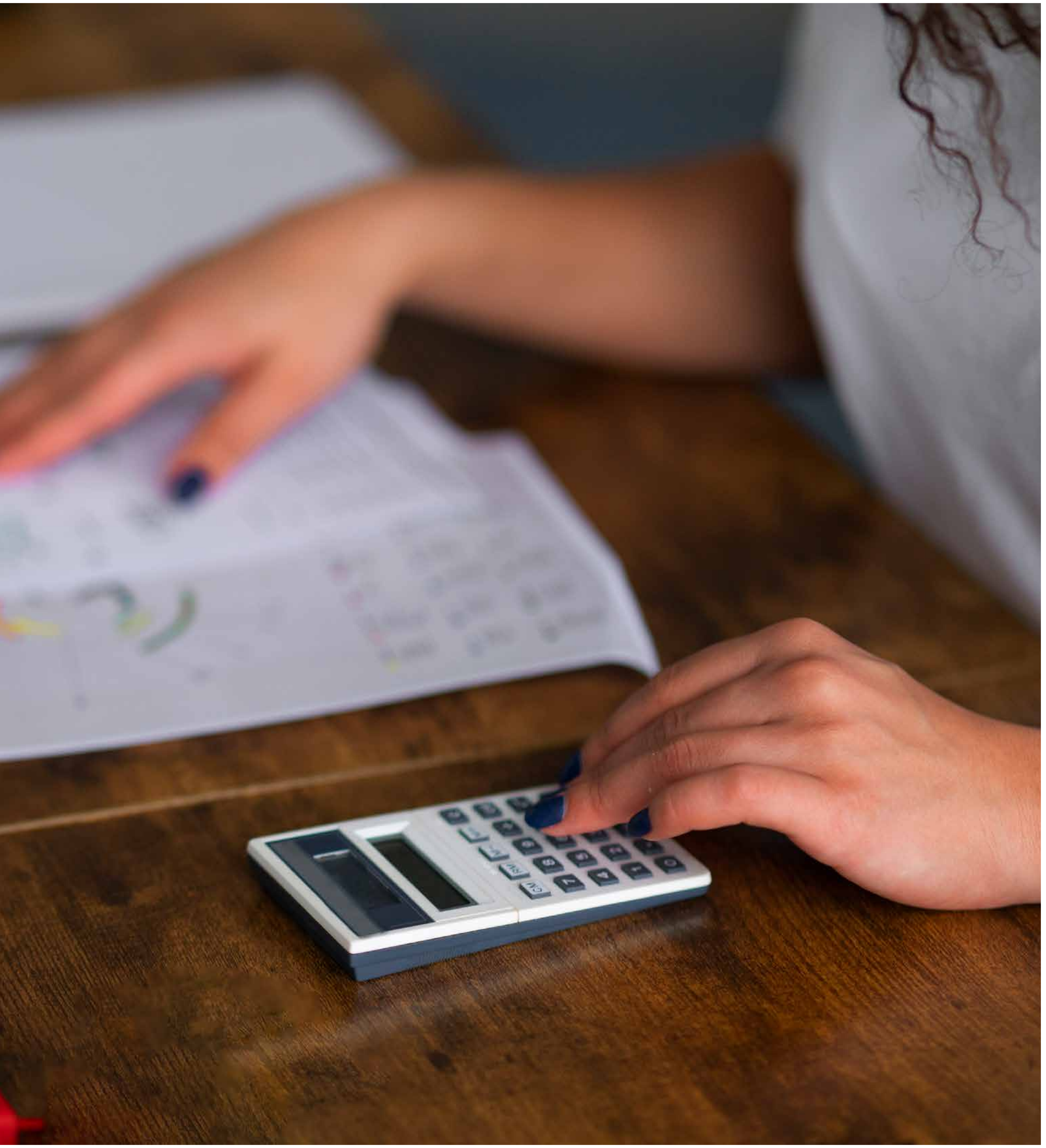
3.27. Earnings per share

Basic earnings per share are calculated by dividing the earnings or losses attributable to the holders of ordinary equity instruments of the controlling company (numerator) by the weighted average of ordinary subscribed and paid-in shares, both common and preferred, outstanding (denominator), during the year.

Diluted earnings per share are calculated by adjusting the year's earnings attributable to the owners of the controlling company and the weighted average ordinary shares outstanding for all the dilutive effects inherent to potential ordinary shares.

This information is intended to provide a measure of the interest of each ordinary share of the controlling company in the entity's performance during the reporting period.

Since the Bank has no financial instruments with a dilutive effect, basic and diluted earnings per share are the same.



4. Business Segments

4.1. Description of the segments

For BBVA Group, it is essential to make value opportunities available to customers to meet their needs, therefore, the Bank directs and values the performance of its operations by business segments and the transactions between these segments are performed based on regulatory commercial terms and conditions. This disclosure reports how the Bank has managed the business segments as December 31, 2023 compared to the year 2022.

To implement the commercial activity, BBVA Colombia has established a specialized banking structure to serve different business segments, as follows:

- **Commercial Banking.** Responsible for managing the retail business and the segment of individuals. Commercial banking manages the entire segment of individuals, which is made up of consumer and mortgage loans, means of payment and consumer finance.

- **Business and Institutional Banking (BEI for its Spanish acronym).** Responsible for managing business customers in the public and private sector.

- **Corporate and Investment Banking (CIB).** Banking segment responsible for corporate customers, in addition to treasury transactions and investment banking. Corporate and Investment Banking Colombia: Is the area within the Bank responsible for serving major corporate customers and financial institutions, by offering, in addition to the traditional financial products, services and products with high value added in order for them to fulfill their objectives in the different local and international markets.

- **Assets and Liabilities Committee (COAP, for its Spanish acronym).** It is the unit that manages the Bank's liquidity and sets the transfer prices for resources and portfolios that flow from and to all other mentioned banking segments.

In addition, several business sub-segments have been defined within these banking segments in order to direct commercial actions effectively, according to customer profiles, framed within the Group's strategic objectives for the growth of the franchise in Colombia.

Other segments

The banking segments other than those mentioned above are grouped in the "other" segment, including the Core and Complementary Areas.

Allocation of operating expenses

In relation to the accounting of BBVA Colombia's direct and indirect expenses, these are allocated to the cost centers that generate the expenses; however, if after such distribution any remaining items affect the cost centers of central areas, these are distributed to the banking segments using the apportionment line, according to the distribution criteria established by the business areas of the Bank's general management.

Cross-selling

When two business areas are involved in the sale or placement of the Bank's products, the actual accounting record of the profit from the transaction is made in just one area in order to avoid duplication. However, the Bank has cross-selling agreements through which the return generated by said sales is analyzed and the percentage to be paid to the banking or business area that arranged the transaction is established, decreasing by the same value the return of the other bank in which the profit was initially recorded, using the Bank's offsetting accounts.

4.2. Income by segments as of December 31, 2023 and 2022

Below are the details of the accumulated Statement of Financial Position for the periods as December 2023 and 2022 by business segments:

Results by Business Segment as of December 31, 2023:

Item	Total Bank	Commercial Banking	BEI	CIB	COAP	Other
Cash and central banks	4,857,182	2,202,100	16,327	19,084	2,516,878	102,793
Financial intermediaries	6,720,071	1,604,196	11,081,750	4,272,365	(10,366,385)	128,145
Securities portfolio	19,136,341	0	0	13,113,893	6,022,448	0
Loan portfolio and financial leasing transactions	71,248,622	45,024,658	15,924,948	10,310,297	(91)	(11,190)
Consumer	23,141,503	23,170,012	971	7	0	(29,487)
Cards	3,679,770	3,679,486	105	18	0	161
Mortgage	13,814,079	13,800,963	2,617	0	0	10,499
Business	30,622,292	4,021,427	16,158,993	10,440,157	0	1,715
Other	(9,022)	352,770	(237,738)	(129,885)	(91)	5,922
Net fixed assets	1,099,567	181,717	1,571	15,459	0	900,820
Other Assets	2,098,404	599,902	15,953	(112,506)	404,148	1,190,907
Total Assets	105,160,187	49,612,573	27,040,549	27,618,592	(1,423,002)	2,311,475
Financial Intermediaries	2,606,869	19,686,013	4,680,344	11,543,100	(34,624,412)	1,321,824
Customer Resources	79,703,150	27,478,200	20,493,972	5,649,597	26,073,120	8,261
On-demand	8,209,694	3,139,662	3,865,852	1,196,760	0	7,420
Savings	31,601,482	14,264,515	12,952,125	4,384,297	0	545
CDTs	36,471,945	10,074,023	3,675,995	68,540	22,653,091	296
CDT	3,420,029	0	0	0	3,420,029	0
Other Liabilities	16,914,201	1,730,841	1,057,871	9,795,015	2,543,602	1,786,872
Total Liabilities	99,224,220	48,895,054	26,232,187	26,987,712	(6,007,690)	3,116,957

Note: For segmentation purposes, grouping is carried out differently from the presentation in the financial statements, following Corporate models.
Punctual balance as of December 31, 2023

Results by Business Segment as of December 31, 2022:

Item	Total Bank	Commercial Banking	BEI	CIB	COAP	Other
Cash and central banks	3,576,818	2,264,716	3,953	18,688	1,020,669	268,792
Financial intermediaries	7,084,765	1,270,089	7,880,061	8,130,300	(10,260,061)	64,376
Securities portfolio	18,567,958	0	0	11,778,255	6,789,703	0
Loan portfolio and financial leasing transactions	66,867,976	41,867,213	15,287,710	9,739,734	(437)	(26,244)
Consumer	21,750,530	21,779,605	1,380	119	0	(30,574)
Cards	3,021,034	3,020,880	123	0	0	31
Mortgage	13,557,378	13,555,081	2,442	0	0	(145)
Business	29,582,913	4,143,605	15,559,588	9,879,697	0	23
Other	(1,043,879)	(631,958)	(275,823)	(140,082)	(437)	4,421
Net fixed assets	1,013,337	155,663	1,610	17,539	0	838,525
Other Assets	1,901,864	446,656	32,929	451,689	371,156	599,434
Total Assets	99,012,718	46,004,337	23,206,263	30,136,205	(2,078,970)	1,744,883
Financial Intermediaries	2,730,484	19,029,318	3,926,670	11,610,919	(31,952,116)	115,693
Customer Resources	70,442,803	24,361,822	17,527,899	5,809,763	22,734,512	8,807
On-demand	9,267,388	3,415,967	4,407,376	1,435,886	0	8,159
Savings	30,001,359	15,057,710	10,579,196	4,363,881	0	572
CDTs	28,525,003	5,888,145	2,541,327	9,996	20,085,459	76
CDT	2,649,053	0	0	0	2,649,053	0
Other Liabilities	19,672,519	1,572,676	1,022,069	12,181,783	2,800,542	2,095,449
Total Liabilities	92,845,806	44,963,816	22,476,638	29,602,465	(6,417,062)	2,219,949

Note: For segmentation purposes, grouping is carried out differently from the presentation in the financial statements, following Corporate models. Punctual balance as of December 31, 2022

The breakdown of the balance sheet as December 31, 2023 indicates that the banking segments that concentrate most of the Bank's assets are Commercial at 47.2%, Corporate and Investment Banking (CIB) with 26.3%, and Business and Institutional Banking (BEI) with 25.7%.

When analyzing by account, BBVA's Cash and Central Bank line registered an annual variation of +35.8%. The securities portfolio showed an increase of 3.1%, explained by the growth of CIB (+$1,335,638), a result of the effective management of high-value business customers seeking to maximize benefits through the appreciation of the Colombian peso for the fourth quarter of 2023.

The loan portfolio and financial leasing operations increased by 6.6%, driven mainly by the variations registered in Commercial Banking (+ $3,157,447), BEI (+ $637,238) and CIB (+ $570,564). This growth is the result of the digital approach in the offer of credit products, seeking to provide personalized opportunities to clients, making them more accessible and adapting to their needs. In Commercial Banking, the growth in loan investment is mainly explained by the growth in cards (+21.8%), consumer loans (+6.4%) and mortgage loans (+1.8%). At the BEI, the loan increase is mainly due to the 3.9% increase in loans to Businesses.

Total assets showed a growth of 6.2%, where the variation in Business and Institutional Banking stands out (+ $3,834,286), aligned with BBVA's commitment to the business sector. Becoming an ally that facilitates the development of new projects through financing, contributing to the creation of more job opportunities for Colombians, in addition to promoting economic growth.

In terms of liabilities, the banks with the highest share of customer funds are Commercial at 34.5%, COAP at 32.7%, Business and Institutional Banking (BEI) at 25.7%, and Corporate and Investment Banking (CIB) at 7.1%.

Passive financial intermediaries showed a decrease of -4.5%. In relation to the collection of resources on -demand and savings products, these had variations by BEI (+ $1,831,405), Commercial (- $1,069,500) and CIB (- $218,710).

For its part, COAP, which is the area in charge of attracting resources from corporate clients through Term Deposit Certificates (CDT's), concentrates 62.1% of the Bank's total CDT's. These CDTs presented a variation of + $2,567,632 compared to December 31, 2022, this increase was due to the greater appetite for these instruments due to the high on-demand rates evidenced in 2023; while bonds present a positive variation, growing +$770,976 compared to the previous year.

The COAP shows a negative asset and liability driven by the Financial Intermediaries balance sheet lines (in Assets and Liabilities). This is because, through these intermediaries, COAP manages the funding of the banks. Each bank has its main function, these can be collectors (bring resources to the Bank) or placers (generate loan investment). For this reason, COAP is the area in charge of collecting excess resources from a depositing bank and "transferring" them to a placement bank. But, in order to avoid the financial statements of

the collecting banks from being affected, the COAP "transfers" the investment that was generated to the collecting banks. This is done to match the balance sheets of the banks and to show how the entire Bank functions without punishing and recognizing the function of each bank. Active financial intermediaries presented a variation of – $106,324, while passive financial intermediaries presented a variation of – $2,672,296, behaving in line with the Bank's activity.

The "Other" segment includes Central, Means and financial complements, all these are areas that provide support to the other banks. The Means area includes the Formalization Center, where the greatest activity in loan investment occurs corresponding to investments that cannot be segmented. In central areas is the central account, which matches the Bank's balance sheet and where the investment assets for participations in the subsidiaries are included.

The assets of the "Other" segment are mostly compromised by net fixed assets. The "Other" areas are also responsible for eliminating duplications generated by operations between banks or in which more than one bank participates. In addition, all the components of the central areas and EFAN adjustments are included here. The adjustments via EFAN contemplate the approval of local regulations vs. international and reciprocal activities between different countries/ banks.

Below is a detail of the accumulated income statement for the years to December 2023 and 2022, by business segments:

Results by Segment as of December 31, 2023

Item	Total Bank	Commercial Bank	BEI	CIB	COAP	Others
Interest Margin	3,099,253	3,870,372	1,035,658	324,624	(1,780,468)	(350,933)
Net Fees	572,810	126,363	341,719	167,925	(7,931)	(55,266)
Other Financial Operations	386,940	76,901	54,744	490,105	(231,694)	(3,116)
Other net Ordinary Income	(274,484)	(41,781)	(16,661)	(7,858)	(140,878)	(67,306)
Gross margin	3,784,519	4,031,855	1,415,460	974,796	(2,160,971)	(476,621)
General Administration Expenses	(1,814,049)	(982,504)	(115,369)	(111,185)	(3,358)	(601,633)
Personnel Expenses	(841,683)	(299,921)	(60,351)	(45,209)	(84)	(436,118)
Overhead	(800,262)	(583,824)	(22,090)	(30,225)	(1,357)	(162,766)
Taxes - Contributions and Taxes	(172,104)	(98,759)	(32,928)	(35,751)	(1,917)	(2,749)
Amortization and Depreciation	(129,311)	(47,147)	(568)	(4,932)	0	(76,664)
Appointment of expenses	0	(426,075)	(132,499)	(47,384)	(45,831)	651,789
Net margin	**1,841,159**	**2,576,129**	**1,167,024**	**811,295**	**(2,210,160)**	**(503,129)**
Asset Impairment Loss	(1,537,388)	(1,525,240)	11,524	10,155	957	(34,784)
Loans to Provisions	(20,739)	(7,882)	(1,287)	(1,060)	(135)	(10,375)
Other non-ordinary results	(73)	0	0	(735)	0	662
Profit before tax	**282,959**	**1,043,007**	**1,177,261**	**819,655**	**(2,209,338)**	**(547,626)**
Corporate tax	(88,271)	(325,486)	(368,900)	(255,805)	696,028	165,892
Profit After Taxes	194,688	717,521	808,361	563,850	(1,513,310)	(381,734)

Note: For segmentation purposes, grouping is carried out differently from the presentation in the financial statements, following Corporate models. Punctual balance as of December 31, 2023

Results by Segment as of December 31, 2022

Item	Total Bank	Banca Comercial	BEI	CIB	COAP	Others
Interest Margin	3,402,719	3,493,967	1,076,409	319,472	(1,329,965)	(157,164)
Net Fees	509,136	218,945	269,231	155,095	(7,443)	(126,692)
Other Financial Operations	473,883	67,531	44,490	426,152	(70,692)	6,402
Other net Ordinary Income	(191,791)	(17,594)	(9,110)	(3,529)	(139,342)	(22,216)
Gross margin	4,193,947	3,762,849	1,381,020	897,190	(1,547,442)	(299,670)
General Administration Expenses	(1,592,655)	(908,517)	(84,063)	(94,200)	(2,217)	(503,658)
Personnel Expenses	(798,689)	(309,727)	(48,283)	(39,425)	(78)	(401,176)
Overhead	(694,260)	(532,534)	(19,509)	(28,466)	(1,395)	(112,356)
Taxes - Contributions and Taxes	(99,706)	(66,256)	(16,271)	(26,309)	(744)	9,874
Amortization and Depreciation	(116,747)	(46,241)	(510)	(3,186)	0	(66,810)
Appointment of expenses	0	(372,346)	(105,687)	(36,290)	(30,914)	545,237
Net margin	2,484,545	2,435,745	1,190,760	763,514	(1,580,573)	(324,901)
Asset Impairment Loss	(1,046,358)	(866,911)	(92,516)	(61,951)	3,619	(28,599)
Loans to Provisions	(21,020)	(6,681)	(893)	(881)	(318)	(12,247)
Other non-ordinary results	(15,570)	0	0	0	0	(15,570)
Profit before tax	1,401,597	1,562,153	1,097,351	700,682	(1,577,272)	(381,317)
Corporate tax	(468,082)	(521,632)	(366,426)	(233,971)	532,650	121,297
Profit After Taxes	933,515	1,040,521	730,925	466,711	(1,044,622)	(260,020)

Note: For segmentation purposes, grouping is carried out differently from the presentation in the financial statements, following Corporate models. Punctual balance as of December 31, 2022

When analyzing the income statements for the year 2023, the bank segment that generated the greatest benefit for the Bank was BEI, followed by Commercial and CIB, reaffirming the focus that the bank has on the business sector and adapting to the decelerated growth in the commercial portfolio due to the effect of the healthy decrease in loans. On the other hand, the Other areas presented a negative behavior since its main function is to ensure the correct internal functioning of the Bank.

COAP is the unit that manages the Bank's liquidity and establishes the transfer prices of resources and the portfolio, to and from the other banks mentioned. This presented a variation of - $450,503 in the interest margin. The gross margin stood at – $2,160,971.

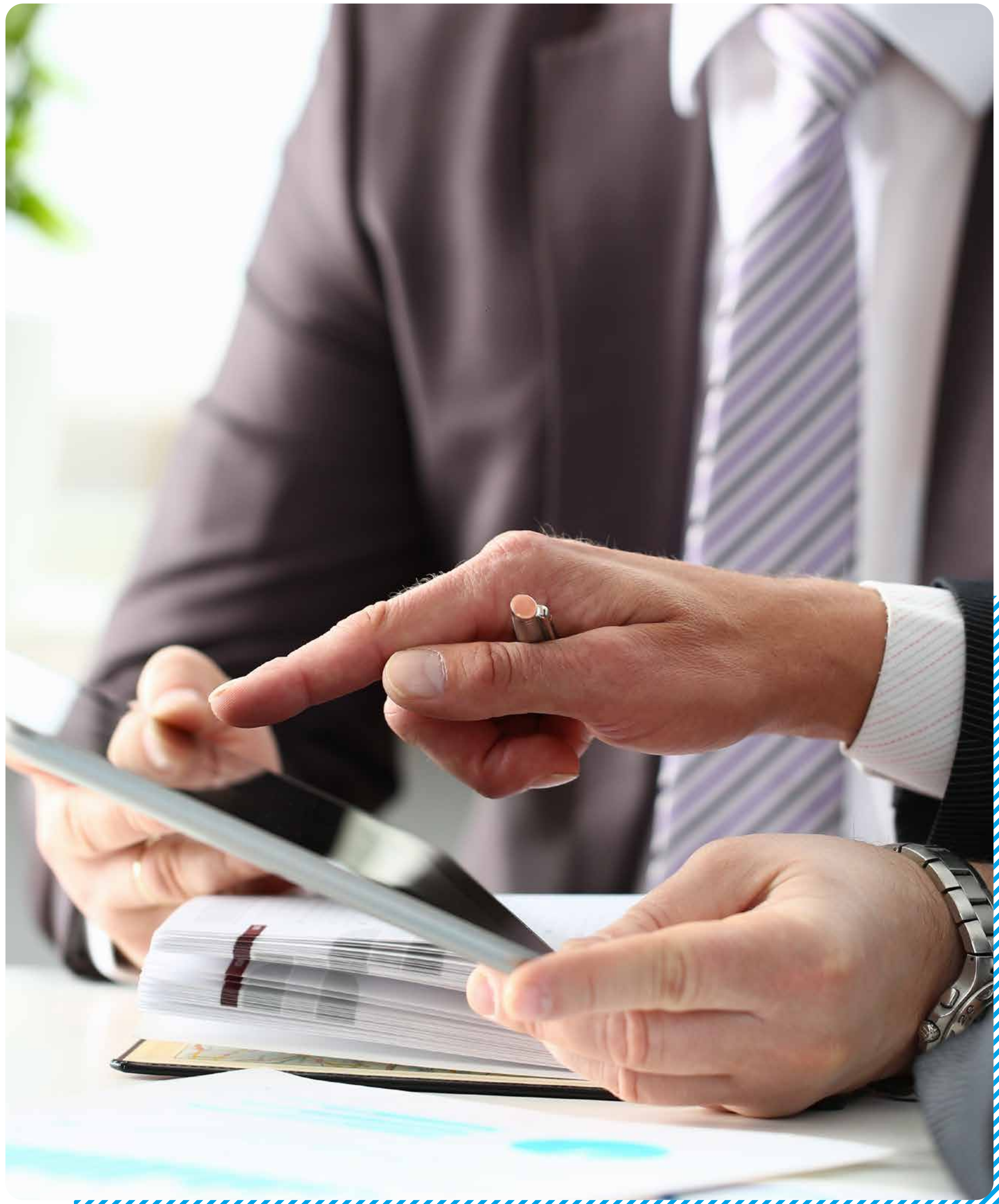
The Others area is responsible for eliminating duplications generated by operations between banks or in which more than one bank participates. In addition, the latter includes all the expenses of the central areas and the EFAN adjustments (Financial Statements of Business Areas for its Spanish acronym). In the Central and Means areas, activity is generated corresponding to the investment assets and central account and corresponding to the activity of the formalization center (loan investment). Finally, the expenses of the central areas generate greater activity in the segment (includes salaries of all people in non-business areas and general administration expenses).

The Bank's interest margin showed a decrease of 8.9% compared to December 2022, a figure explained by an increase in interest expense. Although the growth of 125 bps in interest rates so far this year impacts lower credit demand, Commercial Banking stands out with a variation of + $376,405 (+10.8%) and CIB with a variation of + $5,152 (+1.6%), showing healthy growth.

The Bank's gross margin decreased 9.8% compared to the end of 2023, for which Commercial Banking showed the best performance with a variation of +$269,006 (+7.1%), followed by CIB with a variation of + $77,606 (+8.6%). These variations were mainly driven by Net Fees, as a result of the focus on digital transformation, it generates growth in transactionality by providing effective tools that allow improving the customer experience.

The general administrative expenses of the Bank recorded an increase of 13.9% and Commercial Banking and BEI showed the greatest increase.

Finally, the Bank's profit after taxes decreased 79.1% compared to December 31, 2022, where the sustained growth of inflation impacts the increase in Loss due to Asset Impairment of 46.9%, the increase in General Administration Expenses of 13.9% and the drop in the Interest Margin of 8.9%. In the analysis between the bank segments, the results of the BEI and Commercial banks stand out.



5. Maturity of assets or expiration of liabilities

The Bank has analyzed the maturities of derivative and non-derivative financial assets and liabilities, showing the following undiscounted remaining contractual maturities for:

Loan portfolio and financial leasing operations, Bank loans and other financial obligations. The Bank has performed an age analysis of the loan portfolio based on an assessment of the maturities of financial assets and liabilities, which takes into consideration the periodic amortization of principal and interest of each obligation, as contractually agreed with the customer.

The aging process is done by considering the balance sheet asset positions of loan investments and segmented according to the final maturity date of each contract, classified by commercial, consumer, mortgage and micro-credit loan portfolios, assessing them separately for local currency and total currency.

Investment Financial Assets. The maturity of the principal and interest of investment financial assets in tradeable fixed-yield debt securities held-to-maturity is classified in the time periods defined by the Superintendency, considering the financial conditions of each security. The portfolio of investment financial assets includes securities issued by the Nation and, to a lesser extent, private debt securities, with an average maturities of more than twelve months. The securities consist mainly of Treasury Securities (TES), Short-term Treasury Securities (TCO) and Certificates of Deposit (CDTs).

Deposits and current liabilities. The maturity of savings deposits is carried out statistically by combining the historical behavior of the specific balances and the cancellation of accounts, in a system of conditioned probabilities, thus generating a logarithmic behavior in the aging of the deposits. Fixed term certificates of deposit are aged according to the conditions agreed with the customer.

Below is the maturation of financial assets and liabilities, discounted and undiscounted.

December 31, 2023 Asset maturation

Item	0-1	1-3	3-5	More than 5	Total
Cash and deposits in banks	$ 8,556,215	$ 0	$ 0	$ 0	$ 8,556,215
Money market and related transactions	2,583,679	0	0	0	2,583,679
Tradeable investments	1,903,778	838,803	360,196	590,895	3,693,672
Available for sale investments	31,628	2,331,437	121,301	496,370	2,980,736
Investments at amortized cost	0	3,260,018	3,954	0	3,263,972
Investments in subsidiaries and joint ventures	0	0	0	330,718	330,718
Derivative financial instruments and cash hedging operations	0	218,963	0	0	218,963
Derivative financial instruments and spot trading operations	6,132,532	1,098,246	915,835	1,174,033	9,320,646
Commercial Loan Portfolio	16,370,693	5,791,188	6,252,997	2,560,646	30,975,524
Consumer Loan Portfolio	6,245,914	7,858,980	8,994,667	6,088,406	29,187,967
Mortgage Loan Portfolio	1,615,863	2,181,371	3,023,475	8,153,929	14,974,638
Microcredit Loan Portfolio	0	1	1	0	2
Other non-maturing assets	0	0	0	2,348,561	2,348,561
Total maturity of assets	$ 43,440,302	$ 423,579,007	$ 419,672,426	$ 421,743,558	$ 4,108,435,293

The total for loan portfolio and leasing transactions does not include a provision of $3,982,558

December 31, 2023 Liabilities maturation

Item	0-1	1-3	3-5	More than 5	Total
Checking Accounts	$ 7,926,944	$ 0	$ 0	$ 0	$ 7,926,944
Certificates of Deposit at Term	24,021,907	7,146,213	3,635,503	1,670,245	36,473,868
Savings Deposits, Simple Deposits, Special Savings Accounts, and Real Value Savings Certificates	10,077,312	2,627,273	4,090,331	14,824,336	31,619,252
Liabilities for Services	522,286	0	0	0	522,286
Money Market Operations	2,720,622	0	0	0	2,720,622
Special Deposits	684,235	0	0	0	684,235
Financial Derivative Instruments and Hedging Operations	14,336	0	0	0	14,336
Financial Derivative Instruments and Trading Operations	6,412,091	1,131,429	822,357	1,178,834	9,544,711
Bank Loans and Other Financial Obligations	1,067,995	1,248,814	1,440,274	1,380,791	5,137,874
Outstanding Investment Securities	0	1,535,545	746,540	237,247	2,519,332
Other Unmatured Financial Liabilities	0	0	0	2,060,760	2,060,760
Total Maturity Liabilities	$ 53,447,728	$ 13,689,274	$ 10,735,005	$ 21,352,213	$ 99,224,220

December 31, 2022 Asset maturation

Item	0-1	1-3	3-5	More than 5	Total
Cash and deposits in banks	$ 9.375.035	$ 0	$ 0	$ 0	$ 9.375.035
Money market and related transactions	899.081	0	0	0	899.081
Tradeable investments	834.194	520.577	240.832	586.521	2.182.124
Available for sale investments	2.026.097	1.052.841	116.522	394.392	3.589.852
Investments at amortized cost	3.009.738	0	0	4.045	3.013.783
Investments in subsidiaries and joint ventures	0	0	0	322.009	322.009
Derivative financial instruments and cash hedging operations	0	569.176	0	0	569.176
Derivative financial instruments and spot trading operations	3.154.003	2.034.864	1.475.223	2.828.002	9.492.092
Commercial Loan Portfolio	16.776.860	6.604.410	4.150.448	2.360.221	29.891.939
Consumer Loan Portfolio	12.142.248	9.326.847	4.362.816	307.478	26.139.389
Mortgage Loan Portfolio	2.871.073	3.470.748	3.956.238	4.187.308	14.485.367
Microcredit Loan Portfolio	1	1	0	0	2
Other non-maturing assets	0	0	0	2.445.383	2.445.383
Total maturity of assets	$ 51.088.330	$ 23.579.464	$ 14.302.079	$ 13.435.359	$ 102.405.232

The total for loan portfolio and leasing transactions does not include a provision of $3.835.829.

December 31, 2022 Liabilities maturation

Item	0-1	1-3	3-5	More than 5	Total
Checking Accounts	$ 9.022.094	$ 0	$ 0	$ 0	$ 9.022.094
Certificates of Deposit at Term	9.320.120	2.636.786	3.777.971	12.816.090	28.550.967
Savings Deposits, Simple Deposits, Special Savings Accounts, and Real Value Savings Certificates	15.575.974	7.727.336	4.376.968	2.338.671	30.018.949
Liabilities for Services	417.958	0	0	0	417.958
Money Market Operations	3.207.098	0	0	0	3.207.098
Special Deposits	1.174.119	0	0	0	1.174.119
Financial Derivative Instruments and Hedging Operations	3.559.106	2.490.858	1.520.211	2.621.111	10.191.286
Bank Loans and Other Financial Obligations	520.812	1.079.331	1.765.481	2.005.060	5.370.684
Outstanding Investment Securities	176.874	1.685.739	177.094	637.083	2.676.790
Other Unmatured Financial Liabilities	0	0	0	2.215.861	2.215.861
Total Maturity Liabilities	$ 42.974.155	$ 15.620.050	$ 11.617.725	$ 22.633.876	$ 92.845.806

6. Foreign currency transactions

The Bank performed transactions in 2023 in Euros (EUR), British pounds (GBP), Canadian dollar (CAD), Swiss franc (CHF), Japanese yen (JPY), Swedish krona (SEK), Chinese yuan (CNY), Mexican peso (MXN) and US dollar (USD), the latter currency being the most representative transaction currency for the Bank.

As of December 31, 2023 and 2022, the composition of assets and liabilities in foreign currency, equivalent in thousands of US dollars, is as follows:

Item	2023	2022
Spot Proprietary position	USD 512	USD 939
Proprietary position	11	(29)
Gross leverage position	USD 36,484	USD 35,279

These values are within the current legal limits established by the Banco de la República.

As of December 31, 2023 and 2022, the composition of assets and liabilities in foreign currency, equivalent in thousands of US dollars, is as follows:

Item	Note	2023	2022
Assets			
Cash and deposits in banks	(7)	USD 967	USD 1,204
Loan portfolio and leasing transactions (net)	(10)	352	400
Accounts receivable, net	(13)	76	181
Total foreign currency assets		1,395	1,784
Liabilities			
Customer deposits and on-demand liabilities	(19)	146	175
Financial obligations	(21)	487	600
Outstanding investment securities	(22)	522	403
Accounts payable	(23)	9	5
Other liabilities		1	1
Total liabilities in foreign currency		1,165	1,184
Net assets (liabilities) in foreign currency		230	600
Spot transactions in USD		8	9
Spot transactions in DIV		2	1
Forex		5	12
Total rights (obligations)		15	22
Spot transactions in USD		68	1
Forex		5	12
Total obligations		73	13
Net Rights (obligations) in foreign currency		(58)	9
Exclusions according to regulations of DODM-139 / 05-25-2015 issued by the Banco de la República		340	330
Spot proprietary position		USD 512	USD 939

Foreign exchange differences

The functional and presentation currency of BBVA Colombia's financial statements is the Colombian peso, known as COP; foreign currency transactions and balances are translated at the official exchange rate regulated by the Central Bank of Colombia and supervised by the Financial Superintendency of Colombia (SFC)

The representative exchange rates of the market for the periods of 2023 and 2022 were:

Item	2023	2022
TRM	$ 3,822.05	$ 4,810.20

The exchange difference reflected in the income statement, both in revenue and expenses, is the result of the restatement of assets and liabilities, as well as the realization of assets in transactions denominated in a currency other than the functional one, all subject to the conversion at current exchange rates.

As of December 31, 2023 and 2022, the details of the exchange difference in income are as follows:

Item	2023	2022
Operating revenue – exchange gain	$ 1,375,251	$ 1,934,763
Operating expenses – exchange loss	(1,851,907)	(765,350)
Net gain (loss)	(476,656)	1,169,412
Item	**2023**	**2022**
Operating revenue – gain on sales	20,473	632,592
Net gain	20,473	632,592
Operating revenue – gain due to exchange adjustment	1,354,779	1,302,170
Operating expenses – loss due to exchange adjustment	(1,851,907)	(765,350)
Net loss	(497,128)	536,820
Loss – Profit, net	$ (476,656)	$ 1,169,412

Below is the calculation of the gain from the exchange difference in 2023:

Item	Value in USD	Values in millions of Colombian pesos	Average Exchange rate
Spot proprietary position in Dec 2023	USD 939	$ 4,516,276	$ 4,810.20
Purchases	51,053	219,646,790	4,302.34
Position before sales	51,992	224,163,066	4,311.51
Sales	51,480	222,350,281	4,276.65
Profit (loss) on sales		20,473	
Adjusted proprietary position	512	1,956,233	3,822.05
Profit (loss) due to exchange adjustment		(497,129)	
Net loss		$ (476.656)	

- As of December 31, 2023, the exchange rate (TRM) presented a decrease of 20.54%, equivalent to (-988.15 pesos), compared to December 31, 2022.
- By the end of 2023, a net loss of $476,656 was recorded.
- Assets as of December 2023 reflected a decrease of -21.84%, equivalent to USD 389,420.
- This same behavior occurs in liabilities, decreasing by -2.11%, represented in -USD 18,042.
- On the other hand, the volume of both purchases and sales for the end of 2023 increased USD 1,946,820 million and USD 2,185,358 million, respectively.
- The net loss is basically due to the influence of the volatility of the rate, particularly for the months of July and December 2023, for a value of $3,898.48 and $3,822.05, respectively.

7. Cash and cash equivalents

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

Item	2023	2022
Legal currency in Colombian pesos:		
Cash	$ 2,633,808	$ 2,653,564
Deposits in the Central Bank	2,222,715	922,417
Deposits in other banks	3,957	5,594
Remittances in transit of negotiated checks	26	1,636
Subtotal cash and deposits in banks in legal currency	4,860,506	3,583,211
Foreign currency:		
Cash	668	847
Foreign correspondents	3,695,079	5,791,293
Impairment Foreign correspondents	(38)	(316)
Subtotal cash and deposits in banks in foreign currency	3,695,709	5,791,824
Total cash and deposits in banks	8,556,215	9,375,035
Money market and transactions	2,583,679	899,081
Total cash and cash equivalents	$ 11,139,894	$ 10,274,116

Cash and/or cash equivalents include cash, bank deposits, remittances, funds in clearance and active money market transactions. Between the year 2022 and 2023, cash and cash equivalents showed a variation of 8%, the most representative items are: deposits in the Banco de la República with an increase of 141% and is represented by a value of $1,300,298; deposits in other banks with a decrease of 29%, for a value of $1,637; and Foreign correspondents with a decrease of 36% for a value of $2,096,213.

The legal reserve as of December 31, 2023, required and maintained in the Banco de la República for $3,918,725 to meet the liquidity requirements in deposits and on-demand accounts, respectively. The legal reserve is determined according to the reserve standards established by the Board of Directors of Banco de la República and is based on percentages of the average deposits maintained in the Bank by its clients.

Regarding deposits in the Banco de la República, these present an increase of $1,300,298, which is due to the retrocession of simultaneous transactions, purchase and sale of external systems, title administration operations and other operations performed by the treasury.

As of December 31, 2023 and December 31, 2022, there are no reconciliation items more than 30 days old in the transactions of the Banco de la República.

Regarding foreign correspondents, there is a decrease of $2,096,213, where the most representative movements are in transaction with the following banking entities: BBVA Madrid, showing a decrease of $174,000, Citibank NA NY with a decrease of $3,585,267, JP Morgan Chase Bank with an increase of $1,683,151 and Well Fargo Bank NY with a decrease of $29,354.

As of December 31, 2023 and December 31, 2022, the number of reconciliation items in foreign correspondents that were over 30 days old was 89 and 133, respectively. There are 9 items over 90 days old from April to October 2023; Due to the above, a provision was recorded at the end of December 2023 in the amount of $38.

Description	Days	Rate	2023	Days	Rate	2022
Ordinary interbank funds sold						
Banks	4 to 8 days	12,05%	80.107	4 a 8 días	11,15%	120.167
Subtotal ordinary interbank funds sold		80.107			120.167	
Active simultaneous transactions						
Banco de la República	4 to 8 days	11.76%	1,904,001	4 to 8 days	6.66%	385,881
Insurance and reinsurance companies	Greater than 15 days	12.50%	50,994	Greater than 15 days	11.08%	77,660
Counterparty Clearing House	Greater than 15 days	12.12%	548,577		8.31%	315,373
Subtotal active simultaneous transactions		2,503,572			778,913	
Total money market and related transactions		$2,583,679			$899,081	

Regarding transfer commitments in closed repo transactions, a considerable increase of 393.42% is evident compared to the end of December 2022, represented in active repos with the Banco de la República at a rate of 11.76%, with maturities from 1 to 4 days; the Counterparty Clearing House at a rate of 12.12%, whose maturities were agreed between 1 and 12 days; Insurance and Reinsurance Companies at a rate of 12.50%, agreed for 1 to 2 days. As of December 2022 cut-off, no ordinary commitments were agreed on short terms.

There are no restrictions on cash and cash equivalents to meet the liquidity requirements in deposits and on-demand liabilities.

The quality indicators by risk of the Banco de la República, as the sovereign entity where BBVA's funds are placed, have the following international credit rating.

International Rating Agency	Moody's	Fitch Ratings
BBVA Colombia rating		BBB-

Rating of foreign entities:

Credit Quality					
Bank Name	Currency	Internal	External		
			S&P	FITCH	Moody´s
Jp Morgan Chase	USD	A+	A+	AA	AA1
Citibank N.Y	USD	A+	A+	A	AA3
Wachovia	USD	A+	BBB-	A+	A1
Toronto Dominion	CAD	AA-	AA-	AA-	AA1
U.B.S.	CHF	A+	A+	A+	AA2
Barclays	GBP	A+	A+	A+	A1
Bank Of Tokyo	JPY	A1	A	A	A-
BBVA Hong Kong	CNY	-	-	-	-
BBVA N.Y. USA PNC	USD	A+	A	A+	AA3
BBVA Madrid	EUR	A	A	BBB+	A2
Bank Of America N.Y.	USD	AA	A+	AA	AA1
BBVA Bancomer México	MXN	BBB	BBB	BBB	BAA1
China Citic Bank	USD	BBB	BBB+	BBB	BAA2
BBVA Madrid	SEK	A	A	BBB+	A2

8. Financial investment assets, net

Below is the summary of the financial investment assets

Item	2023	2022
Tradeable Investments		
Treasury securities - TES	$ 2,410,969	$ 1,156,360
Other securities issued by the National Government	0	18,012
Other domestic issuers	1,282,703	1,007,752
Subtotal of tradable investments	3,693,672	2,182,124
Investments available-for-sale		
Treasury securities- TES	2,518,818	3,176,552
Other domestic issuers	461,918	413,300
Subtotal investments available for sale	2,980,736	3,589,852
Held-to-maturity investments		
Other securities issued by the national government	3,260,018	3,009,738
Other domestic issuers	4,045	4,045
Investments Impairment	(91)	(437)
Subtotal of held-to-maturity investments	3,263,972	3,013,346
Total financial investment assets, net	$ 9,938,380	$ 8,785,322

Between December 2023 and December 2022, there is an increase in the portfolio of tradeable investments of $1,511,548, of which, as part of the Bank's liquidity management, increased $1,254,609; basically due to the normal flow of the purchase and sale transactions of tradeable securities for speculative purposes, and which occur due to the nature of the business.

Between December 2023 and December 2022, there is a decrease in investment securities available for sale of $609,116, mainly in Treasury securities (TES) delivered in Money Market operations.

