Creating Opportunities

Consolidated Report 2022

Shaping a More **Sustainable** Future together

General Coordination

General Accounting

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1. Reports and Certifications

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Statutory auditor's report

To the Shareholders of Banco Bilbao Vizcaya Argentaria Colombia S.A.

Opinion

I have audited the consolidated financial statements of Banco Bilbao Vizcaya Argentaria Colombia S.A., which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements, taken from the accounting books, present fairly, in all material respects, the financial position of the Group as of December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with Accounting and Financial Information Standards accepted in Colombia.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing accepted in Colombia. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of my report. I am independent of the Group in accordance with the International Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements in Colombia, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, my description of how my audit addressed the matter is provided in that context.

I have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated 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 consolidated 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 accompanying consolidated financial statements.

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Key audit mater	How my audit addressed the key audit matter
Estimation of Expected Losses due to Portfolio Credit Risk	
The balance of the allowance for credit losses on December 31th, 2022 is $3,480,513. Such allowance is one of the most significant and complex estimates in the preparation of consolidated financial statements, due to the high degree of judgment involved in developing models to determine impairment based on an expected loss approach required in IFRS 9. I considered the evaluation of the Allowance for credit losses as a key audit matter, because it incorporates significant measurement uncertainty, which required complex judgment, and knowledge and experience in the industry, especially in relation to: (1) the evaluation of the methodologies and models used, including the methodology for estimating the probability of default (PD), the Loss Given Default (LGD) and the Exposure at Default (EAD), including their key factors and assumptions; (2) the incorporation of forward-looking information.	Within the audit procedures I have performed in this area, I have 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 credit risk assessment and information technology, to evaluate certain internal controls related to the Bank's process for determining the allowances of loans. ‣ Review of the integrity and accuracy of the data sources used in the consolidation of the information that is used in the calculation for the estimation of the expected losses due to Credit Risk of the Portfolio, based on the control processes of the SAS system. ‣ Additionally, I received the assistance of our specialists, who have the experience and knowledge in the calculation of the estimate of the expected losses due to Credit Risk of the Portfolio, which included procedures associated with the review of risk parameters, forward looking factors, Stage, reason for significant increase in risk, probabilities of default, lifetime, prepaid ratio, portfolio type, individual or collective evaluation, among others. ‣ Recalculation of expected losses, validation of the parameters for a sample of credits of the collective model of free investment loans and mortgages and validation of the parameters for a sample of credits of the individual model. ‣ Review of the attached disclosures, evaluating that they contain the information required by the regulatory framework of financial information applicable to the Bank.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Accounting and Financial Information Standards accepted in Colombia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but 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 taken on the basis of these consolidated 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 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 and 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 Group 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 financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

- Obtain sufficient and adequate audit evidence in relation to the financial information of the entities or business activities that are part of the Group, in order to express my opinion on the consolidated financial statements. I am responsible for the direction, supervision and execution of the group audit and, therefore, the audit opinion.

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 may reasonably be thought to bear on 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 consolidated financial statements of the current period and are therefore the key audit matters. 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, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Other Issues

The consolidated financial statements of Banco Bilbao Vizcaya Argentaria Colombia S.A. and subordinates as of December 31, 2021, were audited by another statutory auditor on which he expressed an opinion on February 24th, 2022.

Gloria Margarita Mahecha García
Statutory Auditor
Professional Card 45058 -T
Designated by Ernst & Young Audit S.A.S.
TR-530

Bogotá, Colombia
February 27th, 2023

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CERTIFICATION OF THE LEGAL REPRESENTATIVE AND GENERAL ACCOUNTANT

The undersigned Legal Representative and General Accountant of BBVA Colombia in compliance with Article 37 of Law 222 of 1995 and Article 46 of Law 964 of 2005 certify that the consolidated financial statements of the Bank as of December 31, 2022 together with their explanatory notes have been prepared based on the "NCIF" Accounting and Financial Reporting Standards accepted in Colombia, uniformly applied ensuring that they present fairly the financial position, the results of its operations and that before being made available to the Shareholders' Meeting and third parties we have verified that:

- The figures included in the consolidated financial statements and in their explanatory notes have been faithfully taken from the books and prepared in accordance with accounting and financial reporting standards accepted in Colombia "NCIF".
- All assets and liabilities included in the Group's financial statements as of December 31, 2022 exist and all transactions included in those statements have occurred during the year then ended.
- economic events realized by the Group during the year ended December 31, 2022 have been recognized in the consolidated financial statements.
- All economic events affecting the Group have been correctly classified, described and disclosed in the consolidated financial statements.
- Assets represent probable future economic benefits (rights) and liabilities represent probable future economic sacrifices (obligations), obtained or payable by the Group as of December 31, 2022.
- We have verified that the valuation, valuation and presentation procedures have been applied consistently with those of the immediately preceding year and fairly reflect the financial position as of December 31, 2022.
- All items have been recognized at their appropriate values in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF).

In compliance with Article 46 of Law 964 of 2005, we certify: that the consolidated financial statements as of December 31, 2022 and other relevant reports for the public do not contain vices, inaccuracies or errors that prevent us from knowing the true net worth situation or the operations of the entity and its subsidiaries.

LUZ MARINA GUTIERREZ PERILLA

Esther Dafauce Velázquez	Luz Marina Gutiérrez Perilla
Legal Representative	General Accountant (E)
BBVA COLOMBIA S.A.	Prof. License No. 74252-T

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2. Consolidated Financial Statements

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.

2.1 Consolidated statement of financial position

At December 31, 2022 and 2021

(In millions of COP)

ASSETS	Note	2022	2021
Cash and cash equivalents	(7)	**$10.312.696**	**$11.029.678**
Cash and bank deposits		9.390.148	10.268.716
Investment Funds		24.979	24.140
Money market transactions		897.569	736.822
Financial investment assets. net	(8)	**$8.770.116**	**$7.272.987**
Investments at fair value through profit or loss		2.216.381	2.766.217
Investments at fair value with change in OCI		3.546.670	2.423.398
Investments at amortized cost (net)		3.007.065	2.083.372
Derivative financial instruments and derivative transactions cash (asset)	(13)	**$10.061.268**	**$3.290.980**
For trading		9.492.092	2.960.451
For hedging		569.176	330.529
Loan portfolio and financial leasing operations (net)	(9)	**$66.266.136**	**$54.618.275**
Commercial		29.427.960	22.216.442
Consumer		25.524.156	21.739.393
Mortgage		13.779.501	13.178.087
Microcredit		2	2
Employees (mortgage and consumer)		531.587	498.298

LIABILITI ES	Note	2022	2021
Deposits and current liabilities	(21)	**$ 69.145.364**	**$ 59.165.936**
On-demand		40.582.668	41.143.827
Term		28.562.696	18.022.109
Money market and simultaneous operations	(22)	3.204.093	3.696.625
Derivative financial instruments and cash operations		**$ 10.191.286**	**$ 3.454.783**
For trading	(24)	10.191.286	3.454.783
Financial obligations			
Bank loans and other financial obligations	(23)	5.370.684	2.974.166
Taxes			
Deferred taxes, net.	(30)	-	102.388
Current tax liabilities	(30)	289.124	150.670
Liabilities for other taxes	(30)	177.948	140.663
Estimated liabilities and provisions	(28)	330.001	284.833
Accounts Payable	(25)	802.359	712.760
Employee benefits	(29)	300.035	250.005

Impairment on loans and financial leasing. net		(2.997.070)	(3.013.947)
Interest on loan portfolio and other items (net)	(9)	**$1.401.952**	**$1.111.489**
Commercial		598.571	261.032
Consumer		807.570	627.935
Mortgage		467.829	422.906
Microcredit		6	-
Employees (mortgage and consumer)		3.230	3.217
Other interest		8.189	5.602
Impairment Interest and other items in loan portfolio and finance leases. net		(483.443)	(209.203)
Others		**$2.768.135**	**$2.593.047**
Accounts receivable, net	(14)	1.249.697	1.246.726
Advances to contracts, suppliers and other debtors	(20)	203.561	139.803
Investments in joint ventures	(18)	183.496	179.764
Non-current assets held for sale, net	(15)	108.349	58.932
Property and equipment, net	(16)	662.455	671.941
Right-of-use asset	(10)	98.757	109.124
Intangible assets, net	(17)	184.918	139.621
Deferred tax assets, net	(30)	21.426	-
Assets for other taxes	(30)	647	735
Prepaid expenses	(20)	47.252	38.691
Other assets, net	(19)	7.577	7.710
Total Assets		**$99.580.303**	**$79.916.456**

Other liabilities	(27)	265.604	339.399
Outstanding Investment Securities	(26)	2.676.790	2.388.531
Liabilities for rights of use		107.313	115.796
Total Liabilities		**$92.860.601**	**$73.776.555**
SHAREHOLDERS' EQUITY			
Subscribed and paid-in capital	(31)	89.779	89.779
Reserves	(32)	4.092.577	3.643.354
Additional paid-in capital		651.950	651.950
Income for the year	(33)	1.026.275	890.240
Adjustments on first-time adoption of IFRS		107.922	111.308
Other comprehensive income (OCI)	(34)	742.615	744.506
Article 6 Law 4/80		506	506
Total Stockholders' Equitys		**6.711.624**	**6.131.643**
Minority Interest		8.078	8.258
Total Equity		**6.719.702**	**6.139.901**
Total Liabilities and Shareholders' Equity		**99.580.303**	**79.916.456**

See the notes attached hereto, which are an integral part of the Consolidated FinancialStatements

(1) The undersigned Registered Agent and Public Accountant hereby certify that we have previously verified the assertions contained in these Consolidated FinancialStatements and that they have been faithfully taken from the Banks's ledgers.

Esther Dafauce Velazquez
Registered Agent (1)

LUZ MARINA GUTIERREZ PERILLA
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Luz Marina Gutiérrez Perilla
General Accountant in Charge (1)
T.P. 74.252-T

GLORIA MARGARITA MAHECHA GARCIA
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Gloria Margarita Mahecha García
Statutory Auditor
Prof. License No. 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(See my report of February 27, 2023)

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.

2.2 Consolidated statement of income

For the years ended December 31, 2022 and 2021

(In millions of COP)

	Note	For the years ended December 31: 2022	2021
INTEREST INCOME	(37)		
Loan portfolio		**$ 6.884.123**	**$ 4.646.921**
Consumer		2.588.794	2.117.570
Commercial		2.099.150	820.478
Mortgage		975.824	858.606
Credit Card		595.987	404.305
Microcredit		6	-
Factoring		86.515	32.681
Financial Leasing		178.691	101.411
Residential Leasing		359.156	311.870
Interest expense		**(3.303.900)**	**(1.382.211)**
Savings Accounts		(1.165.190)	(277.173)
Certificates of deposit at term and unit reinstatement of real value		(1.887.264)	(1.019.432)
Banks and Financial Obligations		(251.446)	(85.606)
Total interest income, net		**$ 3.580.223**	**$ 3.264.710**

FEE REVENUE	(38)		
Fee income		839.175	658.723
Fee expenses		(474.309)	(440.984)
Total fee income, net		**$ 364.866**	**$ 217.739**

NON-INTEREST INCOME	(38)		
Securities		**2.457.055**	**932.789**
Derivatives		**49.024.753**	**20.454.645**
Disposals		**338.474**	**173.625**
OPERATING EXPENSES	(39)		
Securities		**(2.232.348)**	**(834.748)**
Derivatives		**(49.554.303)**	**(20.595.124)**
Disposals		**(286.319)**	**(141.362)**

Total operating income		**$ (252.688)**	**$ (10.175)**
Activities in joint operations	(38)	**$ 1.304**	**$ 880**
IMPAIRMENT OF ASSETS			
Impairment of loan portfolio and leasing operations financial. net		**(1.446.561)**	**(1.183.984)**
Impairment of loan portfolio		1.487.946	1.786.026
Impairment of loan portfolio and finance leases		(2.934.507)	(2.970.010)
Impairment of non-current assets held for sale		(8.193)	(21.823)
Recovery of financial investment assets		3.990	200
Recovery (impairment) of property and equipment		1.532	(83)
Recovery of other impairments		215.601	226.183
Total impairment of assets, net		**$ (1.233.631)**	**$ (979.507)**

OTHER OPERATING INCOME			
Other operating income	(38)	**$ 177.329**	**$ 194.072**
Other operating expenses	(39)	**$ (2.226.430)**	**$ (1.835.027)**
Exchange difference. net	(38)	**$ 1.169.412**	**$ 483.266**
Income before taxes		**$ 1.580.385**	**$ 1.335.958**
Income tax	(30)	(743.171)	(469.241)
Deferred tax	(30)	190.452	25.082

OTHER OPERATING INCOME		**$ 1.027.666**	**$ 891.799**
Other operating income			
Other operating expenses		$ 1.026.275	$ 890.240
Exchange difference. net		1.391	1.559
Income before taxes		**$ 1.027.666**	**$ 891.799**
Income tax			
Deferred tax	(33)	71	62

See the notes attached hereto, which are an integral part of the Consolidated Financial Statements

(1) The undersigned Registered Agent and Public Accountant hereby certify that we have previously verified the assertions contained in these Consolidated Financial Statements and that they have been faithfully taken from the Company's ledgers.

LUZ MARINA GUTIERREZ PERILLA Firmado digitalmente por LUZ MARINA GUTIERREZ PERILLA Fecha: 2023.02.27 21:29:48 -05'00'

GLORIA MARGARITA MAHECHA GARCIA Digitally signed by GLORIA MARGARITA MAHECHA GARCIA Date: 2023.02.27 21:56:10 -05'00'

Esther Dafauce Velazquez
Registered Agent (1)

Luz Marina Gutiérrez Perilla
General Accountant in Charge (1)
T.P. 74.252-T

Gloria Margarita Mahecha García
Statutory Auditor
Prof. License No. 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(See my report of February 27, 2023)

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.

2.3 Consolidated statement of other comprehensive income

For the years ended December 31, 2022 and 2021

(In millions of COP)

		For the years ended December 31:	
	Note	2022	2021
RESULT FOR THE YEAR	33	**$1.027.666**	**$891.799**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss for the period:			
Gains on other equity items of subordinated subsidiaries		95	142
Tax on investments in equity instruments from other comprehensive income		(13.036)	34.754
Gain (loss) on remeasurement of defined benefit plans		(2.234)	15.268
Tax on remeasurement of financial assets		11.885	16.024
Gains on recovery of impairment of loan portfolio and leasing operations Fi-nancial		106.677	12.468
Loss on non-controlling interests		(26.786)	(52.214)
Total items that will not be reclassified to income for the period		**76.601**	**26.442**
Items that may be subsequently reclassified to profit or loss for the period:			
Loss on remeasurement of financial assets available for sale		(31.897)	(51.244)
Gain on cash flow hedges		16.266	31.243
Tax on cash flow hedges		(6.404)	(10.418)
On application of IFRS9		(56.457)	(24.023)
Total items that may be reclassified subsequently to profit or loss for the period		**(78.492)**	**(54.442)**
Total other comprehensive income net of taxes	34	**$(1.891)**	**$(28.000)**
Total comprehensive income for the period			

See the notes attached hereto, which are an integral part of the Consolidated Financial Statements.

(1) The undersigned Registered Agent and Public Accountant hereby certify that we have previously verified the assertions contained in these Consolidated Financial Statements and that they have been faithfully taken from the Company's ledgers.

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BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.