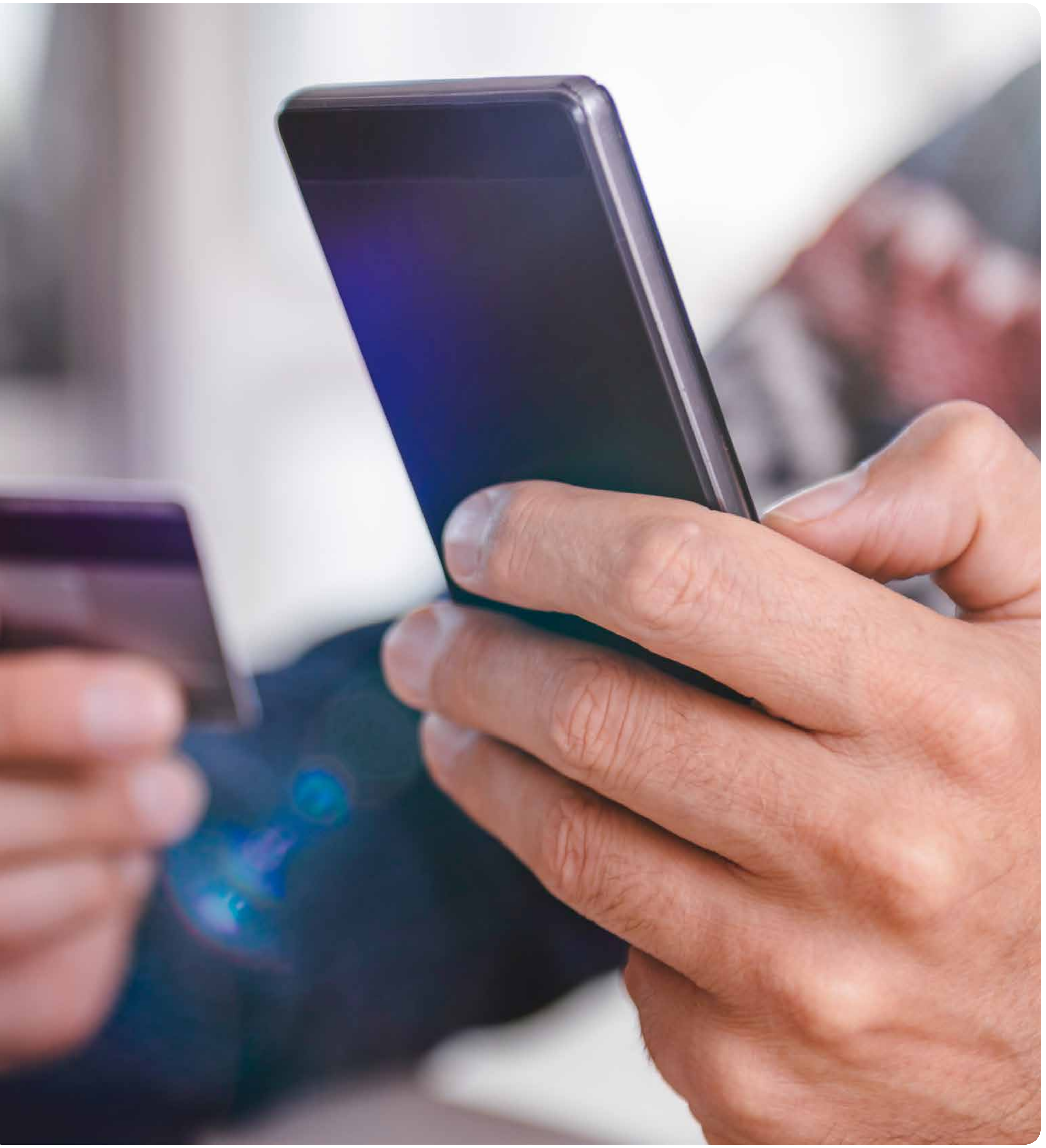
As of December 31, 2023, the inventory of investments to be held to maturity presents an increase of $250,626, mainly due to other securities issued by the national government delivered in money market transactions and no operations were agreed in financial instruments.

For the years 2023 and 2022, the entities with non-controlled interests declared dividends as follows:

Entity	2023			2022		
	In shares	In cash	Total	In shares	In cash	Total
Fondo para el Financiamiento del sector agropecuario - Finagro (Agricultural financing Fund)	$ 1,082	$ 4,328	$ 5,410	$ 759	$ 3,036	$ 3,795
Stock Exchange Colombia	0	3,874	3,874	0	2,605	2,605
ACH Colombia S.A.	0	10,039	10,039	0	10,250	10,250
Cámara de Riesgo Central de Contraparte de Colombia S.A. (Central Counterpart Risk Chamber of Colombia S.A.)	0	0	0	0	149	149
Credibanco	0	1,571	1,571	0	605	605
Redeban Multicolor S.A.	0	0	0	0	474	474
Total	$ 1,082	$ 19,812	$ 20,894	$ 759	$ 17,119	$ 17,878

Investments in non-controlled interests. These are investments in equity instruments in non-controlled entities, consisting of the following as of December 31, 2023 and 2022.

In the case of investments classified as non-controlled entities in the Fund for the Financing of the Agricultural Sector (Finagro for its Spanish acronym), their measurement is done according to the marketability index, considering the equity variations. subsequent to the acquisition of the investment. For this purpose, variations in the issuer's equity are calculated based on the latest certified financial statements, which correspond to November 30, 2023.



December 31, 2023

Item	Domicile	Capital	Equity Capital	Share Percentage %	Carrying Value	Assets	Liabilities
Investments in non-controlled entities							
Fund for the Financing of the Agricultural Sector (FINAGRO for its Spanish acronym)	Bogotá D.C.	413,051	37,546	9.09%	109,569	18,215,627	17,009,890
Total investments in non-controlled entities					$ 109.569		

December 31, 2022

Item	Domicile	Capital	Equity Capital	Share Percentage %	Carrying Value	Assets	Liabilities	Profits and/or Losses
Investments in non-controlled entities								
Fund for the Financing of the Agricultural Sector (FINAGRO for its Spanish acronym)	Bogotá D.C.	408,640	37,145	9.09%	100,207	17,071,216	15,968,503	67,216
Total investments in non-controlled entities					$ 100,207			

For investments categorized as non-controlled holdings, are measured based on the “Precia” method at the valuation date, considering any changes in equity that have occurred since acquiring the investment. To this effect, the variation in the issuer’s equity is calculated based on the latest certified financial statements as of December 2023.

For the investment held by the Bank in Credibanco S.A., the valuation is carried out by “Precia” (Price vendor for valuation) which is applicable to the entire Colombian Financial sector, for the closing of December 2023 and December 2022 the price is COP 118.92 and COP 101.82 respectively; these valuations are recorded in the Other Comprehensive Income.

For the Investments of ACH Colombia S.A. and Redeban Multicolor S.A., these are presented in this report with the valuation made by the price vendor Precia (Price Vendor for Valuation). According to the reports submitted based on the Cash Flow method, these reflect that the share valuation was COP 167,404.87 for ACH Colombia S.A. and COP 15,833.82 for Redeban Multicolor S.A.

In the case of participation in the Colombian Stock Exchange S.A., the share price published on the last day of November 2023 is considered. These shares were valued at a market price of $9,370 pesos and $6,985 pesos for the closing of November 2023 and December 2022, respectively. The above considering that the integration of the Stock Exchanges of Chile, Peru and Colombia materialized.

In November 2023, accounting recognition is made for the non-commercial or lucrative exchange relationship of the new Holding Bursátil Chilena S.A., also known as Nuam, which results from the Integration of the Chile, Peru and Colombia Stock Exchanges. Said recognition was carried out based on the historical data of the investment maintained in the stock of the Colombian Stock Exchange S.A. - BVC, which were valued at a market price of $9,370 pesos for the cut-off date of November 14, 2023 and the value of the new share of the Chilean Holding that will make up the acquisition price of the new entity, the OCI, is updated. generated by the BVC will remain as the history of the new investment.

In the case of participation in the new Holding Bursátil Chilena S.A., the share price published by the Santiago Stock Exchange, Chilean Stock Exchange, converted to Colombian pesos is considered.

These shares were valued at a market price of $19,438.84 for the end of December 2023; These valuations are recorded with changes in Other Comprehensive Income.

The principles and policies for Investments in non-controlled interests are maintained with the recognition, classification and measurement criteria established in the Basic Accounting and Financial Memorandum 100 of 1995, accounting policies that do not differ from those approved and published at the end of the 2022 fiscal year.. The composition of the portfolio of financial investment assets by classification and type, without impairment as of December 31, 2023, was:

Breakdown of the Securities Portfolio at year-end 2023:

Class of Security	Tradeable investments		Held-to-maturity investments		Available-for-sale investments		Overall Total
	Amount	%	Amount	%	Amount	%	
Ordinary Bonds	$ 14,884	0%	$ 0	0%	$ 0	0%	$ 14,884
CDTs	1,267,819	34%	0	0%	5,031	0%	1,272,850
TDAs	0	0%	2,106,983	65%	0	0%	2,106,983
TIPS	0	0%	4,045	0%	15,573	1%	19,618
TDS	0	0%	1,153,035	35%	0	0%	1,153,035
Treasury Securities - TES	2,410,969	65%	0	0%	2,518,818	88%	4,929,787
Credibanco	0	0%	0	0%	135,909	5%	135,909
Holding Bursátil Chilena S.A.	0	0%	0	0%	51,902	2%	51,902
Redeban Multicolor	0	0%	0	0%	25,586	1%	25,586
A.C.H Colombia	0	0%	0	0%	118,349	4%	118,349
Overall Total	3,693,672	100%	3,264,063	100%	2,871,168	95%	9,828,903
Contribution to year´s income	(480,053)		(278,117)		(336,809)		(1,094,979)
% Profitability		13%		9%		12%	

The composition of the investment portfolio as of December 31, 2022 was:

Breakdown of the Securities Portfolio at year-end 2022

Class of Security	Tradeable investments		Held-to-maturity investments		Available-for-sale investments		Overall Total
	Amount	%	Amount	%	Amount	%	
Ordinary Bonds	45,704	2%	0	0%	0	0%	45,704
CDTs	980,060	45%	0	0%	4,544	0%	984,604
TDAs	0	0%	1,871,817	62%	0	0%	1,871,817
TIPS	0	0%	4,045	0%	14,364	0%	18,409
TDS	0	0%	1,137,921	38%	0	0%	1,137,921
Treasury Securities - TES	1,156,360	53%	0	0%	3,176,552	91%	4,332,912
Credibanco	0	0%	0	0%	116,366	3%	116,366
Bolsa de Valores de Colombia (Colombia Stock Exchange S.A.)	0	0%	0	0%	30,989	1%	30,989
Redeban Multicolor	0	0%	0	0%	26,913	1%	26,913
A.C.H Colombia	0	0%	0	0%	119,916	3%	119,916
Overall Total	2,182,124	100%	3,013,783	100%	3,489,644	95%	8,685,551
Contribution to year´s income	$ (77,483)		$ (72,775)		$ (341,627)		$ (491,885)
% Profitability		4%		2%		10%	

The maturity of investments in debt securities as of December 31, 2023, was as follows:

Maturity of Securities Portfolio (in millions of COP)				2023
Range	Tradeable Investments	Held-to-maturity investments	Available-for-sale investments	Overall total
Less than 1 year	$ 1,903,779	$ 3,260,018	$ 31,628	$ 5,195,425
From 1 to 5 years	1,198,999	4,045	2,452,738	3,655,782
More than 5 years	590,894	0	386,802	977,696
Overall Total	$ 3,693,672	$ 3,264,063	$ 2,871,168	$ 9,828,903

The maturity of investments in debt securities as of December 31, 2022, was as follows:

Maturity of Securities Portfolio (in millions of COP)				2022
Range	Tradeable Investments	Held-to-maturity investments	Available-for-sale investments	Overall total
Less than 1 year	$ 834,193	$ 3,009,738	$ 2,026,097	$ 5,870,028
From 1 to 5 years	761,410	0	1,169,362	1,930,772
More than 5 years	586,521	4,045	294,185	884,751
Overall Total	$ 2,182,124	$ 3,013,783	$ 3,489,644	$ 8,685,551

- The securities issued by the Securitization Company Colombia TIPS, derived from Mortgage Portfolio Securitization processes in pesos, were issued in terms of 10 and 15 years.
- As of December 31, 2023 and 2022, provisions have been made for securities (INSC15061232 /INSZ15061232) worth $3,912, according to the guidelines established by Chapter I - 1, of the Basic Accounting and Financial Memorandum - CBCF (External Memorandum 100/ 95) of the SFC, according to the instruction of section 2.4 of Chapter XV of the CBCF.
- In the years 2023 and 2022, the Bank did not participate in securitization processes.
- There are currently 4 series in the market, of which the Bank has series B, MZ and C of the Pesos N-16 issue, which presented a total balance as of December 31, 2023 and 2022 of $19,619 and $18,409, respectively.

The details and balance of securities derived from securitization processes (TIPS) are shown in the following table:

Serie	Nominal Value	Issue Date	Maturity Date	Term	2023	2022
TIPS Pesos N-16 B 2032	$ 16,604	07/12/2017	07/12/2032	15	$ 15,573	$ 14,363
TIPS Pesos N-16 MZ 2032	3,180	07/12/2017	07/12/2032	15	3,207	3,207
TIPS Pesos N-16 C 2032	830	07/12/2017	07/12/2032	15	839	839
Total	$ 20,614				$ 19,619	$ 18,409

As of December 31, 2023, the following distribution by rating of investments available-for-sale and investments held-to-maturity is presented:

December 31, 2023

Debt Securities Available for Sale				Debt Securities Held to Maturity			
S&P Global Rating ISSUE	Carrying Value Sovereign Debt	Carrying Value - Other Debt	%	S&P Global Rating ISSUE	Carrying Value Sovereign Debt	Carrying Value - Other Debt	%
A	$ 0	$ 336.777	0%	A	$ 0	$ 0	0%
BB+	2.518.818	0	99%	BB+	3.260.018	0	100%
Unclassified	0	15.573	1%	Unclassified	0	4.045	0%
Total	$ 2.518.818	$ 352.350	100%	Total	$ 3.260.018	$ 4.045	100%

December 31, 2022

Debt Securities Available for Sale				Debt Securities Held to Maturity			
S&P Global Rating ISSUE	Carrying Value Sovereign Debt	Carrying Value - Other Debt	%	S&P Global Rating ISSUE	Carrying Value Sovereign Debt	Carrying Value - Other Debt	%
A	$ 0	$ 294,185	8%	A	$ 0	$ 0	0%
BB+	3,176,552	4,544	91%	BB+	3,009,738	0	100%
Unclassified	0	14,364	0%	Unclassified	0	4,045	0%
Total	$ 3,176,552	$ 313,093	100%	Total	$ 3,009,738	$ 4,045	100%

Global Rating Agency

Issuer	CDT	TDA	TES	TIPS
Bancolombia S.A.	AAA			
DTN Gobierno Nacional (TES)			BBB	
Finagro		AAA		
Titularizadora Colombiana				
INSC15061232-229718				BB
INSZ15061232-229722				BBB-
TIPN16B32-229723				A-

The titles and/or securities that have one or more ratings granted by external rating agencies recognized by the Financial Superintendency of Colombia, or the titles and/or debt securities issued by entities that are rated by them, cannot be accounted for by an amount that exceeds the following percentages of its net nominal value of amortizations carried out up to the valuation date.

Long-term rating	Maximum value %	Short-term rating	Maximum value %
BB, BB, BB-	Ninety (90)	3	Ninety (90)
B, B, B-	Seventy (70)	4	Fifty (50)
CCC	Fifty (50)	5 y 6	Zero (0)
DD,EE	Zero (0)	0	0

Investment Restriction

As of December 31, 2023, there are no restrictions on the investments mentioned above, with the exception of securities in a state of embargo that increased compared to December 31, 2022, which are classified at fair value through profit or loss, Embargoes are generated by judicial rulings against the Bank, which arrive through the offices, the Centralized Securities Depository - DECEVAL and/or the Banco de la República:

Type of Security	2023	2022
Time Deposit	$ 850	$ 77
Total	$ 850	$ 77

9. Derivative Financial Instruments and Cash Operations - Assets

The financial instruments traded by BBVA are classified as assets or liabilities (see note 20) depending on their results.

As of December 31, the balance of this account classified as active is summarized as follows:

Derivative financial instruments and cash transactions (Asset)	2023	2022
Tradeable (1)	$ 9.320.646	$ 9.492.092
Hedging (2)	218.963	569.176
Total Derivative Financial Instruments and Spot Operations (Assets)	$ 9.539.609	$ 10.061.268

9.1. Financial instruments - trading derivatives (asset)

Below is the summary of derivative financial instruments and spot trading operations

Item	Notional Value		Fair Value	
Forward Transactions	**2023**	**2022**	**2023**	**2022**
Purchase on foreign currency				
Rights	$ 699,237	$ 27,099,936	$ 665,697	$ 27,932,708
Obligations	0	0	(631,155)	(26,129,743)
Sale on foreign currency				
Rights	62,489,752	41,092,945	60,483,036	39,999,670
Obligations	0	0	(54,760,067)	(39,195,858)
Less Credit Risk	0	0	(1,429)	(916)
Total forward contracts	$ 63,188,989	$ 68,192,881	$ 5,756,082	$ 2,605,861

Item	Notional Value		Fair Value	
Cash Transactions	**2023**	**2022**	**2023**	**2022**
Purchase on foreign currency				
Rights	$ 34,855	$ 8,361	$ 34,858	$ 8,413
Obligations	0	0	(34,666)	(8,321)
Sale on foreign currency				
Rights	183,545	0	183,422	0
Obligations	0	0	(182,901)	0
Purchase on securities				
Rights	196,953	26,547	192,105	20,753
Obligations	0	0	(191,848)	(20,733)
Less CVA credit risk				
Rights	18,024	53,130	16,047	40,424
Obligations	0	0	(16,030)	(40,389)
Total Cash transactions	$ 433,377	$ 88,038	$ 987	$ 147
Options	**2023**	**2022**	**2023**	**2022**
Purchase – Put	$ 544,773	$ 514,897	$ 47,400	$ 11,764
Purchase - Call	796,623	766,208	5,672	37,433

Item	Notional Value		Fair Value	
Less CVA credit risk	0	0	(31)	(79)
Total fair exchange price	$ 1,341,396	$ 1,281,105	$ 53,041	$ 49,118

Item	Notional Value		Fair Value	
Swaps	**2023**	**2022**	**2023**	**2022**
Purchase on foreign currency				
Rights	$ 63,252,041	$ 63,089,163	$ 14,062,010	$ 13,408,911
Obligations	0	0	(11,834,967)	(9,420,663)
Sale on foreign currency				
Rights	12,898,360	9,776,825	13,657,075	12,887,758
Obligations	0	0	(12,362,368)	(10,017,033)
Total Futures	0	0	(11,212)	(22,007)
Total cash and derivatives transactions	$ 76,150,401	$ 72,865,988	$ 3,510,538	$ 6,836,966

Item	Notional Value		Fair Value	
Futures	**2023**	**2022**	**2023**	**2022**
Purchase on foreign currency				
Rights	$ 10,463,242	$ 8,070,501	$ 10,463,242	$ 8,070,501
Obligations	0	0	(10,463,242)	(8,070,501)
Sale on foreign currency				
Rights	13,038,777	13,237,057	13,038,777	13,237,057
Obligations	0	0	(13,038,777)	(13,237,057)
Total Futures	23,502,019	21,307,558	0	0
Total cash transactions and derivatives	$ 164,616,182	$ 163,735,570	$ 9,320,648	$ 9,492,092

Below is the information corresponding to the value of CVA/ DVA broken down by product showing the product with the greatest impact for the year 2023 and 2022 respectively: Swaps represent 88.5% of the total CVA and DVA and this is also due to its greater volume and volatility in the rate and macroeconomic changes of transactions contracted with a cut-off date of 2023.

As of December 31, 2023 and 2022, the total CVA (Credit Value Adjustments) was $12,672 and $23,002, respectively, and DVA (Debit Value Adjustments) was $17,339 and $29,178, respectively.

Product	2023	2022
	CVA	
FW Currencies	$ 24	$ 20
FW Dollars	1,405	896
Options	31	79
SWAP	11,212	22,007
Total	$ 12,672	$ 23,002
	DVA	
FW Foreign Currencies	$ 10	$ 27
FW Dollars	2,041	1,149
Options	17	8
SWAP	15,270	27,994
Total	$ 17,338	$ 29,178

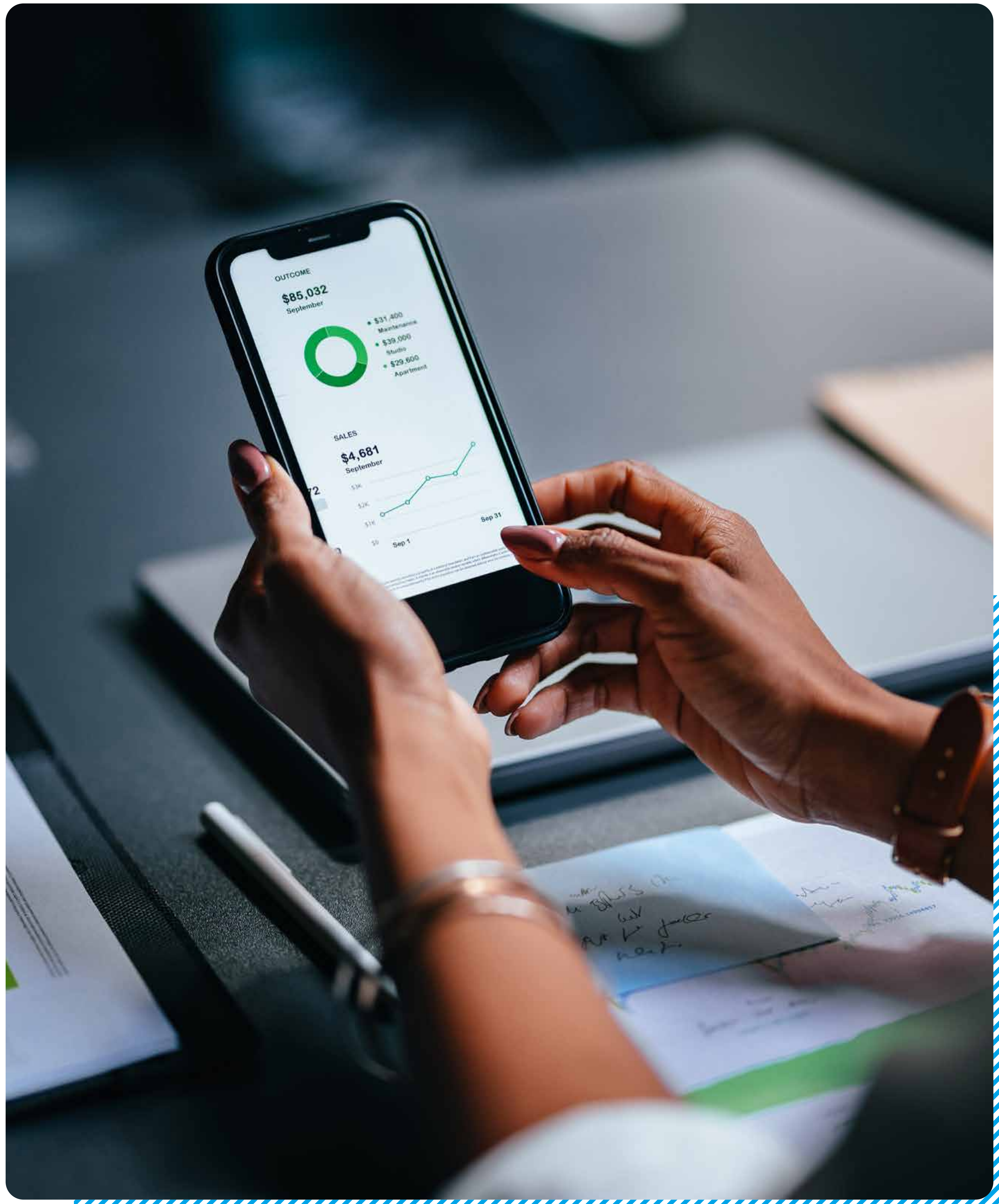
Derivative transactions are basically covered with crossed forwards.

The Bank has carried out forward operations on foreign currencies and securities, futures derivatives on domestic bonds at the official exchange rate and standardized forwards, options on currencies, swaps on currencies and swaps on interest rates, which are valued according to the provisions of Chapter XVIII of the Basic Accounting and Financial Memorandum (CBCF, for its Spanish acronym).

As a general policy for derivative transactions, The Bank is governed by the regulations issued by the Financial Superintendency of Colombia and considers the restrictions and limits of the proprietary position, the spot market proprietary position , the leverage position and the interest rates established by the BBVA Group.

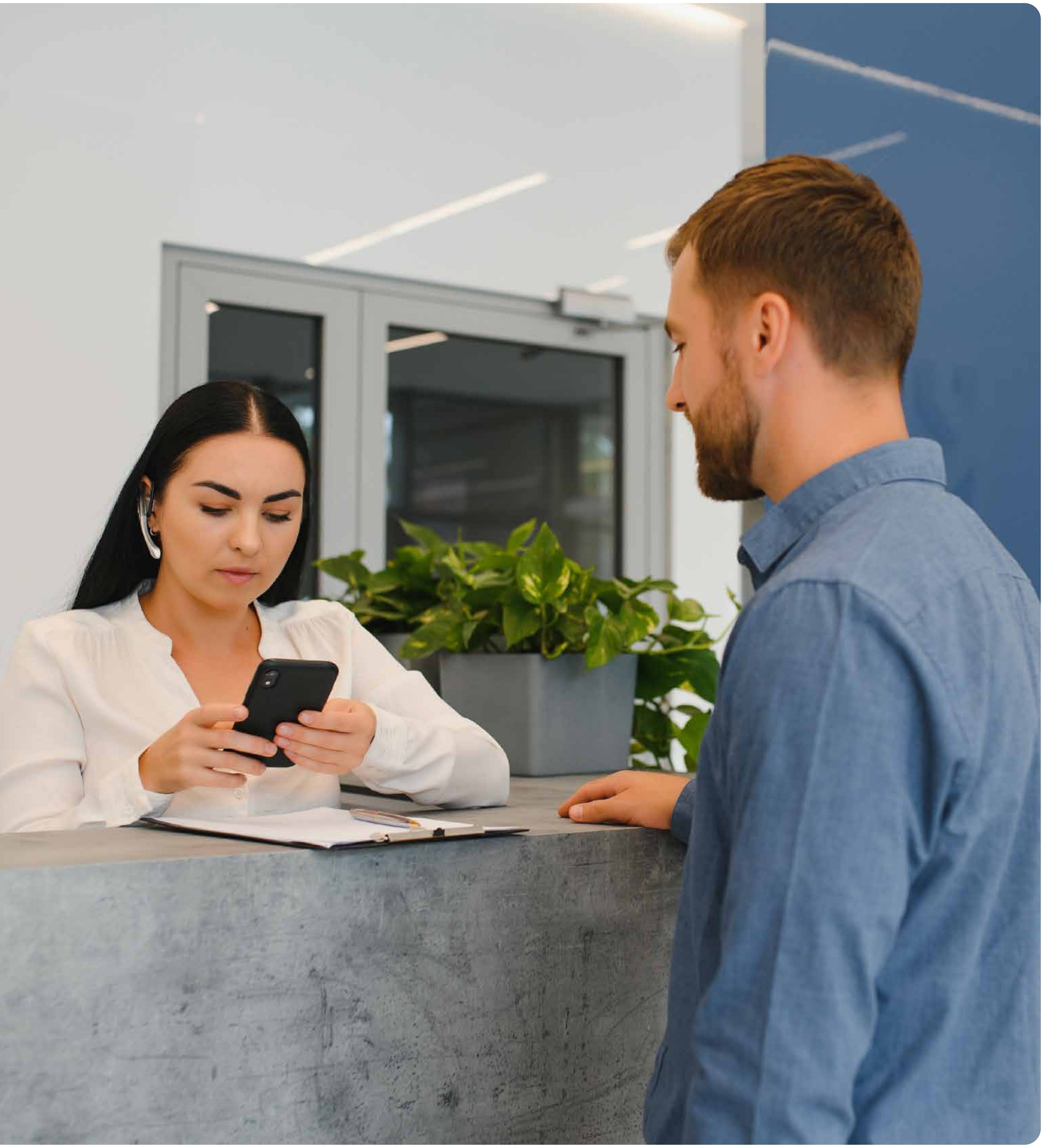
As of December 31, 2023 and 2022, derivative transactions showed no charges, restrictions or levies of a legal or financial nature, nor pledges, embargoes, litigation or any other limitation on the exercise of the rights inherent to these operations.

The variation presented in rights and obligations of forwards and futures contracts on currencies is the result of the fluctuations that the foreign currency exchange rate has gone through throughout 2023.



As of December 31, 2023, the breakdown of derivative financial instruments transactions was as follows:

			Maturity in Days		Figures in millions of COP		
Type of Instrument	Type of transaction	Currency	Minimum	Maximum	Value Right	Value Obligation	Net result
Currency Forward	Purchase	USD/COP	2	3,063	$ 76,193,579	$ (82,048,179)	$ (5,854,600)
	Purchase	EUR/COP	22	79	45,917	(46,134)	(217)
	Purchase	EUR/USD	5	379	274,422	(279,182)	(4,760)
	Purchase	JPY/USD	16	284	43,832	(42,771)	1,061
	Purchase	MXN/USD	24	204	3,677	(3,020)	657
	Purchase	SEK/COP	65	65	1,005	(1,019)	(14)
	Sale	USD/COP	2	1,305	82,310,303	(76,616,880)	5,693,423
	Sale	COP/EUR	10	254	105,356	(90,933)	14,423
	Sale	USD/JPY	31	239	29,495	(29,876)	(381)
	Sale	USD/CNH	239	239	3,613	(3,714)	(101)
	Sale	USD/SEK	65	239	1,960	(2,138)	(178)
	Sale	USD/CHF	239	239	8,786	(9,090)	(304)
	Sale	USD/EUR	5	379	157,896	(150,449)	7,447
	Sale	USD/GBP	240	240	4,718	(4,749)	(31)
	Sale	COP/JPY	16	284	28,800	(27,558)	1,242
	Sale	USD/CAD	239	239	4,129	(4,228)	(99)
	Sale	USD/MXN	24	239	11,007	(11,774)	(767)
Total Currency Forward					159,228,495	(159,371,694)	(143,199)
Spot Currency	Purchase	USD/COP	2	2	29,999	(29,995)	4
	Purchase	EUR/COP	2	2	9,343	(9,177)	166
	Purchase	CHF/COP	3	3	46	(45)	1
	Sale	USD/COP	2	4	259,458	(258,992)	466
Total Spot currency					298,846	(298,209)	637



Type of Instrument	Tipo Operación	Currency	Maturity in Days		Figures in millions of COP		
			Minimum	Maximum	Value Right	Value Obligation	Net result
Spot Securities	Purchase	COP	2	67	269,829	(269,595)	234
	Sale	COP	2	67	35,984	(35,975)	9
Total Spot Securities					305,813	(305,570)	243
Total Spot					604,659	(603,779)	880
Financial Options	Purchase - PUT	USD/COP	2	549	47,387	0	47,387
	Purchase CALL	USD/COP	2	549	5,657	0	5,658
	Sale PUT	USD/COP	2	549	0	(47,387)	(47,388)
	Sale Call	USD/COP	2	549	0	(5,673)	(5,673)
Total Financial Options					53,044	(53,060)	(16)
Interest rate swap	IRS	COP	2	4,720	22,802,610	(22,959,806)	(157,197)
	IRS	USD	8	3,497	1,667,946	(1,735,234)	(67,289)
Total Interest rate swap					24,470,556	(24,695,040)	(224,486)
Currency swap	CCS	EUR	0	0	0	0	1
	CCS	USD	5	3,522	23,008,780	(22,866,026)	142,755
Total Currency Swap					23,008,780	(22,866,026)	142,756
Currency hedging swap	CCS	COP	51	477	1,336,532	(1,131,902)	204,630
Total currency Hedging swap					1,336,532	(1,131,902)	204,630
Total swap					48,815,868	(48,692,968)	122,900
Futures	Purchase	COP			175,828	(175,828)	0
	Sale	COP			184,566	(184,566)	0
Total Futures					360,394	(360,394)	0
Total derivative financial instruments transactions					$ 209,062,460	$ (209,081,895)	$ (19,435)

As of December 31, 2023, the breakdown of derivative financial instruments transactions was as follows:

			Maturity in Days		Figures in millions of COP		
Type of Instrument	**Type of transaction**	**Currency**	**Minimum**	**Maximum**	**Value Right**	**Value Obligation**	**Net result**
Currency Forward	Purchase	USD/COP	2	3428	$ 87,640,616	$ (86,883,041)	$ 757,575
	Purchase	EUR/COP	17	74	617	(548)	70
	Purchase	EUR/USD	11	744	105,555	(116,798)	(11,244)
	Purchase	JPY/USD	13	13	2,445	(2,563)	(118)
	Purchase	MXN/USD	30	44	5,020	(4,464)	556
	Purchase	CNH/USD	30	149	192,191	(194,075)	(1,883)
	Sale	USD/COP	2	1670	90,390,600	(91,455,765)	(1,065,165)
	Sale	COP/EUR	5	171	39,821	(42,095)	(2,274)
	Sale	COP/CNH	30	149	190,363	(192,192)	(1,829)
	Sale	USD/EUR	3	744	95,548	(83,396)	12,152
	Sale	COP/JPY	13	164	7,672	(7,975)	(303)
	Sale	USD/CAD	6	6	3,581	(3,543)	37
	Sale	USD/MXN	44	44	2,424	(2,728)	(304)
Total Currency Forward					178,676,453	(178,989,183)	(312,730)
Spot Currency	Purchase	USD/COP	3	4	43,919	(43,981)	(62)
	Purchase	EUR/COP	3	3	2,516	(2,483)	33
	Sale	USD/COP	3	3	3,687	(3,722)	(36)
Total Spot currency					50,122	(50,186)	(65)
Total Spot					50,122	(50,186)	(65)
Financial Options	Purchase - PUT	USD/COP	5	727	11.761	0	11,761
	Purchase CALL	USD/COP	5	727	37.364	0	37,364
	Sale PUT	USD/COP	5	727	0	(11,761)	(11,761)
	Sale Call	USD/COP	5	727	0	(37,426)	(37,426)

			Maturity in Days		Figures in millions of COP		
Type of Instrument	Type of transaction	Currency	Minimum	Maximum	Value Right	Value Obligation	Net result
Total Financial Options					49.125	(49.187)	(62)
Interest rate swap	IRS	COP	2	5,085	19,790,061	(20,018,609)	(228,548)
	IRS	USD	9	3,653	2,085,339	(2,163,149)	(77,809)
Total Interest rate swap					21,875,400	(22,181,758)	(306,357)
Currency swap	CCS	EUR	0	0	0	0	1
	CCS	USD	4	3,434	23,246,978	(23,326,673)	(79,694)
Total Currency Swap					23,246,978	(23,326,673)	(79,693)
Currency hedging swap	CCS	COP	842	842	1,654,118	(1,084,942)	569,176
Total currency					1,654,118	(1,084,942)	569,176
Total swap					46,776,496	(46,593,373)	183,126
Total derivative financial instruments transactions					$ 225,552,196	$ (225,681,929)	$ (129,731)

The collateral provided in derivative transactions as of December 31, were:

Counterparty	DIV	2023	2022
Asset			
Banco Santander S.A. Ny	EUR	212,415	212,415
BBVA Bancomer S.A. México	USD	0	3,460,000
BBVA Madrid Tesoreria	USD	61,708,000	158,904,000

(1) The value for BBVA Madrid corresponds to the collateral agreement on all derivative transactions that the Bank has with this counterparty.

Financial collateral, regardless of holder, instrumentation or other circumstances, are analyzed periodically in order to determine the credit risk to which these are exposed and, where appropriate, estimate the need to constitute a provision for them.

Loan Value Adjustment

The purpose of the CVA is to calculate the amount of expected losses during the life of the transactions stated at present value in the Treasury derivatives portfolio. In a given future, credit risk losses depend on three components: the counterparties' likelihood of default at that time, severity in the case of default and exposure at the time of default.

In June 2016, the DVA (Debit Value Adjustment) calculation was introduced at the request of the Financial Superintendency of Colombia in the loans risk valuation adjustments. The nature of this adjustment is contrary to that of the CVA, such that it considers the likelihood that the BBVA will default on a positive value transaction for a counterparty due to a credit event. With this adjustment of the counterparties whose portfolio value is positive for BBVA and DVA of portfolios with a negative value for the Bank will be reported to CVA.

The CVA and DVA report is made at the transaction level; therefore, the adjustment is distributed between counterparty transactions with the same market value nature as that of the portfolio aggregate; otherwise, a value of zero is allocated to the credit risk adjustment.

The CVA reported in the Bank's derivatives portfolio is sensitive to movements in the USD/COP exchange rate, going from $4,810.20 per dollar the previous year to $3,822.05 in 2023. The above negatively affected the value of the portfolio, and netting is allowed between operations of the same counterparty, since the calculations are made at an aggregate level. The data reported in the DVA is exclusively due to the calculation model of valuation adjustments for credit risk.

9.2. 9.2 Financial Instruments - Hedging Derivatives (assets)

Bond issuance in foreign currency. The Bank issued subordinated notes abroad in the amount of USD 400 million on April 21, 2015, maturing on February 19, 2025. These bonds mature in 10 years with a coupon rate of 4.875% and will earn interest on a semi-annual basis.

Bullet credit in foreign currency. The Group established a new cash flow accounting hedge as a result of contracting the bullet credit for a value of USD 10,000,000, to cover changes in the cash flow of the hedged item, associated with changes in the interest rate in dollars and the peso-dollar exchange rate that may affect the Group's income statement.

The Subordinated Notes have been issued pursuant to Rule 144A/Regulation S of the US Securities Act of 1933.

BBVA Securities Inc. and Morgan Stanley & Co. LLC., acted as the placement agents.

Hedge Accounting. The Bank constituted fair value and cash flow hedges with the intention to hedge the exchange rate risk and the interest rate risk in US dollars as follows:

Cash flow hedge accounting

These financial instruments were designated as cash flow hedges because both their right and obligation are at a fixed rate and the purpose is to hedge future cash flows for the payment of interest and principal according to the nominal value agreed.

Transaction	Nominal Value of Right	EA Right Rate	Nominal Value of Obligation	EA Obligation Rate	Value of Rights 2023	Value of Obligation 2023	Other Comprehensive Income 2023
47936511	USD 40	9.98%	$129,200	4.88%	$157,106	$131,994	$25,112
47936513	USD 40	10.64%	124,000	4.88%	157,106	127,825	29,281
47936514	USD 40	10.71%	117,600	4.88%	157,106	121,342	35,764
50087279	USD 40	14.62%	48,550	6.42%	40,400	54,736	(14,336)
Total					$511,718	$435,897	$75,821

Transaction	Nominal Value of Right	EA Right Rate	Nominal Value of Obligation	EA Obligation Rate	Value of Rights 2022	Value of Obligation 2022	Other Comprehensive Income 2022
47936511	USD 40	9.98%	$129,200	4.88%	$200,499	$128,679	$71,820
47936513	USD 40	10.64%	124,000	4.88%	200,499	125,295	75,204
47936514	USD 40	10.71%	117,600	4.88%	200,499	119,009	81,490
Total					$601,497	$372,983	$228,514

Fair value hedge accounting

It was designated at fair value because the obligation is indexed at the Reference Bank Indicator (IBR), developed by the private sector, with the backing of the Central Bank of Colombia and other entities, in order to reflect the liquidity of the Colombian money market, that is, when a debt is acquired on the market today, it would be estimated at a rate similar to the reference rate.

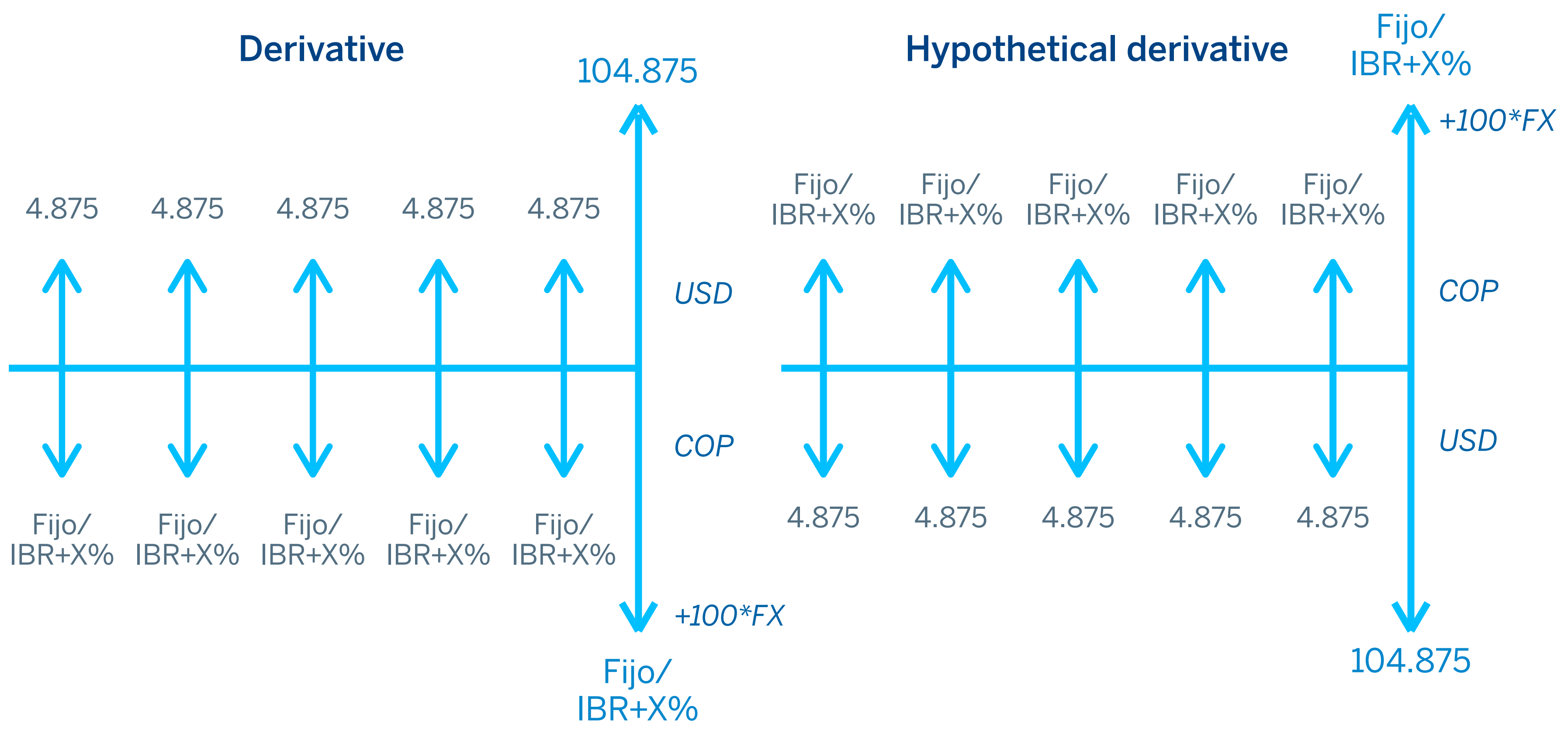
Transaction	Nominal Value of Right	EA Right Rate	Nominal Value of Obligation	EA Obligation Rate	Value of Rights 2023	Value of Obligation 2023	Other Comprehensive Income 2023
47936512	USD 70	4.88%	$226,100	IBR+ 3,19%	$ 274,936	$241,549	$33,386
47936885	USD 70	4.88%	217,000	IBR+ 3,57%	274,936	232,980	41,956
47936887	USD 70	4.88%	205,800	IBR+ 3,75%	274,936	221,472	53,463
Total					$824,807	$696,001	$128,805

Transaction	Nominal Value of Right	EA Right Rate	Nominal Value of Obligation	EA Obligation Rate	Value of Rights 2022	Value of Obligation 2022	Other Comprehensive Income 2022
47936512	USD 70	4.87%	$226,100	IBR+ 3,19%	$350,873	$246,560	$104,313
47936885	USD 70	4.87%	217,000	IBR+ 3,57%	350,873	238,446	112,427
47936887	USD 70	4.87%	205,800	IBR+ 3,75%	350,873	226,952	123,921
Total					$1,052,620	$711,959	$340,662

9,3 Measuring hedging effectiveness

IFRS 9, Paragraph B6,4,14 indicates that *"when the fundamental conditions (such as nominal amount, maturity and underlying) of the hedging instrument and the hedged item match or are closely aligned, an entity can conclude, based on a qualitative assessment of said fundamental conditions, that the hedging instrument and the hedged item have values that will generally move in the opposite direction due to the same risk and, therefore, there is an economic link between the hedged item and the hedging instrument,"*

IFRS 9 Paragraph B6,5,5 indicates that *"To calculate the change in the value of the hedged item for the purposes of measuring the hedge ineffectiveness, an entity can use a derivative with the conditions that match the fundamental conditions of the hedged item (which is commonly known as a hypothetical derivative)..."*



Based on the above, the effective part of the profit or loss of the cash flow hedging instrument was recognized in equity (OCI) and the ineffective part will be recognized in the statement of income, Since the conditions of the CCS (cross currency swap) of the payment received by the Bank in US dollars match those of the hedged item (coupon date, coupon rate, settlement basis of the coupon and final exchange of flows), its effect on the Bank's income statement is expected to be neutral,

As of December 31, 2023 and 2022, the valuation and accrual concepts of the cash flow hedging swap are recorded in Other Comprehensive Income for $75,821 and $228,514, respectively, As of these same dates, no reclassifications of equity were made to the statement of income this year,

The accounting for hedging derivatives as of December 31, 2023 and 2022 is as follows:

Asset hedging - CCS swap
Valuation

As of December 31, 2023

Hedge type	Value of Right	Value of Obligation	Statement of Financial Position 2023	Statement of Comprehensive Income 2023	Statement of Other Comprehensive Income 2023
Fair Value	USD (824,807)	$ 696,001	$ 128,805	$ 0	$ 0
Cash flow	(471,318)	381,161	0	0	90,157
Total			$ 128,805	$ 0	$ 90,157
Total asset hedging					218,963

As of December 31, 2022

Hedge type	Value of Right	Value of Obligation	Statement of Financial Position 2022	Statement of Comprehensive Income 2022	Statement of Other Comprehensive Income 2022
Fair Value	$ (1,052,620)	$ 711,959	$ 340,662	$ 0	$ 0
Cash flow	(601,497)	372,983		$ 0	218,963
Total			$ 340,662	$ 0	$ 218,963
Total asset hedging					218,963

In 2023, the value equivalent to the restatement of the cash flow coverage was $90,563 out of $120 million USD

10. Loan portfolio and financial lease transactions (Net)

The financial assets account for loan portfolio at amortized cost in the separate statement of financial position is presented according to the classification adopted by the Financial Superintendency in the Exclusive Financial Reporting Catalog (CUIF, for its Spanish acronym). Below is the loan portfolio and financial lease transactions, net including interest and other items as of December 31, 2023 and 2022 by type of currency.

Item	2023	2022
Commercial portfolio	$ 30,975,524	$ 29,891,939
Consumer portfolio	29,187,967	26,139,389
Mortgage portfolio	14,974,638	14,485,367
Microcredit portfolio	2	2
Subtotal loan portfolio and financial leasing transactions	75,138,131	70,516,697
Impairment loan portfolio and financial leasing transactions	(3,982,558)	(3,835,829)
Total loan portfolio and financial leasing transactions, net	$ 71,155,573	$ 66,680,868

The net portfolio is listed by type of currency:

December 31, 2023

Modality	Local Currency	Foreign Currency	RVU	Impairment	Total Currency
Commercial portfolio	$ 29,101,910	$ 1,367,979	$ 505,634	$ (833,921)	$ 30,141,602
Consumer portfolio	29,187,968	0	0	(2,618,734)	26,569,234
Mortgage portfolio	14,536,633	0	438,005	(529,901)	14,444,737
Microcredit portfolio	2	0	0	(2)	0
Total loan portfolio and financial leasing transactions, net	$ 72,826,513	$ 1,367,979	$ 943,639	$ (3,982,558)	$ 71,155,573

December 31, 2022

Modality	Local Currency	Foreign Currency	RVU	Impairment	Total Currency
Commercial portfolio	$ 27,456,988	$ 1,942,442	$ 492,510	$ (994,197)	$ 28,897,743
Consumer portfolio	26,139,388	0	0	(2,271,155)	23,868,233
Mortgage portfolio	14,381,442	0	$ 103,925	(570,475)	13,914,892
Microcredit portfolio	2	0	0	(2)	0
Total loan portfolio and financial leasing transactions, net	$ 67,977,820	$ 1,942,442	$ 596,435	$ (3,835,829)	$ 66,680,868

During 2023, the loan portfolio showed an accumulated annual growth higher than that registered in December 2022. The recovery of the total current portfolio is notable, with relevant growth in the commercial portfolio of 4.30%, 11.32% in the consumer portfolio and 3.81% in mortgage credit. The dynamics in this segment have shown recovery due to the economic reactivation that has occurred throughout the year.

At the end of 2023, BBVA's loan portfolio remained adjusted to the macroeconomic events facing the country, impacted by the growth of inflation and interest rates. Thus, BBVA seeks to maintain growth that is in line with the intention of reaching the inflation target proposed by the Central Bank, generating benefits for customers through healthy financing.

BBVA Colombia's portfolio maintains its focus on the private segment, which represented 55.4% of the gross portfolio at the end of December 2023. This segment, made up of consumer and mortgage portfolios, presented an increase of 6.5% compared to 2022.

The consumer portfolio, which includes payroll loans, vehicle loans, free investment loans, rotating quota loans, individual credit cards and individual overdraft loans, presented an annual increase of 8.3%. Payroll loans represented the largest share in the consumer portfolio, followed by free consumption and credit cards. The growth in payroll of 9.3% compared to the previous year stands out.

Additionally, the current commercial portfolio has had a variation of 3.8% compared to December 2022, showing a $1,108,780 growth. This result reflects BBVA Bank's commitment to the business sector, consolidating itself as a partner that promotes the advancement of new initiatives through its financial support.

Finally, the growth derived from the current market situation, added to adequate risk management, reflected a total increase of 6.7% in the net loan portfolio during 2023.

Below is a summary of the loan portfolio and financial leasing operations as of December 31, 2023 and 2022, by type and type of risk as of December 31, 2023 and 2022:

December 31, 2023

Loan portfolio	Capital	Interest	Others	Principal Impairment	Interest Impairment	Others Impairment	Collateral
Commercial							
Category "A"	$ 28,934,416	$ 384,036	$ 9,246	$ (376,191)	$ (6,408)	$ (311)	$ 17,657,723
Category "B"	730,657	14,995	2,897	(29,345)	(1,354)	(210)	1,507,623
Category "C"	351,311	15,097	1,153	(33,368)	(4,634)	(510)	825,203
Category "D"	85,882	5,829	1,864	(38,320)	(5,377)	(1,521)	95,378
Category "E"	397,228	21,274	19,638	(296,229)	(20,627)	(19,516)	718,858
Total Commercial	30,499,494	441,231	34,798	(773,453)	(38,400)	(22,068)	20,804,785
Consumer							
Category "A"	25,662,223	425,574	11,700	(422,361)	(12,487)	(303)	1,165,389
Category "B"	478,096	20,857	931	(56,556)	(3,872)	(213)	36,455
Category "C"	378,556	20,112	1,014	(70,031)	(15,097)	(668)	39,727
Category "D"	636,973	37,499	1,993	(514,113)	(36,620)	(1,945)	24,321
Category "E"	1,421,960	82,550	7,930	(1,394,095)	(82,427)	(7,946)	80,139
Total Consumer	28,577,808	586,592	23,568	(2,457,156)	(150,503)	(11,075)	1,346,031
Mortgage							
Category "A"	13,758,377	202,091	18,220	(284,531)	(22,093)	(402)	25,347,284
Category "B"	406,750	22,431	2,557	(13,003)	(22,284)	(2,546)	1,458,716
Category "C"	124,925	7,882	1,232	(12,500)	(7,860)	(1,229)	328,503
Category "D"	114,672	6,204	1,140	(23,044)	(6,179)	(1,125)	432,328
Category "E"	287,688	14,265	6,204	(113,026)	(13,974)	(6,105)	695,978
Total Mortgage	14,692,412	252,873	29,353	(446,104)	(72,390)	(11,407)	28,262,809
Micro-credit							
Category "E"	2	0	0	(2)	0	0	0
Total Micro-credit	2	0	0	(2)	0	0	0
Total loan portfolio and financial leasing transactions, net	$ 73,769,716	$ 1,280,696	$ 87,719	$ (3,676,715)	$ (261,293)	$ (44,550)	$ 50,413,625

In 2023, the additional provision required in Public Memorandum 047 of 2016 and Public Memorandum 026 of 2022 was established, for $29,679.

According to the provisions of Public Memorandum 026 of November 2022, where the additional provision for the consumer portfolio of $175,989 was established, the Bank used said provision during the year 2023.

Since August 2023, according to the provisions of Chapter XXXI - SIAR of the Basic Accounting and Financial Memorandum (CBCF), the Bank began implementing the calculation methodology in the decumulative phase for the consumer portfolio.

December 31, 2022

Loan portfolio	Capital	Interest	Others	Principal Impairment	Interest Impairment	Others Impairment	Collateral
Commercial							
Category “A”	$ 27,594,045	$ 347,765	$ 18,617	$ (384,598)	$ (7,815)	$ (587)	$ 18,380,474
Category “B”	903,481	19,928	4,089	(45,225)	(2,033)	(260)	1,790,558
Category “C”	383,257	13,926	2,557	(45,6719)	(4,902)	(967)	934,159
Category “D”	73,683	2,662	2,639	(36,278)	(2,224)	(2,450)	117,133
Category “E”	473,495	24,340	27,456	(409,786)	(24,228)	(27,173)	906,075
Total Commercial	29,427,961	408,621	55,358	(921,558)	(41,202)	(31,437)	22,128,399
Consumer							
Category “A”	23,633,549	365,780	11,018	(875,713)	(17,930)	(464)	1,010,883
Category “B”	421,605	18,344	1,075	(57,714)	(4,255)	(235)	30,976
Category “C”	392,923	21,305	1,260	(77,478)	(15,101)	(607)	46,297
Category “D”	343,072	16,303	1,171	(304,974)	(16,123)	(1,154)	11,330
Category “E”	858,405	47,835	5,743	(845,825)	(47,827)	(5,755)	75,592
Total Consumer	25,649,554	469,567	20,267	(2,161,704)	(101,236)	(8,215)	1,175,078
Mortgage							
Category “A”	13,187,070	210,085	19,528	(273,744)	(22,444)	(345)	26,227,469
Category “B”	479,271	29,666	3,190	(15,509)	(29,055)	(3,114)	1,464,363
Category “C”	124,308	8,907	1,196	(12,411)	(8,874)	(1,172)	329,319
Category “D”	122,497	7,540	1,226	(24,479)	(7,521)	(1,191)	433,330
Category “E”	272,543	12,861	5,479	(152,699)	(12,532)	(5,385)	697,175
Total Mortgage	14,185,689	269,059	30,619	(478,842)	(80,426)	(11,207)	29,151,656
Micro-credit							
Category “E”	2	0	0	(2)	0	0	0
Total Micro-credit	2	0	0	(2)	0	0	0
Total loan portfolio and financial leasing transactions, net	$ 69,263,206	$ 1,147,247	$ 106,244	$ (3,562,106)	$ (222,864)	$ (50,859)	$ 52,455,133

In 2022, the additional provision required in Public Memorandum 047 of 2016 and Public Memorandum 026 of 2022 was established, for $7,116,

A disclosure of the changes in the impairment account for the loan portfolio and financial lease transactions for the years 2023 and 2022 is presented below:

December 31, 2023

Item	Commercial	Consumer	Mortgage	Micro-credit	Total
Balance at the beginning of year	$ (994,197)	$ (2,271,155)	$ (570,475)	$ (2)	$ (3,835,829)
Impairment charged to expenses in the year	(750,655)	(2,626,792)	(167,637)	0	(3,545,084)
Less - Impairment recovery	707,682	1,050,758	154,774	0	1,913,214
Loans written off as uncollectable	200,295	1,188,190	32,250	0	1,420,735
Debt forgiveness	7,200	37,817	21,169	0	66,186
Other movements	(4,246)	2,448	18	0	(1,780)
Balance at year end	$ (833,921)	$ (2,618,734)	$(529,901)	$ (2)	$ (3,982,558)

December 31, 2022

Item	Commercial	Consumer	Mortgage	Micro-credit	Total
Balance at the beginning of year	$ (1,001,311)	$ (2,137,811)	$ (640,814)	$ (2)	$ (3,779,938)
Impairment charged to expenses in the year	(799,471)	(1,641,938)	(184,186)	0	(2,625,595)
Less - Impairment recovery	621,427	690,750	175,769	0	1,487,946
Loans written off as uncollectable	158,650	776,939	57,668	0	993,257
Debt forgiveness	24,095	39,414	20,808	0	84,317
Other movements	2,413	1,491	280	0	4,184
Balance at year end	$ (994,197)	$ (2,271,155)	$ (570,475)	$ (2)	$ (3,835,829)

As of December 31, 2023 and 2022, the classification of the loan portfolio and financial leasing transactions and provisions by geographic area is shown.

December 31, 2023

Area	Capital	Interest	Others	Principal Provision	Interest Provision	Other Provision
Barranquilla	$ 11,344,309	$ 224,423	$ 15,523	$ (703,946)	$ (57,589)	$ (7,991)
Bogotá	27,627,771	422,428	22,174	(1,168,904)	(77,639)	(8,901)
Cali	7,328,890	132,592	10,741	(356,330)	(27,287)	(6,088)
Cundiboyacá	2,703,693	51,531	3,938	(168,725)	(13,253)	(1,786)
Eje Cafetero	3,032,892	51,521	4,960	(129,024)	(9,201)	(3,064)
Huila	1,732,882	34,265	1,742	(97,015)	(7,328)	(774)
Llanos Orientales	2,897,580	64,555	6,866	(220,943)	(17,285)	(3,973)
Medellín	10,247,259	174,197	9,548	(337,998)	(24,050)	(4,940)
Santander	5,332,491	96,079	10,401	(258,489)	(20,622)	(6,334)
Tolima	1,521,949	29,105	1,826	(86,841)	(7,039)	(699)
General Provision	0	0	0	(148,500)	0	0
Total	$ 73,769,716	$ 1,280,696	$ 87,719	$ 3,676,715	$ 261,293	$ 44,550

December 31, 2022

Area	Capital	Interest	Others	Principal Provision	Interest Provision	Other Provision
Barranquilla	$ 10,913,962	$ 206,678	$ 28,641	$ (667,265)	$ (52,532)	$ (18,901)
Bogotá	24,730,916	368,326	25,976	(1,059,143)	(65,653)	(8,615)
Cali	6,986,947	118,922	10,794	(337,841)	(23,719)	(4,430)
Cundiboyacá	2,491,175	44,209	4,466	(140,642)	(9,811)	(1,546)
Eje Cafetero	2,870,912	46,364	5,558	(114,755)	(7,922)	(3,027)
Huila	1,629,780	30,618	2,021	(85,622)	(6,053)	(721)
Llanos Orientales	2,693,417	52,715	6,966	(185,735)	(12,204)	(3,241)
Medellín	10,751,155	170,923	10,820	(353,934)	(21,260)	(4,947)
Santander	4,756,205	82,062	8,761	(215,406)	(17,394)	(4,518)
Tolima	1,438,737	26,430	2,241	(82,663)	(6,316)	(913)
General Provision	0	0	0	(319,100)	0	0
Total	$ 69.263.206	$ 1.147.247	$ 106.244	$ (3.562.106)	$ (222.864)	$ (50.859)

The principal of the Bank's loan portfolio and financial leasing transactions as of December 31, 2023 and 2022 was distributed among debtors dedicated to the following economic activities:

Activity	2023	2022
Association - education - health activities	$ 1,826,627	$ 1,803,786
Recreation activities - cultural activities	191,749	175,296
Real estate - companies - rental activities	2,085,594	2,054,836
Water collection - treatment - distribution	92,624	75,016
Wholesale trade - commission - contracting	2,605,402	2,818,871
Retail trade - non-specialized establishments	3,096,900	3,006,629
Construction - reconditioning - finishing	1,264,619	1,143,183
Mail and telecommunications	878,354	758,516
Production of food and beverage products	3,014,251	2,607,936
Exploration of public administration and defense	3,648,944	3,540,275
Exploitation of non-metallic minerals	14,456	12,538
Coal mining	75,981	89,555
Extraction of metallic minerals	2,154	1,504
Extraction of oil and gas - natural gas	259,611	141,022
Manufacturing paper - cardboard and their products	140,814	121,539
Manufacturing- refinement - petroleum-chemicals	1,316,494	1,469,235
Manufacturing non-metallic minerals	380,881	455,273
Manufacturing other manufacturing industries	42,851	81,242
Manufacturing metallic products - machinery	392,356	545,827
Manufacturing of textile products	479,753	393,887
Financing insurance plans	49,122	71,589
Power generation – electricity - gas - water	3,726,441	4,101,012
Hotels and restaurants	280,878	264,160
Industry - manufacturing - metals	78,475	141,419
Financial intermediation	3,426,750	3,372,194
Wage earners	40,504,561	36,812,977
Capital investors	298,838	303,061
Printing activities	61,627	61,154
Non-differentiated activities of individual households	7,926	4,181
Extraterritorial organizations and bodies	3,229	3,880
Other community service activities	381,250	635,051
Fish production fish hatchery - farm	35,871	31,995
Agricultural and livestock production	998,260	984,994
Sanitation and similar services	91,702	81,185
Forestry, wood extraction and services	26,917	32,264
Transformation- factory- basketwork	14,450	14,301
Transportation	1,973,004	1,051,823
Total	$ 73,769,716	$ 69,263,206

The following are the detailed values of restructured loans by risk type rating for companies with which informal agreements were made and those in the process of insolvency proceedings:

December 31, 2022

Restructured	Capital	Interest	Others	Capital Impairment	Interest Impairment	Impairment Others	Collateral
Commercial:							
Category “A”	$1,639	$45	$0	$ (50)	$ (2)	$0	$2,114
Category “B”	12,121	169	1	(542)	(12)	0	9,535
Category “C”	66,467	4,080	156	(6,985)	(587)	(63)	342,805
Category “D”	41,120	2,748	1,187	(17,866)	(2,415)	(956)	46,256
Category “E”	218,805	8,597	11,407	(166,896)	(7,988)	(11,351)	482,293
Total Commercial	340,152	15,639	12,751	(192,339)	(11,004)	(12,370)	883,003
Consumer:							
Category “A”	13,639	540	30	(372)	(47)	(2)	754
Category “B”	46,921	2,409	120	(6,876)	(479)	(22)	3,642
Category “C”	69,610	3,669	234	(15,433)	(1,097)	(75)	9,884
Category “D”	117,955	7,675	330	(95,819)	(7,211)	(305)	4,030
Category “E”	442,341	27,064	1,682	(436,025)	(26,971)	(1,676)	28,170
Total Consumer	690,466	41,357	2,396	(554,525)	(35,805)	(2,080)	46,480
Mortgage:							
Category “A”	22,970	1,113	103	(227)	(169)	(6)	95,690
Category “B”	80,708	4,039	462	(2,572)	(3,991)	(455)	347,788
Category “C”	15,534	937	88	(1,553)	(937)	(88)	54,540
Category “D”	84,219	4,599	619	(16,908)	(4,587)	(617)	351,875
Category “E”	92,645	3,507	1,166	(35,527)	(3,474)	(1,156)	312,871
Total Mortgage	296,076	14,195	2,438	(56,787)	(13,158)	(2,322)	1,162,764
Total restructured loan portfolio	$1,326,694	$71,191	$17,585	$ (803,651)	$ (59,967)	$ (16,772)	$2,092,247

December 31, 2022

Restructured	Capital	Interest	Others	Capital Impairment	Interest Impairment	Impairment Others	Collateral
Commercial:							
Category “A”	$682	$0	$0	$ (8)	$ 0	$ 0	$ 0
Category “B”	4,381	101	1	(141)	(6)	0	6,637
Category “C”	67,524	2,827	202	(6,115)	(376)	(42)	370,373
Category “D”	33,064	860	2,343	(15,960)	(661)	(2,278)	43,528
Category “E”	238,476	11,103	18,825	(203,525)	(10,924)	(18,800)	519,139
Total Commercial	344,127	14,891	21,371	(225,749)	(11,967)	(21,120)	939,677
Consumer:							
Category “A”	8,510	415	26	(366)	(40)	(2)	473
Category “B”	29,044	1,472	91	(4,665)	(315)	(17)	2,157
Category “C”	97,401	5,940	327	(20,271)	(1,687)	(80)	13,442
Category “D”	35,186	1,506	57	(30,589)	(1,480)	(54)	708
Category “E”	266,399	12,783	1,256	(261,298)	(12,760)	(1,253)	36,603
Total Consumer	436,540	22,116	1,757	(317,189)	(16,282)	(1,406)	53,383
Mortgage:							
Category “A”	29,695	1,450	147	(292)	(210)	(14)	132,678
Category “B”	129,548	6,312	742	(4,122)	(6,261)	(735)	504,279
Category “C”	19,347	1,229	121	(1,935)	(1,211)	(119)	62,430
Category “D”	90,844	5,361	698	(18,187)	(5,336)	(696)	336,926
Category “E”	98,913	3,639	1,147	(51,926)	(3,639)	(1,146)	320,377
Total Mortgage	368,347	17,991	2,855	(76,462)	(16,657)	(2,710)	1,356,690
Total restructured loan portfolio	$1,149,014	$54,998	$25,983	$ (619,400)	$ (44,906)	$ (25,236)	$2,349,750

The following is a breakdown by economic sector of the values of the restructured loans and receivables from companies with which informal agreements were made , as well as those currently in insolvency proceedings; 74,356 and 39,325 transactions as of December 31, 2023 and 2022 respectively:

December 31, 2023

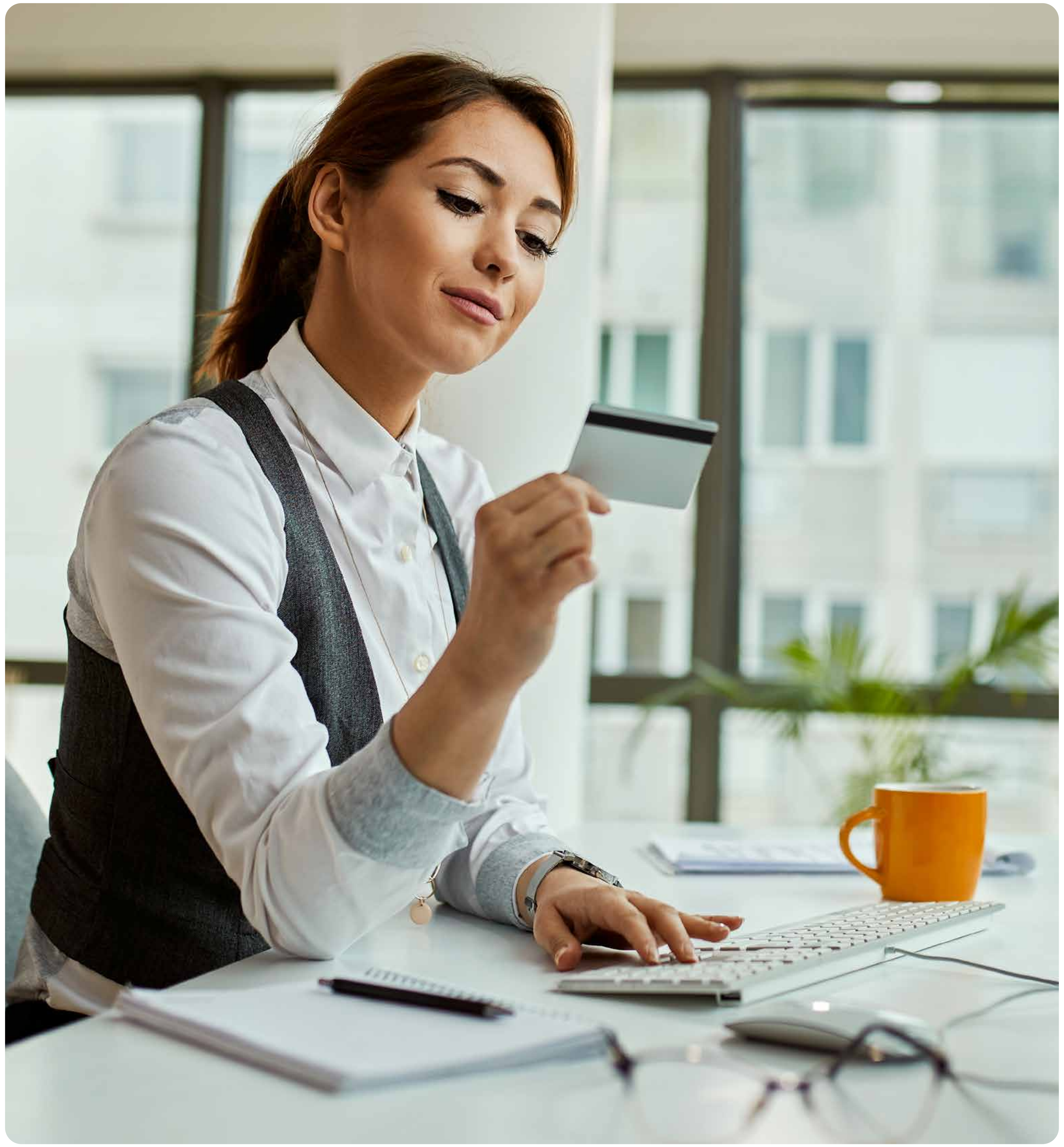
By Economic Sector	Capital	Interest and Accounts Receivable	Impairment
Association - education - health activities	$ 19,861	$ 1,301	$ (10,146)
Recreation activities - cultural activities	7,102	458	(5,783)
Real estate - companies - rental activities	194	10	(50)
Water collection - treatment - distribution	38,598	2,281	(19,352)
Wholesale trade - commission - contracting	3,414	193	(1,294)
Retail trade - non-specialized establishments	153	9	(79)
Construction - reconditioning - finishing	34,440	2,093	(16,071)
Mail and telecommunications	36,295	2,297	(19,094)
Production of food and beverage products	89,628	10,769	(62,998)
Exploration of public administration and defense	1,525	84	(6709)
Exploitation of non-metallic minerals	16,783	827	(8,541)
Coal mining	338	12	(349)
Extraction of metallic minerals	247	14	(98)
Extraction of oil and gas - natural gas	55	3	(57)
Manufacturing paper - cardboard and their products	65,552	1,387	(38,671)
Manufacturing - refinement - petroleum - chemicals	1,622	61	(819)
Manufacturing non-metallic minerals	2,785	246	(1,931)
Manufacturing other manufacturing industries	3,463	221	(1,107)
Manufacturing metallic products - machinery	1,357	91	(542)
Manufacturing of textile products	13,822	1,968	(10,804)
Financing insurance plans	4,239	385	(2,251)
Power generation - gas – water	636	69	(179)

By Economic Sector	Capital	Interest and Accounts Receivable	Impairment
Hotels and restaurants	557	40	(214)
Industry - manufacturing - metals	11,694	888	(9,448)
Financial intermediation	422	39	(301)
Wage earners	16,896	4,660	(14,034)
Capital investors	777,446	48,123	(549,328)
Printing activities	42,009	1,804	(26,180)
Non-differentiated activities of individual households	386	22	(253)
Extraterritorial organizations and bodies	59	4	(14)
Other community service activities	41,715	2,504	(23,768)
Fish production fish hatchery - farm	282	23	(77)
Agricultural and livestock production	39,283	4,758	(22,027)
Sanitation and similar services	2,286	173	(1,455)
Forestry, wood extraction and services	416	22	(183)
Transformation- factory- basketwork	1,083	90	(445)
Transportation	50,051	847	(31,777)
Total	$ 1,326,694	$ 88,776	$ (880,390)

December 31, 2022

By Economic Sector	Capital	Interest and Accounts Receivable	Impairment
Association - education - health activities	$ 29,387	$ 1,867	$ (13,503)
Recreation activities - cultural activities	7,731	516	(5,860)
Printing activities	342	130	(345)
Real estate - companies - rental activities	42,272	2,476	(22,922)
Public administration and defense	8,474	317	(2,434)
Water collection - treatment - distribution	181	28	(93)
Wholesale trade - commission - contracting	21,562	1,495	(14,043)
Retail trade - non-specialized establishments	39,304	2,410	(22,012)
Construction - reconditioning - finishing	115,052	14,007	(79,642)
Mail and telecommunications	2,111	181	(1,063)
Production of food and beverage products	5,319	487	(3,579)
Exploitation of non-metallic minerals	1,329	135	(1,444)
Coal mining	233	6	(77)
Extraction of metallic minerals	11	0	(7)
Extraction of oil and gas - natural gas	62,585	1,243	(51,269)
Manufacturing paper - cardboard and their products	876	9	(607)
Manufacturing - refinement - petroleum - chemicals	1,740	120	(1,388)
Manufacturing non-metallic minerals	2,165	100	(956)
Manufacturing other manufacturing industries	1,925	99	(1,096)
Manufacturing metallic products - machinery	12,819	1,698	(10,300)
Manufacturing of textile products	5,133	460	(3,285)
Financing insurance plans	436	36	(180)

By Economic Sector	Capital	Interest and Accounts Receivable	Impairment
Power generation - gas - water	621	35	(196)
Hotels and restaurants	16,368	892	(12,177)
Industry - manufacturing - metals	13	2	(2)
Financial intermediation	58,385	12,971	(48,705)
Wage earners	545,401	29,864	(296,809)
Capital investors	45,768	2,216	(26,328)
Non-differentiated activities of individual households	280	14	(155)
Extraterritorial organizations and bodies	127	6	(42)
Other community service activities	58,713	3,527	(31,129)
Fish production fish hatchery - farm	320	26	(79)
Agricultural and livestock production	42,155	2,484	(22,968)
Sanitation and similar services	2,057	155	(1,282)
Forestry, wood extraction and services	154	10	(103)
Transformation- factory- basketwork	1,099	123	(757)
Transportation	16,566	836	(12,704)
Total	$ 1,149,014	$ 80,981	$ (689,541)



December 31, 2023

By Geographic Area	Capital	Interest and other accounts receivable	Impairment
Barranquilla	$ 244,537	$ 16,066	$ (163,681)
Bogotá	487,580	23,310	(315,283)
Cali	125,006	9,708	(87,265)
Cundiboyacá	68,074	4,393	(44,982)
Eje Cafetero	43,381	4,680	(30,660)
Huila	35,007	2,348	(21,484)
Llanos Orientales	84,437	8,057	(61,773)
Medellín	114,182	8,864	(68,684)
Santander	94,240	9,415	(67,016)
Tolima	30,250	1,935	(19,562)
Total	$ 1,326,694	$ 88,776	$ (880,390)

December 31, 2022

By Geographic Area	Capital	Interest and other accounts receivable	Impairment
Barranquilla	$ 251,239	$ 26,288	$ (166,725)
Bogotá	389,167	18,116	(239,059)
Cali	98,472	5,915	(61,618)
Cundiboyacá	55,091	2,879	(29,231)
Eje Cafetero	31,083	4,108	(19,562)
Huila	31,000	1,758	(14,147)
Llanos Orientales	72,987	5,643	(43,388)
Medellín	102,566	7,444	(54,375)
Santander	86,826	6,821	(45,414)
Tolima	30,583	2,009	(16,022)
Total	$ 1,149,014	$ 80,981	$ (689,541)

10.1. Portfolio Sales

Year 2023

During 2022, the Bank conducted portfolio sale transactions for a total of $991,499, where 98% of said assets had been written-off.

The breakdown of the portfolio disposed of by modality was: Mortgage, 7%; Commercial, 6%; and Consumer, 87%; these transactions were conducted in the months listed below:

December 31, 2023

		Total Debt by Portfolio Type		
Month	Consumer	Mortgage	Commercial	Total Debt
January	$608	$749	$ 0	$1,357
February	1,412	2,065	0	3,477
March	72,054	352	248	72,654
April	486	673	317	1,476
May	51	230	1,775	2,056
June	261,085	85	2,653	263,823
July	8	108	1,427	1,543
August	41,652	82	796	42,530
September	11,807	22	2,612	14,441
October	13,289	59,529	386	73,204
November	463,007	362	30,931	494,300
December	152	898	19,588	20,638
Total	$865,611	$65,155	$ 60,733	$991,499
% of portfolio share sold	87.30%	6.57%	6.13%	100.00%

Year 2022

During 2022, the Bank conducted portfolio sale transactions for a total of COP 1,011,934, where 95% of said assets had been written-off.

The breakdown of the portfolio disposed of by modality was: Mortgage, 39%; Commercial, 6%; and Consumer, 55%; these transactions were conducted in the months listed below:

December 31, 2022

		Total Debt by Portfolio Type		
Month	Consumer	Mortgage	Commercial	Total Debt
January	COP 212	COP -	COP	COP 212
February	527	795	851	2,173
March	635	17,788	729	19,152
April	441,254	335,466	36,858	813,578
May	136	1,034	130	1,300
June	356	29	749	1,134
July	117,637	12,169	14,862	144,668
August	41	-	89	130
September	283	-	602	885
October	27	146	337	510
November	308	24,127	588	25,023
December	547	1,508	1,114	3,169
Total	COP 561,963	COP 393,062	COP 56,909	COP 1,011,934
% of portfolio share sold	55.53%	38.84%	5.62%	100.00%

11. Securitization and Buyback of Securitized Portfolio

In the processes of securitization, the Bank aims to eliminate the market risk of loans in Colombian pesos, turn the current portfolio into liquid assets by favorably improving the LRI (Liquidity Risk Indicator) ratio, reduce the regulatory capital consumption of the Statement of Financial Position, optimize the solvency ratio and create opportunities for growth in the placement of a new portfolio at better rates on the market.

In this regard, it is BBVA's policy to select customers that will allow the efficient performance of the transaction, for which it chooses sound portfolios.

Productive portfolio securitization In 2023, the Bank did not participate in any securitization processes.

The balances of the issues and of the current portfolio in which the Bank participated as of close of December 31, 2023 and 2022, were as follows:

	2023		2022	
Issuance	Managed portfolio - total principal	Balances in BBVA TIPS securities	Managed portfolio - total principal	Balances in BBVA TIPS securities
TIPS N-16	$ 34,586	$19,618	$ 45,136	$18,409
Total	$ 34,586	$19,618	$ 45,136	$18,409

Portfolio buyback: In 2023, 63 loans were bought back from Titularizadora Colombiana S.A. of Issuances N16 PESOS, for a total of COP 1,975 for principal which included buybacks due to the request to decrease rates, and restructure.

Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of loans	-	-	1	3	-	1	2	2	2	1	51	-	63
Total balance of principal	-	-	5	40	-	34	95	74	166	120	1442	-	$ 1,976
Total balance of debt	-	-	5	54	-	34	95	82	167	120	1,580	-	$ 2,137

Portfolio buyback: In 2022, 323 loans were bought back from Titularizadora Colombiana S.A. of Issuances N6 PESOS and N16 PESOS, for a total of COP 10,624 which include buybacks due to the request to decrease rates, restructure, and write-offs, as well as the liquidation of the N6 issue.

Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of loans	1	248	3	48	19	-	1	-	1	-	-	2	323
Total balance of principal	51		172			-	64	-	16	-	-	19	10,624
Total balance of debt	51		172			-	64	-	18	-	-	19	12,838

11.1 History of productive portfolio securitization

TIPS E-9 Pesos. In December 2008, the issuance of TIPS E-9 was completed for a total amount of $401,000, where BBVA Colombia participated with $140,000, the TIPS issued were distributed in the following classes and amounts: class A for $369,000, B for $30,000 and MZ for $2,000 have AAA ratings. , AA- and BBB, respectively, and their maturity is between 2010 and 2023.

In March 2016, the TIPS E-9 issue securities were canceled.

Configuration of the settlement cause in the issues for full payment of the securities and the Settlements of Universalities was done by each Bank. In this procedure, the payment of the Residual Right that the bank had on these 4 issues was made, with payment in kind of the portfolio that was being managed for these issues.

The closing date of these universalities was November 23, 2021.

TIPS E-10 Pesos. . In March 2009, E-10 TIPS were issued for a total amount of $498,593, where BBVA participated with $74,233. The TIPS issued were distributed in the following classes and amounts, class A for $458,000, B for $37,000 and MZ for $10,000, have ratings of AAA, AA- and BBB, respectively, and their maturity is between 2019 and 2024.

In May 2015, the cancellation of the titles of the TIPS E-10 issue was carried out.

Configuration of the settlement cause in the issues for full payment of the securities and the Settlement of Universalities was carried out by each Bank. In this procedure, the payment of the Residual Right that the bank had on these 4 emissions was made, with payment in kind for the portfolio that was being managed for these issues.

The closing date of these universalities was November 23, 2021.

TIPS E-11 Pesos. In May 2009, the issuance of TIPS E-11 was carried out for a total amount of $431,857, where BBVA Colombia participated with $48,650. The TIPS E - 11 issued were distributed in the following classes and amounts: class A for $399,000, B for $32,000 and MZ for $11,000, with ratings of AAA, A, and BBB, respectively, and their maturity is between 2019 and 2024.

In November 2014, the securities of the TIPS E-11 issue were canceled.

Configuration of the settlement cause in the issues for full payment of the securities and the settlements of the Universalities was carried out by each Bank. In this procedure, the payment of the Residual Right that the bank had on these 4 issues was made, with payment in kind of the portfolio that was being managed for these issues.

The closing date of these universalities was November 23, 2021.

TIPS E-12 Pesos. In August 2009, the issuance of TIPS E–12 was carried out for a total amount of $376,820, where BBVA Colombia participated with $78,745. The TIPS E - 12 issued were distributed in the following classes and amounts: class A for $349,000, B for $28,000 and MZ for $9,000, with ratings of AAA, AA and BBB-, respectively, and their maturity is between 2019 and 2024.

In June 2015, the securities of the TIPS E-11 issue were canceled.

Configuration of the settlement cause in the issues for full payment of the securities and the settlements of the Universalities was carried out by each Bank. In this procedure, the payment of the Residual Right that the bank had on these 4 issues was made, with payment in kind of the portfolio that was being managed for these issues.

The closing date of these universalities was November 23, 2021.

TIPS N-6 Pesos. In August 2012, Non-LIH TIPS N6 Pesos were issued representative of mortgage portfolio originated by BBVA Colombia S.A. for a total of $ 213,130 represented in 2,847 loans and by Davivienda S.A. amounting to COP 155,867, represented in 1,661 loans.

On August 23, 2012, Non-LIH TIPS N6 Pesos were issued, for a total of $ 381,882 distributed in the following classes and amounts: Series A2022, for $ 322,872; series B2027 for $ 46,125; series MZ for $ 11,040; and Series C for $ 1,845.

The first lot: Total TIPS purchased by the market (87.5%) corresponded to Series A2022 for $ 322,872; of this first lot, the TIPS sold, according to share percentage of the BBVA portfolio were: Series A2022 for COP 186,489.

The second lot: TIPS purchased by the originators (12.5%) from their portfolio + excess NPV cash flow (MZC) distributed as follows: B2027 for $ 46,125, MZ 2027 for $ 11,040; and C2027 for $ 1,845. Of the second lot: TIPS purchased by BBVA according to the share percentage of its portfolio (12.5%) + excess NPV cash flow distributed as follows: TIPS B2027 for $ 26,641; TIPS MZ 2027 for $ 6,104; and C2027 for $ 1,066, for a total of $ 33,811.

Class B, MZ and C TIPS issued are rated BBB+, CC and CC, respectively.

The early settlement of this issue was done on February 24, 2022, this settlement was configured according to the cause described in section 12.3.1 of the Issuance Regulations.

"When the total principal balance of the mortgage loans on the payment date is less than or equal to 5% of the total principal balance of the mortgage loans on the date of issuance (August 23, 2012)."

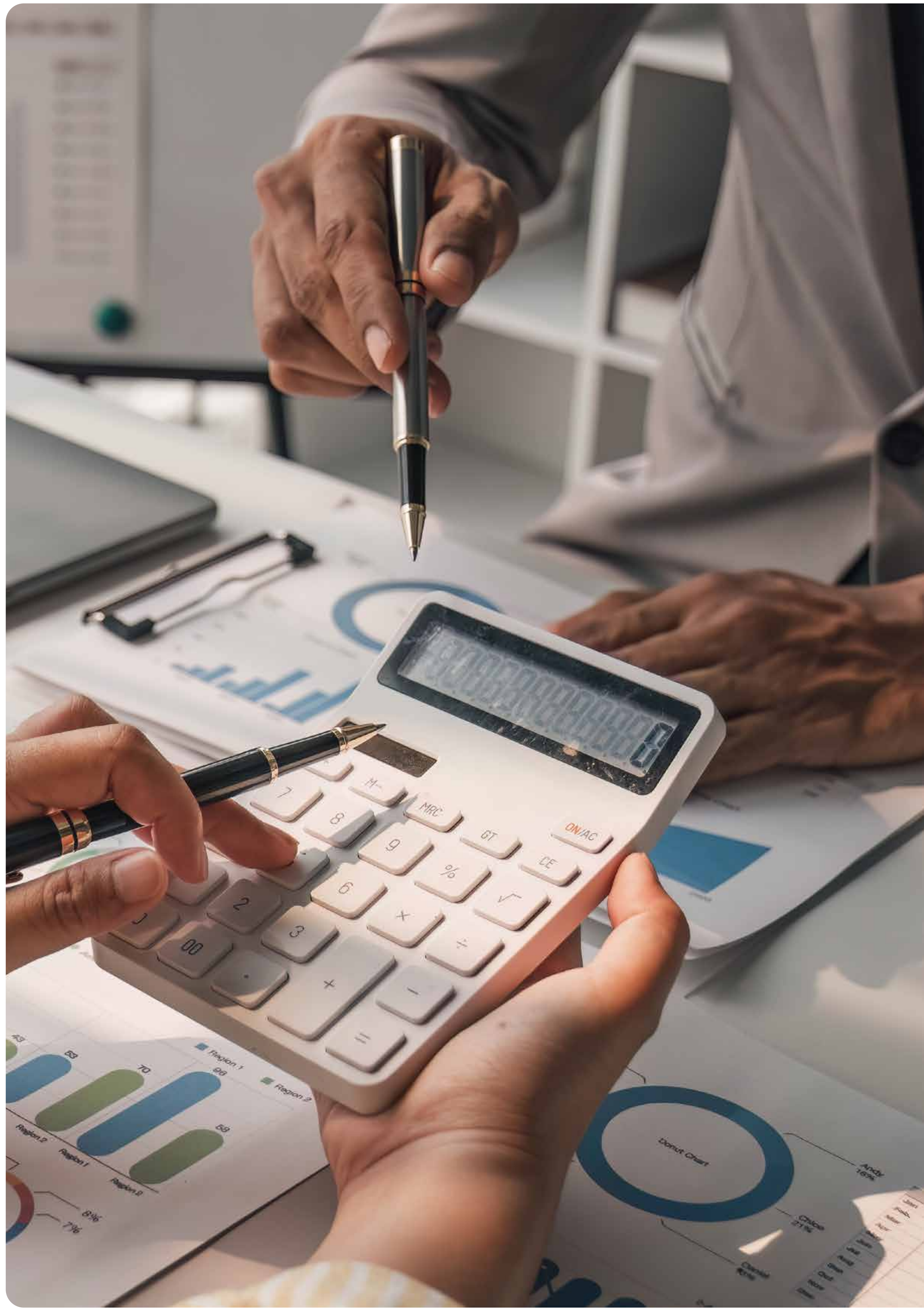
TIPS N-16 Pesos. In November 2017, the issuance of LIH and Non-LIH TIPS N16 Pesos was done; these were originated by BBVA Colombia S.A. for a total of $ 167,252, Bancolombia $ 105,599 and Davivienda S.A. $ 106,359.