2.4 Consolidated statement of changes in equity

For the years ended December 31, 2022 and 2021
(In millions of COP)

For the years ended December 31, 2022 and 2021	Note	Subscribed and Paid-in Capital – Preferred dividend shares with no voting rights – Number	Subscribed and Paid-in Capital – Preferred dividend shares with no voting rights – Value	Subscribed and Paid-in Capital – Acciones ordinarias – Number	Subscribed and Paid-in Capital – Acciones ordinarias – Value	Reservations	Additional paid-in capital	Income for the year	Retained Earnings	Adjustmen ts on first- time adoption of IFRSs	Other Comprehesive Income (ORI))	Reservation Article 6 Law 4/80	Total shareholders' equity	Non-controlling interest	Total shareholders' equity
Balances as of January 01, 2020		**479.760**	**$2.994**	**13.907.929**	**$86.785**	**$3.408.311**	**$651.950**	**$461.405**	**$88.917**	**$26.045**	**$772.506**	**$506**	**$5.499.419**	**$8.804**	**$5.508.223**
Non-controlling interest (minority interest)															
Transfers		-	-	-	-	-	-	(461.405)	461.405	-	-	-	-	-	-
Reserves		-	-	-	-	-	-	-	-	-	-	-	-	81	81
Valuation		-	-	-	-	-	-	-	-	-	-	-	-	(68)	(68)
Profit (loss)		-	-	-	-	-	-	-	-	-	-	-	-	(2.118)	(2.118)
Dividends paid in cash preferred and common shares		-	-	-	-	-	-	-	(234.806)	-	-	-	(234.806)	-	(234.806)
Appropriation for legal reserve		-	-	-	-	235.043	-	-	(235.043)	-	-	-	-	-	-
Net profit for the period	(33)	-	-	-	-	-	-	890.240	-	-	-	-	890.240	1.559	891.799
Fixed Assets Appraisal Update		-	-	-	-	-	-	-	-	296	-	-	296	-	296
Non-current assets held for sale		-	-	-	-	-	-	-	-	(521)	-	-	(521)	-	(521)
Deferred taxes (Net)		-	-	-	-	-	-	-	-	581	-	-	581	-	581
Adjustment for retained earnings sales force		-	-	-	-	-	-	-	-	4.434	-	-	4.434	-	4.434
Other comprehensive income:	(34)														
Gains on cash flow hedges cash		-	-	-	-	-	-	-	-	-	31.243	-	31.243	-	31.243
Gains on remeasurement of defined benefit plans		-	-	-	-	-	-	-	-	-	15.268	-	15.268	-	15.268
Gains on other equity items of subordinated subsidiaries		-	-	-	-	-	-	-	-	-	142	-	142	-	142
Loss of non-controlling interests		-	-	-	-	-	-	-	-	-	(52.214)	-	(52.214)	-	(52.214)
Loss on remeasurement of as-sets available-for-sale financial assets		-	-	-	-	-	-	-	-	-	(51.244)	-	(51.244)	-	(51.244)
Gains on recovery of impairment of loan portfolio and financial leasing transactions		-	-	-	-	-	-	-	-	-	12.468	-	12.468	-	12.468
Net deferred taxes		-	-	-	-	-	-	-	-	-	16.337	-	16.337	-	16.337

Balances as of December 31, 2021		**479.760**	**$2.994**	**13.907.929**	**$86.785**	**$3.643.354**	**$651.950**	**$890.240**	**$80.473**	**$30.835**	**$744.506**	**$506**	**$6.131.643**	**$8.258**	**$6.139.901**
Participación no controladora (interés minoritario)															
Transferencias		-	-	-	-	-	-	(890.240)	890.240	-	-	-	-	-	-
Reservas		-	-	-	-	-	-	-	-	-	-	-	-	82	82
Valorización		-	-	-	-	-	-	-	-	-	-	-	-	(95)	(95)
Utilidad (perdida)		-	-	-	-	-	-	-	-	-	-	-	-	(1.558)	(1.558)
Dividends paid in cash preferred and common shares		-	-	-	-	-	-	-	(446.019)	-	-	-	(446.019,00)	-	(446.019)
Appropriation for legal reserve		-	-	-	-	449.223	-	-	(449.223)	-	-	-	-	-	-
Income for the year	(33)	-	-	-	-	-	-	1.026.275	-	-	-	-	1.026.275,00	1.391	1.027.666
Fixed Assets Appraisal Update		-	-	-	-	-	-	-	-	7.715	-	-	7.715,00	-	7.715
Deferred taxes (Net)		-	-	-	-	-	-	-	-	(4.031)	-	-	(4.031,00)	-	(4.031)
Adjustment for sales force of retained earnings		-	-	-	-	-	-	-	-	(2.068)			(2.068,00)		(2.068)
Other comprehensive income:	(34)														
Gains on cash flow hedges cash		-	-	-	-	-	-	-	-	-	16.266	-	16.266,00	-	16.266
Gains on remeasurement of defined benefit plans		-	-	-	-	-	-	-	-	-	(2.234)	-	(2.234,00)	-	(2.234)
Gains on other equity items of subordinated subsidiaries		-	-	-	-	-	-	-	-	-	95	-	95,00	-	95
Loss of non-controlling interests		-	-	-	-	-	-	-	-	-	(26.786)	-	(26.786,00)	-	(26.786)
Loss on remeasurement of as-sets available-for-sale financial assets		-	-	-	-	-	-	-	-	-	(31.897)	-	(31.897,00)	-	(31.897)
Gains on recovery of impairment of loan portfolio and financial leasing transactions		-	-	-	-	-	-	-	-	-	106.677	-	106.677,00	-	106.677
Net deferred taxes		-	-	-	-	-	-	-	-	-	(64.012)	-	(64.012,00)	-	(64.012)
Balances as of December 31, 2022		**479.760**	**$2.994**	**13.907.929**	**$86.785**	**$4.092.577**	**$651.950**	**$1.026.275**	**$75.471**	**$32.451**	**$742.615**	**$506**	**$6.711.624**	**$8.078**	**$6.719.702**

See the notes attached hereto, which are an integral part of the Consolidated Financial Statements

(1) The undersigned Registered Agent and Public Accountant hereby certify that we have previously verified the assertions contained in these Consolidated Financial Statements and that they have been faithfully taken from the Banks's ledgers.

Esther Dafauce Velazquez
Registered Agent (1)

LUZ MARINA GUTIERREZ PERILLA Firmado digitalmente por LUZ MARINA GUTIERREZ PERILLA Fecha: 2023.02.27 21:29:48 -05'00'

Luz Marina Gutiérrez Perilla
General Accountant in Charge (1)
T.P. 74.252-T

GLORIA MARGARITA MAHECHA GARCIA Digitally signed by GLORIA MARGARITA MAHECHA GARCIA Date: 2023.02.27 21:56:10

Gloria Margarita Mahecha García
Statutory Auditor
Prof. License No. 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(See my report of February 27, 2023)

BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.

2.5 Consolidated statement of cash flows

For the years ended December 31, 2022 and 2021

(Expressed in millions of Colombian pesos)

	For the years ended December 31:	
	2022	**2021**
Balance at beginning of period	**$ 11.029.678**	**$ 6.266.488**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Disbursements and payments received from loan portfolio customers and leasing operations other	(10.237.757)	(4.811.075)
Payments and Receipts Demand Deposits	(770.131)	8.045.366
Payments and Receipts Term Deposits	10.540.196	(1.172.354)
Payments and Receipts Other Deposits and Requirements	1.672.814	988.639
Payments and redemptions proceeds from debt and derivative financial instruments	(684.942)	418.799
Payments to suppliers and employees	(4.413.082)	(4.191.408)
Interest received from loan portfolio customers and leasing and other operations	5.738.541	4.288.152
Interest paid on deposits and liabilities	(3.054.781)	(1.297.187)
Income tax	(744.097)	(434.727)
Cash advances and guaanteed loans to third parties	(955.041)	(703.293)
Collections on the reimbursement of advances and guaranteed loans to third parties	891.283	625.930
Net cash flow (used in) provided by operating activities	**(2.016.997)**	**1.756.842**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment payments held to maturity	(621.774.201)	(233.284.106)
Proceeds from held-to-maturity investments	618.840.755	235.352.358
Dividends received	47.634	19.900
Acquisition of property and equipment	(36.397)	(50.723)
Sales price of property and equipment	12.258	39.346
Cash inflows related to investing activities	249.445	190.030
Net cash flow (used in) provided by (used in) investing activities	**(2.660.506)**	**(2.266.805)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of loans and other financial liabilities	(3.350.857)	(4.569.924)
Acquisitions of loans and other financial liabilities	5.057.446	4.656.562
Dividends paid to owners	(461.263)	(266.267)

Cash inflows related to financing activities	398.226	98.485
Net cash flows provided by (used in) financing activities	**1.643.552**	**(81.144)**
CASH AND CASH EQUIVALENTS:		
Effect of changes in the exchange rate on cash held in foreign currency	2.316.969	820.687
END-OF-PERIOD BALANCES	**$10.312.696**	**$11.029.678**

See accompanying notes which are an integral part of the consolidated financial statements

(1) We, the undersigned Legal Representative and Accountant, certify that we have previously verified the statements contained in these financial statements and that they have been faithfully taken from the accounting books of Banco Bilbao Vizcaya Argentaria SA and its subordinates

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LUZ MARINA GUTIERREZ PERILLA Firmado digitalmente por LUZ MARINA GUTIERREZ PERILLA Fecha: 2023.02.27 21:29:48 -05'00'

GLORIA MARGARITA MAHECHA GARCIA Digitally signed by GLORIA MARGARITA MAHECHA GARCIA Date: 2023.02.27 21:56:10 -05'00'

Esther Dafauce Velazquez
Registered Agent (1)

Luz Marina Gutiérrez Perilla
General Accountant in Charge (1)
T.P. 74.252-T

Gloria Margarita Mahecha García
Statutory Auditor
Prof. License No. 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(See my report of February 27, 2023)

3. Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements
BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.
At December 31, 2022
(With comparative figures at December 31, 2021)
(Expressed in millions of COP, except for the exchange rate and net earnings per share)

1. Reporting entity

Banco Bilbao Vizcaya Argentaria Colombia S.A. BBVA Colombia (hereinafter, "the Bank" or "BBVA Colombia S.A."), acting as the Parent Company of Grupo Empresarial BBVA Colombia, registered in the business register, hereinafter "the Group," formed by the subsidiaries of BBVA Asset Management S.A. with a 94.51% share and BBVA Valores Colombia S.A. Comisionista de Bolsa with the Parent Company's 94.44% share, reports Con solidated Financial Statements for the following companies:

BBVA Colombia S.A. is a private banking institution, incorporated under Colombian laws on April 17, 1956 through Public Instrument No. 1160 issued by the Third Notary of Bogotá. Its period of duration ends on December 31, 2099; this term may be extended according to the law. The Financial Superintendence of Colombia (hereinafter, "the Superintendence" or "SFC") through Resolution No. 3140/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 carries out international banking activities, privatizations, financial projects and other banking activities in general, and provides leasing services.

The Bank conducts its activities at its main registered office in the city of Bogotá located at Carrera 9 # 72-21, through its 507 and 511 offices for the years ended December 31, 2022 and 2021, respectively, which include branch offices, in-house services at customer facilities, service centers, agencies and cash extensions located in 123 cities of Colombia, distributed as follows:

	2022	2021
Branch offices	360	360
In house	87	85
Service centers	6	7
Agencies	29	31
Remote banking	25	28
Total offices	**507**	**511**

The Bank is a subsidiary of Banco Bilbao Vizcaya Argentaria S.A. Spain (76% share), which is part of the BBVA Group.

The Bank and its subsidiaries have a national work force that, at the end of December 2022 and 2022, amounted to 5,430 and 5,434 employees, respectively.

BBVA Asset Management S.A., hereinafter, "the Trust Company", is a private commercial entity of financial services, legally incorporated by Public Instrument 679 issued by the 13th Notary of Bogotá/April 5, 1976.

Through Public Instrument 3742 dated April 29, 2010 issued by the 72nd Notary of Bogotá, the name change to BBVA Asset Management S.A. Sociedad Fiduciaria was made official, and for all legal purposes it may use the name BBVA Asset Management.

The Trust Company is a subsidiary of Banco Bilbao Vizcaya Argentaria Colombia S.A. It has its registered office in the city of Bogotá, with a duration up to May 27, 2098, and a permanent operating license from the Financial Superintendence of Colombia (hereinafter "the Superintendence"), according to Resolution 223/January 12, 1979. At December 31, 2022 and 2021, it had 142 and 119 employees, respectively.

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 do. 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 credit transactions, and issue, accept, endorse, collect and negotiate, in general, all types of securities.

BBVA Valores Colombia S.A. Comisionista de Bolsa (hereinafter "the Brokerage Firm") was incorporated on April 11, 1990 following authorization by the Financial Superintendence of Colombia. Its corporate purpose is the development of the commission contract for the purchase and sale of securities listed in the National Securities Registry, the development of security funds management contracts for its domestic and foreign customers, and the performance of transactions on its own behalf. It is also authorized by the Superintendence to carry out the activities related to the securities market and give advice on capital-market related activities.

The Brokerage Firm is a subsidiary of Banco Bilbao Vizcaya Argentaria Colombia S.A.; its registered office is the city of Bogotá D.C., where its conducts its commercial activity. At December 31, 2022 and 2021, it had 31 and 24 employees, respectively, and its term of duration expires on April 11, 2091.

At December 31, 2022 and 2021, the breakdown of the balance sheet for the consolidated entities was as follows:

Entity	2022				2021			
	ASSETS	LIABILITIES	EQUITY	INCOME	ASSETS	LIABILITIES	EQUITY	INCOME
BBVA COLOMBIA	99,238,481	(93,071,570)	(6,166,911)	917,960	79,516,659	(73,829,357)	(5,685,302)	895,242
BBVA ASSET MANAGEMENT S.A.	116,842	(12,112)	(104,730)	23,842	117,116	(8,602)	(108,514)	26,898
BBVA VALORES S.A.	45,206	(3,267)	(41,939)	1,494	43,777	(2,345)	(41,432)	1,483
Total	**$ 99,400,529**	**$ (93,086,949)**	**$ (6,313,580)**	**$ 943,296**	**$ 79,677,552**	**$ (73,840,304)**	**$ (5,835,248)**	**$ 923,623**

Eliminations in consolidation:

Description	2022			2021		
	BBVA	BBVA Fiduciaria	BBVA Valores	BBVA	BBVA Fiduciaria	BBVA Valores
Eliminations in consolidation	(35,820)	33,000	2,820	(31,904)	16,252	15,652
Elimination in equity	(119,474)	82,635	36,839	(117,991)	82,635	35,356
Minority interest (equity)	-	(5,747)	(2,331)	-	(5,955)	(2,303)
Minority interest (income)	-	(1,308)	(83)	-	(1,476)	(82)

The Consolidated Financial Statements of the Bank and its subsidiaries have been adjusted with respect to the separate and/or individual financial statements of BBVA Colombia, due to the inclusion of the accounting policies applicable to the Group under the technical regulatory framework in force in Colombia for the preparation of Consolidated Financial Statements.

2. Bases for the preparation and presentation of the Consolidated Financial Statements

2.1. Statement of Compliance

In accordance with the current provisions issued by Law 1314/2009, regulated by Decree 2420/2015 amended by Decrees 2496/2015,2131/2016, 2170/2017, 2483/2018, 2270/2019, 1432/2020, 938/2021 and 1611/2022, the Group has prepared its Consolidated Financial Statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (hereinafter NCIF, for the Spanish original), which are based on the International Financial Reporting Standards (hereinafter IFRS), along with their interpretations issued by the International Accounting Standards Board (IASB).

The base standards are those officially translated into Spanish and issued by the IASB in the second half of 2018 and the inclusion of the amendment to IFRS 16 COVID-19-related rent concessions in 2020; except for the provisions of the technical regulations issued by the Financial Superintendence of Colombia.

The Group applies the following accounting criteria that differ from the IFRS issued by the IASB in compliance with the Laws, Decrees and other current standards:

Public Notice No. 36/2014 of the Financial Superintendence of Colombia – Establishes how to apply IFRS 1 First-time Adoption of the International Financial Reporting Standards (IFRS), and includes the following, among others:

Applicable to entities subject to supervision or securities issuers subject to control. The accounting treatment of net positive differences generated by applying the NCIF for the first time cannot be distributed to cover losses, to carry out capitalization processes, to distribute profits and/or dividends, or to be recognized as reserves and may only use the standards when they have effectively been carried out with third parties, other than related parties. The net positive differences will not be calculated in compliance with the requirements of technical equity, minimum operating capital and other legal controls applicable to the Entity.

In the event that the application of the NCIF for the first time generates negative net differences, the same must be deducted from the technical equity, and in the event of a defect in its technical equity, it must attach to the financial statements of the corresponding cut-off, within the established term, the adjustment plan for the approval of this Superintendence, when the defect cannot be solved by ordinary means before two (2) months and significantly affects the operating capacity of the entity.

Public Notice No. 037 /2015 of the Financial Superintendence of Colombia – The parent company must adjust the Consolidated Financial Statements, prepared using the full NCIF, to include the difference between the value of allowances on the loan portfolio recognized in the Consolidated Financial Statements by the methodology of expected loss and in the Group's individual and/or separate financial statements by the generated loss methodology, under the same terms as the instructions established in Section 1.5 of Public Notice 036/2014.

Therefore, the adjustment to the consolidated loan portfolio and its impact recognized in the OCI of the Consolidated Financial Statements must be made and recorded on a permanent basis.

Decree 2420/2015 - Whereby this Sole Regulatory Decree of the Accounting, Financial Reporting and Information Assurance Standards is issued, establishing that the preparers of information that are classified as public interest entities, which capture, handle or manage resources from the public, should not apply IFRS 9 - Financial Instruments: Recognition and Measurement, regarding the treatment of the credit portfolio and impairment, and the classification and valuation of investments.

Book 2 of Decree 2420/2015, as amended by the Article 3 of Decree 2131/2016 - Whereby it is established that equity interests in subsidiaries must be accounted for in the books of the parent or controlling company by the equity method for separate financial statements, in accordance with Article 35 of Law 222 of 1995 issued by the Congress of the Republic.

Additionally, this Decree also determines that the parameters for establishing post-employment benefits for the treatment of IAS 19 - Employee Benefits must correspond to Decree 2783 of 2001 issued by the Ministry of Finance and Public Credit, as the best market approximation. This decree establishes the actuarial assumptions to calculate future salary and pension increases, establishes the real technical interest rate applicable and the way to consider the anticipated increase in income for active and retired personnel.

Decree 2131/2016 — Whereby the calculation of pension liabilities must be disclosed in accordance with the parameters established in Decree 1625/2016 and, in the case of partial pension switching pursuant to Decree 1833/2016, informing the variables used and the differences with the calculation in accordance with IAS 19 - Employee Benefits, which represents a change in the accounting estimate.

Regulatory Notice DODM 139 / May 25, 2018 - This notice establishes the calculation of proprietary position, spot proprietary position and gross leverage position of foreign exchange market intermediaries. (See Notes 7 and 13).

The separate financial statements were prepared to comply with the legal provisions to which the Bank is subject as an independent legal entity, some accounting principles may differ from those applied in the consolidated financial statements and, additionally, they do not include the adjustments and eliminations necessary for the presentation of the consolidated financial position and the consolidated comprehensive income of the Bank and its subsidiaries.