On December 6, LIH and Non-LIH TIPS N16 Pesos were issued, for a total of $ 385,473 distributed in the following classes and amounts: Series A2027 for $ 339,124, Series B2032 for $ 37,680, Series MZ for $ 6,785 and Series C for $ 1,884.

The first lot: Total TIPS purchased by the market (90%) corresponded to Series A2027 for $ 339,124; of this first lot the TIPS sold according to the share percentage of the BBVA portfolio were Series A2027 for $ 149,443.

The second lot: TIPS purchased by the originators (12.5%) from their portfolio + excess NPV cash flow (MZ-C) distributed as follows: B2027 for $ 46,125, MZ 2027 for $ 11,040; and C2027 for $ 1,845. Of the second lot: TIPS purchased by BBVA according to the share percentage of its portfolio (12.5%) + excess NPV cash flow distributed as follows: TIPS B2027 for $ 16,604, TIPS MZ 2032 for $ 3,180 and C2032 for $ 830, for a total of $ 20,614.

The Class B, MZ and C TIPS issued are rated BBB, BBB+, respectively.



12. Fair Value

According to IFRS 13, fair value is the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between participants of the main market on the measurement date, or in the absence thereof, the most advantageous market to which BBVA Colombia has access at the time.

Financial instruments are initially recognized at fair value, which is equivalent to the transaction price, unless there is evidence otherwise on an active market. After that, and depending on the nature of the financial instrument, it can continue to be recorded at fair value through adjustments in the income statements or in equity or at amortized cost.

Whenever applicable, BBVA Colombia measures the fair value of an instrument by using a listed price on an active market for said instrument. A market is considered to be active if listed prices can be obtained easily and regularly either from a stock market, operator, broker, industry group and/or pricing service, and these prices represent actual market transactions occurring regularly between independent parties in arm's length conditions.

BBVA Colombia uses widely recognized valuation models to determine the fair value of common, simpler financial instruments, such as currency swap and interest rates that only use observable market data and require few judgments and calculations by management.

Accordingly, BBVA Colombia uses the average market prices and methodologies as a basis to establish the fair values of its financial instruments, which are provided by the price vendor for "Precia" valuation, selected by the entity and authorized by the Financial Superintendency of Colombia to do so.

When there is no listed price on an active market, the entity uses valuation techniques that maximize the use of observable input and minimize the use of non-observable input. The objective of the valuation techniques is to reach a determination regarding fair value that will reflect the price of the financial instrument on the reporting date, which would have been determined by market participants separately.

In the case of financial instruments that are traded infrequently and whose prices are not very transparent, fair value is less objective and requires several degrees of judgment depending on liquidity, concentration, uncertainty of market factors, valuation assumptions and other risks that affect the specific instruments, which requires additional work during the valuation process.

12.1 Valuation Techniques

Approach of internal valuation techniques. BBVA Colombia shall use the valuation techniques that are appropriate for the circumstances and on which there is information available to determine the fair value of financial instruments, always maximizing the use of observable input and minimizing the use of non-observable input.

Accordingly, the entity shall use, as the case may be, the following approaches according to IFRS 13 to measure the fair value of financial instruments:

Market Approach. Listed prices, and in the absence thereof, other relevant information generated by market ¬ transactions involving identical or comparable financial instruments, will be used to determine the fair value of financial instruments, when applicable

Input approach. Present value techniques and options valuation models (Black & Scholes model) will be used to measure the fair value of financial instruments, as the case may be. The observable input will be maximized always using discount curves, volatilities and other market variables that are observable and reflect the assumptions that the market participants would use for pricing the financial instrument.

Valuation of financial instruments. BBVA Colombia measures fair values using the following hierarchy, according to the importance of the input variables used for measurement:

- Level 1: The market price listed (unadjusted) on an active market for an identical instrument.
- Level 2: Valuation techniques based on observable factors, whether directly (such as prices) or indirectly (such as price derivatives). This category includes instruments valued using: market prices listed on active markets for similar instruments; listed prices for similar instruments on markets that are not considered very active; or other valuation techniques where all significant input is directly or indirectly observable based on market data.

- Level 3 Fixed Income: Input for assets or liabilities that is not based on observable market data. This category includes all the instruments where the valuation technique includes factors that are not based on observable data and the non-observable factors can have a significant effect on the valuation of the instrument. This category includes instruments that are valued based on prices listed for similar instruments where significant non-observable assumptions or adjustments are required to reflect the differences between instruments. If a fair value measurement uses observable market data that require significant adjustments based on non-observable data, the measurement is classified as level 3.

Determining what falls under the term "observable" requires significant criteria on behalf of the entity. Therefore, observable data are understood as the market data that can be easily obtained, are distributed or updated on a regular basis, are reliable and verifiable, are not private (exclusive) and are provided by independent sources that play an active role on the relevant market. Transactions involving identical or comparable financial instruments, will be used to determine the fair value of financial instruments, when applicable.

The assumptions and factors used in valuation techniques include risk-free interest rates, reference interest rates, credit spreads and other premiums used to determine discount rates, foreign exchange rates and expected price volatilities.

The availability of observable market prices and other factors reduce the need for judgments and calculations by management, along with the uncertainty associated with determining fair values. The availability of observable market prices and input varies depending on the products and markets and is prone to changes based on specific events and general conditions on financial markets.

Herein, we summarize the methods and valuation forms for investments in equity instruments:

		Approach	
Investments in Equity Instruments	Levels	December 31, 2023	December 31, 2022
Credibanco S.A.	3	Income	Income
Redeban Multicolor S.A.	3	Income	Income
ACH Colombia S.A.	3	Income	Income

For investments traded on the stock exchange, Holding Bursátil Chilena S.A. Also known as Nuam, updates the fair value on a monthly basis, considering the quoted price on the last day of the month as published by our price vendor, Precia S.A.

Following is a detailed analysis of the sensitivity of changes in the bank's equity instrument investments:

			Present Value Adjusted by Discount Rate			
			2023		2022	
Entity	Variables	Variation	Favorable Impact	Unfavorable Impact	Favorable Impact	Unfavorable Impact
Credibanco S.A.	Income	+/ - 1%	122.76	115.08	106.43	97.30
	Growth in residual values after 5 years	+/ - 1% of gradient	126.93	112.27	108.08	96.58
	WACC Discount Rates	+/-50PB	125.37	113.05	106.93	97.13
Redeban Multicolor S.A.	Income	+/ - 1%	26,037.89	24,607.43	19,297.02	14,165.96
	Growth Perpetuity	+/ - 1%	26,011.78	25,074.79	17,830.80	15,661.07
	Equity Cost Rate	-+PB50	25,565.11	25,493.71	17,466.83	15,909.54
ACH Colombia S.A.	Income	+/ - 1%	171,220.58	163,589.14	186,254.38	138,792.80
	Growth in residual values after 5 years	+/ - 1%	177,499.04	159,030.43	187,467.46	139,096.07
	Discount rate	+/-50PB	168,219.38	166,600.77	186,709.29	139,854.24

12.2. Loan portfolio, lease transactions and customer investments and deposits

Due to the unavailability of observable market valuation inputs, these assets and liabilities were classified at level 3. Fair value is estimated using the present value of flows method at discount market rates at the time of valuation.

To determine the fair value on a non-recurring basis in the case of the loan portfolio, the expected cash flows are projected considering balance reductions due to customer advance payments that are modeled based on historical information. Finally, the fair value is the discounted value of cash flows using the Colombian market risk-free curve.

12.3. Financial Assets and Liabilities Not Recorded at Fair Value

December 31, 2023

	2023				
Asset	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Commercial Loan Portfolio	$30,141,602	$29,795,046	-	-	$29,795,046
Consumer portfolio	26,569,234	28,075,615	-	-	28,075,615
Mortgage portfolio	14,444,737	14,403,955	-	-	14,403,955
Total loan portfolio transactions	71,155,573	72,274,616	-	-	72,274,616
Agricultural development securities	2,106,983	2,105,097	-	-	2,105,097
Solidarity Securities	1,153,035	1,157,111	-	-	1,157,111
Mortgage-backed securities - TIP's	3,954	4,044	-	-	4,044
Held-to-maturity investments	3,263,972	3,266,252	-	-	3,266,252
Total portfolio and investment transactions	$74,419,545	$75,540,868	-	-	$75,540,868

	2023				
Liabilities	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Checking Deposits	$7,926,945	$7,926,945	-	-	$7,926,945
Savings Deposits	31,597,289	31,597,289	-	-	31,597,289
Other Deposits	1,215,532	1,215,532			1,215,532
Demand Deposits	40,739,766	40,739,766			40,739,766
Term Certificates of Deposit	36,486,819	33,451,258			33,451,258
Fixed Term Deposits	36,486,819	33,451,258			33,451,258
Total customer deposits	$77,226,585	$74,191,024	$0	$0	$74,191,024

As of December 31, 2022

	2022				
Asset	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Commercial Loan Portfolio	28,897,743	25,749,626	-	-	25,749,626
Consumer portfolio	23,868,233	25,280,032	-	-	25,280,032
Mortgage portfolio	13,914,892	12,375,141	-	-	12,375,141
Total portfolio and investment transactions	$ 66,680,868	$ 63,404,799	$ -	$ -	$ 63,404,799
Agricultural development securities	1,871,817	1,872,424			1,872,424
Solidarity Securities	1,137,921	1,125,114			1,125,114
Mortgage-backed securities - TIP's	3,608	4,045			4,045
Held-to-maturity investments	$ 3,013,346	$ 3,001,583	$ -	$ -	$ 3,001,583
Total portfolio plus lease and investment transactions	$ 69,694,214	$ 66,406,382	$ -	$ -	$ 66,406,382

	2022				
Liabilities	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Checking Deposits	$9,022,094	$9,022,094	-	-	$9,022,094
Savings Deposits	29,998,373	29,998,373	-	-	29,998,373
Other Deposits	1,600,924	1,600,924			1,600,924
Demand Deposits	40,621,391	40,621,391			40,621,391
Term Certificates of Deposit	28,562,696	25,856,721			25,856,721
Fixed Term Deposits	28,562,696	25,856,721			25,856,721
Total customer deposits	$69,184,087	$66,478,112	$0	$0	$66,478,112

The fair value of these products also corresponds to product compliance assumptions. In this case, the portfolio has implicit pre-payment assumptions, while demand and term resources have assumptions regarding their maturity.

Furthermore, since these are discounted by a market curve, these include effects such as credit spread that applies to portfolio and term deposits

12.4. BBVA Colombia Financial Instruments Fair Value Hierarchy

Debt Securities in Local Currency

Investments in debt securities are valued on a daily basis and their results are also recorded daily.

BBVA Colombia determines the market value of investments in debt securities that are marketable and available for sale by using the “unadjusted” prices published on a daily basis “by Precia, the official price vendor ” selected by the Bank., determined on the basis of liquid markets that generally meet the requirements of level 1. Securities that meet these conditions will be classified at level 1 of the fair value hierarchy.

In the case of instruments that are not 100% observable on the market, but the price is determined based on other inputs provided by the pricing provider, such as market interest rates, fair values are based on alternative discounted cash flow valuation techniques. The entity will classify these instruments within the level 2 fair value hierarchy.

Investments in debt securities held to maturity, for which there is no published price at a given date, are valued exponentially based on the internal rate of return (IRR) calculated at the time of purchase and recalculated on the coupon payment dates or repricing of the variable indicator. For these securities, a level 3 classification will be assigned in the fair value hierarchy.

Debt Securities in Foreign Currency

On first instance, the market value of the respective security is determined in its own currency, based on unadjusted quoted market prices published by the price vendor selected by the entity and authorized by the Superintendency for this purpose, in which case the fair value hierarchy will be level 1.

In the absence of market prices by the official price vendor, the prices determined by international markets, published by Bloomberg will be used; since these are observable on a financial information platform known by all market agents, these would be classified as Level 1 in the fair value hierarchy.

Finally, when there are no observable inputs on the market, the fair value is determined exponentially based on the internal rate of return (IRR) calculated at the time of the purchase and recalculated on the coupon payment dates or the variable indicator’s re-price date as applicable. Securities calculated based on the latter model (IRR) shall be classified as level 3; As of December 31, 2023 and December 31, 2022 periods, the Bank maintains TIPS financial instruments on which this type of valuation applies.

Derivative Financial Instruments

According to the Financial Superintendency of Colombia, derivative transactions are defined as contracts between two or more parties to buy or sell financial instruments at a future date, or contracts where the underlying asset is an index or a stock market price. BBVA Colombia carries out transactions with commercial purposes or hedging purposes in forwards, options, swaps and futures contracts.

All derivatives are valued at fair value. Changes in fair value are recognized in the Separate Statement of Income.

For the derivative financial instruments listed below, except for futures, the fair value is calculated based on quoted market prices of comparable contracts and represents the amount that the entity would have received from or paid to a counterparty to settle the contract at market rates at the date of the separate statement of financial position. Therefore, a description of the product valuation process is provided:

a. **Futures.** Futures are measured based on the corresponding market price on the valuation date. These market inputs are published by the official price vendor, Precia, and taken directly from unadjusted market prices; therefore, these are classified in level 1 of the fair value hierarchy.

b. **FX Forward (Fwd).** Discounted cash flow was the valuation model used, using curves assigned according to the source currency of the underlying asset. These curves are made up of nominal rates at the end of the period associated with foreign currency forward contracts. These market inputs are published by Precia, the official price vendor, based on observable market information. ¬

c. **Interest and Exchange Swaps.** The valuation model used was based on discounted cash flows, using curves assigned according to the underlying asset, base swap curves (associated exchange of payment at variable interest rates), domestic and foreign curves, implicit curves associated with forward exchange contracts. These market inputs are taken from information published by “Precia, the official price vendor for valuation.

a. **European Options - USD/COP.** The valuation model was done based on the Black Scholes methodology using the variables provided by the official price vendor, which correspond mainly to curves assigned according to the functional currency of the underlying asset, forward exchange curves of the domestic currency of the transaction, implicit curves associated with forward exchange contracts, and matrices and curves of implicit volatilities.

BBVA Colombia determined that derivative assets and liabilities measured at fair value are classified at level 2, except for futures transactions which are classified at level 1, as illustrated below, where the fair value hierarchy of derivatives recorded at fair value is detailed.

Fair value hierarchy of financial assets and liabilities as of December 31, 2023

Assets and Liabilities	2023				
Hierarchies	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets	$16,214,017	$16,214,017	$4,132,341	$11,676,690	$404,986
Assets at fair value measured on a recurring basis	16,214,017	16,214,017	4,132,341	11,676,690	404,986
Investments at fair value	6,674,408	6,674,408	4,132,341	2,137,081	404,986
Tradeable investments	3,693,672	3,693,672	1,561,621	2,132,051	0
Bonds	14,884	14,884	0	14,884	0
Certificate of deposit	1,267,819	1,267,819	0	1,267,819	0
Treasury securities - TES	2,410,969	2,410,969	1,561,621	849,348	0
Available-for-sale investments	2,539,421	2,539,421	2,518,818	5,030	15,573
Treasury securities - TES	2,518,818	2,518,818	2,518,818	0	0
Certificate of deposit	5,030	5,030	0	5,030	0
Mortgage securities - TIPS	15,573	15,573	0	0	15,573
Investments in Equity Instruments		331.746	51.902	0	279.844
Holding Bursatil Chilena S.A..	331,746	331,746	51.902	-	279,844
Credibanco S.A.	51,902	51,902	51.902	-	0
Redeban Multicolor S.A.	135,909	135,909	0	-	135,909
ACH Colombia S.A.	25,586	25,586	0	-	25,586
Investments in non-controlled entities	118,349	118,349	0	-	118,349
Fund for Financing the Agricultural Sector “FINAGRO”	109,569	109,569	0	-	109,569
Derivative financial instruments and (asset) cash transactions	109,569	109,569	0	-	109,569
Trading	9,539,609	9,539,609	0	9,539,609	0
Forward Contracts	9,320,646	9,320,646	0	9,320,646	-
Cash transactions	5,756,081	5,756,081	0	5,756,081	-
Options	986	986	0	986	-
Swaps	3,510,537	3,510,537	0	3,510,537	-
Hedging	218,963	218,963	0	218,963	-
Swaps	218,963	218,963	-	218,963	-

Assets and Liabilities	2023				
Hierarchies	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Liabilities	9,559,047	9,559,047	-	9,559,047	-
Liabilities at fair value measured on a recurring basis	9,559,047	9,559,047	-	9,559,047	-
Derivative Financial Instruments and Cash Transactions (Liability)	9,559,047	9,559,047	-	9,559,047	-
Trading	9,544,711	9,544,711	-	9,544,711	-
Forward Contracts	5,899,280	5,899,280	-	5,899,280	-
Cash transactions	107	107	-	107	-
Options	53,056	53,056	-	53,056	-
Swaps	3,592,268	3,592,268	-	3,592,268	-
Hedging	14,336	14,336		14,336	
Swaps	14,336	14,336		14,336	
Hierarchies	**Carrying Value**	**Amortized Cost**	**Level 1**	**Level 2**	**Level 3**
Assets	11,931,689	11,931,689	8,556,215	2,583,679	0
Assets measured on a non-recurring basis	11,931,689	11,931,689	8,556,215	2,583,679	0
Cash, including balances held in central banks and other demand deposits	11,139,894	11,139,894	8,556,215	2,583,679	0
Cash and deposits in banks	8,556,215	8,556,215	8,556,215	0	0
Money market and related transactions	2,583,679	2,583,679	0	2,583,679	0
Other	791,795	791,795	0	0	0
Advances to contracts and suppliers	105,923	105,923	0	0	0
Accounts receivable (net)	685,872	685,872	0	0	0
Liabilities	9,165,713	9,165,713	0	2,519,332	5,137,874
Investment securities	2,519,332	2,519,332	0	2,519,332	0
Outstanding Investment Securities	2,519,332	2,519,332	0	2,519,332	0
Financial Obligations	5,137,874	5,137,874	0	0	5,137,874
Bank loans and other financial obligations	5,137,874	5,137,874	0	0	5,137,874
Other	1,508,507	1,508,507	0	0	0
Accounts payable	1,013,179	1,013,179	0	0	0
Other Liabilities	495,328	495,328	0	0	0
Total assets and liabilities at fair value	$46,870,466	$46,870,466	$12,688,556	$26,338,748	$5,542,860

As of December 2022

Assets and Liabilities	2022				
Hierarchies	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets	14,364	14,364	-	-	14,364
Assets at fair value measured on a recurring basis	294,185	294,185	30,990	-	263,195
Investments at fair value	30,990	30,990	30,990	-	-
Tradeable investments	116,366	116,366	-	-	116,366
Bonds	26,913	26,913	-	-	26,913
Certificate of deposit	119,916	119,916	-	-	119,916
Treasury securities - TES	100,207	100,207	-	-	100,207
Available-for-sale investments	100,207	100,207	-	-	100,207
Treasury securities - TES	10,061,268	10,061,268	-	10,061,268	-
Certificate of deposit	9,492,092	9,492,092	-	9,492,092	-
Mortgage securities - TIPS	14,364	14,364	-	-	14,364
Investments in Equity Instruments	294,185	294,185	30,990	-	263,195
Bolsa de Valores de Colombia S.A.	30,990	30,990	30,990	-	-
Credibanco S.A.	116,366	116,366	-	-	116,366
Redeban Multicolor S.A.	26,913	26,913	-	-	26,913
ACH Colombia S.A.	119,916	119,916	-	-	119,916
Investments in non-controlled entities	100,207	100,207	-	-	100,207
Fund for Financing the Agricultural Sector “FINAGRO”	100,207	100,207	-	-	100,207
Derivative financial instruments and (asset) cash transactions	10,061,268	10,061,268	-	10,061,268	-
Trading	9,492,092	9,492,092	-	9,492,092	-
Forward Contracts	2,605,861	2,605,861	-	2,605,861	-
Cash transactions	147	147	-	147	-
Options	49,118	49,118	-	49,118	-
Swaps	6,836,966	6,836,966	-	6,836,966	-
Hedging	569,176	569,176	-	569,176	-
Swaps	569,176	569,176	-	569,176	-
Liabilities	10,191,286	10,191,286	-	10,191,286	-

Assets and Liabilities	2022				
Hierarchies	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Liabilities at fair value measured on a recurring basis	10,191,286	10,191,286	-	10,191,286	-
Derivative Financial Instruments and (Liability) Cash Transactions	10,191,286	10,191,286	-	10,191,286	-
Trading	10,191,286	10,191,286	-	10,191,286	-
Forward Contracts	2,918,592	2,918,592	-	2,918,592	-
Cash transactions	468	468	-	468	-
Options	49,182	49,182	-	49,182	-
Swaps	7,223,044	7,223,044	-	7,223,044	-
Hierarchies	**Carrying Value**	**Amortized Cost**	**Level 1**	**Level 2**	**Level 3**
Assets	**11,761,944**	**11,715,920**	**9,375,035**	**899,081**	-
Assets measured on a non-recurring basis	11,761,944	11,715,920	9,375,035	899,081	-
Cash, including balances held in central banks and other demand deposits	10,274,116	10,274,116	9,375,035	899,081	-
Cash and deposits in banks	9,375,035	9,375,035	9,375,035	-	-
Money market and related transactions	899,081	899,081	-	899,081	-
Others	1,487,828	1,441,804	-	-	-
Advances to contracts and suppliers	203,561	203,561	-	-	-
Accounts receivable (net)	1,284,267	1,284,267	-	-	-
Liabilities	**9,395,233**	**9,395,233**	-	**2,676,790**	**5,370,684**
Investment securities	2,676,790	2,676,790	-	2,676,790	-
Outstanding Investment Securities	2,676,790	2,676,790	-	2,676,790	-
Financial Obligations	5,370,684	5,370,684	-	-	5,370,684
Bank loans and other financial obligations	5,370,684	5,370,684	-	-	5,370,684
Others	1,347,759	1,347,759	-	-	-
Accounts payable	974,999	1,347,759	-	-	-
Other Liabilities	372,760	372,760	-	-	-
Total assets and liabilities at fair value	$ 47,181,707	$ 47,181,707	$ 13,737,957	$ 24,859,713	$ 5,748,450

BBVA Colombia discloses transfers between the levels of fair value hierarchy at the end of the period during which the change occurred. In 2023 and 2022, there were no transfers of financial instruments measured at fair value between the levels of hierarchy.

Fair value measurements classified as level 3

Below is the movement of assets whose hierarchy level corresponds to level 3.

Investment Disclosure Level 3	2023	2022
Balance at the beginning of the period	$3,015,947	$ 2,076,762
Purchases	3,182,712	2,931,159
Valuation	(3,043,327)	(2,082,569)
Assessment	126,493	90,595
Balance at the end of the period	$3,281,825	$ 3,015,947

In 2023, there was a variation in investments classified as level 3, which correspond to purchases of securities made by the Bank according to the nature and dynamics of the business.

13. Accounts Receivable, Net

Following is the accounts receivable summary, net:

Item	2023	2022
Deposits for executive proceedings, collateral and others (1)	$355,183	$ 942,932
Accounts transferred to ICETEX (2)	155,145	156,264
Fees	12,569	9.,046
To employees	197	189
To the parent company, Subsidiaries, related parties and associates	464	233
Taxes	369	646
Advances to contracts and suppliers (3)	105,923	203,561
Expenses paid in advance *	43,411	45.378
Other(4)	139,997	158,747
Subtotal	813,258	1.516.996
Impairment of other debtors (5)	(21,463)	(29,168)
Total accounts receivable, net	$791,795	1,487,828

1 The key variations in deposit accounts for executive proceedings, collateral and others were driven by:

a. The accrual for the purchase of goods given in commercial leasing and housing leasing; the The decrease is a result of a lower placement of transactions , in addition to the increase in interest rates.
b. Temporary deposits where the collateral required in foreign markets is recorded; the decrease corresponds to the fact that in December there were only two transactions for USD 61,708,000 and EUR 212,415

2 These correspond to abandoned accounts transferred to ICETEX, whose balance is greater than 322 UVR and have been inactive for more than 36 months, according to Law 1777 of 2016, regulated by Decree 953 of June 15, 2016 of the Ministry of Finance and Public Credit. Its decrease in 2023 is especially due to the activation of accounts in a state of inactivity.

3 Corresponds to contracts that are in advance of the agricultural leasing and commercial leasing line, the decrease corresponds to payments to suppliers.

4 In the Other line there is a general decrease of $18,750, where the most significant variation corresponds to accounts receivable for settlement of derivative transactions in foreign currency. At the end of 2023, it showed a total decrease of $26,924, while the settlement of transactions of the Central Counterparty Risk Chamber shows a total increase of $10,816.

5 The movement of the impairment account in accounts receivable in the years ended December 31, 2023 and December 31, 2022 was as follows:

Movements of Impairment Account	2023	2022
Balance at the beginning of year	$ (29,168)	(26,790)
Provision charged to expenses in the year (1)	(20,305)	(10.718)
Transfer other line items	(99)	(85)
Provision recovery (2)	28,109	8,425
Balance at year end	$ (21,463)	$ (29,168)

1 Provision corresponding to accounts receivable from Leasing advances due to long periods of non-payment and outstanding interest from customers.

2 Recovery for payment, activation or cancellation of contracts: Leasing advances, releasing $9,814, in accounts receivable, an additional $11,544 and $4,315 for loans provisioned in 2023.

13.1. Prepaid expenses and advances to contracts, suppliers and other debtors

Prepaid expenses are summarized as follows:

Item	2023	2022
Corporate software maintenance (1)	$26,382	$ 33,084
Insurance	9,009	7,657
Electronics	283	1,038
Other	7,737	3,599
Total prepaid expenses	$43,411	$ 45,378

Prepaid expenses include robust local and corporate software maintenance contracts. The amortization period was stipulated according to legal or contractual rights and cannot exceed the period of those rights but may be less than that established by the parties. What is stated in the useful life depends on the period over which the entity expects to use the asset.

The items presented during the year 2023 in the prepaid expense accounts correspond to payments made as follows:

- Payments made for the acquisition of global, multi-risk, life and vehicle insurance policies.
- Payments made for Software support and maintenance renewals, transfer pricing and technical data storage services.
- Deferred district tax generated during the year 2023.

The withdrawals generated during the year 2023 corresponded to the amortizations generated during the period in which the services were received or their costs or expenses were incurred.

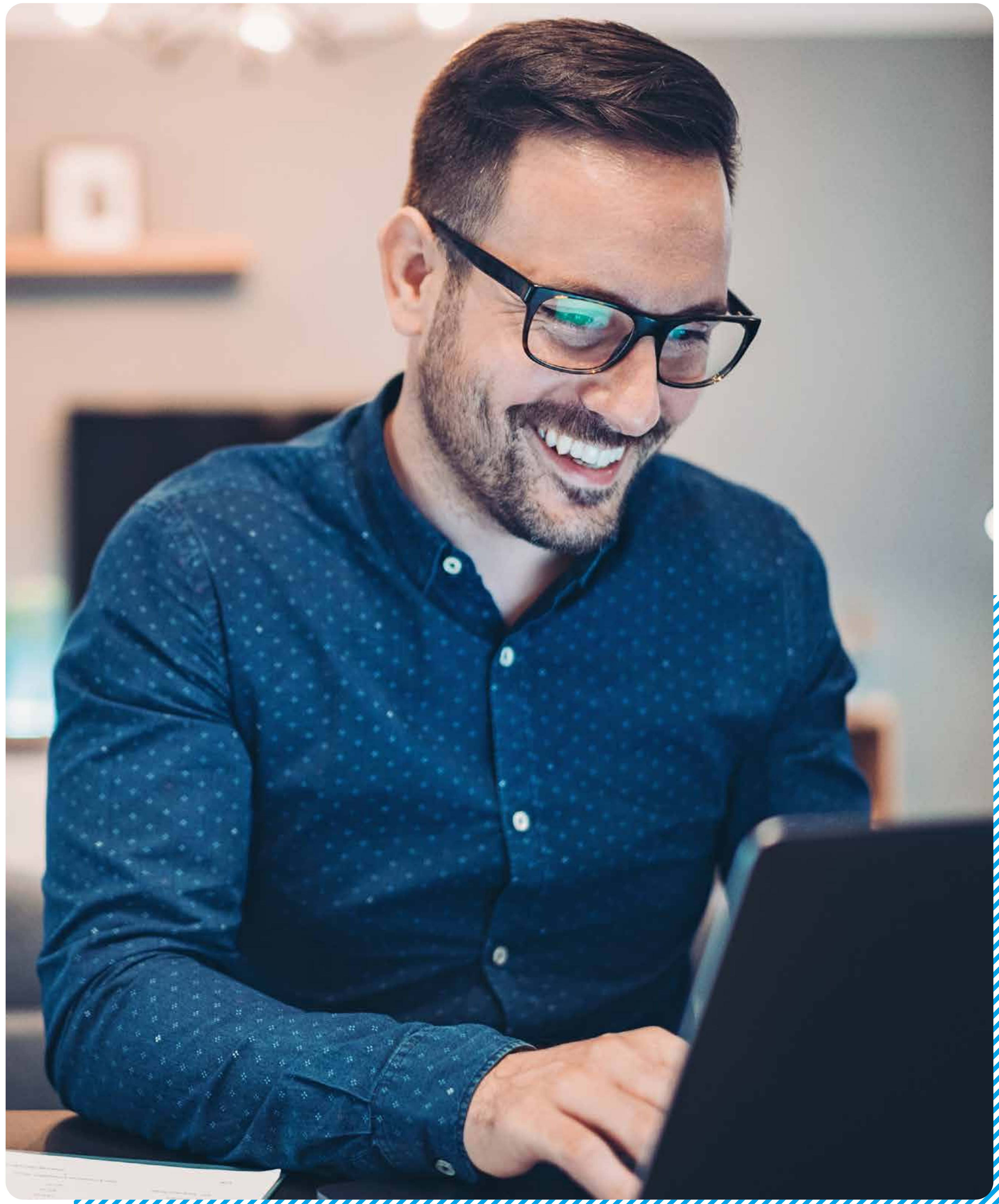
The movement of expenses paid in advance during the years 2023 and 2022 was as follows:

As of December 31, 2023

Item	Balance 2022	Addition	Amortization	Balance 2023
Software maintenance	$33,084	$110,424	$ (117,126)	$ 26,382
Insurance	7,657	19,893	(18,541)	9,009
Electronics	1,038	343	(1,098)	283
Others	3,599	35,677	(31,539)	7,737
Total	COP 45,378	$166,337	$ (168,304)	$ 43,411

December 31, 2022

Item	Balance 2021	Addition	Amortization	Balance 2022
Software maintenance	$ 29,893	$ 79,620	$ (76,429)	$ 33,084
Insurance	3,912	14,795	(11,050)	7,657
Electronics	3,009	3,403	(5,374)	1,038
Others	324	23,534	(20,259)	3,599
Total	$ 37,138	$ 121,352	$ (113,112)	$ 45,378



14. Tangible assets, net

Below is a summary of tangible assets, net

December 31, 2023

Item	Lands (9) (11) (12)	Buildings (3) (6) (9) (10) (12)	Vehicles	Fixtures and Accessories (2) (8)	Computer Equipment (1) (6) (7) (9)	Machinery, Plant and Equipment in Assembly (6)	Improvements to goods received in lease	Assets under construction (5) (6)	Right of use Properties	Total
Cost										
Balance as of December 31, 2022	$143,297	$619,432	$965	$247,809	$315,632	$623	$14,367	$1,481	$203,837	$1,547,443
Purchases	0	465	0	11,426	33,401	1914	0	5,146	66,109	118,461
Improvements/ Capitalization	0	2,517	0	0	1,619	0	3,032	0	0	7,168
Removals	0	0	0	(11,977)	(11,913)	(75)	0	(1)	0	(23,966)
Transfer to non-current assets held for sale	(64)	(605)	0	0	(10,393)	0	0	0	0	(11,062)
Capitalization of equipment being assembled and construction in progress	0	0	0	0	0	(1,619)	0	(5,549)	0	(7,168)
Terminated Contracts	0	0	0	0	0	0	0	0	(10,647)	(10,647)
Cost balance as of December 31, 2023	143,233	621,809	965	247,258	328,346	843	17,399	1,077	259,299	$1,547,443
Depreciation										
Balance as of December 31, 2022	0	(226,141)	(633)	(173,261)	(252,169)	0	0	0	(105,079)	(757,283)
Depreciation for the fiscal year	0	(6,531)	0	(18,669)	(26,127)	0	(2,023)	0	(30,500)	(83,850)
Removals	0	0	0	11,977	11,421	0	0	0	0	23,398
Transfer to non-current assets held for sale	0	166	0	0	10,393	0	0	0	0	10,559
Terminated contracts	0	0	0	0	0	0	0	0	4,138	4,138
Depreciation balance as of December 31, 2023	0	(232,506)	(633)	(179,953)	(256,482)	0	(2,023)	0	(131,441)	(803,038)
Impairment										
Balance as of December 31, 2022	(9,738)	(20,848)	0	0	0	0	0	0	0	(30,586)
Impairment /impairment recovery	569	5,423	0	0	0	0	0	0	0	5,992
Balance as of December 31, 2023	(9,169)	(15,425)	0	0	0	0	0	0	0	(24,594)
Carrying value as of December 31, 2023	$134,064	$373,878	$ 332	$67,305	$71,864	$ 843	$15,376	$1,077	$127,858	$792,597

In 2023, a total purchase of tangible assets was generated for $118,461, the most representative items are:

1. The total purchase of computer equipment was $33,401, where the most relevant acquisition is the purchase and installation of 150 FL Extended ATMs without coin module for $6,924, the second payment was for the renewal of the base storage and data management software for $6,500, the renewal of the firewall due to obsolescence for $4,452, and the acquisition of $5,729 technological devices.

2. The total purchase of fixtures and accessories was $11,426, the acquisition of 2,615 pieces of furniture for offices and central areas for $7,297, the purchase of 254 telecommunications equipment (switches) for $2,850, and the acquisition of 182 security equipment including cameras and armored doors for $1,277.

3. The total purchase of buildings was $465, pertaining to the acquisition of the vehicle platform for the Teusaquillo building.

4. Purchases of machinery, plant and assembly equipment were $1,914, corresponding to the adaptation and transfer of construction work for the relocation of ATMs and offices, based on the needs indicated by the business.

5. Purchases in works construction work for $5,146, with the greatest relevance being the transfer of Wealth Banking to the General Management building.

6. Improvements and capitalization correspond to compensation between accounts. The machinery, plant and equipment under assembly account is the temporary account for the adaptations of the construction work and the relocation of ATMs, and their activation is generated in the computer equipment account. The construction in progress account is the transitory account for improvements and goods received under lease and in buildings.

7. The Board of Directors approved a total of $23,966 in removal /disposal of equipment. The most relevant are: computer equipment was approved on April 26, 2023 in Minutes 1714, where a direct write-off of 2,019 low-value items such as headbands and computer cameras was generated for an acquisition value of $11,912.

8. A direct write-off was generated in the fixtures and accessories account for a total value of $11,977, consisting of the write-off of communications equipment worth $7,080 and security equipment worth 4,897.

9. 1,501 computer equipment assets were transferred to the Non-Financial Asset Management (GANF for its acronym in Spanish) area for an acquisition value of $10,393 approved in the Minutes 1714 of the Board of Directors of April 26, 2023, which were fully depreciated at the time of the transfer.

10. In the buildings account, a variation amounting to $605 was shown, generated by the transfer of the Avenida Libertador premises, approved in the Board of Directors Minutes 1704 of June 29, 2022.

11. The variation in the land account for a total value of $64 was generated by the transfer of the Avenida Libertador land for a value of $54 and the transfer of 6.131% of the Puente Aranda land for a value of $10; the latter was required under resolution 3610 of 2023 of the IDU (Urban Development Institute).

12. Impairment: for the year 2023, amortization was done according to the valuation of assets, which generated a recovery of impairment of $5,974 between buildings and land.

	2023	2022
Initial Balance	$ (30,586)	$ (42,702)
(-) With impact on Equity	0	7,714
Net Impact on Statement of Income	5,974	1,534
Transfers	18	2,868
End Balance	$ (24,594)	$ (30,586)

December 31, 2022

Item	Lands	Buildings	Vehicles	Fixtures and Accessories	Computers Equipment	Machinery, Plant and Equipment in Assembly	Improvements to Assets under Lease	Assets under construction	Right of use Property	Total
COST										
Balance as of December 31, 2021	$ 146,900	$ 626,415	$ 1,164	$ 243,732	$ 297,158	$ 2,076	$ 15,648	$ 1,349	$ 187,909	$ 1,522,351
Purchases	0	0	0	11,206	16,011	3,127	0	0	0	30,344
Improvements/Capitalization	0	1,475	0	0	4,293	0	643	2,261	22,346	31,018
Removals	0	0	0	(7,129)	(1,830)	(287)	0	(12)	0	(9,258)
Transfer to non-current assets held for sale	(3,603)	(8,458)	(199)	0	0	0	0	0	0	(12,260)
Capitalization of equipment being assembled and construction in progress	0	0	0	0	0	(4,293)	(1,924)	(2,117)	0	(8,334)
Terminated contracts	0	0	0	0	0	0	0	0	(6,419)	(6,419)
Cost balance as of December 31, 2021	143,297	619,432	965	247,809	315,632	623	14,367	1,481	203,836	1,547,442
DEPRECIATION										
Balance as of December 31, 2022	0	(223,997)	(832)	(161,689)	(234,990)	0	0	0	(78,785)	(700,293)
Depreciation for the fiscal year	0	(6,071)	0	(18,265)	(24,419)	0	0	0	(27,821)	(76,576)
Removals	0	0	0	6,693	7,240	0	0	0	0	13,933
Transfer to non-current assets held for sale	0	3,927	199	0	0	0	0	0	0	4,126
Terminated contracts	0	0	0	0	0	0	0	0	1,527	1,527
Depreciation balance as of December 31, 2022	0	(226,141)	(633)	(173,261)	(252,169)	0	0	0	(105,079)	(757,283)
IMPAIRMENT										
Balance as of December 31, 2021	(5,862)	(36,840)	0	0	0	0	0	0	0	(42.702)
Impairment/ Impairment recovery	(3,876)	15,992	0	0	0	0	0	0	0	12,116
Impairment balance as of December 31, 2022	(9,738)	(20,848)	0	0	0	0	0	0	0	(30,586)
Carrying value as December 31, 2022	$ 133,559	$ 372,443	$ 332	$ 74,548	$ 63,463	$ 623	$ 14,367	$ 1,481	$98,757	$ 759,573)

Depreciation Depreciation of fixed assets was performed using the straight-line method and their depreciation began when these were in optimal conditions of use. The useful life and cost of the asset was determined by appraisal done by independent experts every 36 months, and the depreciation base was calculated taking the cost less the residual value of each fixed asset (buildings).

All of the Bank's property and equipment were duly covered against the risks of fire, allied dangers, damage to electrical and electronic equipment, breakage of machinery, HAMCCop (ill-intentioned acts) and theft, through current insurance policies, and there was no restriction on domain.

For the purposes of establishing provisions or individual valuations on the properties, commercial appraisals were carried out by independent firms registered in the Real Estate Exchange. The validity period applied for these appraisals was 3 years, and as of December 31, 2023, appraisals were carried out on 3% of the properties owned by the Bank.

Appraisal Date	Quantity	Share %
2021	245	2%
2022	229	96%
2023	237	3%

15. Investments in Subsidiaries and Joint Ventures

Below are details of the investments in subsidiaries and joint ventures made.

Investments in Subsidiaries and Joint Ventures	2023	2022
Subsidiary investments	$ 163,224	$ 138,591
Investments in joint ventures	167,94	183,418
Total investments in subsidiaries and joint ventures	$ 330,718	$ 322,009

For investments classified as controlled holdings, including BBVA Asset Management S.A. Sociedad Fiduciaria and BBVA Valores Colombia S.A. Stockbroker, these are valued using the Equity Method according to Law 222/1995.

There is a 2.63 % increase, represented by $ 8,709 in investments in subsidiaries and joint ventures, mainly due to the profit distribution project for $ 41.841 corresponding to the year 2022, these being BBVA Asset Management S.A. Sociedad Fiduciaria (Trust Company) for $22,532, RCI Banque Colombia S.A. for 18,673 and BBVA Valores Colombia S.A. Stockbroker for $636. These dividends were previously approved at each of the Shareholders' Meetings and upon application of the equity participation method for the year 2023.

Investments in subsidiaries and joint ventures. Refers to investments in equity securities in controlled entities as of December 31, 2023, and December 2022, which consist of:

BBVA Asset Management S.A. SOCIEDAD FIDUCIARIA (hereinafter "the Trust Company"): The main objective of the Trust Company consists of entering into commercial trust agreements, entering into state trust agreements as provided by Law 80 / 1993 and, in general, doing any business that implies a trust management and all the business that trust companies are legally authorized to conduct. In fulfilling its purpose, the Trust Company may essentially acquire, dispose of, tax, manage real estate and personal property, legally represent bondholders, intervene as a debtor or creditor in all types of loan transactions, and issue, accept, endorse, collect and negotiate, in general, all types of securities.

BBVA Valores Colombia S.A. Stockbroker (hereinafter "the Broker"): Its corporate purpose was the development of the commission contract for the purchase and sale of securities registered in the National Securities Registry, the development of the management contracts for securities funds of its national and international customers and conducting securities market transactions on its own. In addition, it had authorization from the Superintendency to carry out securities market activities and provide advice on activities related to the capital market.

RCI Banque Colombia S.A. Financing Company (hereinafter "RCI" or "the Company"): Its purpose was to celebrate or execute all transactions and contracts legally allowed to financing companies, subject to the requirements and limitations of Colombian Law, namely:

1. Capture term resources with the primary objective of conducting active consumer loans, payroll loans, factoring and remittance transactions.
2. Provide retail financing (loans, leasing) for buyers of new Renault vehicles and new vehicles of related brands, as well as for second-hand vehicles of all brands.

1. Provide wholesale financing to dealers and distributors of Renault and related brands, including stocks of spare parts.
2. Transfer and sell vehicle loans accounts receivable.
3. Obtain loans from financial institutions, related parties or affiliates of their shareholders in the form of loans, bonds, securities backed by assets, commercial papers and other instruments, and guarantee such obligations to the extent necessary.
4. Facilitate the sale of related insurance and other services (including life insurance, payment protection insurance and comprehensive vehicle insurance).
5. Remarketing of vehicles that are returned by leasing customers and that are recovered from defaulting customers.