Decree 938/2021 – whereby the technical framework of the Financial Reporting Standards for Group 1 of the Sole Regulatory Decree of the Accounting, Financial Reporting and Information Assurance Standards, Decree 2420 of 2015, is amended and other provisions are issued for IFRS 17 Insurance Contracts. IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures. IAS 1 Classification of liabilities as current and non-current. IFRS 3 reference to the conceptual framework, IAS 16 Property, plant and equipment, revenue before intended use. IAS 37 Onerous contracts - costs incurred in the performance of a contract. IFRS 1 First-time adoption of IFRSs. International financial reporting standards. IFRS 9 Fees in the '10 percent' test for determining derecognition of financial liabilities.

Decree 1611/2022 – whereby the technical framework of the Financial Reporting Standards for Group 1 of the Single Regulatory Decree on Accounting, Financial Reporting and Information Assurance Standards, Decree 2420 of 2015, is amended, and other provisions are issued", IAS 8 Definition of Accounting Estimates, IAS 1 Disclosure of Accounting Policies, IFRS 16 Rent Reductions related to Covid- 19 beyond June 30, 2021, IAS 12 Deferred Taxes with Assets and Liabilities arising from a Single Transaction.

For legal purposes in Colombia, the separate financial statements are the main financial statements

Approval of Consolidated Financial Statements - The Group's Consolidated Financial Statements at and for the year ended December 31, 2022, prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), have been approved by the Bank's Board of Directors for issuance on February 27, 2023. These statements will be subject to approval by the General Meeting of Shareholders to be held within the terms established by Law. The Consolidated Financial Statements at and for the year ended December 31, 2021 will be approved by the General Meeting of Shareholders held on March 27, 2023.

2.2. Consolidation Criteria

A efectos de su consolidación, y siguiendo los criterios es- For consolidation purposes, and following the criteria established by the NCIF, the scope of consolidation is defined using the guidelines established by IFRS 10, which basically concern control (power/returns) as a guide to determine which companies are susceptible to consolidation and the information to be disclosed regarding shareholdings in other entities. The consolidation method to be applied depends on total control and/or significant influence over the controlled entity.The Group applies the global integration method, recognizing shares in non-controlled entities as equity and income.

The Group is made up, in addition to the Bank, of two subsidiary entities controlled by the Group, a control obtained when the Bank is exposed to, or entitled to, variable returns based on its involvement in the controlled entity and it has the ability to influence these returns through its power over the controlled entity, providing it with the present ability to direct its relevant activities that significantly affect its income.

In all cases, the consolidation of income generated by the companies that make up the Group in any given fiscal year is carried out considering only the income corresponding to the period between the date of acquisition and the close of that fiscal year. Similarly, the consolidation of income generated by companies disposed of in any given fiscal year is carried out considering only the income for the period between the beginning of the fiscal year and the date of disposal.

In the consolidation process, the Group combines the assets, liabilities and income of the entities over which it has control, after standardizing their accounting policies. During this process, it eliminates reciprocal transactions and realized earnings between them. The share of non-controlling interests in the controlled entities is presented in equity, separate from shareholders equity of the Group's controlling company.

To prepare the Consolidated Financial Statements, the financial statements of subsidiaries are included at the dates of their presentation.

Minority interest:

Entity	2022	2021
BBVA Asset Management S.A.	$ (5,747)	$ (5,955)
BBVA Valores S.A.	(2,331)	(2,303)
Total	**(8,078)**	**(8,258)**

The Bank consolidated the subsidiaries in which it held the following shareholdings at December 31, 2022 and 2021:

Location	Subsidiary	Share percentage
Colombia	BBVA Valores Colombia S.A. Comisionista de Bolsa	94.44%
Colombia	BBVA Asset Management S.A. Sociedad Fiduciaria	94.51%

2.3. Measurement Basis

The Consolidated Financial Statements have been prepared based on historical cost, except for the following items that are measured using a different basis at each reporting period:

- Financial investment assets measured at fair value through profit or loss or changes in derivative financial instruments measured at fair value.
- Non-current assets held for sale measured at fair value less cost of sale.
- Employee benefits, in relation to pension obligations and other long-term obligations through actuarial discounting techniques.
- Deferred tax measured at current rates according to their recovery.
- Financial Instruments measured at fair value through other comprehensive income and through profit or loss.
- The Group has applied the accounting policies described in Note 3, and the judgments and estimates and described in Note 2.5.

2.4 Functional and Presentation Currency

The BBVA Group prepares and presents its Consolidated Financial Statements in Colombian pesos, which is its functional currency and the presentation or reporting currency for all purposes. The functional currency is the currency of the main economic environment in which an entity operates, which influences the transactions it carries out and the services it provides, among other factors.

The figures of the Consolidated Financial Statements and the disclosures detailed in the notes are expressed in COP millions and have been rounded to the nearest full figure, unless otherwise specified.

2.5. Judgments and Estimates

The information contained inthese Consolidated Financial Statements is the responsibility of the Group's Management. In their preparation, certain estimates are used to quantify some of the assets, liabilities, income, expenses and commitments that are recorded therein, based on experience and other relevant factors. The final results may vary from said estimates.

These estimates are continually reviewed. Modifications to the accounting estimates are recognized prospectively, accounting for the effects of changes made to corresponding accounts of the Consolidated Statement of Income for the fiscal year, as applicable, starting from the fiscal year in which such revisions are made.

The estimates and their most important sources of uncertainty for preparing the Consolidated Financial Statements refer to the impairment of financial assets: determination of the inputs within the expected loss model, including the main assumptions used for the estimate and incorporation of forward-looking information (Note 11).

3.

Main accounting policies for the preparation and presentation of the Consolidated Financial Statement

The significant accounting policies used by the Group in the preparation and presentation of its Consolidated Financial Statements at December 31, 2022 are the same as those applied by the Group in the Consolidated Financial Statements audited at December 31, 2021.

3.1 Cash and cash equivalents

The Group classifies cash, immediately available deposits in Banks (including the Central Bank), checks in clearing process and remittances in transit as cash, regarding which the following criteria were validated:

- They must meet the definition of assets.
- It is probable that any economic benefit associated with the item will be received by the entity
- The amount can be reliably measured.

The Group classifies investments of money market transactions (interbank funds, swap transactions and overnight investments) as cash equivalents, validating the following criteria:

- They are short-term highly liquid investments (less than 90 days).
- Easily convertible into determined amounts of cash
- They are subject to insignificant risk of changes in value.

At December 31, 2022 and 2021, all the positions held as money market transactions met the conditions to be classified as cash equivalents (Note 8).

3.2 Money market and related transactions

Swap and simultaneous transactions, temporary security transfers, interbank funds and demand deposits are recognized at the amount of the transaction and measured at present value during the term of the transaction, using the reference short-term interest rate "IBR" (market indicator developed by the private sector, backed by the Central Bank 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 income statements in accordance with the accrual accounting principle.

3.3 Transactions in Foreign Currency

Transactions in foreign currency are recognized, at the time of initial recognition, using the functional currency, which is also the presentation currency.To this effect, the amounts in foreign currency are translated into the functional currency applying the exchange rate at the date of the transaction, which is the date on which said transaction meets the conditions for recognition.

At the end of each reporting period, the following guidelines are followed:

1. Monetary assets and liabilities denominated in foreign currencies are translated at the accounting exchange rate at the end of the reporting period.

2. Non-monetary assets and liabilities, not valued at fair value, are translated at the exchange rate of the reporting period.

3. Non-monetary assets and liabilities measured at fair value are translated at the exchange rate of the transaction date on which the fair value was determined.

Any resulting negative and positive exchange difference is recognized in the exchange difference item of the Consolidated Statement of Income. The exchange rate used for adjusting the resulting balances in US Dollars at December 31, 2022 and December 31, 2021 was $ 4,810.20 and $ 3,981.16 per USD 1, respectively.

3.4 Financial Collateral

The financial collateral provided is recognized initially by recording a liability at fair value, which is usually the current value of the fees and returns to be received for said contracts throughout their useful life, with the amount of assimilated fees and returns collected at the beginning of the operations and the accounts receivable for the current value of the future cash flows pending receipt as an offsetting entry in assets.

The financial collateral, regardless of the holder, instrumentation or other circumstances, are later analyzed on a periodic basis to determine the credit risk to which they are exposed and, if necessary, to estimate the need to create a provision.

The value of the collateral will subsequently be valued in accordance with the contractual terms for this transaction. Depending on the variation of the threshold, the income or expense is adjusted in the statement of income.

If customers default on obligations with third parties derived from an endorsement or bank guarantee issued by the Bank, an asset valued by credit risk is recognized, which is determined by applying criteria similar to those established to quantify impairment losses for financial assets, along with a provision based on the parameters established by IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, by applying the decision tree.

3.5 Financial investment assets, derivative financial instruments and cash transactions

Financial instruments are classified as assets, liabilities or capital, based on the text of the contractual agreement that gave rise thereto and in accordance with the criteria of the business model. Interest, dividends, gains and losses generated by a financial instrument classified as an asset or liability are recognized as income or expenses in the consolidated statement of income.

Classification and measurement of financial instruments - The Group classifies financial assets according to their subsequent measurement in line with the new classification criteria set forth in IFRS 9 within the following categories:

- Amortized cost
- Fair value through other comprehensive income (OCI)
- Fair value through profit or loss.

This classification is carried out in accordance with the Group's business model for managing financial assets and assessing the characteristics of the contractual cash flows of the financial asset.

Financial assets are measured at **amortized cost** if they meet the following conditions:

- The financial asset is within a business model whose objective is to hold the financial assets to obtain the contractual cash flows, and
- The contractual conditions of the financial asset on the stipulated dates meet the cash flow conditions that are solely payments of principal and interest on the outstanding principal,i.e., it meets the criterion of "solely payments of principal and interest" (SPPI).

Principal is the fair value of the financial assets at the time of initial recognition.

Interest comprises the consideration for the temporary value of money, for the credit risk associated with the principal amount outstanding over a specific period of time and for other risks and costs of basic loans, as well as a profit margin.

Financial assets are measured at f**air value through other comprehensive Income** if they meet the following conditions:

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

- The contractual conditions of the financial asset on the stipulated dates meet the cash flow conditions that are solely payments of principal and interest on the outstanding principal (meets the SPPI criterion)

Unrealized profits or losses are recognized in other comprehensive income and are subsequently transferred to the consolidated statement of income at the time of their realization.

Any other financial assets not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

As for equity instruments, at the time of initial recognition, it is decided irrevocably to measure subsequent changes in fair value in other comprehensive Income (OCI).

Financial liabilities are measured subsequently at amortized cost, except for financial liabilities measured at fair value, such as derivative liabilities.

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.

Income is recognized based on the effective interest rate for debt instruments other than the financial assets classified at fair value through profit or loss.

Offsetting of Financial Instruments - Financial assets and liabilities may be offset, i.e., presented as a net amount in the Consolidated Statement of Financial Position, only when dependent items specify both a legally enforceable right to offset the amounts recognized in said instruments, as well as the intention to settle the net amount, or realize the asset and settle the liability simultaneously.

Financial assets and liabilities at fair value through profit or loss- The assets and liabilities are recognized at fair value, and the amount of any change in fair value is recognized as income or expense depending on its nature.However, variations arising from exchange rate differences are recorded in the “exchange differences, net” line item of the statement of income.

Impairment of financial assets – The impairment model applies to financial assets measured at amortized cost, contractual assets and debt investments at fair value through other comprehensive income, but not to investments in equity instruments. For assets, impairment losses are expected to increase and become more volatile.

On each reporting date, whenever the credit risk of a financial asset has increased significantly since its initial recognition, the Group recognizes a loan loss adjustment on the financial instrument, which is measured as the amount of the expected credit loss over the lifetime of the asset. The assessment is carried out on a collective or individual basis, considering all the reasonable and adequately supported information, including information referring to the future.

Expected credit losses are an estimate of the weighted probability of credit losses (i.e., the present value of all the cash shortfalls) throughout the expected life of the financial instrument, adjusted by forward-looking factors. A cash shortfall is the difference between the cash flows owed to an entity in accordance with the contract and the cash flows that the entity expects to receive.

When the increase in the credit risk is insignificant, the adjustment in value due to losses of the financial asset is measured at an amount equal to the expected credit losses over the next 12 months.

On each reporting date, the Group evaluates whether the credit risk of the loan portfolio has increased significantly since initial recognition, and recognizes the amount of the expected credit losses (or reversals, if appropriate) under Other Comprehensive Income as an impairment gain or loss.

Definition of default: Default is the key aspect for estimating the risk parameters and for allowance calculations. A default occurs in any of the following circumstances:

- There is objective and substantial evidence of impairment, i.e., payment is more than 90 days past due, with a minimum amount of materiality.
- Subjective arrears: all the transactions rated at the local regulatory level of “CC” are considered to be loans in subjective arrears.

In addition to the past due criterion, all the cases in which it is highly unlikely that a debtor will pay its obligations are included as default. The following cases are taken as indicators of unlikely payment:

- Sale of credit obligations: if the Bank sells a credit obligation of a customer, all other credit obligations related to the customer are deemed to be an economic loss, and therefore, the transaction can be classified as in default.
- Rating of carry-over: Transactions affected by the local carry-over criterion are deemed to be in default.
- Refinancing in difficulties or during the cure period.
- Debtor bankruptcy, preventing or delaying the payment of its credit obligations to the Bank.

The expected loss model is applied to loans or debt instruments measured at amortized cost and items recorded outside the balance sheet, including undisbursed credit commitments, letters of credit and financial collateral.

Derecognition of Financial Instruments - Financial assets are derecognized from the Consolidated Statement of Financial Position when the contractual rights to the cash flows of the financial asset have expired or when the implicit risks and rewards of the asset are transferred to third parties and the transfer meets the requirements for derecognition.

In the latter case, the transferred financial asset is derecognized from the Consolidated Statement of Financial Position, simultaneously recognizing any right or obligation retained or created as a result of the transfer. It is considered that the Group substantially transfers the risks and rewards, if the risks and rewards that are transferred represent the majority of the total risks and rewards of the transferred assets.

When the risks and/or rewards associated with the transferred financial asset are substantially retained:

- The transferred financial asset is not derecognized from the Consolidated Statement of Financial Position and it continues to be measured with the same criteria used before the transfer.
- An associated financial liability is recognized for an amount equal to the consideration received, which is subsequently measured at amortized cost.
- Both the income associated with the transferred financial asset (not derecognized) and the expenses associated with the new financial liability continue to be recognized.

In the cases where the derecognition of assets refers to recognition criteria within the Conceptual Framework, they will be written off only following authorization by the Board of Directors and/or in accordance with the levels of authorization established in the Internal Standardization Process (PNI, for its Spanish original).

Asset write-offs applied based on forgiveness shall be made following the due approval process stipulated in the Internal Rules and Procedures (PNI).

Financial liabilities are only derecognized from balance sheet accounts when the Group’s obligations have been fulfilled.

Financial Assets in Investment Debt Securities

For the Consolidated Financial Statements, the classification and measurement criteria of investment debt securities established in IFRS 9 are applied, taking into account the business model for managing assets and the contractual cash flow characteristics of the financial asset in three groups:

Debt Securities at Fair Value through Profit or Loss: They are managed by the Group using the business model whose main purpose is to earn profits as a result of variations in the market value of different instruments and in activities involving securities trading. These assets are classified at fair value through profit or loss and the portfolio consists of debt securities, which the Group measures using the price determined by the valuation price vendor. In the exceptional cases where a determined fair value does not exist on the valuation date, such securities are exponentially valued on a daily basis based on the internal rate of return.

The Global Markets department is an internal department of the Group that manages, classifies and defines the business model for tradeable investments.

Debt Securities at Fair Value through OCI: They are held by the Group in a separate portfolio to yield interest revenue and can be sold to meet the liquidity requirements that arise during the normal course of business. The Group manages these securities under a business model whose objective is fulfilled through the collection of contractual cash flows and the sale of securities.The securities classified as available for sale in accordance with the contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the outstanding principal. Therefore, these assets have been classified as financial assets at fair value through other comprehensive income according to IFRS 9.

Securities at Amortized Cost - The investment debt securities that were formerly classified as held to maturity are now classified as at amortized cost. The Group has the intent and legal, contractual, financial and operating capacity to hold them until the date of their maturity or redemption, considering that the structure of financial instruments eligible for this portfolio only gives rise to payments of principal and interest. They are measured on a daily basis, exponentially, based on the internal rate of return calculated at the time they were acquired.

Investments classified in this category are measured at amortized cost using the effective interest rate method and interest and impairment charges are recognized in the Consolidated Financial Statements.

Impairment of Investments at Amortized Cost: At the end of each period, the Group assesses whether there are signs of impairment of the investments at amortized cost. The amount of the loss is determined by calculating the difference between the carrying value of the investment and the present value of the estimated future cash flows, discounted using the effective interest rate at the date of initial recognition of the investment. The carrying amount of the investment is reduced through an allowance account in the Statement of Income. Subsequently, if there is evidence of recovery, the impairment loss recognized in the Statement of Income is adjusted.

The area of ALCO Financial Management is an internal department of the Bank that manages, classifies and defines the business model for investments classified as available for sale and at amortized cost.

Initial Recognition of Investments in Debt Securities: At the time of initial recognition, investments in debt securities are measured at fair value.

Subsequent Measurement of Investments in Debt Securities: Subsequent measurements of investment in debt securities depends on the assigned classification, in three categories: fair value through profit or loss, fair value through OCI and at amortized cost, according to the definition of the Group's business model required in IFRS 9.

Investment valuation – The main objective of valuating investments is determining (measuring), recognizing and disclosing to the market the fair value at which a security can be traded on a certain date, according to its particular characteristics and in the prevalent market conditions on that date.

Debt securities are valued based on the classification prescribed and the criteria established in IFRS 9, at fair value, taking the prices published by price vendors according to the fair value hierarchy and at amortized cost.

Investment valuation criteria - Determining the fair value of a security considers all criteria necessary to ensure fulfillment of the objective of investment valuation established in IFRS 13, and in all cases: objectivity, transparency and representativeness, permanent assessment and analysis.

Frequency of measurement and recognition thereof - The valuation of investments in debt securities must be carried out on a daily basis, unless other provisions indicate a different frequency. Likewise, the accounting records necessary for the recognition of the investment valuation must be made with the same frequency used for the valuation.

Investments in Equity Instruments at Fair Value through OCI: For equity instruments, the measurement techniques established in IFRS 13 are applied, using the fair value hierarchy criteria, based on the internal model of discounted revenue streams, since these shares are not listed on any secondary market and there is no market price available.

The Group estimates the Consolidated Statement of Financial Position, Consolidated Statement of Income and the Consolidated Statement of Changes in Equity of each controlled entity in order to obtain a flow of future dividends.

This flow of dividends is discounted at present value, as for a perpetuity, assuming an indefinite interest in the controlled entity, in order to estimate the fair value thereof.

As for all the figures of the Financial Statements under analysis, the real closing data for three years prior to the analysis date are taken, and based on the current year, the figures are estimated with an outlook of five additional years, in accordance with the criteria presented below.

This valuation is adjusted on a quarterly basis, in accordance with the periodic Financial Statements published by the entity, to compare the estimate made for the following year with the amount executed on each line of the Balance Sheet and Statement of Income, in order to ensure the accuracy of the valuation.The results of the valuation of these investments are recorded under other comprehensive income.

At the end of each period, the Group evaluates whether there is objective evidence of impairment of its investments in non-controlled entities, by applying the internal model described above.

3.6 Investments in Joint Arrangements:

A joint arrangement is that 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. Joint arrangements, in turn, are divided into joint operations, in which the parties have joint control and have rights to the assets and obligations regarding related liabilities; and joint ventures, in which the parties that have control are entitled to the net assets and liabilities.

Investments in joint arrangements are measured using the equity method in accordance with the criteria of IAS 28. The investment is initially recognized at cost and is later updated for the changes in the Group's interest in the net assets (equity) of the controlled entity.

The Group has a joint operation with Compañía de Financiamiento Comercial RCI Colombia, which is part of the Renault Group, with a 49% share, where the adjustments for the controlled entity's income for the fiscal year are recorded in the Statement of Income and the adjustments of all other net asset items using the equity method are recorded in Other Comprehensive Income (OCI).

3.7 Derivative financial instruments

The Group subscribes a variety of financial instruments to manage its exposure to interest rate and foreign currency exchange rate risks, including exchange risk hedging, interest rate and currency swap contracts. Note 14 includes a more detailed explanation of derivative financial instruments. The Group continues to apply IAS 39 for derivative hedging transactions.

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 Consolidated 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 the effects of valuation, presentation in the Financial Statements, disclosure and financial reporting, the Group must include the credit risk adjustment on a daily basis with 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 with OTC ("Over-the-Counter') or unstandardized derivatives in their 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 Over-the-Counter 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.

3.8 Implicit Derivatives

Implicit derivatives in main contracts are treated as separate derivatives when they 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. At December 31, 2022 and 2021, the Bank did not hold any implicit derivatives balances.

3.9 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 for hedge accounting.

The Group designates certain hedging instruments, which include implicit derivatives and non-derivatives with respect to foreign currency risk, as fair value hedging or cash flow hedging. 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 shall include the manner in which the entity will measure 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 Consolidated Statement of Financial Position under the item related to the hedged item against the Consolidated Statement of Income.

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 and accumulated under the item "cash flow hedging reserve." The ineffective part 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.

3.10 Loan portfolio

Considering that the Group's main objective is the placement and collection of customer loans in accordance with the contractual terms, it has decided to classify the loan portfolio as "at amortized cost", since they fulfill the contractual conditions that they give rise, on specified dates, to cash flows that are solely payments of principal and interest on the outstanding balance.

Loans are non-derivative financial assets with fixed or determinable payments that are not listed on an active market.

Loans are initially recognized at fair value (value of the transaction), plus the transaction costs that are directly attributable.

Costs directly attributable to the credit investment portfolio are made up of the Bank's sales force item. The contract on which the amount is paid for this item is specifically identified and is deferred over the average life of each line of business (mortgage, commercial, consumer and micro-credit).

There is the option to pay all or part of a loan at any time in advance without any penalty. In the case of partial payments in advance, the debtor has the right to choose whether the amount paid will reduce the value of the installment or the term of the obligation.

Types of Loan Portfolio

Mortgage portfolio - It recognizes, regardless of the amount, the credits granted to individuals for the acquisition of new or used mortgage, or for the construction of individual mortgage.

Consumer loan portfolio - It recognizes all credits granted to natural persons (individuals) the purpose of which is to finance the acquisition of consumer goods or the payment of services for non-commercial or non-entrepreneurial purposes, regardless of their amount and are different to those classified as micro-credits.

Commercial loan portfolio - Credits granted to natural or legal persons to carry out organized economic activities, other than those granted under the type of micro-credit.

Micro-credit portfolio – Credits consisting of the asset credit transactions referred to in Article 39 of Law 590/2000, or the regulations that amend, replace or add to it, as well as those provided to micro-businesses, in which the main source of payment of the obligations is the revenue derived from its business activity. The balance of the debtor's indebtedness cannot exceed one hundred and twenty (120) minimum monthly salaries at the time of approval of the respective asset credit transaction. The balance of indebtedness is understood as the amount of the current obligations payable by the corresponding micro-business with the financial sector and other sectors that are listed in the records of the database operators checked by the respective creditor, excluding mortgage loans for financing home loans and including the value of the new obligation.

Impairment

The objective of the model is to recognize the credit losses expected from all the financial instruments for which significant increases in credit risk have occurred, from the time of initial recognition, either assessed on an individual or collective basis, and considering all the reasonable and adequate supporting information, including forward-looking information.

Expected losses are measured according to default risk on one of the two timeframes taken into account, depending on whether the customer's credit risk has increased significantly since origination.

If credit risk quality **has not been significantly impaired** from the time of initial recognition, or the asset has a low credit risk on the reporting date, it will be established at stage 1 ('Performing') and provisions will be based on an expected loss calculated over 12 months.

If credit risk quality **has been significantly impaired** from the time of initial recognition, but there is no objective evidence of a credit event, the asset will be classified at stage 2 ('Underperforming'); however, if there is objective evidence of impairment on the reporting date, the asset will be left at stage 3 ('Nonperforming'); in both cases, expected losses will be calculated for the time remaining until the end of the transaction.

Transfer logic

As initially established, expected credit losses are calculated as a loss over 12 months or a lifetime credit loss, upon occurrence of a significant increase in the credit risk from the time of initial recognition of the transaction to the assessment date.

To assess the level of exposure, the portfolio must be segmented in accordance with the possible risk margin of the customer or contract, at the corresponding stage. The assessment of transfer logic at Stage 2 is defined by quantitative and qualitative factors:

IFRS 9 indicates that "a given change, in absolute terms, in the risk of default will be more significant for a financial instrument with a lower initial risk than a financial instrument with a higher initial risk of occurrence."

Although IFRS 9 does not require the use of an explicit likelihood of default to carry out this assessment, the quantitative analysis is based on the comparison of the lifetime Probability of Default (PD) and the origination PD, adjusted to make a significant comparison possible. The adjustment must ensure that the period is not the same on the reporting date and on the origination date. The origination PD must be adjusted to consider the remaining life of the loan at the reference date. For the initial stock, given that there is no origination PD with the IFRS 9 methodology, an alternative approach is suggested.

In some cases, the modification of a financial asset results in the recognition of a new and modified financial asset. When this occurs, the modification date is considered to be the initial recognition date of that financial asset. This date is considered to be the origination date of the transaction.

Transactions that show a significant increase in the value of the current PD compared to the value of the origination PD will be transferred to stage 2. Two conditions have been defined to carry out this transfer:

- Relative increase in PD greater than X%
- Absolute increase in PD greater than Y%

The two increases must be lower than certain values (X, Y), which are defined using a sensitivity analysis based on a threshold variation process.

According to IFRS 9, the transfer depends on certain indicators, which are included in the quantitative analysis. However, other indicators are not included in this process, so they must be included through the qualitative criteria.

According to this criterion, if certain conditions are met, the contract must be transferred to stage 2, as described below:

- Delinquency of more than 30 days and less than 91 days.
- Classify at Watch List levels 1 and 2
- Refinanced and restructured transactions that have complied with a one-year cure rate following the restructuring, of regular and effective payment.

Stage 3 includes all items classified as in default.

Segmentation

To assess the staging of the exposures and measure loss provisions collectively, it is important to group exposures in segments / risk drivers based on the shared characteristics of credit risk. Selecting the risk drivers for estimating PD is fundamental. For staging purposes, the more granular the segmentation, the better it is to avoid the transfer of enormous exposures from stage 1 to stage 2. To assess the provisions, the different segmentations and risk drivers will reflect the differences in PDs, better discrimination and thus, lead to a better calculation of the amount of the expected loss.

There are certain minimum risk drivers that are taken into account, showing that the default behavior is clearly different between them:

- Days past due
- Watchlist level (for wholesale portfolio)
- Restructured

The final selection of the risk drivers requires additional analysis to determine whether they are relevant, assessing whether there is sufficient discrimination, and they are supported with sufficient data. A joint analysis of the risk drivers is necessary to take the joint discrimination into account. The final combination must lead to different homogeneous groups, each of which will have a different temporary PD and Loss Given Default (LGD) structure.

Families have also been established, based on the procedures defined for each of the Bank's portfolios, whose objective is to create groups of transactions that share similar characteristics.

The following families have been defined, including the Repos and Fixed Income segments, in addition to credit information:

Consumer	Mortgage	Institutional
Revolving-Individuals	SME	Territorial Entities
Card-Individuals	Enterprise	Financial Entities
Payroll Loan	Representative	Fixed-Income
Vehicle	Corporate	Repos

Parameters (PD, LGD, CCF)

PD: PD refers to the probability that a loan will be in default within a specific time frame, which is usually set at 12 months, given certain characteristics. PD is a very important component to calculate expected loss and assess whether there has been a significant increase in credit risk.

To calculate expected loss, two different PDs are required:

- The PD at 12 months: is the estimated probability of default that is calculated within the next 12 months (or the remaining life of the financial instrument, if it is less than 12 months).
- The Lifetime PD (LT PD): is the estimated probability of default that is calculated during the remaining life of the financial instrument.

The main requirements of IFRS 9 for measuring PD are as follows:

- Lifetime requirement: means that a temporary PD structure must be created.
- The PD must be "Point in time" (PIT).
- The PD must be conditioned to the expectation of future macroeconomic conditions, i.e., incorporating forward-looking information.

In the process of estimating the PD, it is important to define the concept of marginal PD (the frequency of default observed in the interval between t and t+1, which refers to the initial number of contracts at t=0), which allows the calculation of the probability of default at each specific point in time. The time sequence of PDs is known as the term structure of PD.

In accordance with the scope of IFRS 9, the provisions for contracts at stage 1 will be calculated by using the first year of the term structure of the marginal PD, while for contracts at stage 2 the term structure of total PD will be used.

The term structure will also be used in the "Transfer Logic" process. The significant increase in credit risk (SICR) can be assessed by comparing the term structure of PD at origination with the term structure of PD on the reporting date.

LGD: is the loss if the financial instrument is in default (loss given default). It captures the proportion of the exposure to loss, and it is determined using the expected cash flows for a financial instrument with such characteristics. It is the complement of the amount recovered.

The severity assessment is based on the calculation of LGD, using the historical data that best reflect current conditions, by segmenting each portfolio with the risk drivers considered relevant and including a projection in the future to take the forward-looking information into account.

The LGD summarizes all the cash flows charged to the customer following the default. It includes the costs and recoveries during the recovery cycle, including those derived from collateral. It also includes the time value of money, calculated as the present value of the net recoveries of the cost and additional losses.

It uses a historical period that is long enough to cover at least one expansion and recession period, in order to develop a relational model between the LGD and the economic cycle with the readjustment carried out in 2020 (in this case, from January 2011 to December 2018, seen at the end of 2020).

The databases include:

- Information on recovery cycles in that period: default date, default type (actual - +90 days past due-, subjective, carry-over effect) cash flows, cure date, foreclosure date, among others.
- Forward-looking information: IFRS 9 requires an expected loss assessment based on historical and current information. Therefore, it is necessary to predict how the economy will evolve in the future. To make this prediction, economic indicators such as the Gross Domestic Product, the Unemployment Rate or the Consumer Price Index are used, among others.

Due to the time value of money, the cash flows observed (from recoveries, as well as costs) must be discounted at the default date and, in accordance with IFRS 9, the discount rate must be the Effective Interest Rate (EIR) of each financial instrument.

To obtain an estimated LGD, the direct costs of the recovery process (such as customer contact costs or legal expenses, among others), must be included as a cash flow that reduces the final recovery. The costs to be included are the direct costs of the process.

As regards the LGD parameter, for assets at stage 1 just one LGD PIT is needed (including relevant forward-looking information) to record attributable losses for the next 12 months. At stage 3, the LGD for loans in default already includes all expected future losses (adjusted to current and future economic conditions). On the contrary, for assets at stage 2, where lifetime losses must be calculated, a term structure of LGD will be required, which means one parameter for each possible future default date.

In the case of collateralized assets, IFRS 9 establishes that, in order to estimate expected credit losses, the estimation of expected cash deficits will reflect the expected cash flows of the collateral and other credit improvements that are part of the contractual terms and are not separately recognized by the entity. The estimation of expected cash deficits in a collateralized financial instrument reflects the amount and time frame of the cash flows expected from the foreclosure on the collateral, less the costs of obtaining and selling the collateral, regardless of whether the foreclosure is probable.

The indirect costs of the process do not have to be included. Only the incremental costs directly attributable to the disposal of an asset (or disposal of a group of assets) must be considered, excluding the financial costs and income tax.

CCF: The estimation of the CCF captures the potential increase in exposure between the current date and the default date; i.e., the CCF is the percentage of the balance off the balance sheet that will be used before the default date.

$$EAD=Dispuesto\ t+(CCF*Disponible\ t)$$

The estimated EAD is the amount expected from the contract of a customer that is not currently in default and could be so in the next 12 months.

So, the empirical CCF of a financial instrument is:

$$CCF=\frac{Dispuesto_{t+k} - Dispuesto_{t}}{Disponible_{t}}$$

The factors are estimated based on the entity's historical experience. The final CCF is calculated using the contract or debtor CCFs (depending on the approach) through the statistics considered. If the average statistical method is chosen, it is weighted according to the number of contracts.

Based on a customer approach, the database contains customers in default who have a contract (whether in default or not) on the customer default date. They are grouped in one-year intervals called cohorts. Each customer in default must be included in each cohort that contains the customers default date.

Within each cohort, the same reference date is defined for all customers in default, as well as for all the contracts of each customer in default.

The required database contains all the customers in default and records the information necessary in the 12 months preceding the customer's default of all the contracts (whether in default or not).

This way, monthly cohorts will be created, with a duration of one year or less, which contain customer defaults and whose dates of reference belong to the end of each month, where the first cohort is the oldest and the last cohort is the most recent. For the cohorts in which there is a default, in the beginning, all the necessary information (balance available, balance drawn, limit, etc.) of all the contracts must be available to calculate the CCF in each cohort.

Forward-Looking and Macroeconomic Models

According to IFRS 9, the expected loss must be forward-looking, i.e., the credit risk parameters must include future projections. The relevant macroeconomic factors, such as GDP, stock index, interest rate, unemployment rates, etc. are used to forecast PD and LGD parameters.

The forecasts and the IFRS 9 models must be consistent with those used in capital planning (stress testing / budget processes). Therefore, to incorporate forward-looking information, the macro-scenarios provided by the Research Area are used, which are updated on a quarterly basis. The ones already in use for these purposes, and the models must be in line with those used for stress testing.

The approach to include the forward-looking information in PDs consists of developing macroeconomic models that reflect the historical correlation observed between the defaults and the state of the economy. In the case of the LGD, it consists of developing macro-models that reflect the historical correlation observed between the recovery cycles or cure rates, and the state of the economy. The macro-variables chosen must be the ones that best explain the behavior of the portfolio and make economic sense. In this sense, the econometric model must comply with the goodness of fit and statistical significance of the variables, and it must be easily understandable and explainable.

Other accounts receivable – Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not listed on 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 the accounts receivable is deemed to be equal to their carrying value, where this is the best estimate.

The Group has defined that, to calculate the provision of the accounts receivable, taking into account the type of accounts it holds, their volume and the risk involved in covering said accounts, it must make a provision equivalent to 100% of the account receivable when it is overdue by more than 180 days.