December 31, 2023

Item	Domicile	Principal	Equity Capital	Share Percentage %	Carrying Value	Solvency and Market Risk Rating	Assets	Liabilities	Profits and/or Losses
Investments in subsidiaries:					$163,224				
BBVA Asset Management S.A. Sociedad Fiduciaria (Trust)	Bogotá	55,090	52,006	94.51%	111,466	A	158,300	40,362	35,121
BBVA Valores Colombia S.A. Comisionista de Bolsa (Stockbroker)	Bogotá	29,000	27,388	94.44%	51,758	A	65,398	10,594	11,590
Investments in Joint Ventures:					$ 167,494				
RCI Banque Colombia S.A.	Medellín	234,942	115,122	49.0%	$ 167,494	A	4,234,390	2,258,747	30,303
Total Investments in Subsidiaries and Joint Ventures.					$ 330,718				

December 31, 2022

Item	Domicile	Principal	Equity Capital	Share Percentage %	Carrying Value	Solvency and Market Risk Rating	Assets	Liabilities	Profits and/or Losses
Investments in subsidiaries:					$ 138,591				
BBVA Asset Management S.A. Sociedad Fiduciaria	Bogotá D.C.	55,090	52,006	94.51%	98,983	A	116,842	12,112	23,843
BBVA Valores Colombia S.A. Comisionista de Bolsa	Bogotá D.C.	29,000	27,388	94.44%	39,608	A	45,206	3,267	1,494
Investments in Joint Ventures:					$ 183,418				
RCI Banque Colombia S.A.	Medellín	234,942	115,122	49.0%	183,418	A	3,871,442	3,497,119	69,322
Total Investments in Subsidiaries and Joint Ventures.					$ 322,009				

16. Intangible Assets, net

Below is a summary of the intangible assets, net

December 31, 2023

Intangible assets, net	Licenses (2) (5)	Developments (1) (3) (4)	Total
Cost			
Balance as of December 31, 2022	$ 48, 239	$541,220	$ 589, 459
Purchases	216	104,808	105,024
Improvements/ Capitalization	0	6,823	6,823
Removals	(166)	(24,166)	(24,332)
Cost balance as of December 31, 2023	$ 48,289	$ 628,685	$ 676,974
Depreciations			
Balance as of December 31, 2022	(43,557)	(372,259)	(415,816)
Depreciations for the year	(1,561)	(49,875)	(51,436)
Removals	56	14,189	14,245
Depreciations balance as of December 31, 2023	(45,062)	(407,945)	(453,007)
Impairment			
Balance as of December 31, 2022	0	0	0
Impairment for the year	0	(12,123)	(12,123)
Removals	0	12,098	12,098
Impairment balance as of December 31, 2023	0	(25)	(25)
Total Intangible assets, net	$ 3,227	$ 220,715	$223,942

December 32, 2022

Intangible assets, net	Licenses	Developments	Total
Cost			
Balance as of December 31, 2021	$ 43,601	$472,459	$516,060
Purchases	4,638	84,579	89,217
Improvements/ Capitalization	0	4,046	4,046
Removals	0	(19,864)	1(19,864)
Cost balance as of December 31, 2022	$ 48,239	$ 541,220	$ 589,459
Depreciations			
Balance as of December 31, 2021	(42,709)	(344,792)	(387,501)
Depreciations for the year	(848)	(38,933)	(39,781)
Removals	0	11,466	11,466
Depreciations balance as of December 31, 2022	(43,557)	(372,259)	(415,816)
Impairment			
Balance as of December 31, 2021	0	0	0
Impairment for the year	0	(9,533)	(9,533)
Removals	0	9,533	9,533
Impairment balance as of December 31, 2023	0	0	0
Total Intangible assets, net	$ 4,682	$ 168,961	$ 173,643

In 2023, a total acquisition of intangible assets was made for $105,024:

1. Software developments worth $104,808 were acquired, among the most representative are the developments were those associated with the CDD project worth $8,858, Horizon for $8,802 and Glomo for $5,062.

2. Information security licenses for multi-cloud environments worth $216 were acquired.

3. Software additions to 155 developments worth $6,823 were made. The most representative variations are associated with the developments: Implementation of the net tool for $2,888 and Sas Aml Deployment in BBVA Colombia for $1,256

In 2023, a total removal/disposal of intangible assets worth $24,332 was generated.

4. In development, 256 technical initiatives worth $23,543 were removed as well as a decrease in the acquisition value of 28 initiatives for $623.

5. A total decrease of $166 was done in licenses. The MLC application license showed a variation in the acquisition cost of $104, being the most significant variation, given the entry of the merchandise was made at a higher exchange rate than the payment.

The Bank conducted the Impairment Test on its assets, to evaluate whether it is an intangible asset and whether it is being amortized; Once this step was done with some indicators, it was identified whether the software associated with the asset was written off, put into operation, or its amortization ended.

Based on this evaluation, the Bank recognized the assets that were subject to impairment, estimated their value and proceeded with their accounting adjustment so that the real value was reflected in the inventory. For the year 2023, the impairment was $12,123.

.

17. Non-current assets held for sale, net

Non-current assets held for sale are primarily assets acquired through debt repayment from debtors in our loan portfolio. The bank intends to sell these assets in the near term. For this purpose, departments, processes, and programs have been established for their sale, either in cash or by granting financing to potential buyers.

As of December 31, the balance of this account is summarized as follows:

Item	2023	2022
Realizable assets		
Real estate	$33,901	$ 34,692
Subtotal realizable assets	33,901	34,692
Assets restituted in lease agreements		
Real estate	20,454	16,824
Vehicles	510	232
Machinery and equipment	293	293
Real estate given under residential leasing	26,549	26,927
Others	34	44
Subtotal assets restituted in Lease Agreements	47,840	44,320
Assets not used for the corporate purpose		
Lands	2,521	4,063
Buildings	12,792	5,437
Furniture and fixtures	556	556
Computer equipment	8,940	2,127

Item	2023	2022
Subtotal assets not used in the corporate purpose:	24,809	12,183
Trusts	7,175	7,175
Subtotal trusts	7,175	7,175
Subtotal realizable and restituted assets	113,725	98,370
Impairment of non-current assets held for sale		
Realizable assets	(26,408)	(25,304)
Assets restituted in lease agreements	(27,689)	(25,738)
Trusts	(7,175)	(7,175)
Furniture and fixtures	(513)	(556)
Computer equipment	(8,940)	(2,127)
Subtotal impairment	(70,725)	(60,900)
Total Non-current assets held for sale, net	$43,000	$ 37,470

As of December 31, 2023, the Bank had 444 non-current assets held for sale for a value of $113,725 and an impairment of $70,725; As of December 31, 2022, the Bank had 385 non-current assets held for sale amounting to $98,370 in value and an impairment of $60,900.

Non-current assets held for sale older than two years for the years 2023 and 2022 amounted to $78,453 and $57,655, respectively.

In 2023, the Bank sold 110 non-current assets held for sale for a total of $27,591, generating a profit of $3,006.

The movement of the provision for the protection of non-current assets held for sale during the years ended December 31, 2023 and December 31, 2022 was as follows:

Item	2023	2022
Balance at the beginning of year	$ (60,900)	$ (51,775)
Provision charged to expenses in the year	(12,582)	(18,391)
Transfers of fully depreciated assets	(6, 770)	(974)
Less - Withdrawal for sales and recoveries	9,527	10,240
Balance at year end	$ (70,725)	$ (60,900)

18. Other assets, net

The balance of the account as of December 31 consisted of the following:

Other assets, net	2023	2022
Art and cultural assets (1)	$ 1,286	$ 1,108
Miscellaneous (2)	16, 496	10,466
Subtotal	17,782	11,574
Impairment of other assets	(2,380)	(1,142)
Total other net assets	$ 15,402	$ 10,432

1 The increase of $178 between 2023 and 2022 was due to the update of the commercial appraisal of the collection of works of art held by BBVA in Colombia.

2 In various accounts, a representative variation is shown due to the following increases in different operations:

- In Swap derivative collections, customers made advance payments on December 28, leaving a large volume for the next business day. The main variation occurred with the customer AVIATUR with a payment of $1,761.
- Transactions for domestic taxes collected through PSE, which include tax payments made after 5:30 p.m. until 11:00 p.m., leaving a large volume for the next business day.
- Transactions made through PSE, credit card payments on the last day of the year, where the December 29 transactions were updated to the next business day: January 2, 2024.
- In December, there was an increase in partial payments for sales from our businesses to cardholders abroad.

The movement of the impairment account for other assets in the years ended December 31, 2023 and December 31, 2022, was as follows:

Movements of Impairment Accounts	2023	2022
Balance at the beginning of year	$ (1,142)	$ (1,122)
Impairment during the year (3)	(1,760)	(41)
Impairment recovery	522	21
Balance at year end	$ (2,380)	$ (1,142)

3 The Impairment was caused by a technical incident that occurred in the link accounts, where the automatic process did not complete the posting in the Bank's provisions application.

19. Customer deposits

BBVA Colombia's passive portfolio as of December 31, 2023, was made up as follows:

Item	2023	2022
Savings deposits	$31,320,746	$ 29,667,049
Deposits in checking accounts	7,926,945	9,022,094
Current liabilities for services	522,286	417,958
Special deposits	684,235	1,174,119
Special savings accounts	275,223	329,709
Single deposits	1,320	1,615
Cancelled accounts	762	744
Banks and correspondents	1,439	1,794
Electronic deposits	6,810	6,309
Total deposits and demand liabilities	40,739,766	40,621,391
Certificates of deposit	36,473,868	28,550,967
Real value savings certificates	12,951	11,729
Total deposits and term liabilities	36,486,819	28,562,696
Total deposits and current liabilities	$77,226,585	$ 69,184,087

El detalle de depósitos y exigibilidades al 31 de diciembre de 2023 fue el siguiente:

Concept	Local Currency	Foreign Currency	Total Currency
Current Account			
Official Sector	$ 1,524,834	$ 0	$ 1,524,834
Private Sector	6,395,015	7,096	6,402,111
Subtotal Current Account	7,919,849	7,096	7,926,945
Simple Deposit			
Private Sector	1,320	0	1,320
Subtotal Simple Deposit	1,320	0	1,320
Time Deposit Certificate (CDT) - Pesos			
Official Sector	3,574,259	0	3,574,259
Private Sector	32,899,609	0	32,899,609
Subtotal CDT - Pesos	36,473,868	0	36,473,868
SAVINGS DEPOSITS			
Deposits:			
Official Sector	10,520,763	0	10,520,763
Private Sector	20,799,983	0	20,799,983
Special Savings:			
Private Sector	275,223	0	275,223
Subtotal Savings Deposits	31,595,969	0	31,595,969
CDT - UVR			
Private Sector	12,951	0	12,951
Subtotal CDT - UVR	12,951	0	12,951
Other Deposits			
Banks and Correspondents	1,439	0	1,439
Special Deposits	295,357	395,679	691,036
Tax Collection	9	0	9
Banking Services	365,343	156,943	522,286
Others			
Canceled Accounts	762	0	762
Total Customer Deposits	$ 76,666,867	$ 559,718	$ 77,226,585

The breakdown of deposits and liabilities as of December 31, 2022, was as follows:

Concept	Local Currency	Foreign Currency	Total Currency
Checking account			
Public sector	1,510,922	$0	1,510,922
Private sector	7,483,711	27,461	7,511,172
Subtotal checking account	8,994,633	27,461	8,994,633
Single deposit			
Private sector	1,165	0	1,615
Subtotal single deposit	1,615	0	1,615
CDT- COP			
Public sector	3,062,131	0	3,062,131
Private sector	25,488,836	0	25,488,836
Subtotal CDT-COP	28,550,967	0	28,550,967
SAVINGS DEPOSITS			
Deposits:			
Public sector	8,105,841	0	8,105,841
Private sector	21,561,208	0	21,561,208
Special savings:			
Private sector	11,729	0	11,729
Subtotal savings deposits	11,729	0	11,729
Other deposits			
Banks and correspondents	1,235	559	1,794
Special deposits	485,082	695,327	1,180,409
Tax collection	**300,681**	**117,277**	**417,958**
Banking services	19	0	19
Others			
Cancelled accounts	744		744
Total deposits and current liabilities	$ 68.343.463	840,624	$69,184,087
Others			
Cancelled accounts	744	0	744
Total deposits and current liabilities	$ 68.343.463	$ 840.624	$ 69.184.087

- An increase of 12% was evident compared to the previous year, represented in the items of term deposit certificates with 28% and requirements for services 25% compared to the previous year. Likewise, a significant decrease was recorded in special term deposits of 42%, and banks and correspondents by 20%.
- The decrease in special deposits is due to collaterals required in USD, agreed upon T+1, where a decrease is evident in operations with the counterparty Morgan Stanley, which stood at 224,005 for the year 2023.
- Payments were received in the Bank's office or channels corresponding to the payment of national and customs taxes, which depended on the flow of taxpayers.
- For term deposit certificates in pesos, an increase of $7,922,901 was obtained, with a representative participation in the private sector. This is attributed to the increase in interest rates.
- For the checking accounts there was a decrease of 11.95%, where 14.55% was evident for the private sector compared to the previous year.

20. Derivative financial instruments and cash operations (Liabilities)

The financial instruments negotiated by BBVA are classified as active or passive (see note 30) depending on their results.

As of December 31, the balance of this account classified as a liability was summarized as follows:

Derivative financial instruments and cash operations (Liabilities)	2023	2022
Trading (1)	$ 9,544,711	$ 10,191,286
Hedging (2)	14,336	0
Money Market and Simultaneous Operations (3)	2,720,622	3,207,098
Total derivative financial instruments and cash operations (Liability)	$ 12,279,669	$ 13,398,384

20.1. Financial instruments - trading derivatives (liabilities)

As of December 31, 2023, the balance of this account classified as liabilities was summarized as follows:

Item	Notional Value		Fair Value	
Forward Contracts	2023	2022	2023	2022
Purchase on foreign currency				
Rights	$65,226,464	$45,041,029	$ (57,143,437)	$ (42,523,019)
Obligations	0	0	63,037,829	43,603,987
Sale on foreign currency				
Rights	696,150	29,237,757	(631,457)	(28,184,931)
Obligations	0	0	638,398	30,023,732
Less credit risk	0	0	(2,053)	(1,176)
Total Forward contracts	$65,922,614	74,278,786	5,899,280	2,918,593

Item	Notional Value		Fair Value	
Cash Transactions	2023	2022	2023	2022
Purchase on foreign currency				
Rights	4,534	38,190	(4,515)	(38,022)
Obligations	0	0	4,535	38,143
Sale on foreign currency				
Rights	76,081	3,690	(76,024)	(3,687)
Obligations	0	0	76,082	3,722
Purchase on securities				
Rights	76,646	5,159	(77,714)	(4,724)
Obligations	0	0	77,734	(38,022)
Less credit risk				

Item	Notional Value		Fair Value	
Rights	22,851	107,490	(19,930)	(82,103)
Obligations	0	0	19,939	82,412
Total cash transactions	180,112	154,529	107	467

Item	Notional Value		Fair Value	
Options	2023	2022	2023	2022
Sales PUT	544,773	514,897	47,402	11,761
Sales CALL	796,623	766,208	5,671	37,426
Less DVA Credit Riks			(16)	(6)
Total Options	1,341,396	1,281,105	53,057	49,181

Item	Notional Value		Fair Value	
Swaps	2023	2022	2023	2022
On interest rates				
Rights	64,478,838	69,200,561	(10,397,913)	(8,462,442)
Obligations	0	0	12,853,579	12,760,299
On foreign currency				
Rights	9,701,942	10,261,606	(9,345,038)	(10,346,179)
Obligations	0	0	10,496,910	13,299,363
Less CVA Credit Risk			(15,271)	(27,996)
Total Swaps	74,180,780	79,462,167	3,592,267	7,223,045
Total cash transactions and derivatives	$ 141,624,902	$ 155,176,587	$9,544,711	$10,191,286

The Bank is one of the main Banks in the Public Debt Market Makers Scheme structurally requiring a large portfolio of treasury bonds (both TES at a fixed rate and TES RVU- Real Value Unit). This need has been increasing over time, given that the Public Credit Directorate's strategy has been to increase the duration of On the Run bonds.

The guarantees received in operations with derivatives as of December 31, 2023 and 2022 were the following:

Counterparty	DIV	2023	2022
Liability			
BBVA Bancomer S.A. México	USD	(1,630,000)	0
BBVA Madrid Clearing Broker	USD	(43,286,425)	(29,853,825)
Morgan Stanley And Co International	USD	(58,608,850)	(14,698,850)

(1) The amount with BBVA Madrid corresponds to the collateral agreement on all derivative transactions that the Bank has with this counterparty.

20.2. Derivative financial instruments – hedging derivatives (liability)

Fair Value Hedge accounting

It was designated as fair value because the obligation is indexed with the IBR rate (Reference Banking Indicator), which was developed by the private sector, with the support of the Banco de la República and other entities, to reflect the liquidity of the Colombian money market. That is, when acquiring a debt in the market today, a rate similar to the reference rate would be estimated.

The accounting for hedging derivatives as of December 31 is as follows:

Hedging Liability- Swap CCS 2023

Accrual of Interest

Hedging Type	Currency	Value of Right	Value of Obligation	Financial Statement	Statement of income	State Other Comprehensive Income
Fair Value	USD	0	0		0	0
Cash Flow		(40,000)	54,736	0	3,242	11,094
Total				0	3,242	11,094
Total hedging liability						14,336

Hedging Liability- Swap CCS 2022

Accrual of Interest

Hedging Type	Currency	Value of Right	Value of Obligation	Financial Statement	Statement of income	State Other Comprehensive Income
Fair Value	USD	0	0	0	0	0
Cash Flow		0	0	0	2,099	(2,099)
Total				0	2,099	2,099
Total hedging liability						0

20.3. Money market and simultaneous operations transactions

As of December 31, 2023, the balance of this account was summarized as follows:

Description	Rate	2023	Rate	2022
Ordinary purchased Interbank Funds:				
Banks (1)	0	$ 0	11.5%	$ 322,349
Foreign Residents	0	0	16.25%	729,625
Subtotal purchased Interbank		0		1,051,974
Transfer commitments in closed repo transactions:				
Banco de la República (2)	12.23%	1,652,211	10.94%	1,384,127
Central Counterparty Risk Chamber (3)	12.06%	113,753	10.96%	154,264
Subtotal closed repo transactions		1,765,964		1,538,391
Commitments originating from simultaneous short positions:				
Banco de la República	0	567,881	0	279,392
Banks	0	32,191	0	35,420
Insurance Companies	0	0	0	22,556
Stockbrokers	0	1,823	0	100,388
Trust Companies	0	6,966	0	0
Fund Management Companies	0	0	0	69,437
Foreign residents	0	345,797	0	109,540
Subtotal commitments for simultaneous		954,658		616,733
Total passive positions in money market transactions		$2,720,622		$ 3,207,098

1 In December 2023, purchased ordinary interbank funds were not agreed with banks, while at close of December 2022 these were agreed at a rate of 11.15% with a maturity of 3 days.

2 On the other hand, as of December 31, 2023, repo operations were agreed with the Banco de la República at an average rate of 12.23%, with maturities of 1 and 3 calendar days, while for the December 2022 cut-off, repo transactions closed with the Banco de la República at an average rate of 10.94%, maturity between 3 to 8 calendar days.

3 There is a slight decrease with the Chamber of Central Counterparty Risk at an average rate of 12.06%, with maturities of 1 and 8 calendar days, while for the month of December 2022 closed repo transactions were agreed with the Central Counterparty Risk Chamber at an average rate of 10.96%, maturity between 4 and 7 days calendar. Transaction costs were in line with estimates given the liquidity hedging needs.

21. Financial obligations

Below is a summary of bank loans and other financial obligations:

Financial obligations	2023	2022
FOREIGN CURRENCY		
Bancoldex S.A.	$ 33,736	$ 46,711
Wells Fargo Bank, N.A.	0	73,253
The Toronto Dominion Bank	0	268,376
BBVA Madrid	598,288	752,969
International Finance Corporation IFC	1,142,973	1,433,166
Banco del Estado de Chile-Chile	0	73,274
Bank Of America, N.A. - San Francisco CA, US	0	175,174
Citibank, N.A.	0	48,546
Caixa bank, S.A.	40,339	0
Bladex - Panamá	38,463	0
Total foreign currency	$ 1,853,799	$ 2,871,469
LOCAL CURRENCY		
Financiera de Desarrollo Territorial - Findeter	688,845	833,213
Banco de Comercio Exterior S.A. - Bancoldex	488,029	527,320
Fondo para el Fomento del Sector Agropecuario - Finagro	780,016	732,663
International Finance Corporation IFC	406,736	406,019
AT1 BBVA Madrid	920,449	0
Total legal currency	3,284,075	2,499,215
Total Bank Loans and other Financial Obligations Financieras	$ 5,137,874	$ 5,370,684

The decrease in resources obtained in foreign currency between 2023 and 2022 came from the cancellation of financing with Bank of America, Banco del Estado de Chile, Citibank, Toronto Dominion Bank and Wells Fargo Bank.

The most representative financing corresponded to those acquired with IFC, for USD 300 million, and BBVA Madrid, for USD 150 million, which are under COAP and represented 94% of the total current financing.

The interest rate of foreign currency obligations was on average Sofr + 0.60%, for short-term obligations with maturities of up to 1 year, with a cut-off date of December 31, 2023.

The financial costs of the obligations were calculated daily based on 360 days of principal, considering their periodicity and interest rate.

The maturity of the loans varied according to the program (normally between one and ten years), and the funds provided directly by the Bank varied from 0% to 40% of the total loan while the balance is provided by the Government entities. The obligations were guaranteed for the corresponding loans made to customers.

In June 2023, the Bank acquired an AT1 Loan with BBVA Madrid for a value of $822,878, of which, at the end of December, a coupon for $97,571 was recorded.

The classification bases for the temporality of financing are:

Foreign Currency			Local Currency		
No.	Category	Time	No.	Category	Time
1	Short Term	<365	1	Short Term	<364
2	Medium Term	>365<1825	2	Medium Term	>365<1095
3	Long Term	>1825	3	Long Term	>1096

The composition by term in foreign currency is as follows:

December 31, 2023	Interests	Principal			Total
		Short term	Medium term	Long term	
Bancoldex S.A.	$ 219	$1,418	$9,167	$22,932	$33,736
Bladex - Panamá	242	0	38,221	0	$38,463
The Toronto Dominion Bank	0	0	0	0	0
BBVA Madrid	24,980	0	0	573,308	598,288
International Finance Corporation IFC	3,744	0	1,139,229	0	1,142,973
Banco del Estado de Chile-Chile	0	0	0	0	0
Caixa bank, S.A.	2,118	38,221	0	0	40,339
Citibank, N.A.	0	0	0	0	0
Total	$31,303	$39,639	$1,186,617	$ 596,240	$1,853,799

December 31, 2022	Interests	Principal			Total
		Short term	Medium term	Long term	
Bancoldex S.A.	$234	$ 0	$ 17,616	$28,861	$46,711
Bank Of Nova Scotia	0	0	0	0	0
Wells Fargo Bank, N.A.	1,100	72,153	0	0	$73,253
The Toronto Dominion Bank	3,815	264,561	0	0	268,376
BBVA Madrid	31,439	0	0	721,530	752,969
International Finance Corporation IFC	4,325	0	1,428,841	0	1,433,166
Banco del Estado de Chile-Chile	1,121	72,153	0	0	73,274
Bank Of America, N.A. - San Francisco, CA US	2,007	173,167	0	0	175,174
Citibank N.A.	444	48,102	0	0	48,546
Total	$ 44,485	$ 630,136	$ 1,446,457	$ 750,391	$ 2,871,469

LThe composition by term in foreign currency is as follows:

December 31, 2023

December 31, 2023	Interests	Principal			Total
		Short term	Medium term	Long term	
Financiera de Desarrollo Territorial - Findeter	$10,298	$ 21.819	$ 78,862	$577,866	$688,845
Banco de Comercio Exterior S.A. - Bancoldex	3,761	60.162	307,676	116,430	488,029
Fondo para el Fomento del Sector Agropecuario - Finagro	12,827	81.295	263,394	422,500	780,016
International Finance Corporation IFC	1,304	0	0	405,432	406,736
BBVA Madrid - AT1	97,571	0	0	822,878	920,449
Total	$125,761	$ 163.276	$ 649,932	$2,345,106	$3,284,075

December 31, 2022

December 31,2022	Interests	Principal			Total
		Short term	Medium term	Long term	
Financiera de Desarrollo Territorial - Findeter	$9,877	$662,553	$52,491	$108,292	$833,213
Banco de Comercio Exterior S.A. - Bancoldex	3,232	73,920	340,219	109,949	527,320
Fondo para el Fomento del Sector Agropecuario - Finagro	11,727	341,703	218,160	161,073	732,663
International Finance Corporation IFC	1,346	0	0	404,673	406,019
Total	$26,182	$1,078,176	$610,870	$783,987	$2,499,215

In compliance with IAS 07 - Statement of cash flows - paragraphs 44a and 44c, the reconciliation of cash flow financing activities was disclosed.

	Bank Loans and Other Financial Obligations	Outstanding Investment Securities	Subscribed and Paid-in Capital	Premium on Share Placement	Other Comprehensive Income (OCI)	Retained Earnings	Reserves	Article 6 Law 4/80
Updated balance as of January 1,2023	$5,370,683	$2,676,790	$ 89,779	$ 651,950	$ 141,227	$ 1,190,871	$ 4,092,577	$ 506
Changes in financing cash flows	0	0	0	0	0	0	0	0
Payment of loans and other financial liabilities	(1,610,798)	(200,000)	0	0	0	0	0	0
Collection of loans and other financial liabilities	1,069,072	0	0	0	0	0	0	0
Dividends and coupons paid on equity instruments	0	0	0	0	0	(454,455)	0	0
Other cash inflows (outflows)	6,834	(7,898)	0	0	0	0	467,240	0
Total changes in cash flow from financing	(534,892)	(207,898)	0	0	0	(454,455)	446,240	0
Effect of changes in foreign currency exchange rates	580,575	48,519	0	0	0	0	0	0
Changes in fair value	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0
Interest expenses	146,427	176,737	0	0	0	0	0	0
Interest payment	(424,921)	(174,814)	0	0	0	0	0	0
Total other changes related to liabilities	302,081	50,442	0	0	0	0	0	0
Total other changes related to equity	0	0	0	0	43,089	(347,031)	(463)	0
Balances as of December 31, 2023	$5,137,872	$2,519,334	$ 89,779	$ 651,950	$ 184,316	$ 389,385	$ 4,559,354	$ 506

22. Outstanding investment securities

The second issuance of Series G - 2009 subordinated bonds amounting to $ 365,000 was made on February 19, 2013 with a redemption term between 10 and 15 years, with yield of maximum variable rate of CPI + 3.60% for 10 years, and of CPI + 3.89% for 15 years.

The third issuance of Series G - 2014 subordinated bonds amounting to $ 250,000 was made on November 26, 2014 with a redemption term between 15 and 20 years, with yield of maximum variable rate of CPI + 4.38% for 15 years, and of CPI + 4.50% for 20 years.

During 2023, BBVA Colombia issued a Blue Bond. This issue has a maturity period of 5 years, with a "bullet" type of amortization rate, which means that the principal will be paid in full at the maturity of the bond. Interest was calculated using the "Actual/360" calculation base and will be paid semiannually. The applicable interest rate will be the 6-month TERM SOFR rate, plus an additional margin of 1.85%. This bond aims to finance projects and activities related to sustainability and environmental protection, reflecting BBVA Colombia's commitment to responsible financial practices and the fight against climate change.

- The first issuance of the Blue Bond was done on September 22, 2023 for an amount of USD 50 million. This issue has a maturity period of 5 years, with a "bullet" amortization rate, which means that the principal will be paid in full at the maturity of the bond.

As of December 31, 2023, the balance of this account is summarized as follows:

	2023			2022		
Item	Subordinated	Ordinary Bonds	Total	Subordinated Bonds	Ordinary Bonds	Total
Capital	$2,099,820	$447,180	$2,547,000	$2,695,080	$ 0	$2,695,080
Interest	19,737	6,520	26,257	27,737	0	27,737
Costs and valuation	(48,684)	(5,241)	(53,925)	(46,027)	0	(46,027)
Total	$2,070,873	$448,459	$2,519,332	$2,676,790	$ 0	$2,676,790

- The second issuance of the Blue Bond was carried out on October 27, 2023 for an amount of USD 67 million. This issue has a maturity period of 5 years, with a "bullet" amortization rate, which means that the principal will be paid in full at the maturity of the bond.

The issuance prospectus contemplate the following characteristics:

Subordinated 2009 Bonds (issued in September 2011, February 2013, and November 2014)

- Subordination of obligations: Since these are sub¬ordinated bonds, in case of the issuer's settlement,, the redemption of the subscribed capital is subordi¬nated to the prior payment of the external liabilities; which constitutes an irrevocable obligation.
- Principal, prepayments and re¬acquisition events amortization method: The principal of the bonds will be amortized under the following modalities: month in arrears, quarter in arrears, semester in arrears, and/ or year in arrears, and/or only one payment on the maturity date thereof, as determined in the corre¬sponding public offering notice. Pre-payable bonds may be issued, which is determined in the respective public offering notice. The issuance of subordinat¬ed bonds under this Program in 2011, 2013 and 2014 does not contemplate the prepayment thereof.

The Issuer may buy back its own subordinated bonds. The buyback shall be conducted through the Colombian Securities Exchange, provided that five years have elapsed since the issuance of the bonds. This transaction is voluntary for the Bondholders. If the issuer acquires its own bonds, the confusion principle shall apply without having to wait until the maturity of the securities.

This issuance is not covered by the deposit insurance of the Financial Institutions Collateral Fund (FOGAFIN, for its Spanish acronym).

Subordinated Bonds in USD 2015

- Subordination of obligations: Since these are subordinated bonds, in case of the issuer's settlement, the redemption of the subscribed capital is subordinated to the prior payment of the external liabilities; which constitutes an irrevocable obligation.

- Capital, prepayments and reacquisition events amortization method: The principal of the bonds will be amortized un¬der the following modalities: month in arrears, quarter in arrears, semester in arrears, and/or year in arrears, and/or only one payment on the maturity date thereof, as determined in the corresponding public offering notice.

The issuer cannot buy back its own subordinated bonds until a term of at least 5 years has elapsed. The buyback can only be carried out with the approval and authorization of the Financial Superintendency of Colombia.

This issuance is not covered by the deposit insurance of the Financial Institutions Collateral Fund (FOGAFIN, for its Spanish acronym).

A summary of the issuances and bonds is shown in the table below:

Bond Issuance	Authorized Amount	Term in Years	Face Rate	Coupon	Nominal Value	Issuance Date	Maturity Date
Subordinated	$ 3,000,000	15	CPI+4.70%	TV	$ 156,000	September 19, 2011	September 19, 2026
Subordinated		15	IPC+3.89%	TV	165,000	February 19, 2013	February 19, 2028
Subordinated		15	IPC+4.38%	TV	90,000	November 26, 2014	November 26, 2029
Subordinated		20	IPC+4.50%	TV	160,000	November 26, 2014	November 26, 2034
Subordinated in USD	USD 500	10	4.88%	SV	USD 400	April 21,2015	April 21,2015
Ordinary	USD 150	5	SOFR 6M + 1,85%	SV	USD 117	September 22, 2023	September 22, 2028
Total bonds COP	$ 3,000,000				$ 571,000		
Total bonds millions of USD	USD $ 650				USD $ 517		

23. Accounts payable

As of December 31, the balance of this account was summarized as follows:

Ítem	2023	2022
Suppliers (1)	$ 129,157	$ 183,578
Labor contributions	7,358	6,155
Fogafin deposit insurance (2)	123,650	115,615
Dividends and surplus (3)	81,991	101,264
Seizure management	2,575	5,805
National Law 546/1999	58,334	50,242
Loan transaction surplus and others	65,668	56,688
Written not-collected checks (4)	56,483	27,684
Intended purchasers	18,499	23,663
Costs and expenses payable	6	6
Settlement and offsetting of POS Counterparty Clearing House (5)	66,119	119,159
Collection of fees and VAT payable to the Fondo Nacional de Garantías	7,090	8,241
Visa and MasterCard advertising campaigns	1,388	988
Commissions and fees	3,014	2,042
Transfer of check disbursements from other markets (6)	4,941	2,561
Other accounts payable (7)	386,906	271,308
Total accounts payable	$ 1,013,179	$ 974,999

1 There was a decrease of $54,421 in pending payments to suppliers associated with the different Leasing lines. This reduction is mainly attributed to the low placement of the product in the market during this period.

2 During the reported period, a provision was recorded corresponding to the pending quarterly payment for Fogafín's deposit insurance premium.

3 A decrease was observed in the item of dividends payable, reflecting values not collected by shareholders as of the cut-off date of December 31. This variation occurs as a result of specific circumstances, mainly due to the prescription of dividends amounting to $30,723.

4 The variation amounting to $28,799 corresponded to checks issued to customers, which at the end of December had a period of more than 6 months pending collection.

5 The reported variation corresponds to the values contracted in contract settlement operations with the Central Counterparty Risk Chamber carried out at the end of the year. This information offers transparency regarding the operations carried out with the CRCC and their impact on our financial statements.

6 A significant variation was identified in the "Other Accounts Payable" line, which is mainly attributed to two factors:

- Increase in self-withholdings that were settled according to the income received by the Bank, as well as an increase in withholdings applied to financial returns.
- Refunds of commissions from the National Guarantee Fund (FNG) related to the early cancellation of obligations by customers who did not have an account with the bank.

24. Other liabilities

As of December 31, the account balance consisted of:

Item	2023	2022
Principal and interest due Term Deposits (1)	$ 149,370	$ 69,457
Credits to be applied from customers (2)	22,872	14,631
Deferred payments	3,638	3,990
Balances to apply to obligations (3)	14,403	10,913
Network compensation	11,900	10,554
Income received in advance	20,974	21,338
Interests from restructuring process	1,151	1,480
Excess network operations	80,197	78,415
Ascredibanco international purchases	15,135	14,138
Balances in favor in foreign currency	5,248	3,587
Other liabilities (4)	39,311	36,944
Liability for right of use (5)	131,129	107,313
Total other liabilities	$ 495,328	$ 372,760

1 The increase of $79,913 was mainly due to incidents of Term Deposits generated when a security has an instruction on the maturity of the principal or "Payment in Cash" yields and are maintained as a liability waiting for the customer to come forward to claim it; increases to the extent that there are customers with this type, in particular those securities that are traded on Deceval.

2 Values received towards customer obligations with the Bank, made with a check from another Financial Entity, their impact was completely temporary, while the chamber process was completed (2 days), in which it was confirmed that the funds were received successfully and applied to the customer´s beneficiary loan and the balance was circumstantial, according to the amount and checks that were in this situation on the closing date.

3 The variation occurred because the balances were there in favor of the customers to be applied to their rental fees, as the last business day was the 28th, the balances for the maturities of December 29th and 30th were saved in the account, which had a payment date of 01/02/2024. Additionally, the balances were saved in favor of the customers to be applied as an extra fee (initial fee) of the commercial leasing contracts.

4 For other liabilities, the variations occurred due to :

- In 2022, a remittance check was received at the Cartagena office destined for the Banco Agrario in the city of Repelón, where BBVA did not have a presence in this place, it was sent as a remittance, which caused a decrease in the year 2023.
- Increase for balances corresponding to centralized balances for surplus drafts, surplus cash, FNG and canceled drafts due to validity greater than 90 days.

5 Liabilities for rights of use. At the end of 2023, there was an increase in the balance of $23,816 compared to the same period in 2022, due to the office lease contracts expiring in 2024, which are governed by IFRS16. Many of these contracts had a probable end date in 2024, reason it was determined that the term should be extended.

Below is the summary of liabilities for rights of use:

Liability for right of use (5)	2023	2022
Liability for leases (premises and ATMs)	$ 131,129	$ 107,313
Total liabilities for rights of use	$ 131,129	$ 107,313

Liability of right of use (5)	2023	Movement 2023	2022
Premises liabilities	$76,299	(24,339)	$51,960
ATM Lease liabilities	54,830	523	55,353
Total right of use liabilities	$ 131,129	$ (23,816)	$ 107.31

The following table lists the expiration of short- and long-term lease contracts for premises and ATMs.

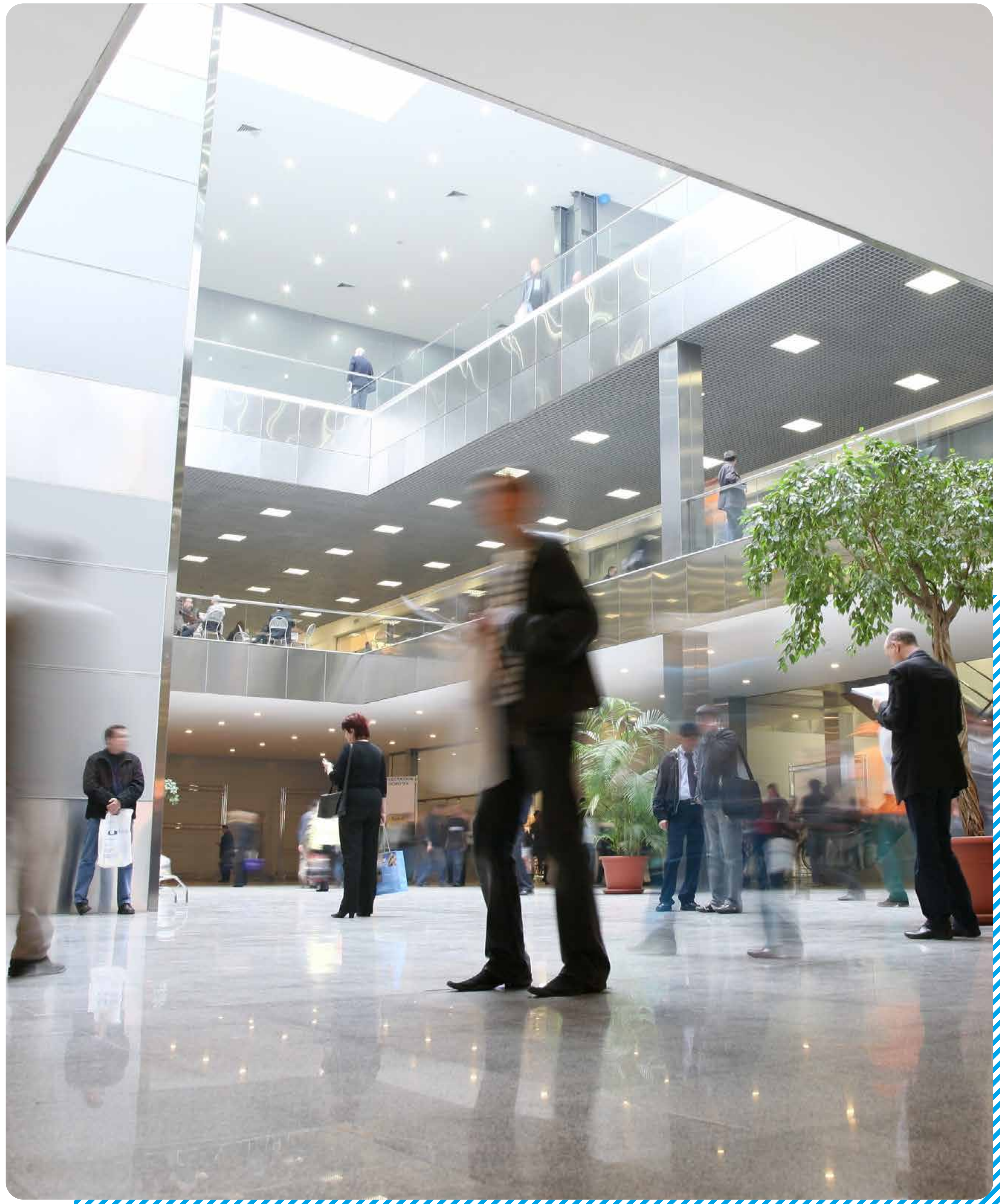
Liabilities for leases of premises	2023	2022
Not later than one year	$26,367	$1,208
After one year and less than three years	40,258	26,079
After three years and a month of five years	20,031	5,875
More than five years	4,288	24,012
Total undiscounted lease liabilities	$90,944	$57,174

Liabilities for ATM leases	2023	2022
Not later than one year	$ 11,545	$ 22,969
After one year and less than three years	21,993	20,183
After three years and a month of five years	21,518	19,542
More than five years	14,469	10,579
Total undiscounted lease liabilities	$ 69,525	$ 73,273

Amounts Recognized in the Separate Income Statement:

Ítem	2023	2022
Interest on lease liabilities	$ (7,878)	$ (7,954)
Real estate rental expenses	(2,719)	(2,581)
Depreciation right to use ATMs	(22,403)	(20,690)
Depreciation right of use of premises	(8,097)	(7,131)
Total	$ (41,097)	$ (38,356)

There was a difference in the variation in the depreciation of the asset accounts versus the impact on the result, due to the contracts that were terminated during the year: ten ATM contracts and fourteen premises contracts at the end of December 2023 , compared to one cashier contract and thirteen premises contracts during 2022



25. Employee benefits

Short-term labor obligations component as of December 31, 2023 and 2022 are detailed below:

Ítem	2023	2022
Severance	$ 25,016	$ 17,051
Severance interest	0	1,968
Vacation	36,402	40,816
Legal and extralegal premium	0	16
Current provisions for employee benefits (1)	101,813	114,267
Other benefits (2)	65,853	31,153
Subtotal short-term benefits	229,084	205,271
Seniority premium	62,830	51,120
Seniority vacation bonus	2,335	2,309
Actuarial calculation of retirement pensions	43,056	34,924
Retirement bonus plan	1,787	1,511
Long-term benefits subtotal	110,008	89,864
Total employee benefits	$ 339,092	$ 295,135

1. Current provisions for employee benefits correspond to the variable remuneration incentive IPE (Individual Performance Evaluation) and CIB (Corporate and Investment Banking), which presented a decrease between the years 2023 and 2022 of $12,454, since it was linked to the fulfillment of goals.
2. Corresponds to the balance payable for the month of December 2023 for social security, and presented an increase of $34,699, between 2023 and 2022, due to the salary increase.

Actuarial calculation - Within the long-term benefits, the Bank recognizes its employees a seniority bonus every five years of employment at the Bank. This benefit is calculated in days of salary for each five-year period, and when the termination of the contract is not due to a just cause for dismissal, the bonus is granted proportionally.

Upon reaching 30, 35 or 40 years with the Bank, this will grant, in recognition for the stability achieved, an additional vacation period (15 days) to those people who legally meet the aforementioned employment times. The additional vacation period created here may be paid up to 100% in cash. Likewise, the Bank will pay the worker who reaches the aforementioned years of employment a vacation premium equal to and additional to the agreed upon one, in relation to the extralegal vacations that are recognized. The vacation bonus is equivalent to twenty-three (23) days of basic salary without exceeding a fixed amount for each year in question. For 2023, said fixed amount was equivalent to $2,518,092:

Ítem	2023	2022
Benefit obligations at the start of the period	$ 51,120	$ 49,917
1- Cost of services	6,763	5,785
2- Interest Cost	5,950	4,092
3- Cash flow	(10,783)	(5,347)
Experience adjustment	7,544	892
Adjustment change due to financial assumptions	2,236	(4,219)
Obligation at the end of the period 2023 and 2022	$ 62,830	$ 51,120

Reconciliation

Ítem	2023	2022
Balance December 31, 2022 and 2023	$ 51,120	$ 49,917
Seniority Premium Payments	(10,783)	(5,347)
Seniority Premium Benefit Expense	6,763	5,785
Financial Cost Seniority Premium	5,950	4,092
Change in Demographic Variables	9,780	(3,327)
Obligation at the end of the period 2023 and 2022	$ 62,830	$ 51,120

Retirement plan premium actuarial calculation:

The Bank completed the actuarial valuation as of December 31, 2023 and 2022 of the premium retirement plan commitment, which BBVA has assumed with its pensioned and active participants.