Restructured financial assets with collection issues - Restructured financial assets are those that have collection issues and whose debtor has been granted a concession by the Group, which would not have been considered in a different situation. These concessions are usually reductions in the interest rate, extension of terms for payment or reductions in the balances due. Restructured financial assets are recognized at the present value of expected future cash flows, discounted at the original rate of the asset before restructuring.

The Group can eliminate the restructured condition when the debtor makes regular and effective payments to principal and interest for an uninterrupted period of 18 months for micro-credit, 2 years for consumer loans and 4 years for commercial and mortgage loans.

To allow debtors to properly service their debt in the event of real or potential impairment in their payment capacity, the Group may amend the originally agreed conditions for the loans, without the adjustments being considered a restructuring, provided that during the last 6 months, the loan has not been past due consecutively for more than 60 days for micro-credit and consumer loans, and 90 days for commercial and mortgage loans. These changes can be made at the request of the debtor or by initiative of the entity, subject to agreement with the debtor.

Agreements with creditors – Loans to customers that are admitted to a bankruptcy proceeding are immediately rated "E" (Uncollectible) and are subject to the provisions 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 allrequirements established by the Superintendence in that respect are met.

3.11 Loan portfolio and accounts receivable write-offs

A loan or account receivable is subject to write-off by debiting impairment for loan portfolio or accounts receivable, respectively, when all possible collection mechanisms have been exhausted and it is deemed uncollectible. Write-offs are approved by the Board of Directors.

Financial assets are derecognized from the balance sheet by debiting the impairment provision when they are deemed uncollectible. The recoveries of previously derecognized financial assets are recognized as recovery income.

3.12 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 commit to the sale, which must be recognized as a final sale within one year of 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, they are reclassified to the categories from which they originated.The Group does not depreciate (or amortize) the asset while it is classified as held for sale.

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 management associated with ownership, and does not retain effective control over the asset. 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 sale can be measured reliably.

The Group recognizes profits or losses not previously recognized at the date of sale of a non-current asset on the date that the derecognition occurs.

3.13 Properties taken under lease

The Group applied IFRS 16 Leases as of January 1, 2019. Using the modified retrospective approach, based on which the cumulative effect of the initial application is recognized in retained earnings at January 1, 2019. Accordingly, the comparative information provided for 2018 is not restated, i.e., it is provided, as previously reported, under IAS 17 and related interpretations.

At the beginning of a contract, the Group assesses 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. **This policy applies to contracts entered into on or after January 1, 2019.**

As a lessee. At the beginning or upon amendment of a contract containing a lease component, the Group assigns the consideration in the contract to each lease component on the basis of a separate relative price. However, for property leases, the Group has chosen not to separate the non-lease components and to account for the lease and non-lease components as a single lease component.

The Group 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 the Bank at the end of the lease term or the cost of the right-of-use asset reflects that the Bank 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. The Bank defined the funding rate of similar liabilities as the discount rate.

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 the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

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 the Bank 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.

The Group presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "loans and obligations" in the consolidated statement of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets (less than $5,000 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 a straight-line expense over the lease term.

As a lessor. At the beginning or upon amendment of a contract containing a lease component, the Group assigns the consideration in the contract to each lease component on the basis of their separate relative prices.

When the Bank acts as lessor, it determines at the beginning of the lease whether each lease is a finance or operating lease.

In classifying each lease, the Group makes an overall 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, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease. In addition, the Group periodically reviews the estimated unguaranteed residual values used in the calculation of the gross investment in the lease.

The Group recognizes lease payments received under operating leases as revenue on a straight-line basis over the lease term as part of "other income".

In general, the accounting policies applicable to The Group as lessor in the comparative period were not different from IFRS 16, except for the classification of the sublease made during the current reporting period, which resulted in a finance lease classification.

3.14 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 they 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 make up part of the acquisition, after deducting any commercial discount or price rebate), the costs directly attributable to the startup of the asset in situ and in the conditions necessary for it to function in the manner expected by the Group and the initial estimated disassembly costs, notwithstanding the amount.

New acquisitions are recognized in the financial statements in accordance with the International Financial Reporting Standards (IFRS) applicable in Colombia.

Initially attributable costs – The cost of property and equipment elements includes:

a. Their acquisition price, including import duties and indirect and non-recoverable indirect taxes accrued in the acquisition, after deducting any discounts or rebates.

b. 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.

c. 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 Group determines the useful life of an asset in terms of the profit it is expected to provide to the entity. IAS 16 establishes that the useful life of an asset is a matter of judgment, based on the entity's experience with similar assets, and consequently the Group, based on the historical behavior of the assets, has established the use of its assets as follows:

Assets	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	10 years
Vehicles	5 years

Subsequent recognition – Subsequent measurement of property and equipment is valued using the cost model, which equals the cost of acquisition less accumulated depreciation and, if applicable, the accumulated amount of losses due to value impairment.

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. At December 31, 2022 and 2021, 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 they 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 they are incurred.

The Group will not recognize the daily maintenance costs of the elements that are considered necessary for repair and preservation as a greater value of the property and equipment, unless they significantly influence the asset's operation. 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 Group 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 appraised, 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 Group reviews its previous estimates and, if the current expectations are different, it modifies the residual value and records the change in residual value, the impairment method or the useful life as a change in the accounting estimate.

Impairment – At the close of each reporting period, the Group analyzes whether there are internal or external signs that a material asset can be impaired. If there is evidence of impairment, the Group requests an update of the appraisal so the asset can generate the respective alert, if necessary. Based on the result of the appraisal, the Group 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 Group determines the recoverable value of its buildings by taking the greater value between the sale price less sales costs and the value in use. The sale price is established 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 they are no more than 3-5 years old, except when there are signs of impairment.

The revaluation surplus recognized in first-time adoption adjustments in the process of transition to IFRS, due to the application of the attributed cost exemption included in equity, will be affected by the recognition of the impairment of these assets as a result of the update of their respective commercial appraisals until depleted and then debited to income.

Improvements to Third-party Properties – The Group recognizes improvements to 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 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 Group recognizes profits or losses not previously recognized at the date of sale for a non-current asset, on the date that the derecognition occurs.

3.15 Prepaid expenses

Transactions are recognized in prepaid expenses provided that they 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, they are amortized during the accounting period, and they 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.

3.16 Intangible Assets

These are non-monetary identifiable assets without physical substance, which are held to be used for 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 entity 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 they 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 Group is classified under this category, in addition to projects that have a long estimated useful life. These projects generally involve substantial amounts, and the Group 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 in which the asset is expected to generate net cash inflows for the Group.

The Group, in line with the policies adopted by its parent company, has established a period of five (5) years for amortization of intangible assets (software, licenses and substantial applications), except when, after an analysis of the expected future economic rewards, this term could be extended.

Subsequent measurement – The Group measures its intangible assets using the cost model. Based on the criteria established in IAS 38 for its 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, which is five years according to the Group's accounting policies (see above paragraph).

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 balance sheet.

Subsequent disbursements of an intangible item are recognized as an expense unless they are part of the intangible asset meeting the recognition criteria for this category.

Impairment of intangible assets – At the end of each period, the Group evaluates the end date of the amortization to validate whether there is any sign of impairment in value of the intangible assets, by analyzing variables such as the right to use, term of use of the asset, condition of the asset and time of amortization.

3.17 Impairment of non-financial assets

Non-financial assets include property and equipment, and intangible assets are recognized at cost. The Group has a periodic review scheme that includes a measurement of optimal recovery in order to detect and alert of asset impairment, through impairment testing based on internal and external sources. 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, i.e., the greater between its 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 a loss for impairment, the charges for the asset's depreciation will be adjusted in future periods, in order to distribute the revised carrying amount of the asset, minus its potential residual value, systematically over the remaining useful life.

3.18 Deposits and current liabilities

Deposits and other demand liabilities: This category includes all on-demand liabilities, except for term deposit savings accounts, which are not considered demand liabilities because of their special features. Demand liabilities are those whose payment could have been required in the period, i.e., those transactions that become payable on the day following the end of the period are not considered to be demand liabilities. Demand deposits are initially recognized at the amount of the transaction less the inherent costs thereof.

Term deposits and other funding: This category presents the balances for funding transactions, in which there has been a period established with the customer through a security, at the end of which they are considered payable. Term deposits are initially recognized at the amount of the transaction less the inherent costs thereof.

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.

For term liability transactions, the Group offers the CD Gift product, in which it provides a gift according to the amount and term of the security; the cost of this item is linked to the CD and is amortized during the period thereof, simulating amortized cost for accounting purposes.

Attributable costs – Transaction costs are treated as a lesser amount of the liability measured at amortized cost.

3.19 Financial obligations

Includes liabilities with other banks in the country and banks abroad, measured at amortized cost using the effective interest method.

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. They may only be originated in import and export transactions or transactions for the purchase-sale of chattel assets in the country. When said bills are accepted, the net value of the right and the obligation of the banker's acceptance are recognized in liabilities. Subsequently, the value of the rights is assessed for credit risk.

3.20 Outstanding investment securities

These instruments include liabilities with subordinated bonds or ordinary bonds placed on the local market or abroad.

Regarding bonds issued in foreign currency, the Group, for initial recognition, records them at the price of the transaction, including the costs of the transaction, deferred over the life of the security and its subsequent measurement of the initially recorded amount, less principal reimbursements, plus or less the accumulated amortization of any difference between the initial amount and reimbursement value upon maturity. The effective interest rate in the amortized cost method is the IRR (Internal Rate of Return).

3.21 Labor liabilities

Labor liabilities are recognized on a monthly basis and adjusted at the end of each year based on legal provisions and labor agreements currently in force. The payroll system calculates the liability amount for each active employee.

Benefits are recorded when the Group has consumed the economic rewards derived from the provision of service by 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 Group 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 they are incurred by debiting income.

Long-term benefits – The Group has chosen to apply financial discounting 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 and termination benefits – Post-retirement and termination benefits other than defined benefit contributions are recorded based on the report generated by the independent actuary by applying the Projected Credit Unit method and affecting the other comprehensive income account.

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"; this includes each year of service as generating an additional unit of entitlement to benefits, and values each of these units separately.

Post-employment liabilities are calculated following the criteria of IAS 19 - Employee Benefits of Annex 1.1 of the Technical Regulatory Framework (Decree 2420/2015 and its amendments), and the calculation of pension liabilities to be paid by the Group are disclosed in the notes to the financial statements in accordance with the parameters established in Decree 1625/2016 (Articles 1.2.1.18.46 and following), reporting the variables used and the difference with the calculation made under IAS 19.

Actuarial methods – Liabilities and the cost of services for the current period are calculated using the Projected Credit Unit method.This method quantifies the benefits of each participant in the plan as long as they are entitled to them, taking into account 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 carried out 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, i.e., 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 termination 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 Group establishes its pension liability based upon the actuarial valuation that covers all personnel, who according to legal standards 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 Group applies the defined contribution plan and the defined benefits plan.

Defined contribution plan – In these plans, the Group's liability is limited to the contribution that it has agreed to deliver to a pension fund or insurance company. As a result, the actuarial and investment risk is assumed by the employee.

Defined benefits plans: The liability of the Group is to provide 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 Group.

Currently, Colpensiones (formerly, Instituto de Seguros Sociales "ISS") and other entities authorized by law (private AFPs since 1994), receive contributions from the Group and its employees to the General Pension System, so those entities are responsible for covering the disability, old age and death risks defined by the System in favor of the employees. The pension liability directly under the Group's responsibility essentially corresponds to personnel hired during or before 1960, and/or those hired up to 1984 who worked in certain regions of the country where the Group had offices but where the ISS did not cover disability, old age and death risks. The liability amount is determined based on actuarial studies adjusted in accordance with 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 Group and were accounted for based on the IAS 19 guidelines, where the present cost of the service and the net interest of the liability are recognized in the statement of income for the period, while new measurements of the liability for defined benefits (actuarial gains and losses) are recognized in Other Comprehensive Income.

3.22 Estimated Liabilities and Provisions

They include the amounts recognized to cover the Group's current liabilities derived from past events that are clearly identified according to their nature, but have an undetermined amount or payment date, settlement of which will probably require an outflow of resources embodying economic benefits from the Group.

These liabilities may arise from legal or contractual provisions, valid expectations created by the Group regarding third parties in connection with taking on certain types of liabilities or through the expected development of the regulatory standards of the entities' operations, and specifically, draft regulations from which the Group cannot be released.

Provisions are liabilities in which there is uncertainty as to their amount or due date. These provisions are recognized in the balance sheet when there is a current liability (legal or implicit) as a result of past actions or events and an outflow of resources from the Group to settle the liability is probable, 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 things, these allowances 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 they were originally recognized; they 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 tax and legal disputes.
- Provisions for contingent credit risk.
- Provisions for other contingencies.

Contingent assets are not recognized in the balance sheet or in profit and loss, but they are reported in the financial statements provided the increase in resources that embody economic rewards for this reason is probable.

Contingent liabilities are the Group's possible liabilities, arising as are a result of past events, whose existence is conditional on the occurrence or non-occurrence of future events that are beyond the Group's control. They 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.

3.23 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 liabilities for current income tax are calculated using the tax rates enacted or substantially enacted at the end of the reporting period. The Bank determines the provision for income tax based on the taxable profit or presumptive income, whichever is higher, estimated at the rates specified by the tax law.

- **Deferred income tax** – The deferred income 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 it is probable that the entity will have future taxable income against which it can offset 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, inasmuch as 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 canceled, based on the rates (and tax laws) enacted or substantially enacted at the end of the reporting period following the approval process.

- **Accounting recognition** – Current and deferred income taxes shall be recognized in the profit and loss statement, except when they are related to items recorded in other comprehensive income or directly in equity, in which case the current or deferred income tax is also recognized in other comprehensive income or directly in equity, respectively. In the case of a business combination, when the current or deferred income tax arises from the initial recognition of the business combination, the tax effect is considered as part of the recognition of the business combination.

3.24 Real value unit – RVU

The Real Value Unit (RVU), for the Spanish original) is certified by the Central Bank and reflects purchasing power based on the variation of the Consumer Price Index (CPI) during the calendar month immediately prior to the month when the calculation period starts.

The RVU is a unit of measure used for calculating the cost of mortgage loans that allows financial entities to maintain the purchasing power of the money lent. The methodology used for calculating such indicator was established by the Board of Directors of the Central Bank, in strict compliance with the order issued by the Constitutional Court in Ruling C-955/2000.

The Group carries out transactions to obtain savings deposits, and grant short- and long-term loans and investments in real value units (RVU) translated into local currency in conformity with the provisions of Law 546 / December 23, 1999, which created the legal framework for mortgage financing.

This law established the general objectives and criteria the National Government should be subject to in order to regulate the system, further creating savings instruments devoted to such financing; the financing system is stated in Real Value Units (RVU) and shall reflect the purchasing power of money, which implies that it is linked to the consumer price index.

3.25 Adequate equity

According to the provisions of Section 2.1 of Chapter XIII-16 of the Basic Accounting and Financial Notice (Public Notice 100/1995 of the Financial Superintendence of Colombia (SFC)), the Bank's adequate equity must comply with the following two minimum levels of solvency:

- **Basic Solvency Ratio**: The value of Ordinary Basic Equity Net of Deductions (hereinafter PBO, for the Spanish original) divided by the value of credit risk weighted assets (APNR, for the Spanish original) and market and operational risks. This ratio may not be lower than 4.5%.

$$\text{Solvencia Básica} = \frac{PBO}{APNR + \frac{100}{9}\left(VeR_{RM} + VeR_{RO}\right)} \geq 4.5\%$$

- **Additional Basic Solvency Ratio**: It is defined as the sum of the value of the PBO and the Additional Basic Equity (PBA, for the Spanish original) divided by the value of the APNR and market and operational risks. This ratio must not be lower than 6%.

$$\text{Solvencia Básica Adicional} = \frac{PBO + PBA}{APNR + \frac{100}{9}\left(VeR_{RM} + VeR_{RO}\right)} \geq 6\%$$

- **Leverage Ratio:** It is defined as the sum of the values of PBO and PBA divided by the leverage value. This ratio must not be lower than 3%.

$$\text{Relación de Apalancamiento} = \frac{PBO + PBA}{\text{Valor de Apalancamiento}} \geq 3\%$$

- **Total Solvency Ratio**: It is defined as the value of Technical Equity (PT, for the Spanish original) divided by the value of the APNR and market and operational risks. This ratio may not be lower than 9%.

$$\text{Solvencia Total} = \frac{PT}{APNR + \frac{100}{9}\left(VeR_{RM} + VeR_{RO}\right)} \geq 9\%$$

Where:

PT= Value of Technical Equity calculated as per the instructions given in Subsection 2.3 of this Chapter.

APNR= Credit Risk Weighted Assets calculated according to the instructions provided in Subsection 2.4. of this Chapter and in Form 239 (Proforma F.1000-141 "Report on the Solvency Margin and Other Equity Requirements and Solvency Margin 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 Notice (CBCF, for the Spanish original).

VeR_{RO}= Value of operational risk exposure calculated as per the instructions given in Chapter XXIII "Rules concerning the operational risk management system" of Basic Accounting and Financial Notice of the CBCF.

Leverage value= The sum of the value of all assets net of provisions; net exposures in all repurchase and repo, simultaneous and temporary security transfer transactions; credit exposures in all derivative financial instruments; and the exposure value of all contingencies.

To determine the exposure value of the contingencies, the nominal amount of the exposure, net of allowances, must be multiplied by the applicable credit conversion factor as established in items a) to c) of Article 2.1.1.3.5 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.