Ítem	2023	2022
Benefit obligations at the start of the period	$ 1,511	$ 1,953
1- Cost of services	80	100
2- Interest Cost	184	161
3- Cash flow	(58)	(49)
Experience adjustment	(139)	(228)
Adjustment change due to financial assumptions	209	(426)
Obligation at the end of the period 2023 and 2022	$ 1,787	$ 1,511

Reconciliation

Concept	2023	2022
Balance at December 31, 2023, and 2022	$ 1.511	$ 1.954
Actuarial Assumption Adjustment	70	(654)
Actuarial Calculation Adjustment Charged to Expenses	264	260
Transfer (1)	(58)	(49)
Obligation at the End of the Period 2023 and 2022	$ 1.787	$ 1.511

1. Transfer made of pensions by individualization registration for retirement plan premium

Pensions (Prior to Law 100 of 1993)

Pension allowance . To determine the number of pension allowances for each pension, the legal and constitutional regulatory framework applicable to the moment in which the right to the pension is accrued is considered.

The number of pension allowances recognized by the ISS in the present assessment was determined according to the following:

- For all pensions accrued prior to July 29, 2005, 14 pension allowances per year are calculated.
- For all pensions accrued after July 29, 2005, 13 pension allowances per year are calculated.
- To all pensions that are accrued prior to July 31, 2011 and whose amount is less than 3 current legal monthly minimum wages, these are estimated at 14 pension allowances per year.

BBVA, for its part, recognizes all its retirees with 15 allowances per year, thus giving an additional allowance in some cases and two additional allowances in other cases. For those retirees with pension shares for whom BBVA is not responsible for the final pension, only the proportion of the share corresponding to 14 monthly payments per year is paid.

For pro forma purposes, allowance number 15 is valued as an additional benefit established by the collective agreement, and allowance number 14 for retirees, to whom the ISS grants 13 allowances is included in the pension reserve (columns 31 and 32).

Additional benefits. According to Memorandum 039 of October 21, 2009, reserves are calculated for the extralegal benefits offered by the company to its retirees and beneficiaries.

In the case of BBVA, these benefits are as follows:

- An extra legal allowance, 15 days paid in June and 15 paid in December.
- A funeral aid in the amount of $4,054,530 upon the death of the retiree and $951,843 upon the death of the spouse.
- A life insurance policy for all retirees and survivors with the right to pension replacement with a cost of $109,800 pesos annually in case of natural death and $73,320 pesos annually in case of accidental death.
- The company pays the cost of a Hospitalization and Surgery policy to some of its retirees (depending on family group). The amount paid depends on the number of beneficiaries and for the current year for participants in the assessment this premium is capped at $178,645.

Types of pensions and/or contingencies to be assessed

Retirees in charge of the bank. It is calculated based on the provisions of article 260 of the Substantive Labor Code, which applies to all people who are in a transition regime who have provided their services to companies that recognize and pay pensions. The amount of the pension corresponds to 75% of the average wages earned in the last year of service, provided that the person had completed 20 or more years of service under the pension-paying company. This pension is granted for life.

Pension Substitutes. Survivors' pensions or substitutions payable by the Bank are paid to surviving beneficiaries of retirees to be paid by the Bank, according to the regulations established in Law 12/1975, Law 113/1985 and Law 71/1988 and all other related regulations, as follows:

- To the surviving spouse for life in the amount of 100% if there are no children named as beneficiaries.
- If there are children named as beneficiaries, it will be shared in equal parts with the surviving spouse. The beneficiaries must be within the required ages and/ or certify their status as students as required by the aforementioned regulations.

According to the provisions set forth in Decree 1889/1994, the funeral benefit is not calculated.

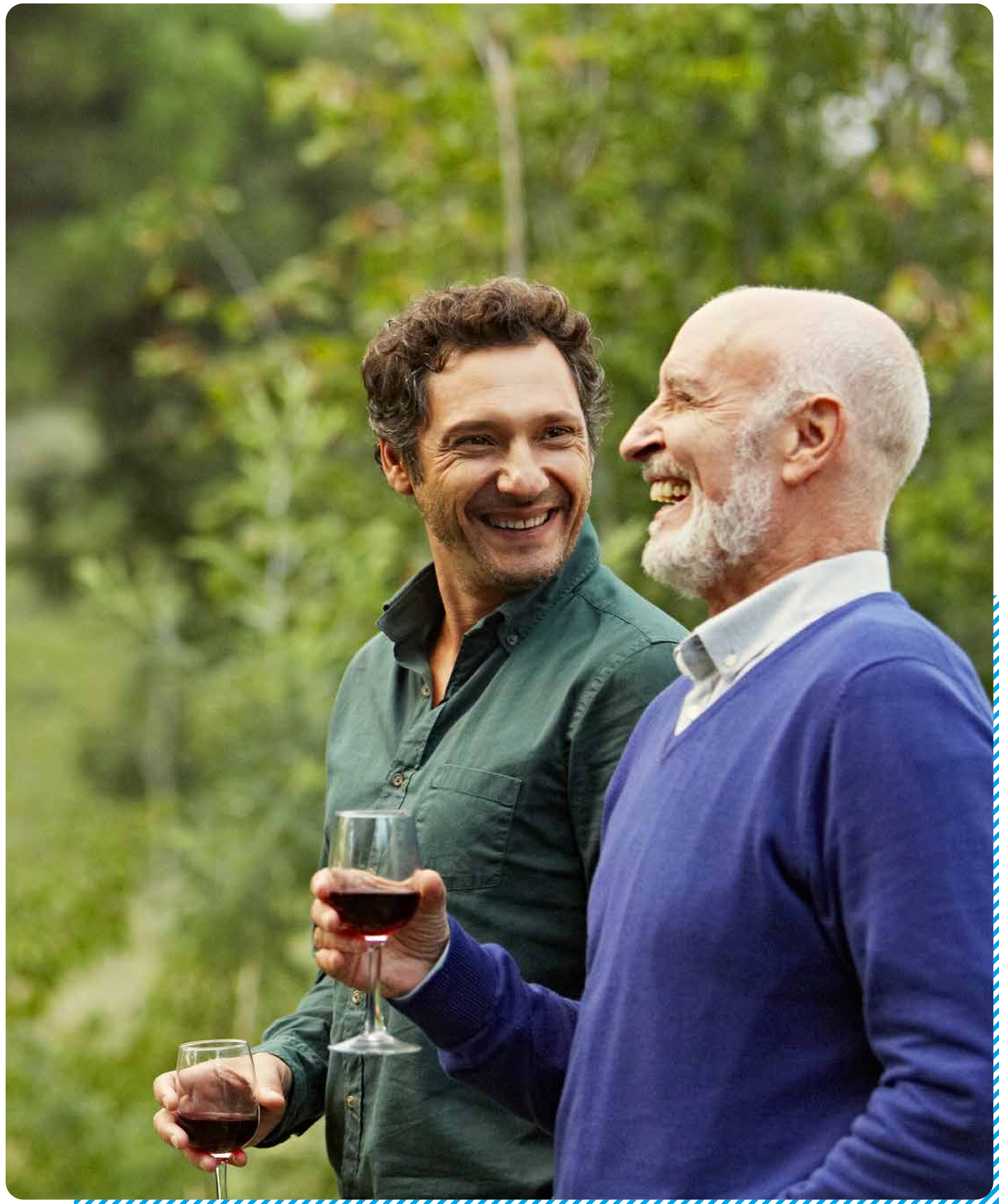
Dismissals without just cause after 10 to 15 years of service. Determined according to Article 8 of Law 171/1961 which establishes that a person that is dismissed without just cause and has accrued more than ten (10) and less than fifteen (15) years of services, shall be entitled to a pension for life payable by the entity, once he/she reaches the age of 60. The amount of the pension is proportional to the amount that would have been applicable if he/she had completed the time of Shaping a More Sustainable Future Together service established in Article 260 of the Labor Code (20 years).

Dismissals without just cause after 15 years of service. Determined according to Article 8 of Law 171/1961 which establishes that a person that is dismissed without just cause and has accrued more than fifteen (15) years of services, shall be entitled to a pension for life payable by the Entity once he/she reaches the age of 50 years. The amount of the pension is proportional to the amount that would have been applicable if he/she had completed the time of service established in Article 260 of the Labor Code (20 years).

Voluntarily retirement after 15 years of service. Paid according to the provisions of Article 8 of Law 171/1961, which states that any employee with 15 or more years of services who retires from the Company voluntarily shall be entitled to a pension for life to be paid by the Company, once he/she reaches the age of 60 years. The amount of the pension is proportional to the amount that would have been applicable if he/she had completed the time of service established in Article 260 of the Labor Code (20 years).

Active employees entitled to a pension from the bank with the expectation of a pension in the ISS. The actuarial reserve is calculated to cover a lifetime retirement pension according to the provisions of article 260 of the Substantive Labor Code, which is applicable to them because these had more than 10 years of service with the Bank at the time of enrollment to the General Pension System.. The Bank will pay this pension permanently until the employee on whose behalf ISS contributions continue to be made meets the minimum requirements established by the General Pension System. For this purpose, the date on which the contribution weeks requirement will be met is considered (which increases annually up to a limit of 1,300 in 2015) and the retirement ages (men 60 and women 55, and from January 1, 2014, 62 men and 57 women). From the moment the old-age pension is accrued in the ISS, an actuarial reserve is calculated to cover for life an allowance equal to the difference between the pension that the company had been paying and the pension that the company will recognize. ISS.

Retirees to be paid by the Bank with a quota-part. An actuarial reserve is recognized for these people to cover a lifetime retirement pension according to article 260 of the Substantive Labor Code. These retirees include both those for whom BBVA is responsible for the final pension, and those to whom BBVA only grants the corresponding proportion without being responsible for the final pension. For those retirees for whom BBVA is not responsible for the final pension, the actuarial reserve is calculated in proportion to the share determined by the length of service that said worker worked with the Bank. At the request of BBVA, the actuarial reserve for those retirees for whom BBVA is responsible for the final pension is calculated as 100% payable by the Company and not proportional to the corresponding quota-part, except the individuals mentioned as exceptions.



Pension replacements by the Bank with a quota-part. The surviving beneficiaries of retired pensioners, under the Bank's care are recognized, according to the rules established in Law 12 of 1975, Law 113 of 1985 and Law 71 of 1988 and other corresponding regulations as follows:

- To the surviving spouse for life in the amount of 100% if there are no children named as beneficiaries.
- If there are beneficiary children, it will be shared equally with the surviving spouse. The beneficiaries must be within the included ages and/or certify their status as students, as required by the regulations in question.

For beneficiaries whose final pension is the responsibility of BBVA, the actuarial reserve is calculated 100% at the expense of BBVA and not in proportion to the corresponding share, according to what is requested by BBVA. For beneficiaries whose final pension is not the responsibility of BBVA, the actuarial reserve is made according to the value of the pension portion corresponding to the Bank. According to the provisions of Decree 1889 of 1994, funeral aid is not calculated.

Shared pensions and pensions to be paid by the Bank with expectation of pension by the ISS:

Shareability of pensions. As a result of the transition to the Pension System of the Colombian Social Security Institute (ISS), the legislation established the figure of shareability of pensions, so that all those people who could eventually acquire this right would maintain the right to be retired by their employer, but with the possibility that the company transferred that pension obligation to Social Security, as long as it maintained a contribution rate that would allow the person to eventually meet the pension requirements established by the system. The regulatory framework of this figure is established in article 16 of Agreement 049 of 1990, which contains the conditions for the application of pension compatibility.

Pensioners dependent on the company with the expectation of a pension in the ISS. A monthly retirement pension is recognized according to the requirements established in article 260 of the Substantive Labor Code, which the Bank will pay permanently until the employee, in whose name contributions to the ISS continue to be made, meets the minimum requirements established by the General Pension System. For this purpose, the date on which the contribution weeks requirement will be met (which increases annually up to a limit of 1,300 in 2015) and the retirement ages (men 60 and women 55, and from 2015 onwards) are considered. as of January 1, 2014, 62 men and 57 women). From the moment the old-age pension is accrued in the ISS, an actuarial reserve is calculated to cover for life an allowance equal to the difference between the pension that the company had been paying and the pension that the ISS will recognize.

Shared pensions. These pensions only recognize the difference between the value of the pension that the company was paying and the one that was recognized by the ISS. It is calculated as a life annuity.

For the assessment of the mathematical retirement reserve, pension bonds and securities, the following methodologies and actuarial bases were used. These comply with the current standards for the preparation of actuarial calculations (Decree 1625 of 2016 and Decree 2420 of 2015).

Pension reconciliation:

Ítem	2023	2022
Balance as of December 31, 2023 and 2022	$ 34,924	$ 43,546
Pension payments	(4,810)	(4,083)
Pension expenses	4,256	3,630
Adjustment against equity	8,686	(8,169)
Obligation at the end of the period 2023 and 2022	$ 43,056	$ 34,924

Actuarial calculation sensitivity

2023 Disclosure and 2024 expense	Pensions	Additional benefits	Retirement Bonus	Seniority Premium	Holiday bonus	2023 Disclosure and 2024 Expense	Comments
Dev. Obligation at the end of the period						P.V. Defined Benefit Obligation (DBO) at EOY	
Obl. Dev. at closing due to an increase of 25 b.p.	42	810	2	62	2	DBO at year end from a 25 bps increase	It is the sensitivity due to the discount rate: if the discount rate decreases or increases by 25 bps.
Obl. Dev. at closing due to a decrease of 25 b.p.	43	839	2	63	2	DBO at year end from a 25 bps decrease	
Long-term inflation (CPI)						Long term inflation rate	
Obl. Dev. at closing due to an increase of 25 b.p.	43	842	N/A	N/A	N/A	DBO at year end from a 25 bps increase	It is the CPI sensitivity: if the CPI decreases or increases by 25 bps using the same discount rate.
Obl. Dev. to closing due to a decrease of 25 b.p.	41	807	N/A	N/A	N/A	DBO at year end from a 25 bps decrease	

Basis of the actuarial hypothesis. Over time, the total cost of the plan will depend on a number of factors, including the amount of benefits paid, the number of people receiving benefits, the administrative expenses of the plan, and the returns earned on the assets earmarked for the benefits plan payment. These amounts and other variables are uncertain and unknown at the time of the valuation and are only predicted in such a way that these are within a reasonable range of possibility.

Since it is not possible or practical to model all variables, summary information, estimates, or simplified information was used to facilitate modeling of future events in an efficient manner. Likewise, the figures expressed in the actuarial calculation are based on the Bank's accounting policies.

The assumptions and actuarial technical bases used in the calculation with application of IAS 19 were:

Economic and demographic hypotheses	For the financing situation as of December 31, 2022 and the determination of the cost of fiscal year 2023
Discount rate	10.75%
Inflation	3.00%
Salary increase rate	5.00%
Pension increase rate	Same as inflation
Minimum wage increase rate	4.0%
Increase rate for aid granted by the Bank	Same as inflation
Growth rate of the Retirement and Disability Premium	Same as inflation
Medical spending increase rate	5.00%
Mortality	Colombian Life Annuity Mortality Table 2008 (RV08)
Disability	Asset invalidity table - SuperBancaria Resolution 0585 of 1994
Rotation	BBVA rotation table that is based on age, adjusted to 90%

Actuarial Calculation Hypotheses and technical bases, with the application of Decree 1625 of 2016:

Actuarial Calculation Hypotheses and technical bases, with the application of Decree 1625 of 2016	
Mortality Table	Mortality table of Valid Rentiers, men and women, "Experience 2005-2008" as per resolution 1555 of 2010 issued by the Financial Superintendency of Colombia is about.
Salary and Pension Adjustment	The formulation used explicitly incorporates future increases in salaries and pensions using a rate equal to the average resulting from adding three (3) times the inflation of year k-1, plus two (2) times the inflation of year k-2, plus one (1) time the inflation of year k-3 according to article 1 of decree 2984 of 2009 and article 1 of decree 2783 of 2001. This rate is an annual nominal rate of 3.98%.
Technical Interest	The real technical interest of 4.80% was used according to article 1 of decree 2984 of 2009 and article 1 of decree 2783 of 2001.

Actuarial Methodology. The calculation method was the prospective method, valuing future benefits in a fractional manner, expired period (fractional income).

Comparison	
Decree 1625 of 2016	IAS 19
51,770	43,056

26. Estimated Liabilities and Provisions

The Bank registers the liability for provisions based on the assessment of experts in the Legal, Labor Relations and Tax Consulting areas. These experts, according to the current status of each legal process, qualify and categorize each case. In addition, decision trees, prepared according to the nature of the contingency, whether judicial, labor or fiscal, are applied for classification according to the following criteria for the constitution of the provision:

- Probable Obligation: These are recorded and disclosed.
- Possible Obligation: These are revealed.
- Remote Obligation: These are not recorded nor disclosed.

As of December 31, 2023, the balance of this account was summarized as follows:

Ítem	2023	2022
Expenses for invoices pending payment (1)	$91,372	$103,823
Lawsuits for breach of contracts (2)	47,837	51,696
Labor demands (3)	10,270	17,395
Fines and sanctions other administrative authorities (4)	200	180
FOGAFIN contingencies (5)	0	8,565
CF sales force commission	1,300	1,188
Dismantling costs IFRS16 (6)	15,044	8,809
Others (7)	47,134	91,886
Miscellaneous personnel expenses	4	4
Total estimated liabilities and provisions	$213,161	$283,546

1 The estimated provisions for invoices pending payment at the end of each period were recorded, covering various concepts, including banking correspondent service, ANCMV maintenance, energy, cleaning, among others. There was a decrease of $12,000 attributed to the release of unused 2022 provisions corresponding, which were unnecessary.

2 There are 931 ongoing civil proceedings, with estimated claims worth $451,592. As of December 31, 2023, provisions were established for $47,837, corresponding to 16 processes considered probable. These processes are mainly related to alleged breaches in contracts.

Likewise, the Bank reported 3 cases of a criminal nature with a total claim of $284. It should be noted that, since these are classified as remote, no provision has been made.

3 Regarding labor processes, BBVA Bank reported a total of 82 cases, with a total value of claims of $15,068, of which 49 processes were provisioned, reaching a value of $10,270. The main causes of these lawsuits included claims for payments of pension contributions, reimbursements, salaries and compensation for alleged unfair dismissals, among others.

It is important to highlight that, according to the assessment of the Bank's legal advisors, it was considered that the final result of these processes would be favorable for the institution or that, in the event of a loss, it would not be significant.

4 The Bank handled, administratively and before the contentious-administrative jurisdiction, a total of 15 tax processes with estimated claims worth $1,421 and provisions recorded as of December 31, 2023 worth $200 associated with 5 processes with probable classification. The provisions corresponded to popular action processes for withholding the tax on financial movements, processes for territorial taxes, public lighting, untimely provision of information and tax collection processes.

5 Due to the termination of the contract with FOGAFÍN, the provision of $8,565 was released.

6 Increase in the provision for dismantling costs, considering the contractual clause of each contract in which the Bank undertakes to leave the property in the conditions in which it was received. Given that each contract is different, the real estate area relied on the expert judgment of an architect to estimate said provision. The above, considering the implementation of IFRS16 and according to the regulations corresponding to Decree 2170 of 2017, modified from Sole Decree 2420 of 2015 and Resolution 033 of 2018 of the General Accounting Office of the Nation (CGN).

7 At the end of December 2023 and December 2022, a total decrease of $44,752 was observed in various provisions, highlighting those related to commissions for electronic services for cardholders and credit cards (ACH, CENIT, SOI and PSE), general expenses, expenses personnel and commissions.

Below are the estimated liability movements:

As of December 31 2023

Ítem	Legal Proceedings	Other	Total
Beginning balance January 1, 2023	$ 69,270	$ 214,276	$ 283,546
Increase	7,259	7,829	15,088
Income	5,691	0	5,691
Payment	(3,792)	(67,251)	(71,043)
Removal	(20,121)	0	(20,121)
Ending Balance December 31, 2023	$ 58,307	$ 154,854	$ 213,161

As of December 31 2022

Ítem	Legal Proceedings	Other	Total
Beginning balance January 1, 2022	$67,174	$162,713	$229,887
Increase	2,824	55,119	57,943
Income	4,437	0	4,437
Payment	(2,309)	(3,556)	(5,865)
Removal	(2,856)	0	(2,856)
Ending Balance December 31, 2022	$69,270	$214,276	$283,546

27. Subscribed and Paid Capital

The subscribed and paid capital of the Bank is divided into common ordinary and shares with preferential dividends without voting rights. The latter cannot represent more than 50% of the subscribed capital. As of December 31, 2023 and 2022, 13,907,929,071 common shares and 479,760,000 preferred shares were subscribed and paid, with a par value of $6.24, for a total subscribed and paid capital of $89,779.

BBVA COLOMBIA					
MAJOR SHAREHOLDERS					
Name	No. Identification	No. Common shares	No. Preferred shares	No. Total shares	% Stake
BBV AMERICA SL	900.504.684-6	2,511,124,962	256,150,000	2,767,274,962	19,23363
BANCO BILBAO VIZCAYA ARGENTARIA S.A.	830.070.454-0	10,766,099,008	196,857,652	10,962,956,660	76,19679
OTHERS		630,705,101	26,752,348	657,457,449	4,56958
TOTAL		13,907,929,071	479,760,000	14,387,689,071	100,00

28. Reservations

As of December 31, the balance of this account was summarized as follows:

Reserves	2023	2022
Legal reserve	$4,559,327	$4,092,550
Occasional reserves:		
At the disposal of the Board of Directors	1	1
For investment protection	532	532
Total Reserves	$ 4.559.860	$ 4.093.083

Legal reserve. According to legal provisions, 10% of the Bank's net profit each year must be appropriated with a credit to a "reserve fund" until its balance is equivalent to at least 50.01% of the subscribed capital. As a consequence, the legal reserve cannot be reduced to less than this last percentage, except to address losses in excess of undistributed profits. Premiums on share placements are also credited to the legal reserve.

Available to the Board of Directors and others- Reserves that can be used for future distributions, which include:

- Not taxed at the disposal of the Board of Directors, the balance of $1.
- For investment protection, the balance is $532.

Dividends declared - During the years ended December 31, dividends payable were declared as detailed below:

Concept	2023	2022
Net profit from the previous year 2022 and 2021	$933,513	$895,242
Preferred shares outstanding (in units)	479,760,000	479,760,000
Preferred dividends per share (in pesos)	32.44 per share	31.00 per share
Total dividends declared – preferred	15,563	14,873
Common shares outstanding (in units)	13,907,929,071	13,907,929,071
Common Dividends per share (in pesos)	32.44 per share	31.00 per share
Total dividends declared – common	451,173	431,145
Dividends declared on December 31, 2023 and 2022	466,736	446,018
Dividends payable as of December 31, 2023 and 2022	81,991	101,264

The preferred and ordinary dividends for the year 2022 were paid in cash in a single cash payment on June 15, 2023.

The preferential and ordinary dividends for the year 2021 were paid in cash in two equal installments on June 16 and October 13, 2022.

Restrictions on dividend payments

According to Decree 4766 of December 14, 2011, holders who have acquired the shares during the ex-dividend periods, which corresponds to (4) trading days immediately prior to the payment date, will be exempt from dividend payments.

For the payment of dividends, the Shareholder Area, published in the official gazette and in the Bank's website the dates on which dividends declared each year will be paid to shareholders. Likewise, shareholder data was updated, of which there is a remainder of mandatory shareholders that come from Banco Ganadero that were not possible to update.

29. Basic earnings per ordinary share and preferred share (in pesos)

Earnings per share, basic and diluted, are calculated according to the criteria established in IAS 33.

Ítem	2023	2022
Net income attributable to holders of shares	$194,688	$933,514
Average number of shares outstanding	14,387,689,071	14,387,689,071
Basic earnings per share (*)	14	65
Diluted earnings per share (*)	$14	$65

During the years ended December 31, 2023 and 2022, no other financial instruments or share-based employee commitments were identified that had an effect on the calculation of diluted earnings per share for the years presented. In consequence, earnings per share, both basic and diluted, were uniform and did not show significant variations in their calculations.

30. Other Comprehensive Income

The following detail presents the movements of Other Comprehensive Income for the years ended December 31, 2023 and 2022, respectively.

Concept	2023	Period Movements	2022
Earnings from investments using the equity method (1)	$ 6,607	$ 3,662	$ 2,945
Defined benefit plans - Actuarial losses	67	(8,757)	8,824
Participation in Other Comprehensive Income of non-controlled interests (2)	196,172	45,841	150,331
Income tax associated to investments in equity instruments of Other Comprehensive Income	(29,562)	(3,270)	(26,292)
Subtotal Other Comprehensive Income that will not be reclassified to the result of the period	173,284	37,476	135,808
Gain from new measurements of financial assets available for sale, before taxes (3)	48,007	36,540	11,467
Reclassification adjustments, available-for-sale financial assets, before taxes (4)	(18,121)	(4,544)	(13,577)
Tax on income related to financial assets available for sale from Other Comprehensive Income	(11,954)	(12,798)	844
Loss from cash flow hedges, before taxes (5)	(11,500)	(22,642)	11,142
Income tax associated to cash flow hedges of Other Comprehensive Income	4,600	9,057	(4,457)
Subtotal Other Comprehensive Income that will be reclassified to the result of the period	11,032	5,613	5,419
Total Other Comprehensive Income	$ 184,316	$ 43,089	$ 141,227

1 The variation in investments in equity instruments before taxes, for the closing date of December 31, 2023, is detailed below:

Entity	2023	2022	Variation
BBVA Asset Management Fiduciaria S.A. (ORI valuation)	$ 1,411	$ (412)	$ 1,823
BBVA Valores Comisionista de Bolsa S.A. (ORI valuation)	4,460	2,621	1,839
RCI Bank Colombia	736	736	0
Totals	$ 6,607	$ 2,945	$ 3,662

2 Movement of the valuation of the participation in shares registered in ORI:

Name	2023	2022	Variation
Credibanco S.A.	$ 37,074	$ 17,531	$ 19,543
Holding Bursátil Chilena S.A.	(3,821)	0	(3,821)
Bolsa de Valores de Colombia S.A.	0	-24,734	24,734
Fund for Financing the Agricultural sector "Finagro"	23,393	15,114	8,279
Redeban Multicolor S.A.	21,887	23,214	(1,327)
ACH Colombia S.A.	117,638	119,205	(1,567)
Totals	$ 196,171	$ 150,330	$ 45,841

3 The variation of $36,540 for new measurements of financial assets available for sale, before taxes, occurred mainly due to the expiration of Fixed Rate and UVR Rate TES Treasury Securities and TIPs registered during 2023.

4 The decrease of $ 4,544 for adjustment of reclassifications of financial assets available for sale before taxes, occurred due to the sale of the TES title TUVT17230223-269885_3C251 of DTN GOBIERNO NACIONAL, held as of December 2022.

5 Movement due to cash flow hedges shows the following variation:

Date	Valuation	Interest accrual	FX Difference	Variation
December 2023	$ 75,822	$ 3,242	$ (90,563)	$ (11,499)
December 2022	228,514	2,099	(219,470)	11,143
Total	$ (152,692)	$ 1,143	$ 128,907	$ (22,642)

31. Law Controls

The Bank, during the years 2023 and 2022, complied with all the regulations on legal controls established by the Financial Superintendency of Colombia, as follows:

- Regarding foreign currency proprietary position, minimum reserve requirements on local currency deposits, standard measurement of liquidity risk (IRL), mandatory investments in TDA (Spanish acronym for Agricultural Development securities).

  The Bank's portfolio policy complies with the current housing law, according to which, mortgage loans can be granted as follows:
  - Social Interest Housing up to 80% financing of the value of the home.
  - Housing other than Social Interest, up to 70% Financing of the value of the home.

- After complying with the internal approvals and those of the Financial Superintendency of Colombia, BBVA Colombia, accepted to anticipate applying decrees 1477 of 2018 and 1421 of 2019, which was scheduled for January 2021. This process concluded with transmission to the SFC of the Solvency Ratio indicator in June 2020 according to the aforementioned decrees.

In this way, as of June 2020, BBVA Colombia complied with regulatory Solvency Ratio limits contained in the aforementioned decrees, which at the end of December 2023 was of 11.5%, and at the end of 2022 was of 10.88%, completing its convergence transition to Solvency regulations.

As of December 31, 2023 and 2022, the Bank's technical equity represented 12.39% and 13.30%, respectively, of its assets and credit contingencies, weighted by risk level, calculated on the unconsolidated financial statements.

32. Commitments and Contingencies

In the normal course of operations, the Bank issues financial instruments which are recorded in contingent accounts. The Bank's management does not expect material losses as a result of these transactions.

The Bank issues surety guarantees to guarantee special client contracts and obligations. These guarantees have a maturity between one and fifteen years and commissions are charged for this service to the correspondent banks, whether or not these are part of the group.

At the end of December 31, 2023, the Bank recorded the following balances:

32.1. In legal currency

Ítem	2023	2022
Avals	$ 4,514	$ 615
Bank Guarantees (1)	1,452,902	1,776,167
Total Avals and Bank guarantees in Local Currency	$ 1,457,416	$ 1,776,782

1. A decrease in bank guarantees was reported due to a reduction in client contracts and obligations.

32.2. In foreign currency

December 31, 2023

Ítem	USD	EUR
Bank Guarantees	$ 440	$ 38
Letters of Credit (LC)	75	15
Total in foreign currency	515	53
Exchange rates (applied to the cut)	3,822	4,245
Total in pesos	$ 1,968,330	$ 224,985

December 31, 2022

Ítem	USD	EUR	CHF
Bank Guarantees	$ 435	$ 36	$ 0.00
Letters of Credit (LC)	50	11	0.05
Total in foreign currency	485	47	0.05
Exchange rates (applied to the cut)	4,151	4,340	4,336,00
Total in pesos	$ 2,013,235	$ 203,980	$ 217,00

Historically, BBVA Bank has not breached any Bank Guarantee in legal or foreign currency.

In the event that any of our Clients fail to comply with the obligations derived from a Bank aval or Guarantee issued by Banco BBVA Colombia S.A. with third parties, a provision would be recognized under the parameters established by IAS 37. - Provisions, Contingent Liabilities and Contingent Assets, through the use of the following decision tree:

32.3. Discriminated decision tree - concepts to consider in defining criteria

Contingent Liability – Avals, Letter of Credit and Bank Guarantee

- Is it a possible obligation arising from past events and which existence must be confirmed only because uncertain future events not controlled by the entity occur or not?
- Is it not probable that an outflow of resources that incorporate future economic benefits will be required to satisfy the obligation?
- Can the amount be measured with sufficient reliability?

We asked the risk area to qualify the clients which, as of December 31, 2023, have a current balance in both legal and foreign currency and the result was the following:

Given that Bank Guarantees are not part of the qualification processes established for active loan operations, the Risk Area proceeded to complete the following activities:

a. Locate the identification sent from the bank guarantees and assign the risk rating if the identification at the end of December 2022 has active credit operations.

b. Rating information was taken from identifications that do not have active credit operations.

The rating is assigned after analyzing set of qualitative and quantitative variables established in models, which are analyzed by the Bank's tools; These variables give a final weight to each client to establish and define the master qualification.

32.4. Legal Currency Guarantees
(Expressed in millions of pesos)

The rating of the information as of December 31, 2023, and 2022, is as follows:

	2023		2022	
Classification	COP	Percentage	COP	Percentage
A	$ 4,514	100%	$ 615	100%
Total in COP	$ 4,514	100%	$ 615	100%

Bank guarantees in foreign currency
(Expressed in millions of currency)

The classification of the information as of December 31, 2023 is as follows:

Classification 2023	USD	EUR	CNY	CHF	Percentage
A	$ 440.00	$ 0.00	$ 0.00	$ 0.00	100.00%
Total in foreign currency	440.00	0.00	0.00	0.00	
Exchange rates (applied to the cut)	3,822.05	4,244.58	537.84	4,569.89	
Total in pesos	$ 1,681.702.00	$ 0.00	$ 0.00	$ 0.00	100.00%

The classification of the information as of December 31, 2022 is as follows:

Classification 2022	USD	EUR	CNY	CHF	Percentage
A	$ 434.00	$ 36.00	$ 0.00	$ 0.00	99.98%
C	0.06	0.00	0.00	0.00	0.01%
E	0.04	0.00	0.00	0.00	0.01%
Total in foreign currency	434.10	36.00	0.00	0.00	
Exchange rates (applied to the cut)	4,151.21	4,339.88	620.09	4,336.30	
Total in pesos	$ 1,802,040.26	$ 156,235.68	$ 0.00	$ 0.00	100.00%

32.5. Letters of credit in foreign currency
(Expressed in millions of currency)

The classification of the information as of December 31, 2023 was as follows:

Classification 2023	USD	EUR	CAD	CHF	Percentage
A	$ 75.00	$ 0.00	$ 0.00	$ 0.00	100.00%
Total in foreign currency	75.00	0.00	0.00	0.00	
Exchange rates (applied to the cut)	3,822.05	4,244.58	2,898.43	4.569.89	
Total in pesos	$ 286,653.75	$ 0.00	$ 0.00	$ 0.00	100.00%

The classification of the information as of December 31, 2022 was as follows:

Classification 2022	USD	EUR	CAD	CHF	Percentage
A	$ 50.00	$ 11.00	$ 0.00	$ 0.05	99.90%
B	0.03	0.00	0.00	0.00	0.05%
E	0.03	0.00	0.00	0.00	0.05%
Total in foreign currency	50.06	11.00	0.00	0.05	
Exchange rates (applied to the cut)	4,151.21	4,339.88	3,218.10	4,336.13	
Total in pesos	$ 207,809.57	$ 47,738.68	$ 0.00	$ 216.81	100.00%

As a result of the work carried out to evaluate the current state of the Avals, Bank Guarantees and Letters of Credit outstanding at the end of 2023, under the criteria of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, the facts that caught our attention are highlighted below:

- 100% of clients with operations (Bank Guarantees) in local currency did not represent any level of risk, since the rating of their economic group was “A”.
- Of the letters of credit in foreign currency that were issued in 2023, 100% have the most optimal rating, as is the A rating.
- Of the total guarantees issued in foreign currency, 100% is made up of clients who are rated under category A.

According to the revised bases, it is considered that BBVA Colombia S.A. At the end of 2023, no provision is required to provision for the products of Avals, Bank Guarantees and Letters of Credit in Local and Foreign Currency, according to the criteria of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

33. Interest income and valuations.

Interest income and valuations from ordinary activities for the years ended December 31, 2023 and 2022, were as follows:

Loan portfolio and financial leasing operations	2023	2022
Commercial loan portfolio		
Commercial loans	$3,271,195	$1,743,179
Commercial loan overdrafts	21,010	9,289
Commercial portfolio discount operations	25,430	6,159
Commercial portfolio rediscount operations	279,355	172,292
Commercial portfolio moratoriums	47,050	30,481
Subtotal commercial loan portfolio (1)	3,644,040	1,961,400
Consumer loan portfolio		
Consumer loans	3,096,330	2,415,675
Consumer portfolio moratoriums	67,114	40,238
Subtotal consumer loan portfolio (2)	3,163,444	2,455,913

Loan portfolio and financial leasing operations	2023	2022
Commercial loan portfolio		
Business Credit Card portfolio	9,744	6,613
Consumer Credit Card portfolio	979,230	589,374
Credit card loan portfolio subtotal	988,974	595,987
Mortgage portfolio		
Mortgage loans and leasing	914,959	848,099
UVR unit value adjustment	56,594	51,809
Subtotal mortgage loan portfolio	971,553	899,908
Factoring operations loan portfolio		
Factoring operations	188,124	86,516
Subtotal factoring operations loan portfolio (3)	188,124	86,516
Financial leasing loan portfolio		
Sanctions for non-compliance in financial leasing contracts	4,554	2,459
Financial component of financial leasing – consumer	529	610
Financial component of financial leasing - commercial	299,400	175,622
Subtotal financial leasing loan portfolio (4)	304,483	178,691
Mortgage leasing loan portfolio		
Mortgage leasing financial component of	397,140	359,156
Subtotal mortgage leasing loan portfolio (4)	397,140	359,156
Total loan and financial leasing operations	$ 9,657,758	$ 6,537,571

Valuation by financial instruments, net	2023	2022
SECURITIES		
Money market transactions		
Financial income from money market operations and other interests	$ (192.109)	$ (237.127)
Valuation of short positions for open repo and simultaneous transactions and temporary security transfers (5)	(173.679)	61.474
Valuation of spot transactions	1.200	(2.702)
Investments at fair value		
Valuation of Debt Instruments at Fair Value (6)	653.526	(52.109)
Investments at amortized cost		
Valuation of investments at amortized cost	614.945	414.403
Subtotal securities	903.883	183.939
Derivatives		
Trading derivatives (7)	801.156	(492.891)
Hedging derivatives	(77.424)	(36.659)
Derivatives subtotal	723.732	(529.550)
Total financial instruments valuation, net	1.627.615	(345.611)
Total interest income and valuations	$ 11.285.373	$ 6.191.960

The interest margin increased, year-on-year, by 32.31%.

1 Interest income from the commercial portfolio increased by $1,682,640, reporting its greatest variation in commercial portfolio interest at $1,528,016 and commercial portfolio rediscount transactions at $107,063. The behavior was influenced by the exchange rate fluctuation over 2023.

2 The consumer portfolio generated higher income of $707,531. Within this total, $680,655 corresponds, mainly, to the increase in the payroll loan portfolio, which has been promoted as a business strategy of the Bank, by extending clients a second payroll loan. In addition, it corresponds to the increase in the interest rates of all product loan portfolios.

3 In the discount and factoring/confirming operations, a higher income of $101,608 was obtained. The variation is mainly the result of a decrease of 156bps in the rate.

4 In financial leasing operations, a higher income of $125,792 was obtained. The variation is mainly attributable to the Commercial Financial Leasing category, with an increase of $123,778. Likewise, there is an increase of $37,984 in housing leasing.

The increase is attributable to new placement rates for all loan product portfolios and the increase in the intervention rate of Banco de la República, which closed at 13% as of December 31, 2023, compared to that of the previous year, which closed at 12%.

5 Short term money market operations decreased by $235,153, compared to the previous year. This corresponds to the result of the strategies implemented in the money desk, aimed at achieving greater liquidity in the execution of negotiations at the time of evidencing the balances of operations such as repos, simultaneous and others, within the market in question.

6 The variation in fair value reported an increase of $705,635 for the debt instruments issued as collateral by the Nation.

7 The variation in trading derivatives was mainly reflected in the settlement and valuation of peso/dollar currency forward operations for $1,294,047.

34. Interest expense and valuations

For the years ended December 31, 2023 and 2022, the balances of these accounts were summarized as follows:

Ítem	2023	2022
Customer deposits		
Savings accounts (1)	$ (2,160,820)	$ (1,168,279)
Term deposit certificates (2)	(4,329,021)	(1,885,954)
Other interest expense	(1,143)	(1,310)
Total customer deposits	(6,490,984)	(3,055,543)
Financial obligations		
Bank loans and financial obligations (3)	(562,618)	(251,446)
Total financial obligations	(562,618)	(251,446)
Total interest and valuation expenses	$ (7,053,602)	$ (3,306,989)

1 The interest generated by savings accounts as of December 2023, generated a higher expense, amounting to $992,541, mainly in the Pagadiario product for non-financial companies and public entities.

2 In the Term Deposit Certificates (CDTs) category of, there was an increase of $2,443,067, which corresponds to deposits issued to non-financial companies and individuals, with a maturity greater than 12 months.

3 At the end of December 2023, the item of interest expenses on financial obligations presented an increase of $311,172 compared to the previous year, mainly due to the accrual of interest on financing with the International Financial Corporation (IFC) and BBVA Madrid. In addition, the coupon of the AT1 subordinated debt amounting to $97,571 was accrued.

The increase is related to new placement rates of loan portfolio loans in all products and the increase in Banco de la República's intervention rate, which closed at 13% as of December 31, 2023, compared to the same period of the previous year, which closed at 12%.

35. Commission income

Below is the summary of net commission income:

Commission income, net	2023	2022
Letters of Credit	$ 3,215	$ 3,084
Avals	23	0
Bank guarantees	30,301	31,609
Banking services	56,983	59,923
Affiliated merchants – credit cards	213,888	163,317
Office network services	148,428	128,036
Remittances	6,243	6,170
Credit card handling fees	115,532	92,522
Debit card handling fees	44,538	43,434
Derivative products	249	360
Other	226,622	188,218
Subtotal commission income	846,022	716,673

Commission income, net	2023	2022
Data processing	(73,670)	(54,099)
External credit placements	(191,700)	(185,476)
Office network services	(18,874)	(13,206)
Banking services	(18,863)	(19,512)
Franchises	(67,391)	(56,786)
Others	(174,279)	(144,102)
Subtotal commission expenses	(544,777)	(473,181)
Total commission income, net	$ 301,245	$ 243,492

There was a variation of $129,349 in commission income, which corresponds to an increase in other commissions of $38,404, such as: PSE commissions, commission for issuing line of credit amount letters and ACH transactions. In addition, establishments affiliated with credit cards, reported an increase of $50,571, where the most significant variation occurred in commissions for purchases with Visa Master. Credit card management fees at $23,010 and office network service at $20,392. As for others, this reports a variation of $38,404, mainly due to concepts such as manual commission refunds, ACH transactions, In House commissions and loan disbursement commissions.

In commission expenses, an increase of $71,596 is reported, which corresponds mainly to data processing for $19,571, franchises for $10,606, and other commission expenses for $30,176, such as placement of payroll and consumer loans. Regarding network services, it reports a variation of $5,668 which corresponds to the commission for using the Redeban and Credibanco networks.

36. Other operating income

For the years ended December 31, 2023 and 2022, the balances of these accounts are summarized as follows:

Other operating income	2023	2022
Sale of non-current assets held for sale	$3,915	$4,187
Sale of property and equipment	0	0
Sale of financial investment assets	316,129	329,723
Loan Portfolio Sales	0	0
Subtotal Disposals	320,044	333,910
Dividends	20,894	17,877
Leases	3,605	2,906
Others - Miscellaneous (1)	191,287	144,908
Operational risk recovery	22,006	9,849
Subtotal Other operating income	237,792	175,540
Total other operating income	$557,836	$509,450

In 2023, other operating income saw an increase of $48,386 compared to 2022. The most representative item is the other miscellaneous line with $46,379, mainly due to the prescription of dividends, charges for international purchases with credit card, payroll advance administration fee, collections and commissions through card payment methods items.

37. Other operating expenses

Other operating expenses, for the years ended December 31, 2023 and 2022, were as follows:

Other operating expenses	2023	2022
Foreign Exchange difference, net (1)	$ (476,656)	$1,169,413
Loss on sale of goods received in payment and returned	(234)	(991)
Employee benefits (2)	(898,619)	(816,056)
For sale of investments (3)	(315,924)	(261,606)
Non-current assets held for sale	(5,502)	(10,654)
Loss on loan portfolio sale	(10,936)	(23,154)
Professional fees	(39,092)	(34,688)
Taxes and fees (4)	(279,065)	(157,237)
Leases, net	(7,321)	(6,636)
Contributions, affiliations and transfers	(25,196)	(19,423)
Insurance (5)	(264,351)	(212,515)
Maintenance and repairs	(122,474)	(130,154)
Adaptation and installation	(14,156)	(8,478)
Fines and pecuniary penalties, litigation, compensation and lawsuits	(9,790)	(8,835)
Depreciation of property, plant and equipment	(51,327)	(48,755)
Depreciation of right of use property, plant and equipment	(30,499)	(27,821)
Amortization of intangible assets	(53,460)	(41,705)
Miscellaneous (6)	(757,402)	(635,107)
Loss due to casualty	(46,586)	(24,894)
Total other operating expenses	$ (3,408,590)	$ (1,299,296)

In 2023, other expenses increased by $2,071,934, equivalent to 283% compared to the previous year: the most significant items that contributed to this increase were the following:

1. Difference in exchange rates, increased by 140.8% or $1,646,069, compared to the previous year, due to net foreign exchange difference. The loss result for 2023 was characterized by the volatility in rates generated by uncertainty factors, due to the increase in interest rates in the United States.

2. During fiscal year 2023, there were significant adjustments in benefits and compensation for employees, reflecting a total increase of $82,563. The detail of each variation is as follows:

   - In the salary area, salaries registered an increase of $41,659, and comprehensive salaries showed an increase of $20,938. An increase was observed in social security contributions, totaling $15,501, which implied increases in Severance and Severance Interest of $5,659 and in Vacations and Vacation Premiums of $11,385. These adjustments underscore the focus on strengthening salary structures and associated benefits.

- In the actuarial calculation, an increase of $15,944 was recorded, corresponding to the seniority premium due to the increase in the discount rate. This signals special attention to the recognition of seniority as part of employment policies and benefits.

- In the pensions item, a substantial increase of $15,501 was observed, evidencing a commitment to the long-term financial well-being of employees.

To conclude, a considerable reduction in compensation was highlighted, reflecting a decrease of $19,832. In addition, a total decrease of $30,895 was observed in the bonuses paid as part of Incentive Pools. These adjustments indicate a careful optimization strategy and revision of compensation structures.

3 In sale of investments, the annual variation was an increase of $54,318, mainly represented by a higher expense for the sale of financial instruments: financial assets of treasury securities (TES), debt instruments, with maturities, classified as measured at fair value and that , therefore, affect the results for the period.

4 There was an increase in taxes and fees, amounting to $121,828. Within this item, the expense for Industry and Commerce Tax and Bank Transaction Tax (GMF for its acronym in Spanish) stands out.

5 Insurance showed an increase of 24.4%, mainly due to higher spending on deposit insurance.

6 In the heading of other miscellaneous expenses, there was an increase of $122,295, where the expenses for rental, support and call center of the bank's applications, tools and software projects stand out, which were incurred to improve internal operational processes and customer service.

38. Income tax and deferred tax

38.1. Income Tax Expenditure components

The income tax expense for the years 2023 and 2022 included the following:

	2023	2022
Current tax	$106,678	$725,468
Occasional income tax	435	872
Deferred tax, net	(49,692)	(259,622)
Previous years' Income tax	30,850	1,364
Total income tax	$88,271	$468,082

38.2. Reconciliation of the tax rate according to tax provisions and the effective rate:

The current tax provisions applicable to the bank stipulate that in Colombia:

- According with the Equality and Social Justice Law 2277 of 2022, the income tax rate for legal entities, starting 2023 and until 2027, corresponds to 35%. Additionally, financial institutions, insurance and reinsurance entities, stock brokerage companies and stock market infrastructure providers, which have a taxable income equal to or greater than 120,000 UVTs, must pay an additional 5 percentage points to the income tax and complementary fees, leaving a comprehensive rate of 40%.
- The income tax rate for the year 2022 was 35%, plus 3 additional percentage point surcharge, applicable to financial institutions; For 2021, the income tax rate was 31%. Additionally, for financial institutions that obtained taxable income equal to or greater than 120,000 UVTs in the period, an additional 3% would apply to the income tax, from 2023 to 2027, for a comprehensive rate of 38%.
- At the end of 2023, as a result of applying the current tax treatments in income tax calculations, a tax loss is reported, on which deferred tax is calculated and recorded at the tax rate of 40%. Said loss may be offset with ordinary liquid income, obtained within the following twelve (12) annual taxable periods, according to the provisions of Tax Code Article 147.

- • For the years 2023 and 2022, no presumptive income is determined, since this was in effect until taxable year 2020, the last year in which it was calculated with a rate of 0.5%, according to article 188 of the Tax Statute.
- • Through the Economic Growth Law (Law 2010/2019), the income tax and complementary tax returns of taxpayers who determine or offset tax losses or are subject to the transfer pricing regime, will become final in 5 years.
- • The capital gain tax is 15%.
- • Social Investment Law 2155/2021 established an audit benefit. In tax years 2022 and 2023, taxpayers whose net income tax for the current tax year increases by 35%, compared to the preceding year, the tax return will become final in 6 months, and when the increase is 25%, the return will become final in 12 months. With this, the income tax return for 2022 tax year became final in the month of December 2023, 6 months after it was submitted.
- • In application of the provisions of article 115 of the Tax Statute, 100% of the taxes, fees and contributions actually paid are deductible , with the exception of the tax on financial movements, which is 50% deductible.

Below is the detail of the reconciliation between the total income tax expense calculated at the tax rates in force for 2023
 - 2022 respectively and the tax expense actually recorded in the income statement.

Item	2023		2022	
Pre-tax profits from continuing operations	Ratio %	282,959	Ratio %	1,401,596
Income tax expense, calculated at 35% for 2023 and 38% for 2022	35.00%	99,036	38.00%	532,606
Dividends received that do not constitute income	(2.53%)	(7,167)	(0.44%)	(6,114)
Exempt income	0.00%	0	(1.84%)	(25,779)
Income valuation equity method	(5.80%)	(16,411)	(1.57%)	(22,007)
Other untaxed income	(7.45%)	(21,080)	(0.89%)	(12,478)
Other non-deductible expenses	9.53%	26,954	2.74%	38,384
Non-deductible taxes	6.64%	18,787	3.05%	42,701
Rate differential with deferred tax effect vs nominal rate	(119.77%)	(343,410)	(2.04%)	(28,602)
Fines, sanctions	1.21%	3,426	0.24%	3,357
Retirement pensions and social security expenses	0.00%	0	0.00%	0
Income tax from previous years	10.90%	30,850	0.10%	1,364
Tax position provision	0.00%	0	0.36%	5,000
Tax discounts	0.00%	0	(3.46%)	(48,510)
Loss tax credit	101.28%	291,085	0.00%	0
Others	2.19%	6,201	(0.84%)	(11,840)
Total income tax expense recognized in income (related to continuing operations)	31.20%	$88,271	33.41%	$468,082

38.3. Assets and liabilities for current tax

Current tax assets and liabilities	2023	2022
Current tax assets		
Balance in favor of current tax	$ 828,295	$ 0
VAT on real productive fixed assets	6,776	0
Current tax liabilities		
Income tax payable	0	289,421
Income tax payable	$ 835,071	$ 289,421

38.4. Deferred taxes by type of temporary difference:

The differences between the asset and liability bases for IFRS purposes and the tax bases of the same assets and liabilities for tax purposes give rise to temporary differences that generate deferred taxes that were measured and recognized as of December 31, 2023, and 2023 based on the tax rates currently in force for the years in which said temporary differences will be reversed.

The following is the net result of the deferred tax assets and liabilities included in the statements of financial position as of December 31, 2023 and 2022:

Deferred tax assets and liabilities	2023	2023
Deferred tax asset	$ 620,659	$ 640,268
Deferred tax liability	(266,453)	(220,079)
Total deferred tax assets and liabilities	$ 354,206	$ 420,189

Year ended December 31, 2023

2023	Opening Balance (Restated)	Recognized in Income Statement	Recognized in Other Comprehensive Income	Recognized directly in equity	Closing balance
Deferred tax asset related to:					
Cash flow hedges	$ 1,946	$ 0	$ 4,600	$ 0	$ 6,546
Net investment coverage	286,579	(190,658)	0	0	95,921
Property, plant and equipment	45,370	(4,282)	0	(1,983)	39,105
Financial assets at fair value through profit or loss and amortized cost	19,582	(19,582)	0	0	0
Deferred income	7,566	0	0	0	7,566
Provisions	116,255	(13,573)	0	0	102,681
Defined benefit obligations	39,576	(10,859)	0	0	28,717
Restatement of Assets and Liabilities in Foreign Currency	116,889	(116,761)	0	0	128
Leases	6,946	380	0	0	7,326
Tax loss	0	332,669	0	0	332,669
Others	(440)	440	0	0	0
Subtotal deferred tax asset	640,269	(22,226)	4,600	(1,983)	620,659
Deferred tax liability related to:					
Cash flow hedges	(6,404)	0	4,457	0	(1,947)
Associates	(53,797)	5,022	(3,271)	0	(52,046)
Property, plant and equipment	(142,256)	(2,467)	0	0	(144,723)
Repo, simultaneous and TTV operations	0	(3,635)	0	0	(3,635)
Intangible assets	(6,851)	(4,922)	0	0	(11,773)
Financial assets at fair value through profit and loss and amortized cost	844	(12,879)	(12,799)	0	(24,834)
Provisions -	6,064	1,511	0	0	(4,553)
Unclaimed share issuance and repurchase costs	(1,047)	675	0	0	(372)
Others	(4,377)	(1,276)	0	0	(5,653)
Restatement of ME Assets and Liabilities	(127)	(16,790)	0	0	(16,917)
Subtotal deferred tax liability	(220,079)	(34,761)	(11,613)	0	(266,453)
Total deferred tax, net	$ 420,190	$ (56,987)	$ (7,013)	$ (1,983)	$ 354,206

Year ended December 31, 2022

2022	Opening Balance (Restated)	Recognized in Income Statement	Recognized in Other Comprehensive Income	Recognized directly in equity	Closing balance
Deferred tax asset related to:					
Cash flow hedges	$ 1,947	$ 0	$ 0	$ 0	$ 1,947
Net investment coverage	192,222	94,356	0	0	286,578
Property, plant and equipment	37,162	12,238	0	(4,030)	45,370
Financial assets at fair value through profit or loss and amortized cost	3,918	15,664	0	0	19,582
Deferred income	7,566	0	0	0	7,566
Provisions	25,587	90,667	0	0	116,254
Defined benefit obligations	29,320	10,256	0	0	39,576
Restatement of Assets and Liabilities in Foreign Currency	41,718	75,171	0	0	116,889
Leases	5,806	1,140	0	0	6,946
Tax loss	8,349	(8,349)	0	0	0
Others	0	(440)	0	0	(440)
Subtotal deferred tax asset	353,595	290,703	0	(4,030)	640,268
Deferred tax liability related to:					
Cash flow hedges	0	0	(6,404)	0	(6,404)
Investment Coverage, net	(1)	0	0	0	(1)
Related	(30,272)	(12,316)	(11,209)	0	(53,797)
Property, plant and equipment	(132,319)	(9,937)	0	0	(142,256)
Intangible assets	(2,609)	(4,242)	0	0	(6,851)
Financial assets at fair value through profit and loss and amortized cost	(11,041)	0	11,885	0	844
Provisions	(1,230)	(4,834)	0	0	(6,064)
Unclaimed share issuance and repurchase costs	(1,422)	375	0	0	(1,047)
Others	(4,377)	0	0	0	(4,377)
Restatement of Assets and Liabilities in Foreign Currency	0	(127)	0	0	(127)
Subtotal deferred tax liability	(183,271)	(31,081)	(5,728)	0	(220,080)
Total deferred tax, net	$ 170,325	$ 259,622	$ (5,728)	$ (4,030)	$ 420,189

For presentation purposes in the statement of financial position, the Bank offset deferred tax assets and liabilities according to the provisions of paragraph 74 of IAS 12, considering the application of the tax provisions in force in Colombia on the legal right. to offset current tax assets and liabilities.

38.4.1. Deferred taxes in respect of subordinate companies and joint operations

As of December 31, 2023 and 2022, the Bank did not record deferred tax liabilities with respect to temporary differences from its investment in subsidiaries, as it has the power to control the reversal of such temporary differences and does not plan to reserve these in the near future (IAS 12 exception). Had this deferred tax liability been recorded, the value of the difference would amount to $40,634 and $21,470 as of December 31, 2023 and 2022, respectively.

38.4.2. Effect of current and deferred taxes on each component of Other Comprehensive Income in equity

The effects of current and deferred taxes on each component of Other Comprehensive Income (ORI) are detailed below:

	Movement as of December 31, 2023			Movement as of December 31, 2022		
	Amount before tax	Deferred tax	Net	Amount before tax	Deferred tax	Net
Items that will not be reclassified to the result of the period						
Earnings (losses) from investments using the equity method	$ 3,662	$ 0	$ 3,662	$ (1,620)	$ 0	$ (1,620)
Participation in Other Comprehensive Income of non-controlled interests	45,841	(3,270)	42,571	12,911	(11,209)	1,702
Defined benefit obligations	(8,757)	0	(8,757)	(2,234)	0	(2,234)
Items that can be reclassified later to the result of the period						
Financial assets available for sale	31,996	(12,798)	19,198	(31,166)	11,885	(19,281)
Cash flow hedges	(22,642)	9,057	(13,585)	16,267	(6,404)	9,863
Total	$ 50,100	$ (7,011)	$ 43,089	$ (5,842)	$ (5,728)	$ (11,570)

38.5. Transfer prices

In compliance with the provisions of Laws 788/2002, 863/2003, 1607/2012 and 1819/2016, regulated by Decree 2120/2017 of the Ministry of Finance and Public Credit, the Bank has prepared a transfer price study on the transactions made with related parties abroad during the 2021 tax year. The study did not give rise to adjustments that affected the bank's tax revenues, costs and expenses.

Although the transfer pricing study for 2023 is being prepared, no significant changes are anticipated in relation to the previous year.

38.6. Uncertainties in fiscal positions

As of January 1, 2020, and through Decree 2270/2019, which was adopted for the purposes of the local financial statements of Group 1, the interpretation of IFRIC 23 - Uncertainties in Income Tax Treatments, in applying this standard, the Bank has analyzed the tax positions adopted in the returns still subject to review by the tax authority, in order to identify uncertainties associated with a difference between such positions and those of the tax administration. According to the evaluation, no facts were identified that would imply recognizing additional provisions in this account.

Furthermore, according with the provisions of article 10 of Law 2277 of 2022, paragraph 6, which requires determining a minimum tax rate or Adjusted Tax Rate (DTT) that may not be less than 15%, and will be the result of dividing an Adjusted Tax (ID) on the Adjusted Income (UD), and in the event that the Adjusted Tax Rate (TTD) is less than 15%, an Added Tax (IA) must be determined to reach said percentage. The bank has completed and documented the respective analysis, determining that for year 2023 the DTT or the recognition of an additional tax does not apply.

39. Related Parties

39.1. Controller and main controller

BBVA Colombia S.A. has Banco Bilbao Vizcaya Argentaria as the group's main controller, with a 95.43%, ownership percentage, transactions with which henceforth are revealed as shareholders with more than 10% of the company.

39.2. Recognition of relationship with related parties

People related to the entity

BBVA Colombia S.A. recognizes as a related parties board of directors members and legal representatives and/or key management personnel who exercise significant influence over the organization's decision-making.

Subordinates

BBVA Colombia S.A., owns shares in BBVA Valores Colombia S.A. Comisionista de Bolsa, with a 94.44% stake, said organization's main activity is securities brokerage and BBVA Asset Management S.A. Sociedad Fiduciaria, with a participation of 94.51%, Its economic activity is the celebration of all those businesses that involve fiduciary management, whose activities are done in the General Headquarters of Banco BBVA, domiciled at Cra. 9 No. 72-21 on floors 6 and 7 in Bogotá D.C.

Joint Ventures

In July 2015, Compañía de Financiamiento RCI Colombia was established in a joint agreement with RCI Banque Colombia S.A., part of the Renault Group. This investment corresponds to a 48.99% stake for the Bank, represented by 7,154,979 shares. This company is headquartered at Cra 49 # 39 Sur 100 Envigado, Antioquia.

Other related parties in Colombia

BBVA recognizes as related parties the companies, BBVA Seguros Generales, which is dedicated to marketing general or property insurance products, and BBVA Seguros de Vida, which markets only life insurance. Considering that the shareholding composition reflects a 99.95% BBVA Group participation, these are recognized as economically related parties. These companies are headquartered at Cra 15 No. 95-65, on floors 5 and 6.

The Financial Services Marketing Company is also considered a National related party as it is an ally that is responsible for facilitating access to the products and services of BBVA Colombia S.A., introducing the offer of some of its products to clients.

This company has a significant participation in the shareholding composition of BBVA Seguros Colombia.

In this same group we find Telefónica Factoring Colombia, S.A., Redetrans Administration Trust, Horizontes Villa Campestre Trust and Lote 6.1 Zaragoza Trust.

Compensation received by key management personnel and directors

In addition to their remuneration, the Company has a system to calculate and pay the annual variable remuneration of those people whose professional activities have a significant impact on the Bank's risk profile, as well as those other employees who exercise control functions, among them which include, in any case, the executive directors and other members of the Senior Management of BBVA Colombia S.A.

The deferred amounts of annual variable remuneration, both in cash and shares, are subject to long-term objectives; Therefore, the degree of compliance with these objectives determines the amount of the benefit granted to each of the related parties.

The other remunerations recognized for key management personnel are:

Detail	2023	2022
Short-term employee benefits	$ 13,492	$ 10,220
Post-employment benefits	55	72
Share-based payments	4,093	2,350
Key management personnel Compensation	12,788	10,902
Total	$ 30,428	$ 23,544

In addition to the compensation mentioned above, key management personnel and members of the Board of Directors reported travel expenses of $705, made through the use of corporate cards.

As of December 2023, the members of the Board of Directors received compensation for fees and assistance to the board of directors of $431.

Recognized transactions with shareholders with more than 10% of the company

For comparative purposes, BBVA Colombia, as of December 2023, reported a balance of $45,737 with correspondent banks BBVA Madrid $8,886, BBVA Hong Kong and BBVA New York $37,382. With BBVA Madrid, Accounts Receivable amounted to $143,307 and Accounts Payable amounted to $731,432, as a result of the settlement of trading derivatives. Additionally, BBVA Colombia recorded income of $31,923, from commissions, and expenses of $158,799, from commissions and technology transfer. Finally, in the derivatives negotiated, a Mark to Market (MTM) is recorded `in assets for $8,357,605 and in liabilities for $8,503,207.

With regards to recognized contingent commitments, the Bank issues Avals, Letters of Credit and Bank Guarantees to its economic associates, which are recorded as contingent accounts. These guarantees have a maturity of between one and fifteen years, and for this service a commission of 0.2% is charged, with a minimum of 80 USD for those belonging to the group and of 0.3% on the value of the aval or guarantee, with a minimum of 100 USD quarterly, with correspondent banks not belonging to the BBVA Group.

Below is the detail in legal and foreign currency by type of guarantee generated to Banco Bilbao Vizcaya Argentaria:

Detail	2023	2022
Bank guarantees in Local currency	$ 93,051	$ 539,015
Bank guarantees in foreign currency	167,729	209,168
Letters of Credit in foreign currency	74,018	1,517
Total	$ 334,798	$ 749,700

Other transactions with related parties

Relationships between related parties are a normal feature of commerce and business. BBVA frequently makes part of its activities through subsidiaries, joint ventures and other related parties.

The detail of operations with related parties as of December 31, 2023 was:

		Subordinated Companies		Joint Venture participation			Other BBVA group companies not subordinated to BBVA Colombia			
Ítem	Shareholders participation higher than 10%	BBVA Securities	BBVA Fiduciaria	RCI COLOMBIA	Board of Directors Members	Legal Representatives and Key Management Personnel	BBVA Seguros	BBVA Life Insurance	Others Local Related Companies	Other International Related Companies
Assets										
Loan and interest portfolio	$0	$0	$0	$893,001	$233	$3,927	$3	$23	$63	$0
Investments	0	51,758	111,624	182,633	0	0	0	0	0	0
Derivatives and cash operations	8,357,605	0	0	0	0	0	0	0	0	86,645
Banks and other financial entities	92,004	0	0	0	0	0	0	0	0	6,898
Accounts receivable	14,306	1	34	5,910	0	0	0	0	0	521
Guarantee deposits	235,851	0	0	0	0	0	0	0	0	0
Prepaid Expenses	0	0	0	0	0	0	3,247	0	0	0
Non-current assets held for sale	0	0	0	0	0	0	0	0	14,349	0
Total	$8,699,766	$51,759	$111,658	$1,081,544	$233	$3,927	$3,250	$23	$14,412	$94,064
Liabilities:										
Deposits (Savings and Demand Deposits)	0	6,434	65,887	127,979	200	2,563	80,750	167,052	20,000	0
Outstanding Investment Securities	0	0	0	0	0	0	0	39,580	0	0
Derivatives and cash operations	8,503,207	0	0	0	0	0	0	0	0	82,738
Margin Call	165,443	0	0	0	0	0	0	0	0	6,230
Accounts payable	744,595	11	14	0	0	0	906	0	6,576	981
Total	$9,413,245	$6,445	$65,901	$127,979	$200	$2,563	$81,656	$206,632	$26,576	$89,949
Income:										
Dividends Equity Participation Method	0	10,946	33,352	2,748	0	0	0	0	0	0
Interest and/or investment returns	31,305	0	0	121,727	71	467	0	0	3	1,485
Commissions	618	8	354	718	2	24	33,771	105,711	23	2,829
Leases	0	0	155	0	0	0	19	0	1,223	0
Total	$31,923	$10,954	$33,861	$125,193	$73	$491	$33,790	$105,711	$1,249	$4,314
Expenses:										
Interest	5,574	141	7,641	14,657	38	346	6,015	14,905	138	0
Commissions	154,355	0	40	0	0	32	0	0	158,995	13,152
Employee Benefits	0	0	0	0	0	13	0	0	0	0
Insurance	0	0	0	0	0	0	7,393	5,627	0	0
Other Expenses	0	0	0	0	35	670	0	0	0	0
Consulting, advisory fees	0	0	0	0	0	1	0	0	0	0
Corporate application services	4,445	11	0	0	0	0	0	0	3,989	94,765
Total	$164,374	$152	$7,681	$14,657	$73	$1,062	$13,408	$20,532	$163,122	$107,917
Commitments and contingent obligations	232,318	0	0	0	0	0	0	0	0	102,481
Commitments to purchase calls and puts	0	0	0	0	0	0	0	0	0	1,341,396
Total	$ 232,318	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,443,877

The detail of operations with related parties as of December 31, 2022 was:

		Subordinated Companies		Joint Venture participation			Other BBVA group companies not subordinated to BBVA Colombia			
Item	**Shareholders participation higher than 10%**	**BBVA Securities**	**BBVA Fiduciaria**	**RCI COLOMBIA**	**Board of Directors Members**	**Legal Representatives and Key Management Personnel**	**BBVA Seguros**	**BBVA Life Insurance**	**Others Local Related Companies**	**Other International Related Companies**
Assets										
Loan and interest portfolio	$ 0	$ 0	$ 0	$ 1,012,057	$255	$2,008	$2	$7	$44	$0
Investments	0	40	98,861	210,957	0	0	0	0	437	0
Derivatives and cash operations	8,089,683	0	0	0	0	0	0	0	0	45,769
Banks and other financial entities	269,567	0	0	0	0	0	0	0	0	0
Accounts receivable	40,224	0	30	11,081	0	0	0	0	40	210
Guarantee deposits	764,360	0	0	0	0	0	0	0	0	16,643
Prepaid Expenses	0	0	0	0	0	0	3,282	0	0	0
Non-current assets held for sale	0	0	0	0	0	0	0	0	14,349	0
Total	$9,163,834	$40	$98,891	$1,234,095	$255	$2,008	$3,284	$7	$14,870	$62,622
Liabilities:										
Deposits (Savings and Demand Deposits)	0	3	35,416	100,260	616	1,353	54,691	150,182	5,665	0
Outstanding Investment Securities	0	0	0	0	0	0	0	105,000	0	0
Derivatives and cash operations	8,711,609	0	0	0	0	0	0	0	0	58,496
Margin Call	144	0	0	0	0	0	0	0	0	0
Accounts payable	2,274,137	0	0	0	0	0	4	371	619	146
Total	$11,129,349	$3	$35,416	$100,260	$616	$1,353	$54,695	$255,553	$6,284	$58,642
Income:										
Dividends Equity Participation Method	0	2	22,458	36,467	0	0	0	0	0	0
Interest and/or investment returns	13,011	0	1	52,552	35	287	0	0	1,915	451
Commissions	7,497	0	310	494	1	24	27,558	93,691	46	701
Leases	0	0	137	0	0	0	17	67	1,230	0
Total	$20,508	$2	$22,906	$89,513	$36	$311	$27,575	$93,758	$3,191	$1,152
Expenses:										
Interest	3,415	247	2,864	3,142	13	167	935	5,412	105	0
Commissions	88,869	0	0	0	3	20	0	0	161,713	8,390
Employee Benefits	0	0	0	0	0	2,350	0	0	0	0
Insurance	0	0	0	0	0	0	9,711	0	0	0
Other Expenses	0	0	0	0	15	424	0	0	0	0
Consulting, advisory fees	0	0	0	0	8	0	0	0	4,482	0
Corporate application services	138,699	0	0	0	0	0	0	0	5,384	97,053
Total	$230,983	$247	$2,864	$3,142	$39	$2,961	$10,646	$5,412	$171,684	$105,443
Commitments and contingent obligations	688,177	0	0	0	0	0	0	0	0	61,523
Commitments to purchase calls and puts	0	0	0	0	0	0	0	0	0	1,281,105
Total	$ 688,177	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$1,342,628

40. Market, interest and structural risk report

Risk Management principles and policies, as well as tools and procedures, are used according to recognition criteria established in IFRS 7, "Financial Instruments: Disclosure Information". Below is the distribution by items of the separate financial statement of BBVA Colombia's exposure to credit risk, as of December 2023 and December 2022, broken down net of provisions.

For financial assets held for trading, the methodology used to evaluate risk was the nominal value, expressed in pesos, of the fixed income trading position held by treasury, financial assets available for sale and investments held to maturity. To evaluate the risk, the nominal value expressed in pesos of the AFV (Available For Sale) fixed income position and maturity held by the COAP was used. Regarding the derivative portfolios and hedge accounting, the methodology of the Financial Superintendency of Colombia was used.

To determine the risk of the Loan portfolio, it is calculated with the original gross provisions' exposure and existing active guarantees, related by portfolio.

The Bank's maximum exposure to credit risk is reflected in the carrying value of financial assets in the separate statement of financial position, as follows:

The risk exposure and management as of December 2023 and 2022 were as follows:

Ítem	2023	2022
Cash and cash equivalents	$7,013,178	$8,965,818
Financial assets held for trading	3,724,824	2,399,725
Financial assets available for sale	2,486,802	3,114,018
Investments held to maturity	3,157,408	2,933,429
Derivatives and hedge accounting	3,886,233	5,050,559
Consumer portfolio	29,187,967	26,139,389
Commercial portfolio	30,975,526	29,891,940
Mortgage portfolio	14,974,638	14,485,368
Investment credit	75,138,131	70,516,697
Approved loans, not disbursed	1,467,540	1,144,505
Credit Lines	6,443,999	5,693,115
Bank guarantees	3,298,685	4,047,353
Letters of Credit	1,367,816	1,345,329
Total	$12,578,040	$12,230,302

Regarding cash equivalents, for risk exposure considerations, deposits in Banco de la República are not considered because it is the Central Bank of the country.

40.1. Market risk

Market risk is defined as the possibility that the group incurs losses associated with the decrease in the value of its portfolio, due to changes in the price of financial instruments in which it has positions. Although the Bank, the fiduciary and the commission agent manage risks individually, these maintain a corporate methodology in which the market risk derived from the activity of their operations is managed. The basic objective of this methodology is to limit possible losses, quantify the economic capital necessary to exercise its activity and optimize the relationship between the level of exposure assumed and the established results.

To face this management with maximum guarantees, the Bank has developed a series of organizational policies and systems for the identification, measurement, control and monitoring of the risks inherent to operations, both trading and balance sheet.

40.1.1. Segregation of functions

Depending on the function to which the contracting, accounting, compliance or risk monitoring actions are related, responsibility was assigned to each of the following dependencies:

- **Global Markets.** This is the area in charge of managing the implementation of policies and programs established to guarantee efficient management of the Bank's financial resources. In addition, it controls that there is the necessary liquidity for the normal development of the institution's operations, designing policies on investment portfolios that contribute to strengthen the financial, competitive and expansion position of the group at the national and international level.
- **Market management.** This area is responsible for controlling the daily operations of the trading desk, as well as responsible for confirming, settling and offsetting treasury operations. Meanwhile, it is responsible for the custody of contracts and the administration of securities deposits. This area reports depends on the Media Vice Presidency.
- **Market accounting.** This area is responsible for validating and ensuring the proper incorporation of trading transactions in the Bank's balance sheet. In addition, it controls, calculates and reports its own foreign currency position. This area depends on the Financial Vice Presidency.
- **Market and structural risks.** This area is responsible for quantifying, valuating and promptly reporting the risks of Global Markets operations, as well as liquidity and structural balance sheet risk. This area depends on the Vice Presidency of Risks.
- **Legal area.** Responsible for analyzing and evaluating the legal risks that may arise from the acts or contracts that formalize transactions. Its main function is to guarantee that there is no legal situation that legally affects its implementation or documentation. In the exercise of its functions, the legal area verifies compliance with the relevant legal regulations and ensures that it conforms to the entity's policies and standards. In all cases, the operations are legally structured based on the current legal regulations to which the Bank is subject, including participation in new markets or products.
- **Internal control and operational risk area.** Responsible for analyzing, evaluating and managing Internal Control (processes) along with operational risks that may arise from Global Markets operations. Its main function is to identify and propose mitigating control measures, in compliance with the corporate model and local regulatory guidelines, required for adequate maintenance of the Internal Control System (ICS) and the Operational Risk Management System (SARO).

40.1.2. Nature and Scope of the Risks arising from Financial Instruments

Senior management sets the following objectives for the treasury:

- Manage the Bank's short-term liquidity.
- Manage the mechanisms and tools necessary to cover interest, foreign exchange rate and liquidity risks, both in proprietary operations and in client operations.

Therefore, Global Markets performs actions on its proprietary account to meet its liquidity needs and those of external clients. It also participates actively as a market maker in fixed income, spot and forward foreign exchange operations, as well as money market operations. For this, it has an organizational structure made up of trading desks (interest rates and currency operations), distribution desks (customer needs) and structuring activity.

Considering the objectives assigned to the treasury and in order to optimize, manage and administer inherent risks to these, senior management decided to establish functions by areas, quantifiable limits and risk measurement tools.

Methods used to measure risk. The Bank uses the standard model for risk measurement, control and management. Additionally, it uses tools to set limits on traders' positions and to quickly review positions and strategies as market conditions change.

The main sources of market risk to which the Bank is exposed are:

1. ***Interest rate:*** The portfolios of the Global Markets area are exposed to this risk when their value depends on the level of certain interest rates in the financial market.

2. ***Foreign exchange rate:*** Both the banking and the trading books are exposed to this risk when their values and operations depend on the exchange rate between currencies in the financial market.

The methodologies used to measure VaR are periodically evaluated and subjected to back testing to determine their effectiveness. In addition, the Bank has tools to perform stress tests and raise awareness of portfolios, by simulating extreme scenarios.

40.1.3. Limits

Limits were established on risk exposures of global markets activity, designating the following:

The main metric is *the objective average economic capital (CEMO for its acronym in Spanish), according to the standards defined by Basel 2.5. The calculation of this indicator is done from the VaR, in addition a measurement of stressed VaR is added, resulting in the final measurement being the maximum of the two (VaR and VaR Stress) over an average of 3 months. In this manner, greater weight is assigned to current or past market stress events. This measure is rescaled by the multiplier set by Basel of three times the root of ten to calculate the economic capital charge.*

Monitoring is done based on a "global limit," which in turn is disaggregated by risk factors, tables, currencies and products. For each of these, internal alert signals are established when the consumption thereof is 85% or higher. Exceeding this warning signal requires express approval from the person responsible for the Global Markets area, to the market and structural risks area, informing the strategy to be followed. The Market Risk Area and Structural, in turn, informs senior management and the Global Market Risk Unit, who will indicate to what extent it is possible to continue with said strategy.

The limits are approved by the Board of Directors, while the measurement, monitoring and control are performed by the Market and Structural Risks area on a daily basis. This area issues reports to senior management periodically and monthly to the board of directors.

40.1.4. Measurement and monitoring tools

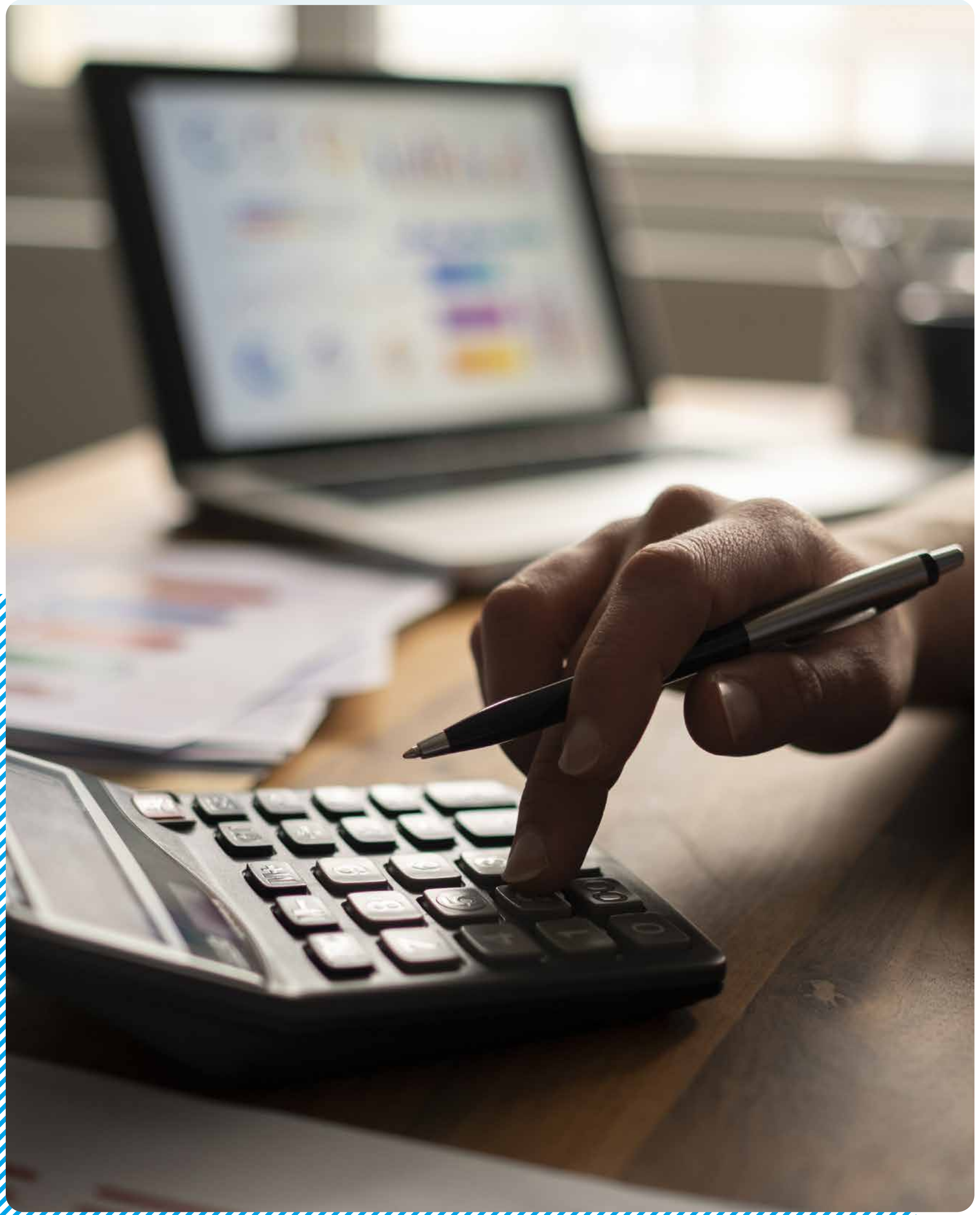
Among the main risk measurement tools are Value at Risk-VaR, Stress VaR and sensitivity-delta. However, the bank also uses other tools, such as stress testing and stop losses.

Value at Risk - VaR. The VaR measurement methodology used by the Bank is historical simulation, which seeks to collect the negative impacts that the income statement of the trading portfolio may suffer due to negative impacts generated by historical risk factors on the present positions of the Bank. When using historical data, the correlation that exists between these and its occurrence distributions is naturally included.

To monitor and control limits for Global Markets operations, a measurement is done based on the "VaR without exponential smoothing" methodology, using two years of information from the financial markets.

	VaR Figures Millions of COP			
	December	Minimum	Maximum	Average
Year 2023	$ 7,113	$ 5,115	$ 30,847	$ 12,478
Year 2022	9,205	3,752	15,733	7,779

Stop loss. It is a measure to monitor the accumulated losses in the Global Markets portfolios with the purpose of limiting negative impacts on the income statement.



During 2023, the stop-loss was monitored through a double control mechanism, implementing an annual limit, in order to control possible accumulated losses in the income statement, accompanied by the monthly loss limit. These limits are intended to minimize the impact on the total income statement.

Sensitivity (Delta). It is another measure that BBVA Colombia uses to estimate the exposure of Global Markets portfolios. This tool estimates the sensitivity of portfolios to a variation of 1 basis point in interest rates, and its objective is to have internal alerts on interest rate risk. That is why complementary sub limits are established by products.

SVaR Lehman Figures Millions of COP				
Item	December	Minimum	Maximum	Average
Year 2023	$ 8,299	$ 5,690	$ 36,797	$ 14,775
Year 2022	16,908	6,102	22,918	11,879

Sensitivity (Delta). It is another measure that BBVA Colombia uses to estimate the exposure of Global Markets portfolios. This tool estimates the sensitivity of portfolios to a variation of 1 basis point in interest rates, and its objective is to have internal alerts on interest rate risk. That is why complementary sub limits are established by products.

40.1.5. Market positions and risk profile

Global Markets Positions for 2023 and 2022 (In billions)

Below is a comparative table with the positions of the Bank's portfolios.

Classification	Dec-2023	Local Currency		Local Currency		Dec-2022	Local Currency		Local Currency	
	Amount	Average	Maximum	Average	Maximum	Monto	Average	Maximum	Average	Maximum
Public debt	$2,518	$ 2.162	$2,823	$ 31	$152	$ 1.286	$2,170	$3,624	$6	$64
Corporate securities	1,176	1.174	1,641	0	0	896	702	896	0	0
Spot FX	1	0	0	0	0	0	0	1	0	1
Forwards	(169)	(46)	643	9	18	(313)	(67)	232	(4)	16
Shares w/out subs.*	609	585	609	0	0	578	565	578	0	0

*These correspond to strategic investments made by Banco BBVA Colombia. Because of this, these do not count in market risk metrics.

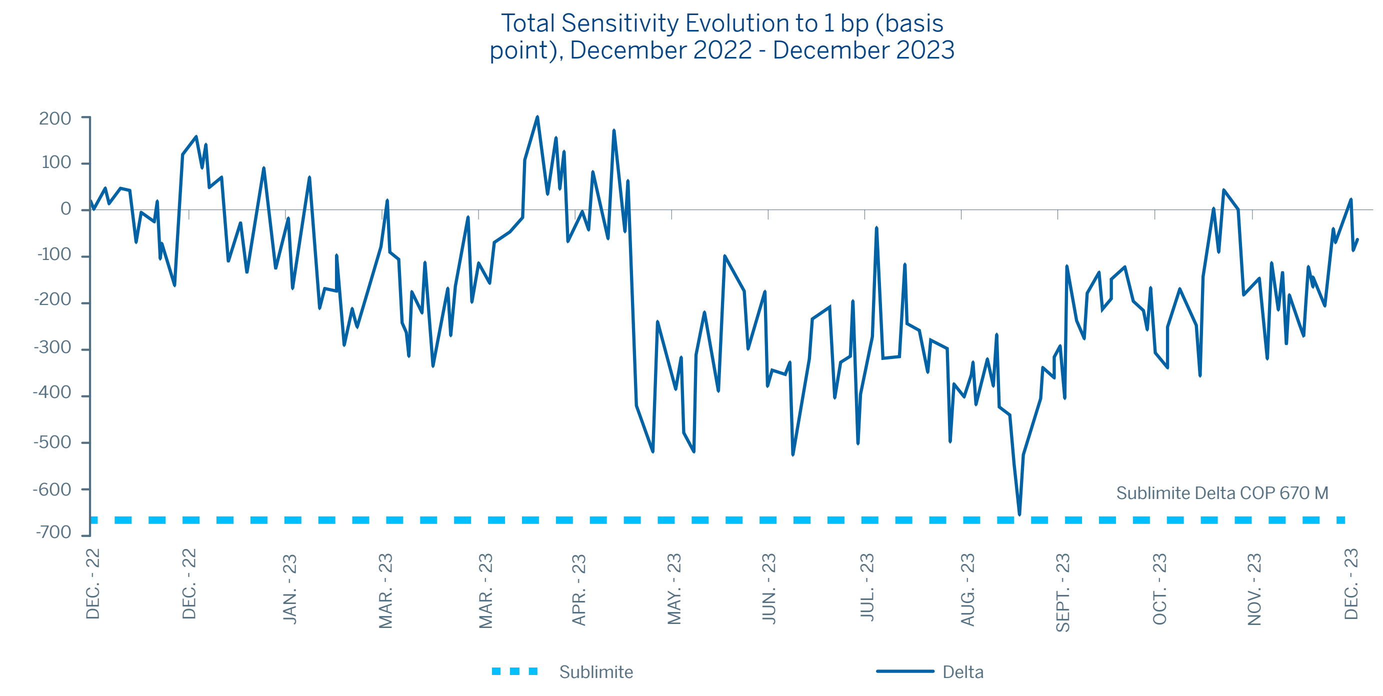
Market Risk Profile of Bank 2023 and 2022 (In billions)

Global Markets Risks	dic-2023	Average	Maximum	Minimum	dic-2022	Average	Maximum	Minimum
t Rate VaR	$ 7.366	$ 11.934	$ 27.693	$ 4.908	$ 9.089	$ 7.560	$ 14.745	$ 3.787
Exchange Rate VaR	891	2.964	15.781	125	1.307	1.328	15.385	70
Total VaR	7.113	12.478	30.847	5.115	9.205	7.779	15.733	3.752
Economic Capital Limit Consumption	55%	60%	75%	41%	50%	49%	57%	41%
Total Delta for 1 bp	(65)	(190)	205	(655)	113	(113)	362	(439)
Sub-limit Delta Consumption	10%	31%	98%	0,12%	17%	21%	65%	0,02%

During the year 2023, the average market risk consumption (VaR) of trading operations was $12,478, with a consumption above the internal limit of authorized economic capital of 60%. The average interest rate sensitivity to 1 bp (Delta) was $190, with a consumption of 31% above the authorized internal limit.