3.26 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 at a price that is higher than the nominal value.

It is originated 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.

3.27 Recognition of revenue and expenses

Interest revenue and expenses and service fees are recognized in the statement of income for the fiscal year as they accrue, based on the time of the transactions that give rise thereto. Revenues are measured at the fair value of the consideration received or to be received, and represent amounts receivable for the services provided, net of discounts and value added tax. The Group recognizes revenue when its amount can be reliably measured, it is probable that the future economic rewards will flow to the entity and when specific criteria have been met for each of the Group's activities.

In the recognition of general revenues and expenses, the Group uses the general principles of the conceptual framework, such as: Accrual Basis, Recognition, Certainty, Reliable Measurement, Correlation of Revenue and Expenses, Cost-Benefit Consideration, Measurement and Materiality.

The Group recognizes revenue on the sale of property when the risks and rewards of ownership are transferred to the buyer, it does not retain ownership or control of the properties sold, the amount of revenue can be reliably measured, it is probable to receive the economic rewards associated with the transaction and the costs incurred in 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 non-controlled entities and joint ventures are recognized when the right to receive them has been established.

The recognition of interest revenue is applied using the effective interest method, which is a method to calculate the amortized cost of an asset and allocate the interest revenue over the relevant period. The effective interest rate exactly equals estimated future cash payments or collections during the expected life of the financial instrument, or whenever appropriate, for a shorter period, at the initial net carrying value of the asset.To calculate the effective interest rate, cash flows are estimated considering all the contractual terms of the financial instrument, without considering future credit losses and considering the initial balance of the transaction or loan granted, transaction costs and premiums granted, less the fees and discounts received, which are an integral part of the effective rate.

From the legal standpoint, default interests are contractually agreed and can be equated with variable interests incurred on account of debtor default.These interests are incurred when 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 debt with the customer, which is assessed to determine impairment by following the procedures in place to do so, either through individual or collective assessment.

IFRS 15 establishes a conceptual framework for determining the timing and amount of revenue recognition. This standard is effective as of January 1, 2018 and replaced IAS 18 revenue from ordinary activities, IAS 11 construction contracts and IFRIC 13 customer loyalty programs.

Customer Loyalty: The Group classifies the system of points awarded to its customers for the use of electronic means of payment under this item; these points can be redeemed in different forms.

On account of customer loyalty, the Bank recognizes a deferred liability that is amortized as customers redeem their points, based on the model designed for points awarded for customer loyalty.

The Group runs a loyalty program, in which customers accumulate points for purchases, entitling them to redeem the points for rewards in accordance with the policies and the reward scheme at the time of redemption.

Fee revenues

In general, revenues are recorded at the time of accrual of the service, as required in the new standard; no variable components related to the revenues are observed, nor are any remunerations other than cash received.

3.28 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 Group has no financial instruments with a dilutive effect, basic and diluted earnings per share are the same.

3.29 Standards issued by the IASB that are not yet effective

All standards issued by the IASB are duly regulated in Colombia, the latter were incorporated by Decrees 938 of 2021 and 1611 of 2022 issued by the National Government through the Ministry of Commerce, Industry and Trade, which will be in force as from January 1, 2023 and January 1, 2024, respectively; therefore, they are not applicable as of the date of these financial statements.

4. Business segments

4.1. Description of the segments

The Group directs and assessed the performance of its operations by business segments and the transactions between these segments are carried out based on regulatory commercial terms and conditions. This disclosure reports how the Group has managed the business segments at December 31, 2022 compared to same period in 2021.

To carry out 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.

Enterprise and Institutional Banking (EIB): Responsible for managing corporate customers from the public and private sector.

Corporate and Investment Banking (CIB): the 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 (ALCO): 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 banking segments.

In addition, within these banks, business segments have been defined in order to effectively direct commercial actions according to the profile of the customers and framed within the strategic objectives of the Group for the growth of the franchise in Colombia. These include BBVA Valores Colombia S.A Comisionistas de Bolsa and BBVA Asset Management S.A. Sociedad Fiduciaria as subsidiaries associated with the aforementioned segmentation .

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, they are recorded in each of the cost centers generating said expenses; however, if there are any items affecting the cost centers of core areas after this distribution, they are distributed to the banking segments using the apportionment line, in accordance with the distribution criteria established by the business areas of the Bank's general management.

VCross-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 segment or business area that arranged the transaction is established, decreasing by the same value the return of the other banking segment in which the profit was initially recorded, using the Bank's offsetting accounts.

4.2 Income by segments at December 31, 2022 and 2021

The information below contains the distribution by the Group's segments, which is carried out based on corporate guidelines that allow the monitoring and management areas to maintain efficient control of customer behavior for capture and placement products.

To this effect, the Group has created a strategic structure of categories that groups the activity into each segment based on accounting information. This allows the business and financial areas to establish suitable market and monitoring strategies based on the behavior of each assessed segment.

The comparative analysis in balance sheet figures for the fourth quarter of 2022 and 2021, allows the evaluation of business performance in comparable and similar periods.

December 31 2022

Item	Total Bank	Commercial Banking	EIB	BBVA Valores	BBVA Fiduciaria	CIB	ALCO	Other
Cash and central banks	3,576,818	2,264,716	3,953	17,853	35,983	18,688	1,020,669	214,956
Financial intermediaries	7,013,099	1,270,090	7,880,061	-	-	8,130,300	(10,260,061)	(7,291)
Securities portfolio	18,567,958	-	-	21,890	64,397	11,778,255	6,789,702	(86,286)
Net credit investment	67,817,628	42,700,240	15,396,803	-	-	9,739,734	652	(19,801)
Consumer	21,936,273	21,965,348	1,380	-	-	119	-	(30,574)
Cards	3,021,035	3,020,880	123	-	-	-	-	32
Mortgage	13,656,987	13,654,690	2,442	-	-	-	-	(145)
Enterprise	29,582,913	4,143,605	15,559,588	-	-	9,879,697	-	23
Other	(379,580)	(84,283)	(166,730)	-	-	(140,082)	652	10,863
Net fixed assets	1,013,337	155,663	1,610	-	-	17,539	-	838,525
Other assets	1,591,463	446,656	32,929	5,463	16,461	451,689	196,486	441,779
Total assets	**99,580,303**	**46,837,365**	**23,315,356**	**45,206**	**116,841**	**30,136,205**	**(2,252,552)**	**1,381,882**
Financial intermediaries	2,730,486	19,029,318	3,926,670	10,915	-	11,610,919	(31,952,116)	104,780
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	-	8,159
Savings	30,001,359	15,057,710	10,579,196	-	-	4,363,881	-	572
CDs	28,525,003	5,888,145	2,541,327	-	-	9,996	20,085,459	76
Bonds	2,649,053	-	-	-	-	-	2,649,053	-
Other liabilities	19,687,312	1,610,842	1,029,671	(3,256)	(12,111)	12,182,225	2,761,865	2,118,076
Total liabilities	**$ 92,860,601**	**$ 45,001,982**	**$ 22,484,240**	**$ 7,659**	**$ (12,111)**	**$ 29,602,907**	**$ (6,455,739)**	**$ 2,231,663**

Note: Grouping according to Financial Management and Planning, Balance as of December 2022.

Note: Eliminations were included within the ALCO segment.

31 December, 2021

Item	Total Bank	Commercial Banking	EIB	BBVA Valores	BBVA Fiduciaria	CIB	ALCO	Other
Cash and central banks	4,911,194	2,049,526	3,198	15,751	5	12,596	2,551,151	278,967
Financial intermediaries	6,489,259	951,515	9,756,540	14,787	16,055	5,982,177	(10,270,423)	38,608
Securities portfolio	10,424,999	-	-	8,243	53,440	5,915,707	4,447,609	-
Net credit investment	55,863,275	36,856,406	12,316,725	-	-	5,585,678	(4,952)	1,109,418
Consumer	19,142,020	19,170,755	793	-	-	-	-	(29,528)
Cards	2,158,665	2,158,394	230	-	-	-	-	41
Mortgage	13,010,478	13,009,605	1,054	-	-	-	-	(181)
Enterprise	22,062,225	3,738,061	12,655,548	-	-	5,668,633	-	(17)
Other	(510,113)	(1,220,409)	(340,900)	-	-	(82,955)	(4,952)	1,139,103
Net fixed assets	1,005,712	171,044	1,798	2,145	9,884	11,537	-	809,304
Other assets	1,225,589	454,407	25,870	2,862	37,732	613,239	(118,322)	209,801
Total assets	**79,920,028**	**40,482,898**	**22,104,131**	**43,788**	**117,116**	**18,120,934**	**(3,394,937)**	**2,446,098**
Financial intermediaries	2,742,044	18,066,601	2,931,019	(949)	-	7,049,947	(25,482,714)	178,140
Customer resources	60,266,679	20,719,273	17,744,463	-	-	4,980,859	16,807,227	14,857
On-demand	9,517,648	3,472,091	4,927,072	-	-	1,110,368	(58)	8,175
Savings	30,358,923	14,396,776	12,123,020	-	-	3,864,077	(31,628)	6,678
CDs	18,021,672	2,850,406	694,371	-	-	6,414	14,470,477	4
Bonds	2,368,436	-	-	-	-	-	2,368,436	-
Other liabilities	10,771,405	1,552,175	1,147,757	-	-	5,799,214	615,290	1,656,969
Total liabilities	**$ 73,780,128**	**$ 40,338,049**	**$ 21,823,239**	**$ (949)**	**-**	**$ 17,830,020**	**$ (8,060,197)**	**$ 1,849,966**

Note: Grouping according to Financial Management and Planning, Balance as of December 2021.

Note: Eliminations were included within the ALCO segment.

An analysis of the balance sheet broken down by bank as of December 2022 shows that the banks with the highest concentration of the Group's assets are Commercial with 47.0%, CIB with 30.3% and EIB with 23.4%.

In terms of liabilities, the banks with the largest share of customer funds are Comercial with 34.6%, ALCO with 32.3%, BEI with 24.9% and CIB with 8.2%.

When analyzing by account, the BBVA Group's Cash and Central Banks line recorded a variation of -27.2% against the fourth quarter of 2021. The securities portfolio presented an increase of 78.1%. Net Lending increased by 21.4%, mainly driven by the variations recorded in Commercial (+$5,843,834) and CIB (+$4,154,056). In Commercial Banking, the growth in Credit Investment is mainly explained by the variations of +40.0% in Cards, +14.6% in Consumer credit and +10.8% in Enterprises.

Total Assets showed a growth of 24.6%, with CIB (+$12,015,271) and Commercial (+$6,354,467) registering the largest increases, due to a larger securities portfolio in the case of CIB and a larger loan portfolio in Commercial banking.

On the other hand, passive financial intermediaries presented a decrease of 0.4%. With regard to customer funds raised through sight and savings products, these were captured by CIB (+$825,322), Comercial (+$604,810) and ALCO (+$31,686).

With respect to ALCO, the area in charge of capturing resources from corporate clients through term certificates of deposit, concentrates 70.4% of the Group's total term deposits. These presented a variation of +$10,503,331 with respect to December 2021 while the Bonds presented a variation of +$280,617 with respect to the same period of the previous year.

The ALCO has negative assets and liabilities driven by the active and passive financial intermediary lines. Each bank has its own main function, either as a fund-raising bank (bringing resources to the Group) or as a lending bank (generating credit investment). For this reason, the ALCO is the area in charge of collecting excess resources from a capturing bank and "transferring" them to an underwriting bank. However, so that the financial statements of the capturing bank are not affected, the ALCO "transfers" the investment that was generated to the capturing bank. This is done to match the banks' balance sheets and to show how the Bank as a whole functions without penalizing and recognizing the role of each bank. Thus, the active financial intermediaries of the ALCO segment presented a variation of +$10,362, while the passive financial intermediaries presented a variation of -$6,469,402, behaving in line with the Group's activity.

The other areas segment includes central areas, media and financial complements. These are all areas that provide support to the other banks. The media area includes the Formalization Center, where the greatest activity in credit investment is presented, corresponding to investments that are not segmented. In the central areas is the central account, which fits the Bank's balance sheet and is where the investment assets for participations in the subsidiaries are included. The assets of the remaining segment are mostly committed to net fixed assets. The total assets of this segment, presented a variation of -$1.062.216.

The other areas are also in charge of eliminating duplicities generated by operations between banks or where more than one bank participates. It also includes all the components of the central areas and EFAN adjustments. EFAN adjustments include the homologation of local vs. international regulations, and reciprocal activities between different countries/banks.

In this note it is important to mention the results of BBVA Valores Colombia S.A Comisionistas de Bolsa and BBVA Asset Management S.A. Sociedad Fiduciaria. Total assets BBVA Valores Colombia S.A Comisionistas de Bolsa presented a variation of +$1,419, thus closing with a total of $45,206 in December 2022.

On the other hand, the total assets of BBVA Asset Management S.A. Sociedad fiduciaria presented a variation of -$275, thus closing with a total of $116,841 in December 2022.

On the other hand, the total assets of BBVA Asset Management S.A. Sociedad fiduciaria presented a variation of -$275, thus closing with a total of $116,841 in December 2022.

The Rest of Areas segment includes the central areas, media, and financial complements. These are all areas that provide support to support to the bank segments.

Below is a detail of the accumulated income statement for the years ended December 2022 and 2021 by business segment:

December 31, 2022

Item	Total Bank	Commercial Banking	EIB	BBVA Valores	BBVA Fiduciaria	CIB	ALCO	Other
Valores	**BBVA**	**$3.493.967**	**$1.076.409**	**$1.984**	**$5.046**	**$319.472**	**$ (1.326.876)**	**$183.847**
Fiduciaria	CIB	ALCO	Other	4.992	66.916	155.095	(7.751)	(198.600)
Interest margin	3,753,849	3,493,967	1,076,409	1,984	5,046	319,472	(1,326,876)	183,847
Net fees	559,092	269,209	269,231	4,992	66,916	155,095	(7,751)	(198,600)
Trading results	**473,883**	**67,531**	**44,490**	**3,995**	**1,408**	**426,152**	**(70,692)**	**999**
Other net ordinary income	(191,802)	(17,594)	(9,110)	273	331	(3,529)	(139,353)	(22,820)
Gross margin	4,595,022	3,813,113	1,381,020	11,244	73,701	897,190	(1,544,672)	(36,574)
General administrative expenses	(1,592,792)	(908,517)	(84,063)	(9,135)	(31,011)	(94,200)	(2,354)	(463,512)
- Personnel expenses	(798,689)	(309,727)	(48,283)	(7,244)	(15,320)	(39,425)	(78)	(378,612)
- Overhead	(694,397)	(532,534)	(19,509)	(1,731)	(14,375)	(28,466)	(1,532)	(96,250)
- Taxation (Contributions and Taxes)	(99,706)	(66,256)	(16,271)	(160)	(1,316)	(26,309)	(744)	11,350
Amortization and depreciation	**(116,747)**	**(46,241)**	**(510)**	**(652)**	**(1,122)**	**(3,186)**	**-**	**(65,036)**
Apportionment of expenses	-	(372,346)	(105,687)	-	-	(36,290)	(30,914)	545,237
Net margin	2,885,483	2,486,009	1,190,760	1,457	41,568	763,514	(1,577,940)	(19,885)
Asset impairment loss	(1,046,358)	(866,911)	(92,516)	-	-	(61,951)	3,619	(28,599)
Credit to provisions	**(315,438)**	**(6,681)**	**(893)**	**-**	**(755)**	**(881)**	**(318)**	**(305,910)**
Other non-ordinary income	55,307	-	-	188	-	-	-	55,119
PBT	**1,578,994**	**1,612,417**	**1,097,351**	**1,645**	**40,813**	**700,682**	**(1,574,639)**	**(299,275)**
Corporate tax	(552,719)	(521,632)	(366,426)	152	(16,969)	(233,971)	448,013	138,113
PAT	**1,026,275**	**1,090,785**	**730,925**	**1,797**	**23,844**	**466,711**	**(1,126,626)**	**(161,162)**
Non-controlling interest	1,391	-	-	-	-	-	-	1,391
Total PAT	**1,027,666**	**1,090,785**	**730,925**	**1,797**	**23,844**	**466,711**	**(1,126,626)**	**(159,771)**

Note: Grouping according to Financial Management and Planning, Balance as of December 2022.

Note: Eliminations were included within the ALCO segment.