Evolution of market-trading risk: During 2023, daily measurements and controls of consumption levels of the approved internal limits were performed, regularly reporting to senior management on complying with these.

The following graph shows its evolution:



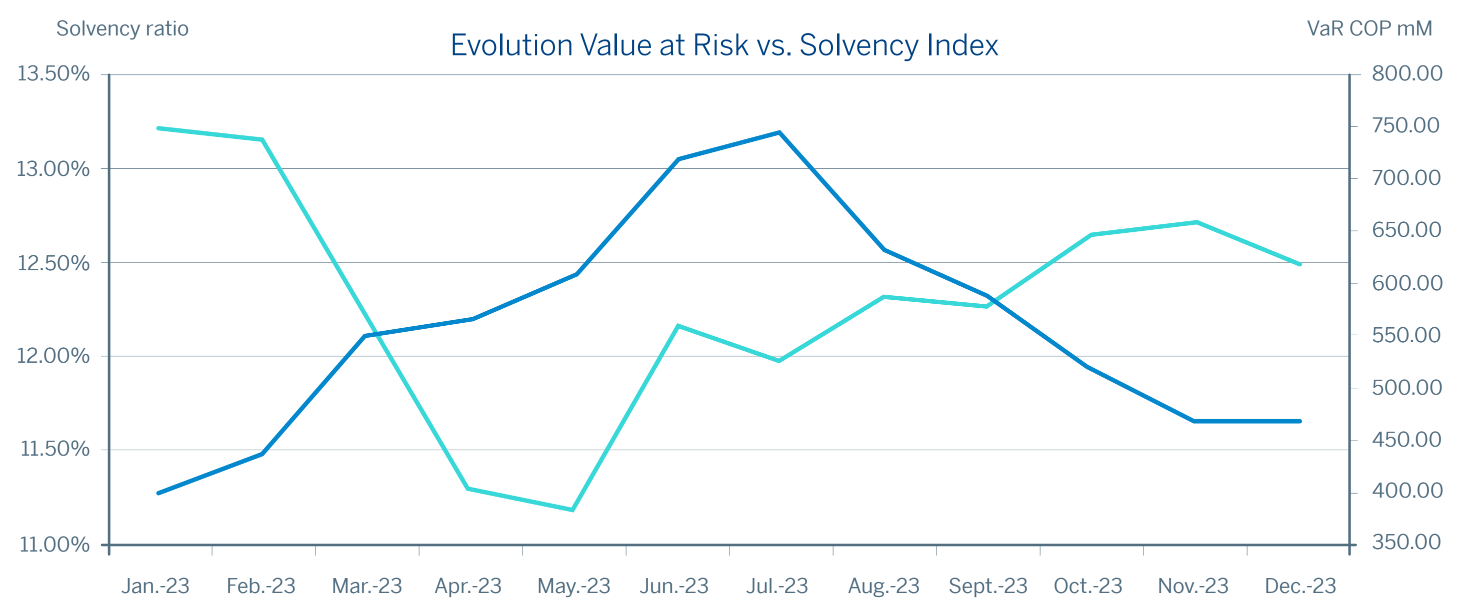
Market Risk Monitoring. During the year, the fixed income trading portfolio was characterized for having a position concentration in the medium and long term, holding mainly TES with short-term maturity, as well as Term Deposit Certificates (CDTs). Although financial instruments continue to be traditional, in 2023 investments were maintained in the so-called GREEN TES, which are those issued by the Ministry of Finance and Public Credit, called sovereign green bonds. The objective of these is to be aligned with international good practices on environmental benefits, sustainable financing, transparency and responsibility with investors. Green bond issues finance expenses in areas such as water management and sanitation, clean transportation, ecosystem services, and protection of biodiversity, renewable energy, circular economy, and sustainable agricultural production adapted to climate change. For its part, the derivatives portfolio maintained its composition by type of product, the main products are dollar-peso forwards and IRS in IBR (Central bank reference rate). In a manner homogeneous with the composition of the portfolio, sensitivities are concentrated by type in peso and dollar.

The market risk monitoring process is complemented with stress testing scenarios, the purpose of which is to estimate the losses that the Bank would incur in the event that extreme markets situations arise.

This involves subjecting the positions held to strong hypothetical market fluctuations, based on historical or eventual situations, obtained through scenario generation. In this manner, the effect of the results is quantified, in order to identify possible adverse impacts greater than the VaR figures, which could potentially occur, and design contingency plans that must be immediately implemented in case this abnormal situation occurs.

Monitoring the Value at Risk See Regulatory Model - Standard Model. According with external Memorandum 09 of 2007 of the Financial Superintendency of Colombia, the Bank has been measuring its exposure to market risks, both interest rate and foreign exchange rate. This incorporates the measurement for tradable and available-for-sale Global Markets positions, along with those securities classified at maturity that are delivered to establish guarantees in a central counterparty risk chamber. The above, in order to determine the effect that possible changes in market conditions may have on the economic value of the Bank's assets, an impact that is also reflected in the solvency index.

The following graph shows the evaluation of the value at risk and the solvency margin:



Bank market risk profile

Ver (Figures in millions)	Dec-2023	Dec-2022
Interest rate	$462,419	$356,011
Foreign exchange rate	5,756	22,829
Total value at risk	$468,175	$378,840

The Bank completed the risk exposure under the methodology published in Annex 1 of Chapter XXI of Memorandum 100 of 1995 issued by the Financial Superintendency of Colombia, in which an increase is evidenced between the years 2023 and 2022. This increase is reflected in interest rate exposure, which increased by 23%, due to a growth of close to 1 billion in the total Fixed Income position, based mainly on the TCOs and TES positions (e.g., TES28 & TES31).

40.1.6. Liquidity risk

Liquidity and financing risk is defined as the potential loss caused by events that affect the ability to have resources to meet liabilities, whether due to the impossibility of selling assets, an unexpected reduction in commercial liabilities or due to the closure of the usual sources of financing, both in normal and stress situations.

The management of financing and liquidity at BBVA Colombia is based on the principle of financial autonomy, which means decentralized management independent of other BBVA Group geographies. This principle contributes to preventing and limiting the liquidity risk of each of the entities, by limiting vulnerability to events that affect the BBVA group in periods of high risk. For this reason, the entity acts independently to cover its liquidity needs in the market in which it operates.

40.1.7. BBVA Colombia

During 2023, the internal model to measure liquidity and the financing structure did not report changes in its metrics when compared to 2022. These calculations were done daily through three indicators defined as follows:

- Monitoring of the balance sheet financing structure, known as Loan to Stable Customer Deposits (LtSCD), which compares the net loan investment extended against client stable resources and has an upper limit set at 120%. The objective is to preserve a stable financing structure in the medium term, considering that maintaining an adequate volume of stable client resources is key to achieving a solid liquidity profile.
- Basic Capacity is the management and control metric for short-term liquidity risk. It is defined as the relationship between the explicit available assets and the maturities of wholesale liabilities and volatile resources, at different time intervals, with special relevance on 30 days maturities. This metric seeks to promote the short-term resistance of the liquidity risk profile, guaranteeing that BBVA Colombia has sufficient collateral to face the risk of closure of wholesale markets. The limit for 2023 was set at 30 days at 150%.
- To achieve a correct diversification of the financing structure, avoiding a high dependence on short-term financing, a maximum of Short-Term Financing (FCP for its acronym in Spanish) was established, which includes both wholesale financing and the less stable resources of the customers. For 2023, a limit of $13.5 billion was established.

The liquidity committee and senior management are informed monthly about the evolution of these indicators to facilitate timely decision-making.

During 2023, BBVA Colombia maintained a solid liquidity position. With the objective of maintaining an adequate margin (GAP), customer resources increase to a greater extent than net loan investment, as well as bond issues and loans with multilateral banks with specific destinations. The strategy to maintain the diversification of financing sources and maintain robustness in the financing structure remains.

The following tables present the evolution of short-term liquidity for the years 2023 and 2022:

Month	2023			2022		
	LtSCD (%)	CB 30 D (%)	FNCP (blln)	LtSCD (%)	CB 30 D (%)	FNCP (blln)
January	117%	N.C	9,036	110%	622%	7,234
February	118%	N.C	8,621	108%	N.C	6,809
March	118%	N.C	9,519	110%	318%	10,621
April	119%	771%	10,877	109%	698%	8,731
May	118%	20627%	10,592	109%	750%	7,654
June	119%	281%	12,794	108%	N.C	6,736
July	118%	327%	12,510	108%	N.C	5,570
August	116%	972%	10,679	110%	N.C	6,465
September	114%	1019%	11,030	112%	N.C	6,193
October	111%	N.C	8,164	114%	10159%	8,374
November	111%	N.C	8,541	114%	N.C	7,539
December	111%	2398%	10,217	115%	N.C	8,054
Limit	120%	150%	13,500	120%	140%	13,000

Detail of the Basic Capacity by temporary periods.

2023			2022		
1 Month	3 Months	12 Months	1 Month	3 Months	12 Months
2398%	179%	96%	N.C	197%	92%

Regulatory model. In addition to the main indicators mentioned above, BBVA Colombia reports the Regulatory Liquidity Indicator ("IRL" for is acronym in Spanish), a regulatory format on a weekly and monthly basis, which contains short-term contractual and non-contractual flows. The IRL must comply for each of the bands (7 and 30 days) that the relationship between liquid assets, adjusted for market liquidity and exchange risk, and the total net liquidity requirement, be at a level above 100%. (regulatory limit).

During the year 2023, the liquidity risk indicator (IRL) with a time horizon of 7 days remained at average levels of 712%, while the 30-day IRL averaged 184%. This indicates that, for a short-term horizon, BBVA Colombia has more than enough liquidity to meet its short-term financing commitments.

Month	2023		2022	
	7 days (%)	30 days (%)	7 days (%)	30 days (%)
January	640.3%	188.4%	692.5%	207.7%
February	371.9%	185.7%	1277.6%	213.0%
March	826.4%	168.5%	606.3%	148.9%
April	641.6%	176.6%	596.0%	174.9%
May	723.8%	165.2%	558.6%	168.5%
June	486.1%	159.3%	780.4%	223.6%
July	770.4%	178.4%	967.7%	177.1%
August	586.1%	194.7%	749.4%	182.3%
September	883.9%	194.9%	632.8%	139.0%
October	899.1%	198.0%	622.6%	171.8%
November	812.7%	207.9%	836.8%	186.4%
December	905.2%	191.3%	755.5%	167.1%
Limit	100.0%	100.0%	100.0%	100.0%
Management Limit	140.0%	140.0%	150.0%	150.0%

In all cases the indicators remain above the internal and regulatory limits.

For the closing of the years 2023 and 2022, the 30-day IRL (Interest Rate Level) is summarized as follows:

IRL	Contractual maturities in 2023 in Millions of COP			
	Days 1 to 7 - Total	Days 8 to 15 - Total	Days 16 to 30 - Total	Days 31 to 30 - Total
Term Deposit Certificate	$ 788,995	$ 1,133,843	$ 1,417,675	$ 3,340,513
Repos, Simultaneous and T.T.S.	1,727,897	0	0	1,727,897
Transactions with derivative financial instruments	181,189	1,040,699	1,054,000	2,275,888
Bank loans and other financial obligations	219	0	478	697
Accounts Payable not associated with Term Deposits and Savings Certificates (CDATs, for its Spanish acronym)	114,103	130,403	244,506	489,012
Other liabilities and credit contingencies	2,139,564	129,438	378,809	2,647,811

Note: These are contractual maturities of principal and interest for periods of no more than 90 days.

IRL	Contractual maturities in 2022 in Millions of COP			
	Days 1 to 7 - Total	Days 8 to 15 - Total	Days 16 to 30 - Total	Days 31 to 30 - Total
Term Deposit Certificate	$ 373,508	$ 729,851	$ 1,665,330	$ 2,768,689
Interbank Funds	322,473	0	0	322,473
Repos, Simultaneous and T.T.S.	1,525,650	0	0	1,525,650
Transactions with derivative financial instruments	174,273	465,360	986,225	1,625,858
Bank loans and other financial obligations	233	73,326	629	74,188
Accounts Payable not associated with Term Deposits and Savings Certificates (CDATs, for its Spanish acronym)	174,160	199,041	373,201	746,402
Other liabilities and credit contingencies	550,844	233,254	225,044	1,009,142

40.1.8. Structural Risk

Risk of Structural Interest. The control and monitoring of the management of BBVA Colombia's structural interest rate risk is based on a set of metrics and tools that allow the proper monitoring of the Entity's risk profile. Structural interest-rate risk refers to the potential impact caused by variations in market interest rates on the Entity's interest margin and equity value. At BBVA Colombia, the following are considered to be the main sources of this risk: repricing risk, yield curve risk, optionality risk and basis risk, which are analyzed from two complementary perspectives: short-term income (interest margin and MtM Fixed Income Portfolios) and long-term economic value. Under this kind of structure, a dynamic (going concern) model is used, which is consistent with the corporate assumptions of income forecasting.

Monitoring includes positions in the Banking Book, excluding all Trading Book positions. It is conducted monthly, it encompasses a wide array of scenarios, ranging from sensitivities to parallel movements and varying impacts, to changes in slope and curvature. Other probabilistic metrics are assessed based on statistical methods for the simulation of scenarios, such as Margin at Risk (MaR) and Economic Capital (EC), which are defined as the maximum adverse deviations in the interest margin and the economic value, respectively, for a given time frame and confidence level. Impact thresholds are established based on these management metrics, in terms of deviations from the interest margin, as well as from the standpoint of impact on economic value. Each major currency exposed in BBVA's balance sheet is assessed independently, with subsequent consideration given to the diversification effect between these currencies.

Below are the average interest-rate risk levels in terms of sensitivity for BBVA Colombia's balance sheet during the 2023 fiscal year:

	Limit	2023	2022
Aggregated margin sensitivity warning	5,00%	0.52%	1.24%
Margin at Risk limit (*)	4,00%	2.11%	2.96%
Aggregated Economic Value Sensitivity Warning	425,000	377.921	266,529
Economic Capital Limit	550,000	571,209	438,191

(*) Percentage in relation to the projected "1 year" interest margin of each unit. Values presented in the balance

40.1.9. Structural currency risk

Its purpose is to evaluate and control the potential impacts caused by fluctuations in exchange rates on positions in foreign currency, on the solvency and income of BBVA Colombia. In 2023, an exposure limit of 4.5% of the solvency ratio was set in anticipation of movements 20% of the Official Exchange Rate.

Solvency sensitivity to exchange rate variations December 2023 and 2022:

Impact of a 20% / 30% movement in Exchange Rate			
2023		2022	
Impact on Solvency Ratio	Real Solvency Ratio	Impact on Solvency Ratio	Real Solvency Ratio
2.58%	12.39%	4.10%	13.31%

40.1.10. Credit risk

Evolution of credit risk exposure and quality.

Comprehensive risk management of credit, market and operational risks was done according to BBVA Colombia's internal risk policy and current Colombian regulation and was implemented through the development of models and tools that enable the coordination of monitoring and control activities with the objective of identifying and mitigating the different risks to which the loan portfolio was exposed.

BBVA Colombia closed 2023 with moderate growth in terms of investment, in Q423, it varied compared to the previous quarter as follows (Q323 à +1.6%; Q422 à +0.6%). Investment growth was concentrated in the area of individual customers, consumer (+ $361,131 +1.5%); focused on payroll loans (+ $305,263 +2.0%), mortgage (+ $315,034 +2.2%) and CDT (+ $310,726 +7.7%). In the Commercial world, a decrease of (- $ 547,224 -1.7%) was observed, comprised of mostly Businesses (- $ 427,806; -3.7%).

Doubtful loans ended Q423 with a quarterly variation of 11.4% ($252,272), compared to the annual period, it increased $771,905 (+45.6%). Doubtful ratio ended in 2023 at 3.28%, this is +32bps compared to the previous quarter and +88bps compared to the end of 2022. The recovery efficiency rate for the quarter was 30.7%, this is -2.7pp compared to the rate from Q422. The accumulated figure for the year was 34.9%.

40.1.11. Portfolio Management, Risk Reporting & Sustainability

Risk Planning & Reporting

The monitoring process of the Commercial and Consumer Reference Models was carried out, according to the provisions of credit risk annexes 1 and 2 of chapter XXXI of the Basic Accounting and Financial Memorandum of the Financial Superintendency, complying with the regulations regarding provisions and qualifications. Likewise, the correct application of the regulations for the traditional models of mortgage loans and employee loans is verified.

Continuous monitoring is done to verify compliance with the thresholds established within the risk appetite framework, with monitoring of core metrics for compliance with the Bank's objectives, expressed in terms of solvency, liquidity, financing, profitability and recurrence of results.

Proactive work is done with the recoveries area, to focus strategies on customers who can reduce the impacts on local and consolidated arrears.

Solutions Development Risk

The needs for evolutionary maintenance and the development of new functionalities that arise from the management of the risk area teams are addressed: Wholesale credit, Recovery & Workout, Planning & Reporting, CoE Risks, Market and Structural Risks. The above under the project attention framework, defined by the process area, SDA and the Agile office.

Proactive work is done with the different engineering teams from the moment the idea of the project or need begins, until the post-implementation stage is completed.

During the course of 2023, the implementation of the promised deliverables was satisfactorily completed, among which the following stand out:

- Collection schedules
- NGA
- SME CAP improvements
- Transformation of the SME admission circuit
- Payment agreement control module
- Intake of mortgage guarantees
- Enabling last installment payments with own account and PSE through BBVANet

Data & AA Risks

It focuses its responsibilities on the development, monitoring and maintenance of the models that support decision-making in the reactive and proactive admission process, both for the individuals and business segments portfolios, measuring the concession risk, making use of variables relative to the customer profile in the Bank and the financial sector, as well as the customer´s socio-economic data, based on the score given by the scoring and rating tools.

In the proactive area, a score is given at the customer level using variables of the customer´s general behavior with the entity, as well as their payment behavior in all products contracted with the Bank and the financial sector. This is done to monitor the client's credit quality and pre-granting new transactions.

During the last quarter of 2023, progress was made with the implementation of the NGA initiative, whose main pillars focused on the development and implementation of risk models in less time and the incorporation of non-traditional estimation algorithms (Machine Learning) resulting in more robust and stable estimates over time.

During this period, the phases of analytical re-estimation and implementation of the Bank's tools (Cronos and Arce) for the behavioral models of individuals and early warning systems (EWS) for the SME and Business segments were concluded. In addition, the deployment of the new Mortgage model on the Bank's different channels, tools and engines continued, with a commitment date for production release of February 2024.

Likewise, the development of two new models under the NGA framework began, one for the SME segment: granting model for the reactive and behavioral areas, 360° vision and the other, a collection model for the early overdue tranches.

Retail Credit

The Retail credit area includes the following units:

Individual Onboarding Management. Dedicated to the analysis and decision process of credit transactions originated by individual customers through different channels, the policies generated for the various lines of credit were managed and applied.

A specialized evaluation of customer profiles was done adjusted to established risk levels, focused on Bank clients with payroll direct deposit and in lines of credit in payroll deduction agreements.

The onboarding processes were adjusted with the modifications of the associated policies, according to the general deterioration of the portfolio in the respective industry and according to the risk appetite defined by the bank. Permanent support and training was offered for salespeople for the correct implementation of this strategy focused on the Bank's target market.

Retail Monitoring Management. Performs analyzes aimed at measuring the risk of individual customer portfolios and controlling their evolution. Monitors growth trends and behavior of credit operations granted to individuals, by monitoring the quality of new originations and the active portfolio, as well as compliance with KRI's to support the growth of individual customers banking.

Processes were updated to generate monitoring figures with a comprehensive vision, as well as the inclusion of new axes, which has made it possible to respond in an agile manner to the Bank's demands regarding risk appetite, proposing changes in onboarding and supporting decision-making. In addition, support was provided in the management of preventive portfolio customers in order to anticipate the deterioration of the portfolios based on statistical information according to the risk group associated with the profile of each customer.

Continuous monitoring was done on the quality of the placements made under the attribution of the branch network during the maturation of the portfolio, to ensure the performance of the risk indicators.

Management of Policies, Campaigns, Products, Guarantees and Private Appraisals.

Their responsibility is the updating and implementation of the regulations according to the guidelines of the corporate and the local regulator. In addition to defining new onboarding policies and adjustments based on the periodic review of the portfolio's behavior and economic evolution.

Particular Policies promote automatic, transversal and comprehensive granting processes, which, although these involve and adjust to established risk levels, allow the development of a digital culture both within the Bank and for a better customer experience. To this end, action plans were established to control the main axes of credit, bureau, effort rate and income level.

Campaigns, properly manage the processes and circuits for mass approvals of current or new portfolios. Periodic updates were made to the information sources to ensure the quality of the products placed, in order to adjust the profiles that showed deterioration in the generation of pre-approved offers to payroll and non-payroll customers.

The appraisal areas determine de value of real guarantees that are used to mitigate the risk, taking as reference the General Retail Risk Policy, the Guarantee Standard and local procedures, ensures the due process of property appraisal and the correct execution of the suppliers assigned for this purpose.

SME Risks

It is In charge of the analysis and decision process for loan transactions originated from business customers and individuals with businesses, according to the Bank´s defined segmentation, with annual sales of up to $15,000.

A strategy aligned with the economic situation of the country and business behavior in each territory was continued. The onboarding and product policies remained according to the Global Risk Framework defined by the Holding Company and the national regulatory Memorandums. The main actions were:

1. Continuity of the proactive-reactive admission strategy in resilient profiles, with a high level of bank products and with stable financial position and a growth perspective in the medium term.
2. Viability was maintained in sectors with stable dynamics, with a financing proposal according to their working capital and investment needs.
3. The collateral allocation strategy remained leveraged in FNG guarantees and real collateral, with an allocation structure according to the risk profile of each customer, the financing terms and the destination of resources.

Improvements and efficiencies continue within the reactive flow, according to the segment's transformation plan, the guiding axis in our customer´s experience and increase in billing, resources and loan investment.

Recovery & Workout

The combination of the increase in interest rates, constant inflation and the slowdown of the economy, as well as the enforcement of Law 2300 of 2023, created relevant impacts on the payment behavior of debtors that year, causing a sustained increase in overdue entries throughout the year.

In response, the BBVA Recovery area established different plans, dedicating efforts and seeking to anticipate, contain and mitigate a greater impact on the year's arrears, with the following initiatives representing the most relevant milestones:

Specialized Collection Cells. The Bank redefined the collection management scheme, allowing the collection channels to maximize their performance by specializing in the different default periods. The objective was to offer BBVA Colombia customers different alternatives to normalize the status of their portfolio.

ReTarget Plan. The ReTarget plan was structured with the objective of targeting the portfolio susceptible to default. This plan directly involved the managers, commercial managers and SME executives of the branch offices network in managing customer portfolios of relevant amounts, defining objectives and measurement schemes to allow monitoring and control over the recovery and containment of this portfolio on a daily basis, as well as impacting on the staff´s incentive.

Ascend Plan. Plan designed with the purpose of focusing and anticipating the management of high-value customer portfolios, with an impact on the recovery and containment of overdue and doubtful portfolios. This plan was managed through specialized advisors from external collection channels, who serviced and offered alternatives according to the situation of the customer´s portfolio. A monitoring and measurement scheme was established for the daily status and evolution portfolio control.

Digital Collection. As a strategy for Recovery management, BBVA Colombia implemented collection management through digital collection channels. Different tools and possibilities for self-management and standardization of data were made available to customers through channels such as Chatbot, Whatsapp, Voice Bot, IVR, among others, improving the management experience of the bank's customers.

Product Solution for Portfolio Normalization. BBVA Colombia continued to offer different product solutions that provided customers alternatives adapted to their economic situation, facilitating the standardization processes. This allowed the improvement of recovery and rolling ratios.

Management - Impact Groups. A strategy aimed at recovering high impact customers, by marking portfolios as Default customers according to consolidated criteria, as well as Target customers. This allowed the collection channels to define focused management strategies for these profiles.

Finally, the containment and recovery of doubtful and overdue portfolio entries continued to be prioritized, all supported by Collection Factories. The involvement and dedication of external collection agencies, the management of the Risk Anticipation Executives (EAR's for its Spanish acronym), the branch network office managers, the commercial managers and the SME executives must be highlighted.

Wholesale Credit

In 2023, the Wholesale Risk area managed the admission and monitoring of risks in coherence with the guidelines of the credit risk framework defined by Holding. The portfolio recorded a growth of 4.17%, with an increase of COP $0.5 billion in Corporate banking (annual variation of 5.68%), COP $0.3 billion in Business banking (annual variation of 3.05%), and COP $0.1 billion in government banking (annual variation of 2.48%).

As a strategy to anticipate the deterioration of the portfolio, efforts were concentrated on preventive alerting of clients with activity in more vulnerable economic sectors, with a decrease in their rating and possible defaults in the early period at BBVA and at other entities in the financial sector, maintaining joint monitoring with the business area. This allowed the decrease in doubtful portfolio ratio from 1.15% in December 2022 to 0.77% in the same period of 2023.

Finally, at the end of 2023, the rating validation indicator was 99% in amount and 83% in number of customers.

41. Corporate Governance

BBVA Colombia's Corporate Governance System is in line with international, corporate and local trends and recommendations. It is perpetually evolving to align with the bank's strategy, its unique circumstances, and needs, all while adhering to the Corporate Culture and Values that define BBVA's identity.

Its principles, elements and practices are contained in different instruments that guide the structure and roles of the corporate bodies, such as the Corporate Bylaws, the Corporate Governance Code, the Rules of Procedure of the General Shareholders Meeting, the Rules of Procedure of the Board of Directors and the Rules of Procedure of the Board's Supporting Committees Managers.

The System is also complemented with the internal rules of conduct, included in BBVA's Code of Conduct, Code of Conduct in the Securities Market and Code of Conduct for the Prevention of Money Laundering and Terrorist Financing, which state the tenets that govern the actions of its executives, managers and employees.

BBVA's Corporate Governance System is designed to foster the bank's long-term objectives and interests, and it has been shaped over time based on the following pillars: (i) Suitable composition of governing bodies; (ii) Distribution of roles and interaction between governing bodies and Management; (iii) Robust decision-making process; (iv) monitoring, supervision, and control systems; (v) Parent-subsidiary relationship model.

The Bank's Bylaws establish that the Board of Directors is the Company's administrative, management and supervising body, which in 2023, was made up of five Board members, three of whom are of independent origin, pursuant to Law 964/2005, are aware of the responsibility involved in managing the financial and non-financial risks and are familiar with the Bank's business structure and processes, which enables them to provide proper support and supervision.

For the 2023 fiscal year, the Board of Directors performed its functions in compliance with the previously agreed meeting schedule, maintaining continuous contact with the Bank's Senior Management, showing great dedication and capacity to adapt to the circumstances; its knowledge, both of the environment and of the Bank Group in Colombia, has served not only for the proper performance of the functions of the corporate bodies, but has also contributed to the Bank and BBVA's companies in Colombia adapting to new circumstances.

The four supporting committees of the Board of Directors (Audit, Comprehensive Risk, Corporate Governance, Sustainability and Corporate Social Responsibility and the Diversity, Appointment and Remuneration) execute the roles assigned in their respective rules of procedure, which provide support in subjects specific to their area of competence, having established a work system coordinated between the committees, and between the committees and the Board. Thus, the corporate bodies' awareness of the relevant matters is ensured, reinforcing the existing control environment in BBVA Colombia.

These Committees are chaired by independent Board Members with extensive experience in their areas of competence. To perform their duties, these can count on the assistance of Bank executives and external experts when these consider it appropriate, depending on the importance or relevance of the issues to be discussed, as well as the information from other committees under the coordination mechanism between commissions for the best exercise of their respective functions.

Within the framework of the annual evaluation of the Board of Directors, the Corporate Governance, Sustainability and Social Responsibility Committee has analyzed, according to its regulations, the structure and composition of the corporate bodies, considering that these must remain balanced and adjust to its needs at all times, and that the Board of Directors as a whole must possess the appropriate knowledge, skills and experience to understand the businesses, activities and main risks of the bank and its subsidiaries, and ensure its effective capacity to perform its functions.

The regulations of the Board of Directors and the Support Committees, as well as the Annual Corporate Governance Reports, can be consulted on BBVA Colombia's website: www.bbva.com.co/ Investor Attention/ Corporate Governance.

The Risk Governance Model at BBVA Colombia stands out for the active participation of the Board of Directors in the strategy, supervision and monitoring of risks. They approve the general strategy and policies, while the Risk, Internal Control and Compliance areas implement these, reporting to the Comprehensive Risk Committee and the Board of Directors periodically.

In financial risk management, the Executive Vice President of Risk heads specialized units, which have a periodic reporting line to the Risk Committee and the Board of Directors. Regarding non-financial risks, Internal Control and Compliance, an independent and specialized unit, assumes the responsibility for leading management and control, informing in detail both the Board of Directors and its Support Committees about exposure and relevant events.

The Bank has an organizational and operational structure that guarantees independence between the business area, the control area and the accounting area. This makes it possible to offer the Bank's different decision-making bodies the technical and judgment elements necessary for adequate risk management. The executives assigned to the Risk Vice Presidency have the experience and qualifications required to fulfill the assigned functions.

The risk management system includes the Risk Appetite Framework, which establishes the limits and acceptable risks, its reporting line and monitoring metrics, which are consistent with the general guidelines of the group, adapting to the reality and specific needs of BBVA Colombia.

The implementation of the risk management system is supported by an appropriate technological infrastructure, facilitating comprehensive risk management by providing the necessary information and results, adapting to the type and volume of operations. The active supervision of Internal Audit and the Statutory Auditor guarantees transparency and effectiveness throughout the implementation and development process [1].

For more information on the process of identifying, controlling and managing financial and non-financial risks, see chapter 5 "Risk Management" of the document. This chapter covers a variety of aspects, including the General Risk Management and Control Model, Governance and Organization, Risk Appetite Framework, Evaluation, Monitoring and Reporting, Infrastructure, Credit Risk, Market Risk, Liquidity Risk, Structural Risks and Operational Risk Management. Each of these topics provides comprehensive details on the strategies and practices related to risk management within the organization.

41.1. Note on Bank Legal Situations

Throughout the year, the bank maintained a fluid communication with supervisory bodies, promptly addressing the requirements, instructions, inspections and other administrative acts, and complying with the prudential regulation and other requirements regarding risks, with the new regulation and the modifications made in order to ensure compliance, implement the action plans and other measures defined to correct the identified weaknesses.

41.2. Note on Intellectual Property and Copyright

Accordance with provisions of article 47 of Law 222 of 1995, modified by Law 603 of 2000, BBVA Colombia complied with the legal provisions related to intellectual property and copyright in the development of its corporate purpose. It had ownership of the brands, slogans, names and commercial emblems, logos, among others, and/or had the appropriate licenses, sublicenses or authorizations to exploit them through contracts signed with the owners or authorized third parties. During fiscal year 2023, and after closing, there were no pending claims by authorities or third parties that involved possible violations of intellectual property regulations or copyrights. With regard to the software installed, in use or in the possession of BBVA Colombia, it has the corresponding licenses and controls have been implemented so that the processes of purchase, development, installation, adaptation and maintenance of the software comply with the legal requirements regarding copyright, privacy and electronic commerce.

41.3. Note on Evaluation of Other Reports

BBVA Colombia declares that, according to the provisions of article 57 of Decree 2649 of 1993, the information and statements contained in the Financial Statements, both separate and consolidated, have been duly verified and obtained from the Bank's accounting records. These do not contain material defects or errors and have been prepared according to the applicable accounting standards and principles. Likewise, it states that the other reports required under article 446 of the Commercial Code are disclosed in the Financial Statements and their Notes.

Finally, it is stated that BBVA Colombia does not limit the free circulation of invoices issued by suppliers or sellers, the later according to article 87, second paragraph, Law 1676 of 2013.

42. Other matters of interest

42.1. Company´s Recent situation

In order to conclude on the continuity of BBVA Colombia's business, an analysis of the company's recent situation is performed to demonstrate its financial situation.

An analysis of the detailed statement of financial position as of December 2023 reveals that Total Assets increased by 24.8% (+ $19,682,244), with the loan and leasing portfolios being the most representative items with an increase of 20.2%.

Further analysis by account, shows an annual variation of -8.7% in the bank's cash and cash equivalents line, a 3.3% increase in investments and derivative transactions and accounts receivable decreased by -46.7%.

In turn, liabilities showed a growth of 6.9% (+ $6,378,414). With regards to customer deposit accounts, the items that caused this variation to a greater extent were deposits and payables (+ $7,885,039).

The bank's interest margin showed a decrease of 19.4%, compared to December 2022, a figure primarily attributed to an increase in interest expense. Operating expenses registered a growth of 27.5%, with miscellaneous and tax items showing the greatest increase.

Finally, the Bank's net income for the period decreased by 79.1%, compared to the same period in 2022, ending the year 2023 with profits of $194,688.

In summary, the decrease in the balance sheet is due to non-operational items, which speaks very well of the performance of the business for BBVA Colombia.

Furthermore, the Bank informed the Financial Superintendency that, as of the end of August 2023, it would enter a consumer portfolio provision reduction phase, a methodology that will be completed at the end of January 2024. This calculation methodology applies for 6 consecutive months, as stated in the standard Chapter XXXI of the Basic Accounting and Financial Memorandum (Public Memorandum 100 of 1995), Annex 1 of Credit Risk. The entity met the efficiency, deterioration, stability and growth thresholds indicators, for 3 consecutive months, by virtue of the latter.

42.2. Projected financial information

Upon reviewing the projections the company has for the country, its current Financial Planning estimates profits greater than $79,046 and portfolio growth greater than 10.1% for the next twelve months, based on the strategic plan, combined with the good macroeconomic condition of the country that will lead to a year of great growth.

42.3. Conclusions

In this sense, considering the situation in the recent past and what is expected in the near future, it can be stated that the bank has an adequate financial structure, which allows it to continue developing its banking operation profitably, in addition to obtaining the necessary resources to meet its short and medium-term obligations; obeying the proper management in the balance sheet and income statement accounts.

42.4. Performance measures and Indicators as of December 2023 and 2022

Below are the financial yields and indicators defined in Decree 854 of 2021 as the minimums to assess the business continuity of a company. In this case, these are illustrated for the closings of 2023 and 2022, allowing us to assess the financial management implemented and thus evaluate whether the business continuity hypothesis is appropriate.

Indicator	December 2022	December 2023	Formula	Result
Negative equity position:	6,166,911	5,929,539	Total equity < $ 0	Total equity > $ 0
Consecutive losses in two closing periods or in several monthly periods, depending on the business model	933,514	194,648	Statement of income < 0) and (Statement of income for the preceding year < 0)	Statement of income Dec 2023 > 0) and (Statement of income 2022 >0)
Net working capital over short-term debt:	0.03	0.06	(Accounts receivable customers + current inventory – Accounts payable) / Current Liabilities (<0.5)	Result < 0.5
UAII / Total Assets < Liabilities	0.94%	0.19%	(Earnings before interest and taxes / Total assets) < Total liabilities	Result > 0

The proper management implemented in BBVA Colombia allows it to undertake its operations while maintaining good equity and solvency quality indicators.

It is therefore concluded that there is no material uncertainty related to events or conditions that would give rise to significant doubts about the Bank's capacity to continue as an on-going concern.

(a) Adjustment of Earnings for First Time Adoption - ESFA (Spanish acronym for Opening Statement of Financial Situation)

The Bank evaluated the historical adjustments of the ESFA, with the aim of establishing the necessary mechanisms and methodologies to ensure the constant adjustment of the impact generated by the application for the first time that was done on January 1, 2014, to accumulated earnings, following the accounting principles and policies accepted in Colombia.

Adjustment made during 2023

The Bank identified the following net positive items that were adjusted :

Concepto	2023
Recovery of revaluation of assets from the sale of real estate	$ 16,298
Recovery due to valuation of Almaagrario for sale in March 2015	18,685
Recovery of non-existent provisions and contingencies	122
Recovery of provisions and depreciations due to disaffections and ANMV	4,823
Impact of deferred tax on PP&E	(20,677)
Total adjusted in 2023	$19,251

43. Subsequent Events

On March 21, 2024, the Bank received request number 2023121622-022-000 from the Financial Superintendency of Colombia, asking to reverse the accounting reclassification corresponding to the item "realization through use - depreciation", of the retained earnings item corresponding to the results for adopting NCIF (International Financial Accounting Standard) for the first time, for a gross value of $44,515 and proceed to retransmit the Financial Statements corresponding to the months of October, November and December 2023, therefore, the requested changes and the corresponding retransmission were made on March 22, adjusting the following sections of the financial report:

- Statement of Changes in Separate Equity, without impact on Total Equity
- Note 31 Legal Controls
- Note 42 Other Aspects of Interest

44. Glossary

The Bank: Refers to BBVA Colombia S.A. ¬

ANMV: Spanish acronym for Non-Current Assets Held for Sale

GMF: Spanish acronym for Tax on Financial Movements

BRDP: Spanish acronym for Disaffected Assets and Assets returned in lease contracts.

COAP: Spanish acronym for the Assets and Liabilities Committee. ¬

CIB: Corporate and Investment Banking. ¬

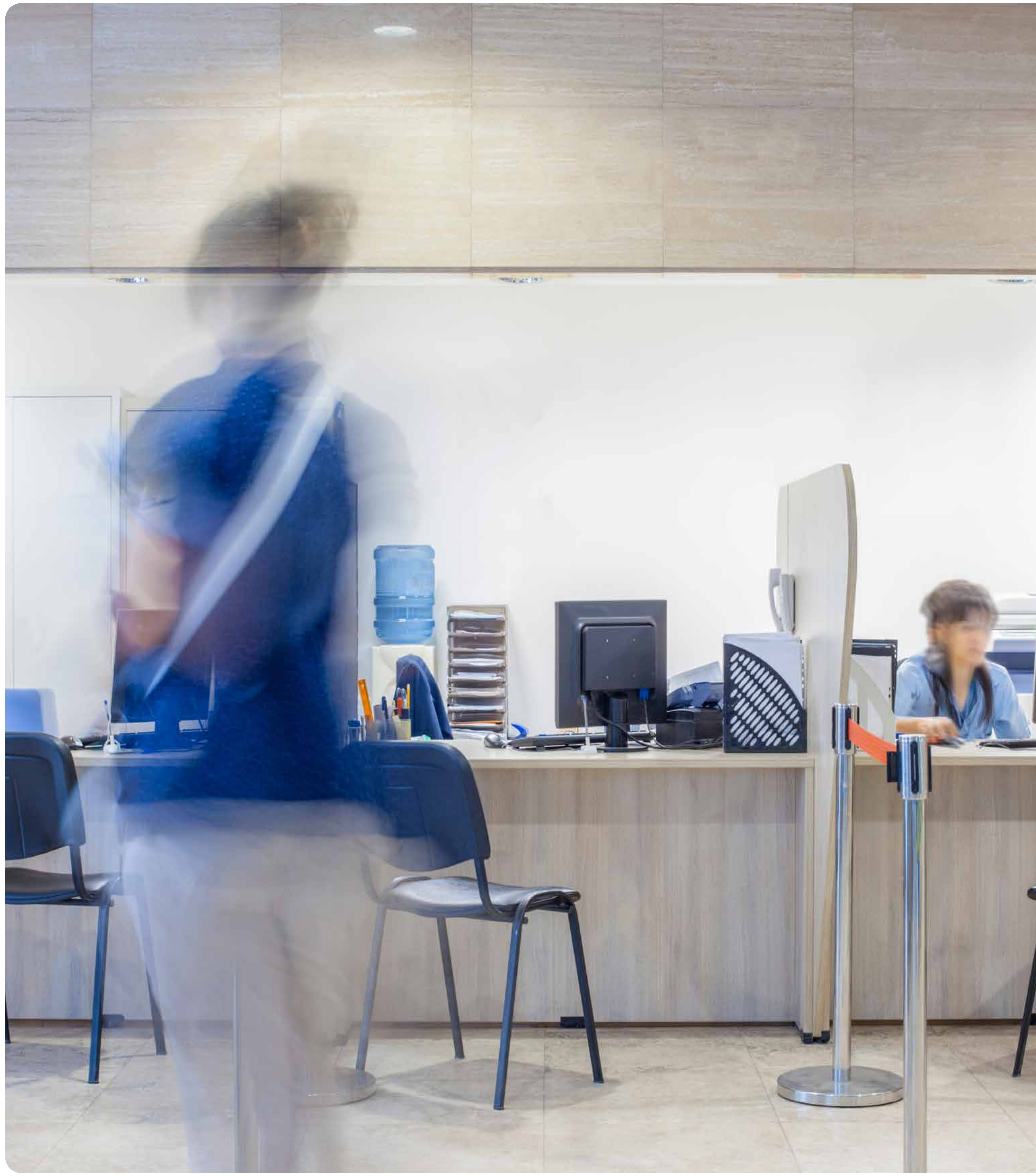
GANF: Spanish acronym for Non-Financial Asset Management ¬

EFAN: Spanish acronym for Financial Statements of Business Areas. ¬

Apportionment: This term refers to the distribution of operating expenses from the central area to divisions

Margin Call: The warning that the broker gives when deposit levels are very close to the minimum margin, or in other words, that there are no guarantees left to cover the risk of the position.

TES: These are known as "National Government Debt Securities" and refer to the securities issued by the Government of Colombia to finance its operations and projects. These debt securities are issued through the Ministry of Finance and Public Credit, and are acquired by investors, both domestic and international.



BBVA Colombia S.A

PROFIT DISTRIBUTION PROJECT – BY PROXY

Period from January 1 to December 31, 2023

TOTAL INCOME	$83,741,790,673,778.80
TOTAL EXPENDITURE	83,458,831,669,869.70
PROFIT BEFORE INCOME TAX	282,959,003,909.10
Less: Income Tax	(88,271,102,797.09)
NET PROFIT FOR THE YEAR	194,687,901,112.01
Release of Occasional Reserves – For the protection of Investments and at the disposal of the Board of Directors	533,377,089.60
Total available to the General Shareholders Meeting	$195,221,278,201.61

PROFIT DISTRIBUTION PROJECT

By appropriation of liquid profits to increase the Occasional Reserve for Protection of the payment of the AT1 coupon equivalent to 92.2% of the total available to the General Shareholders Meeting.	$ 180,000,000,000.00
By appropriation of liquid profits to increase the Occasional Reserve, for the stability of dividends equivalent to 4.96% of total available to the General Shareholders Meeting.	9,676,199,190.61
By appropriation of Non-Taxed liquid profits for the payment of dividend of preferred shares, at a rate of $7.5 pesos per share, payable on June 12, 2024, equivalent to 1.84% of total available to the General Shareholders Meeting.	3,598,200,000.00
By appropriation of liquid profits to increase the Occasional Reserve for the Development of Corporate Responsibility Actions, equivalent to 1% of total for the year.	1,946,879,011.00
Equal sums	195,221,278,201.61

* Dividends distributed from the profits of 2017 and subsequent years will be taxed and subject to withholding, according to the provisions of laws 1819 of 2016, 1943 of 2018 and 2010 of 2019.

* For dividends distributed from the profits of 2016 and previous years, these remain in the regime prior to Law 1819 of 2016, that is, those derived from profits with the quality of not taxed, will not be subject to withholding in consideration of the transition regime provided for in article 246-1 of the Tax Statute, those derived from profits with the quality of taxed, will be subject to tax withholding.

BBVA

Creating Opportunities