December 31, 2021

Item	Total Bank	Commercial Banking	EIB	BBVA Valores	BBVA Fiduciaria	CIB	ALCO	Other
Interest margin	**3,184,925**	**1,951,555**	**574,441**	**660**	**341**	**242,199**	**484,764**	**(69,035)**
Net fees	500,714	408,838	56,825	4,906	66,973	89,975	(1,530)	(125,273)
Other financial transactions	283,295	41,697	27,283	2,909	983	224,207	685	(14,469)
Other net ordinary income	(167,183)	(20,638)	(4,360)	509	500	(83,886)	(129,092)	(10,216)
Gross margin	**3,801,751**	**2,381,452**	**654,189**	**8,984**	**68,797**	**552,495**	**354,827**	**(218,993)**
General administrative expenses	(1,062,268)	(777,534)	(62,767)	(7,526)	(26,649)	(59,101)	173,915	(302,606)
- Personnel expenses	(622,411)	(303,555)	(39,352)	(5,928)	(13,132)	(32,505)	-	(227,939)
- Overhead	(371,589)	(422,784)	(17,076)	(1,443)	(11,015)	(19,223)	174,204	(74,252)
- Taxes	(68,268)	(51,195)	(6,339)	(155)	(2,502)	(7,373)	(289)	(415)
Amortization and depreciation	(114,060)	(44,740)	(536)	(71)	(204)	(2,776)	-	(65,733)
Apportionment of expenses	-	(271,767)	(65,702)	-	-	(38,171)	(10,844)	386,484
Net margin	**2,625,423**	**1,287,411**	**525,184**	**1,387**	**41,944**	**452,447**	**517,898**	**(200,848)**
Asset impairment loss	(1,022,592)	(812,784)	(111,093)	-	-	(15,211)	91	(83,595)
Credit to provisions	(226,962)	(3,387)	(730)	-	(186)	(956)	(204,600)	(17,103)
Other non-ordinary income	(16,388)	122	56	(3,430)	-	(2)	-	(13,134)
PBT	**1,359,481**	**471,362**	**413,417**	**(2,043)**	**41,758**	**436,278**	**313,389**	**(314,680)**
Corporate tax	(469,241)	(151,767)	(133,110)	(97)	(14,863)	(140,472)	(125,083)	96,151
PAT	**890,240**	**319,595**	**280,307**	**(2,140)**	**26,895**	**295,806**	**188,306**	**(218,529)**
Non-controlling interest	1,559	-	-	-	-	-	-	1,559
Total PAT	**891,799**	**319,595**	**280,307**	**(2,140)**	**26,895**	**295,806**	**188,306**	**(216,970)**

Where PBT= Profit before tax and PAT= Profit after tax

Note: Eliminations were included within the ALCO segment.

When analyzing the income statements for the year 2022, the bank that generated the highest profit for the Group was Commercial, followed by BEI, CIB, BBVA Asset Management S.A. Sociedad fiduciaria and BBVA Valores Colombia S.A Comisionistas de Bolsa. On the other hand, the rest of the areas presented a negative performance because these are areas in charge of ensuring the correct internal operation of the Bank.

The ALCO is the unit that manages the Group's liquidity and establishes the transfer prices of the resources and portfolio, from and to the other banks mentioned above. It presented a variation of -$1,811,640 in the interest margin. The gross margin was -$1,544,672 for December 2022.

The segment is in charge of eliminating duplicities generated by operations between banks or where 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). In central and middle areas, activity is generated corresponding to investment assets and central account, and corresponding to the activity of the formalization center (credit investment). Finally, central area expenses generate more activity in the segment (including salaries of all non-business area personnel and general administrative expenses).

BBVA Asset Management S.A. presents a decrease in the EAT of -11.4%, thus closing with an EAT of +$23,842 in the accumulated to December 2022. The Group's net interest income grew 17.9% with respect to the same period in 2021, a figure explained by the increase in interest income. Commercial Banking stands out with a variation of +$1.542.412.

The Group's gross margin grew 20.9% compared to the same period of 2021 for which Commercial Banking showed the best performance with a variation of +$1,431,660. The Group's general administrative expenses increased 49.9%, with CIB and EIB showing the largest increases. Finally, the Group's after-tax profit increased 15.3% compared to the same period in 2021.

5.
Maturity of assets and expiration of liabilities

The Group has analyzed the maturities of derivative and non-derivative financial assets and liabilities, showing the following contractual maturities that have not been discounted for:

Loan portfolio and financial lease transactions – The Bank has performed an age analysis of the loan portfo lio 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 carried out by considering the balance sheet asset positions of the credit investments and segmented in accordance with 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 Superintendence, taking into account 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 (TERM DEPOSITs).

Deposits and current liabilities - The maturity of savings deposits and checking accounts 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 a list of the maturities of discounted and non-discounted financial assets and liabilities:

Maturity of assets at December 31, 2022

Item	Years				
	0-1	1-3	3-5	More than 5	Total
Cash and deposits in banks	9,390,148	-	-	-	9,390,148
Cash equivalent investment funds	24,979	-	-	-	24,979
Money market transactions	897,569	-	-	-	897,569
Investments at fair value through profit or loss	855,968	524,626	241,582	594,205	2,216,381
Investments at fair value through other comprehensive income (OCI)	2,040,213	1,059,711	116,522	330,224	3,546,670
Investments at amortized cost	3,009,738	-	-	4,045	3,013,783
Investments in subsidiaries and joint ventures	-	-	-	183,496	183,496
Derivatives	-	569,176	-	-	569,176
Derivative financial instruments and cash trading transactions Trade receivables portfolio	3,154,003	2,034,864	1,475,223	2,828,002	9,492,092
Commercial loan portfolio	16,516,452	6,501,897	4,086,025	2,323,586	29,427,960
Consumer loan portfolio	11,856,460	9,107,325	4,260,130	300,241	25,524,156
Mortgage loan portfolio and finance lease transactions	2,731,167	3,301,620	3,763,452	3,983,262	13,779,501
Employee loan and micro-credit portfolio	151,514	181,604	99,381	99,090	531,589
Interest on loan portfolio and other items	1,885,395	-	-	-	1,885,395
Other non-maturing assets	-	-	-	2,064,565	2,064,565
Total maturity of assets	**52,513,606**	**23,280,823**	**14,042,315**	**12,710,716**	**102,547,460**

Maturity of liabilities at December 31, 2022

Item	Year				
	0-1	1-3	3-5	More than5	Total
Checking accounts	9,022,045	-	-	-	9,022,045
Certificates of deposit	9,320,120	2,636,787	3,777,970	12,816,090	28,550,967
Savings deposits, single deposits, special savings accounts and real value savings certificates	15,537,325	7,727,311	4,376,968	2,338,671	29,980,275
Current liabilities for services	417,958	-	-	-	417,958
Money market transactions	3,204,093	-	-	-	3,204,093
Special deposits	1,174,119	-	-	-	1,174,119
Hedging swaps	3,559,106	2,490,858	1,520,211	2,621,111	10,191,286
Bank credits and other financial obligations	520,812	1,079,331	1,765,481	2,005,059	5,370,684
Outstanding investment securities	176,874	1,685,739	177,094	637,083	2,676,790
Other non-maturing financial liabilities	-	-	-	2,272,384	2,272,384
Total maturity of liabilities	**42,932,452**	**15,620,026**	**11,617,724**	**22,690,399**	**92,860,601**

Maturity of assets at December 31, 2021

Item	Years				
	0-1	1-3	3-5	More than 5	Total
Cash and deposits in banks	10,268,716	-	-	-	10,268,716
Money market transactions	24,140	-	-	-	24,140
Investments at fair value through profit or loss	736,822	-	-	-	736,822
Investments at fair value through other comprehensive income (OCI)	1,876,976	253,568	166,302	469,371	2,766,217
Available-for-sale investments	34,477	1,908,329	15,282	465,310	2,423,398
Investments at amortized cost	2,074,877	-	-	11,216	2,086,093
Investments at amortized cost	-	-	-	179,764	179,764
Derivative financial instruments and cash hedging transactions	-	-	330,529	-	330,529
Derivative financial instruments and spot trading transactions	1,358,300	459,344	605,242	537,565	2,960,451
Commercial loan portfolio	10,016,710	5,118,642	4,061,861	3,019,229	22,216,442
Consumer loan portfolio	8,775,540	7,167,594	3,737,464	2,058,795	21,739,393
Mortgage loan portfolio and finance lease transactions	3,909,007	2,713,896	2,318,980	4,236,204	13,178,087
Employee loan and micro-credit portfolio	142,027	170,231	93,157	92,885	498,300
Accounts receivable for loans	1,320,692	-	-	-	1,320,692
Other non-maturing assets	-	-	-	2,075,728	2,075,728
Total maturity of assets	**40,538,284**	**17,791,604**	**11,328,817**	**13,146,067**	**82,804,772**

Maturity of liabilities at december 31, 2021

Item	Years				
	0-1	1-3	3-5	More than 5	Total
Checking accounts	9,299,295	-	-	-	9,299,295
Certificates of deposit	8,397,044	6,721,794	2,316,570	586,700	18,022,108
Savings deposits, single deposits, special savings accounts and real value savings certificates	13,767,673	9,845,062	3,631,476	3,216,320	30,460,531
Current liabilities for services	546,516	-	-	-	546,516
Money market transactions	3,696,625	-	-	-	3,696,625
Special deposits	837,485	-	-	-	837,485
Derivative financial instruments and cash trading operations	1,461,510	713,662	656,059	623,552	3,454,783
Bank credits and other financial obligations	288,414	597,710	977,684	1,110,358	2,974,166
Outstanding investment securities	-	529,957	458,710	1,399,864	2,388,531
Other non-maturing financial liabilities	-	-	-	2,096,609	2,096,609
Total maturity of liabilities	**38,294,562**	**18,408,185**	**8,040,499**	**9,033,403**	**73,776,649**

The aging and maturities are different in Investments at fair value through OCI because the aging is based on the maturity of the security, and these maturities are realized based on the expectation of the term of the security. Also, in bank credits and other financial obligations, aging is carried out in accordance with the installment plans of the agreements according to the contractual maturities and the maturity is realized considering the actual maturity of the obligations.

6.
Foreign currency transactions

The Group carried out transactions in the year 2022 in Euro (EUR), British pound (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 currency of operation for the Bank.

Therefore, at December 31, 2022 and 2021, the balances in foreign currency were restated in terms of US dollars (USD):

Item	2022	2021
Spot proprietary position	USD 939	USD 1,531
Proprietary position	(29)	46
Gross leverage position	USD 35,276	USD 25,614

These values are within the legal limits in force and effect established by the Central Bank of Colombia.

At December 31, 2022 and 2021, the breakdown of foreign-currency assets and liabilities, equivalent in thousands of US dollars, is as follows:

Assets	Note		2022	2021
Cash and deposits in banks	(7)	USD	1,204	1,349
Financial Investment Assets	(8)		-	2
Loan portfolio and financial lease transactions (net)	(9)		400	373
Interest on loan portfolio and other items (net)	(9)		181	209
Total assets in foreign currency			**1,785**	**1,933**
Liabilities	**Note**		**2022**	**2021**
Deposits and on-demand liabilities	(21)	USD	175	108
Bank credits and other financial obligations	(23)		600	152
Outstanding investment securities	(26)		403	403
Accounts Payable	(25)		5	14
Other Liabilities	(27)		1	1
Total liabilities in foreign currency			**1,184**	**678**
Net assets in foreign currency			**601**	**1,255**
Rights			**2022**	**2021**
Spot transactions in USD			9	29
Foreign currency spot transactions			-	1
Securities spot transactions			-	1
Forex			12	-
Total rights			**21**	**31**
Obligations			**2022**	**2021**
Spot transactions in USD			1	82
Cash transactions in securities			-	2
Forex			12	1
Net rights (liabilities) in foreign currency			9	(55)
Exclusions according to the standards of DODM-139/05-25-2015 issued by the Central Bank of Colombia			330	330
Spot proprietary position		USD	**939**	**1,531**

Exchange differences - The functional and presentation currency of BBVA Colombia's financial statements is the Colombian peso, known as $; foreign currency transactions and balances are translated at the official exchange rate regulated by the Central Bank of Colombia and supervised by the Financial Superintendence of Colombia (SFC, for the Spanish original).

The official exchange rates for the 2022 and 2021 periods were:

Item	2022	2021
TRM	$ 4,810.20	$ 3,981.16

The exchange difference reflected in the statement of income, in revenue and expenses, is a result of the restatement of assets and liabilities, asset realization of transactions in currencies other than the functional currency and the translation at the exchange rates in force.

At December 31, 2022 and 2021, the details of the exchange difference in income are as follows:

Item	Note	2022	2021
Operating revenue - exchange gain		1,934,762	630,430
Operating expenses - exchange loss		(765,350)	(147,164)
Gain (Loss)	(38)	**1,169,412**	**483,266**

Item		2022	2021
Operating revenue - gain on sales		632,592	120,539
Net gain (loss)		**632,592**	**120,539**
Operating revenue -gain due to exchange adjustment		1,302,170	509,891
Operating revenue -loss due to exchange adjustment		(765,350)	(147,164)
Net gain		**536,820**	**362,727**
Gain (loss)		**1,169,412**	**483,266**

Below is the calculation of the gain from the exchange difference in 2022

Item	Value in USD	Figures in COP Millions	Exchange Rate
Spot proprietary position in Dec 2022	1,531	6,095,472	3,981.16
Purchases	55,550	232,382,414	4,183.29
Position before sales	57,081	238,477,885	4,177.87
Sales	56,142	235,026,682	4,186.26
Profit (loss) on sales		**632,592**	
Adjusted proprietary position	939	4,516,276	4,810.20
Profit (loss) due to exchange adjustment		536,820	
Net gain		**$ 1,169,412**	

The group presents its financial statements in Colombian pesos (COP).

At December 31, 2021, the TRM increased by 20.82% (COP 829.04) compared to December 31, 2021.

At year-end 2022, the net gain totaled $ 1,169,412. At December 2022, assets displayed a decrease of 7.80% equivalent to USD -150,901. Similarly, liabilities increased by 32.13%, equivalent to USD 506,216.

On the other hand, the volume of both purchases and sales for the year 2022 decreased by 1,488.950 million USD and 1,733.079 million USD, respectively. The net profit is basically due to the fact that it was influenced by the fluctuation of the rate during said quarter, particularly for the month of October 2022 (4,898.74).

The most influential factors are undoubtedly the uncertainty and expectations of the new policies of the incoming government.

Colombia's structural problems such as employment, poverty, low productivity and deficits are compounded by an international context in crisis. The country proved its resilience after the pandemic and overcame the economic shock better than most countries in the world, but the global crisis after almost a year of war in Ukraine is putting an emerging economy like Colombia's in difficulties. The recession, albeit mild, that is forecast for the United States and Europe will not help either

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7. Cash and cash equivalents

AAt December 31, 2022 and 2021, the balance of this account is summarized as follows:

Item	2022	2021
Local currency in Colombian pesos:		
Cash	2,654,400	2,439,201
Deposits in the Central Bank	936,965	2,455,669
Deposits in other banks	6,156	1,953
Remittances in transit of negotiated checks	1,636	242
Subtotal cash and deposits in banks in local currency	**3,599,157**	**4,897,065**
Foreign currency		
Cash	15	715
Foreign correspondents	5,791,292	5,370,936
Impairment of foreign correspondents (1)	-316	-75
Subtotal cash and deposits in banks in foreign currency	**5,790,991**	**5,371,651**
Total cash and deposits in banks	**9,390,148**	**10,268,716**
Investment funds	24,979	24,140
Money market transactions	897,569	736,822
Total cash and cash equivalents	**10,312,696**	**11,029,678**

Cash and/or cash equivalents include cash on hand, deposits in banks, remittances, exchange, and active operations of money market operations. Between the years 2022 and 2021, the most representative operations in legal currency are presented in the balance of the central bank with a decrease of 62% and a value of $1,518,704, which is due to Treasury strategies, and on the foreign currency side, they were presented in foreign correspondent banks due to the increase of balances in USD. This variation is due to the strategy in the FWD curve due to irregularities in the market that have generated opportunities in the prices of the curve that have caused aggressive positions to be taken in the FWD curve. Where FWD is sold and cash is bought in spot, this has generated a significant increase in cash in dollars compared to the previous year.

Legal reserve in Colombia: as of December 31, 2022 and 2021, the legal reserve required and maintained in the central bank for $3,684,094 and $3,451,692, to meet the liquidity requirements in deposits and demand deposits, respectively. The restriction is determined in accordance with the reserve requirements established by the Board of Directors of the central bank and is based on percentages of the average deposits held in the Bank by its customers.

(1) The increase in the impairment of the available balance of foreign correspondents between 2022 and 2021 is due to an increase in items corresponding to correspondent expenses. Another cause of this situation is the operating risk; the different areas have presented some inconsistencies that affect the year-end.

(2) As of December 31, the balance of money market and related operations consisted of the following:

Description	Days	Rate	2022	Days	Rate	2021
Ordinary interbank funds sold						
Banks	4 to 8 days	11.15%	120,167	4 to 8 days	2.92%	30,010
Total ordinary interbank funds sold			**120,167**			**30,010**
Asset simultaneous transactions						
Central Bank of Colombia	4 to 8 days	6.66%	385,556	4 to 8 days	0.28%	226,102
Insurance and reinsurance companies	More than 15 days	11.08%	77,354	-	3.05%	71,088
Counterparty Clearing House	-	8.31%	314,492	4 to 8 days	2.44%	400,783
Nation	-	-	-	4 to 8 days	-0.01%	8,839
Total asset simultaneous transactions			**777,402**			**706,812**
Total money market and related transactions			**$ 897,569**			**$ 736.82**

The increase for the year 2022 compared to 2021 of $160,747 in the balances of money market operations is mainly due to operations with the Central Counterparty Risk Clearing House.

There are no restrictions on cash and cash equivalents to meet liquidity requirements on deposits and due from customers.

The risk quality indicators of the central bank, as the sovereign entity where BBVA's resources are located, have the following international rating

The quality indicators of the Central Bank of Colombia, as the sovereign entity where BBVA's funds are located, have the following international credit rating..

International Rating Agency	Moody's	Fitch Ratings
BBVA Colombia rating	Baa2	BBB-

8.
Financial investment assets

Rating offoreign entities:

Credit Quality					
Bank Name	Currency	Internal	External		
			S&P	FITCH	Moody's
Jp Morgan Chase	USD	A	A-	AA-	A1
Citibank N.Y.	USD	A+	A+	A+	AA3
Wachovia	USD	A+	BBB+	A+	A1
Toronto Dominion	CAD	AA-	A-	AA-	AA1
U.B.S.	CHF	A-	A-	A+	A3
Barclays	GBP	BBB	A	BBB	Baa2
Bank Of Tokyo	JPY	A	A	A-	A1
BBVA Hong Kong	CNY	-	-	-	-
BBVA N.Y. USA PNC	USD	A-	A-	A+	A3
BBVA Madrid	EUR	A	A	BBB+	A2
Bank Of America N.Y.	USD	A	A-	AA-	A2
BBVA Bancomer Mexico	MXN	BBB	BBB	BBB	Baa1
China Citic Bank	CNY	BBB	BBB+	BBB	Baa2
BBVA Madrid	SEK	A	A	BBB+	A2

At December 31, the balance of this account is summarized by rating and issuer as follows:

Item	2022	2021
Tradeable investments at fair value through profit or loss		
Treasury securities - TES	$1,164,117	$2,107,139
Other securities issued by the National Government	18,012	13,013
Other domestic issuers	1,034,252	646,065
Total investments at fair value through profit or loss (1)	**$2,216,381**	**$2,766,217**
Investments at fair value with change in OCI		
Treasury securities - TES	$3,176,552	$2,039,058
Other domestic issuers	370,119	384,340
Total investments at fair value with change in OCI (2)	**$3,546,671**	**$2,423,398**
Investments at amortized cost		
Other securities issued by the National Government (3)	$3,009,738	$2,070,925
Other domestic issuers (4)	4,044	15,168
Impairment of investments in TIPS	(6,718)	(2,721)
Total investments at amortized cost (net)	**$3,007,064**	**$2,083,372**
Total net investments	**$8,770,116**	**$7,272,987**

1. Between December 2022 and December 2021 there is a decrease of -$549,837 in the portfolio measured at fair value with changes in results, especially in Treasury Securities - TES due to the purchase and sale of negotiable securities for speculative purposes and that due to the nature of the business are carried out as part of liquidity management.

2. Between December 2022 and December 2021 there is an increase in the portfolio Investments at fair value with change in ORI delivered in money market operations $1,123,274, basically in TES - Treasury Securities and a decrease in other domestic issuers.

3. Investments at amortized cost increased by $923,692 in Treasury securities. - TES delivered as collateral for transactions with financial instruments.

The Group measures equity instruments at fair value based on a methodology that estimates the companies' income statement, balance sheet and statement of changes in equity of the company in order to obtain a flow of future dividends. This dividend flow is discounted to present value, as well as perpetuity, assuming an indefinite participation in the company and thus estimating the fair value of the same.

To project the values of the Financial Statements, we used rates projected by the Economic Research area for the companies' balance sheet and income statement lines; each line was estimated exclusively for the companies, depending on their business focus and growth prospects.

For the years 2022 and 2021, the entities with non-controlled interests declared dividends as follows:

Entity	2022			2021		
	In Shares	In Cash	Total	In shares	In Cash	Total
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	$759	$3,036	$3,795	$1,303	$5,213	$6,516
Bolsa de Valores de Colombia	-	2,605	2,605	-	5,137	5,137
ACH Colombia S.A.	-	10,250	10,250	-	4,891	4,891
Cámara de Riesgo Central de Contraparte de Colombia S.A.	-	149	149	-	89	89
Credibanco S.A.	-	605	605	-	510	510
Redeban Multicolor S.A	-	474	474	-	-	-
Total	**$759**	**$12,119**	**$17,878**	**$1,303**	**$15,840**	**$17,143**

Investments in non-controlled interests – These correspond to investments in equity instruments in non-controlled entities, consisting of the following at December 31, 2022 and 2021:

December 31, 2022

Item	Domicile	Capital	Equity Capital	Share Percentage %	Book value	Assets	Liabilities	Profits and/or Losses
Investments in non-controlled entities:								
Bolsa de Valores de Colombia S.A.	Bogotá D.C.	30,257	2,218	7.33%	36,435	632,260	29,164	37,579
Credibanco S.A.	Bogotá D.C.	9,031	1,142	12.65%	116,366	416,819	189,622	25,742
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	Bogotá D.C.	408,640	37,145	9.09%	30,595	17,071,216	15,968,503	67,216
A.C.H. Colombia S.A.	Bogotá D.C.	6,595	707	10.72%	119,916	215,653	120,605	85,040
Redeban S.A.	Bogotá D.C.	15,792	1,628	10.31%	26,913	981,505	817,262	33,799
Total investments in non-controlled entities					**$ 330,225**			

December 31, 2021

Item	Domicile	Capital	Equity Capital	Share Percentage %	Book value	Assets	Liabilities	Profits and/or Losses
Investments in non-controlled entities:								
Bolsa de Valores de Colombia S.A.	Bogotá D.C.	$ 30,257	$ 2,218	7.33%	51,703	618,874	20,307	35,699
Credibanco S.A.	Bogotá D.C.	9,031	1,142	12.65%	110,983	357,829	153,552	13,845
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	Bogotá D.C.	400,162	36,375	9.09%	65,904	13,873,562	12,805,165	43,658
A.C.H. Colombia S.A.	Bogotá D.C.	6,595	707	10.72%	96,480	172,286	77,996	70,405
Redeban S.A.	Bogotá D.C.	15,792	1,628	10.31%	30,993	1,656,658	1,521,056	16,444
Cámara de Riesgo Central de Contraparte de Colombia S.A.	Bogotá D.C.	51,270	1,365	2.66%	2,212	109,822,755	109,822,755	5,729
Total investments in non-controlled entities						**$ 358,275**		

In the case of the participation in the Bolsa de Valores de Colombia S.A., the share price published on the last day of the year is considered; these shares were valued at a market price of $9,875 pesos and $6,985 pesos for the closing of December 2021 and December 2022, respectively.

For the investments of ACH Colombia S.A. and Redeban Multicolor S.A., are presented in this report with the valuation made by the market provider Precia (Valuation Price Provider), according to the reports delivered under the Cash Flow method, reflect that the share valuation was of Ps. 169,621.69 for ACH Colombia S.A. and Ps. 16,655.24 for Redeban S.A.

The valuation of investments held in Credibanco S.A., ACH Colombia S.A. and Redeban S.A. is recorded in other comprehensive income.

In the case of investments classified as non-controlled investees of Cámara de Riesgo Central de Contraparte S.A. and Fondo para el Financiamiento del Sector Agropecuario (FINAGRO), their measurement is made according to the marketability index, taking into account the variations in equity subsequent to the acquisition of the investment. For this purpose, the variations in the issuer's equity are calculated based on the latest certified financial statements, which correspond to November 2022.

Para el mes de septiembre de 2022, se realizó la venta de la totalidad de las acciones de la Cámara de Riesgo Central de Contraparte S.A. en propiedad del Banco.

In September 2022, all the shares of Cámara de Riesgo Central de Contraparte S.A. owned by the bank were sold

For the investment that the bank maintains in Credibanco S.A., the valuation is made by "Precia" (provider of prices for valuation), which is applicable to the entire Colombian financial sector. For the closings of December 2022 and December 2021, the price is $101.82 pesos and $97.11 pesos, respectively; these valuations are recorded in the other comprehensive income.

The composition of the portfolio of investment financial assets by classification and species, without impairment as of December 31, 2022 and 2021 was as follows:

Composition of the securities portfolio as of year-end 2022

Titles	Investments at fair value through profit or loss		Investments at amortized cost		investment at fair value through OCI		Total
	Amount	%	Amount	%	Amount	%	
Ordinary Bonds	$ 46,454	2.10%	-	0.00%	4,064	0.11%	50,518
Term deposits	998,126	45.03%	-	0.00%	21,467	0.61%	1,019,593
TDAs	-	0.00%	1,871,817	62.11%	-	0.00%	1,871,817
TIPS	-	0.00%	4,044	0.13%	14,364	0.40%	18,408
TDS	-	0.00%	1,137,921	37.76%	-	0.00%	1,137,921
TES	1,164,117	52.52%	-	0.00%	3,176,552	89.56%	4,340,669
Other national emissions	7,684	0.35%	-	0.00%	-	0.00%	7,684
Bolsa de Valores de Colombia S.A.	-	0.00%	-	0.00%	36,434	1.03%	36,434
A.C.H. Colombia S.A.	-	0.00%	-	0.00%	119,916	3.38%	119,916
Redeban Multicolor S.A.	-	0.00%	-	0.00%	26,913	0.76%	26,913
Credibanco S.A.	-	0.00%	-	0.00%	116,366	3.28%	116,366
FINAGRO	-	0.00%	-	0.00%	30,595	0.86%	30,595
Total	**$ 2,216,381**	**100.00%**	**$ 3,013,782**	**100.00%**	**$ 3,546,671**	**100.00%**	**$ 8,776,834**
Contribution to results	77,483		72,775		341,627		491,885
% profitability		**4%**		**2%**		**11%**	

BBVA
Creating Opportunities

Composition of the securities portfolio as of year-end 2021

Title	Investments at fair value through profit or loss		Investments at amortized cost		investment at fair value through OCI		Total
	Amount	%	Amount	%	Amount	%	
Ordinary Bonds	$ 59,958	2.17%	-	0.00%	-	0.00%	59,958
Term deposits	545,583	19.72%	-	0.00%	9,954	0.41%	555,537
TDAs	-	0.00%	973,361	46.66%	-	0.00%	973,361
TIPS	-	0.00%	15,168	0.73%	16,112	0.66%	31,280
TDS	-	0.00%	1,097,564	52.61%	-	0.00%	1,097,564
TES	2,107,139	76.17%	-	0.00%	2,039,057	84.14%	4,146,196
Corporative bonds COP	45,343	1.64%	-	0.00%	-	0.00%	45,343
Other	8194	0.30%	-	0.00%	-	0.00%	8,194
Bolsa de Valores de Colombia S.A.	-	0.00%	-	0.00%	51,703	2.13%	51,703
Credibanco S.A.	-	0.00%	-	0.00%	110,983	4.58%	110,983
FINAGRO	-	0.00%	-	0.00%	65,904	2.72%	65,904
A.C.H. Colombia S.A.	-	0.00%	-	0.00%	96,480	3.98%	96,480
Redeban S.A.	-	0.00%	-	0.00%	30,993	1.28%	30,993
Central Counterparty Clearing house of Colombia S.A	-	0.00%	-	0.00%	2,212	0.09%	2,212
Total	**$ 2,766,217**	**100.00%**	**$ 2,086,093**	**100.00%**	**$ 2,423,398**	**100.00%**	**$ 7,275,708**
Contribution to results	37,892		(13,278)		181,094		205,708
% profitability		**1%**		**-1%**		**9%**	

The maturity of investments in debt securities at December 31, 2022 and 2021 was as follows:

Maturity of the securities portfolio 2022

Range	Inv. at Fair Value through Profit or Loss	Inv. At Amortized Cost	Inv. at Fair Value through OCI	Overall Total
Less than 1 year	$ 846,973	$ 3,009,738	$ 2,036,150	$ 5,892,861
From 1 to 5 years	774,453	-	1,180,297	1,954,750
More than 5 years	594,955	4,044	330,224	929,223
Overall Total	**$ 2,216,381**	**$ 3,013,782**	**$ 3,546,671**	**$ 8,776,834**

Investments at amortized cost

These investments are not impaired

Maturity of the securities portfolio 2021

Range	Inv. at Fair Value through Profit or Loss	Inv. At Amortized Cost	Inv. at Fair Value through OCI	Overall Total
Less than 1 year	$ 1,872,134	$ 2,074,878	$ 34,476	$ 3,981,488
From 1 to 5 years	424,711	-	1,923,611	2,348,322
More than 5 years	469,372	11,215	465,311	945,898
Overall Total	**$ 2,766,217**	**$ 2,086,093**	**$ 2,423,398**	**$ 7,275,708**

Investments at amortized cost

These investments are not impaired

Mortgage securities received in securitization processes - TIPs

Securities issued by Titulizadora Colombia TIPS, derived from Mortgage Portfolio Securitization processes in Colombian pesos, were issued in 10 and 15-year terms.

As of December 31, 2022 and 2021, securities (TITIPOCD0099/ TITIPMZD0098/INSC15061232, TITIPOCD0099/ TITIPMZD0098/INSC15061232 and TITIPMZD0098/INSC15061232) have been provisioned. / INSZ15061232) in the amount of $437 and $4,022, respectively, in accordance with the guidelines established by Chapter I - 1, of the Basic Accounting and Financial Circular - CBCF (Public Notice 100/95) of the Financial Superintendence of Colombia, as instructed by numeral 2.4 of Chapter XV of the CBCF.

In the years 2022 and 2021, 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 had a total balance as of December 31, 2022 and 2021 of $18,392 and $31,280, respectively (bearing in mind that in 2021 there were also the series of the N6 issue).

The detail and balance of securities derived from securitization processes (TIPS) is shown in the following table:

Series	Nominal Value	Issue Date	Maturity Date	Term	2022	2021
TIPS COP N-16 B 2032	$ 16,604	7/12/2017	7/12/2032	15	$ 14,363	$ 16,112
TIPS COP N-16 MZ 2032	3,180	7/12/2017	7/12/2032	15	3,207	3,207
TIPS COP N-16 C 2032	830	7/12/2017	7/12/2032	15	839	839
Subtotal	**20,614**				**18,409**	**20,158**
TIPS COP N-6 B 2027	26,641	23/08/2012	23/08/2027	15	-	3,952
TIPS COP N-6 MZ 2027	6,104	23/08/2012	23/08/2027	15	-	6,104
TIPS COP N-6 C 2027	1,066	23/08/2012	23/08/2027	15	-	1,066
Subtotal	**33,811**				-	**11,122**
Total	**$ 54,425**				**$ 18,409**	**$ 31,280**

At December 31, 2022, the distribution by rating of debt securities of investments at fair value through OCI and investments at amortized cost through profit or loss, was as follows.

December 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	-	294,185	8%	AA	-	-	0%
BB+	3,176,552	4,544	91%	BB+	3,009,738	-	100%
Unclassified	-	14,364	0%	Unclassified	-	4,045	0%
Total	**3,176,552**	**313,093**	**100%**	**Total**	**3,009,738**	**4,045**	**100%**

December 2021

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		282,266	12%	AA	-	-	0%
AA	2,004,922	9,954	87%	BB+	2,070,925		99%
Unclassified		16,112	1%	Unclassified		15,168	1%
Total	**2,004,922**	**308,332**	**100%**	**Total**	**2,070,925**	**15,168**	**100%**

Global Rating Agency

ISSUER	TERM DEPOSIT	TDA	TES	TIPS
Bancolombia S.A.	AAA			
DTN Gobierno Nacional (TES)			BBB	
FINAGRO		AAA		
Titularizadora Colombiana INSC15061232-229718				BB-
Titularizadora Colombiana INSZ15061232-229722				BB+
Titularizadora Colombiana TIP-N16B32-229723				BBB

9.
Loan portfolio and finance lease transactions (net) and interest on loan portfolio and other items (net)

Loan portfolio financial assets at amortized cost are presented in the consolidated statement of financial position in accordance with the classification adopted by the Financial Superintendence in the Exclusive Financial Reporting Catalog (CUIF, for the Spanish original). Below is the loan portfolio and finance lease transactions, net including interest and other items at December 31, 2022 and 2021 by type of currency:

We make progress day by day, thanks to the Group's experience, the strength of its member organizations and the commitment of our employees.

December 31, 2022

Modalities	Stage 1	Stage 2	Stage 3	Total
Commercial Portfolio	27,518,748	1,510,200	13,026	29,041,974
Consumer Portfolio	21,683,956	2,596,644	412,769	24,693,369
Mortgage portfolio	11,651,604	1,873,077	408,064	13,932,745
Total Loan Portfolio and Finance Lease Transactions (Net) and Interest on Loan Portfolio and Other Items (Net)	**$ 60,854,308**	**$ 5,979,921**	**$ 833,859**	**$ 67,668,088**

December 31, 2021

Modalities	Stage 1	Stage 2	Stage 3	Total
Commercial Portfolio	19,555,524	1,927,923	76,294	21,559,741
Consumer Portfolio	18,180,156	2,234,527	393,153	20,807,836
Mortgage portfolio	10,930,802	2,008,671	422,714	13,362,187
Total Loan Portfolio and Finance Lease Transactions (Net) and Interest on Loan Portfolio and Other Items (Net)	**$ 48,666,482**	**$ 6,171,121**	**$ 892,161**	**$ 55,729,764**

The tables below provide details by portfolio type and sector of the past due amounts of the risks that were not considered to be impaired at December 31, 2022, classified according to the age of the oldest past due date, as well as the breakdown of the debt securities and the loans and advances considered to be impaired, determined on an individual and collective basis.

The Group's portfolio is highly concentrated in commercial loans, with an increase of $7,649,835. This category consists of corporate loans and loans to territorial entities, with a variation of 36% compared to December 2021. In addition, there are increases in the consumer portfolio for $3,795,090, a variation of 18% and the mortgage portfolio for $493,399, a variation of 4%, compared to December 2021.

The portfolios of BBVA Group show satisfactory recovery: the Mortgage portfolio is reversing the downward trend it experienced during the course of the pandemic as a result of the multiple shutdowns and the difficulties experienced a year ago for the disbursement of a significant number of transactions.

At the end of 2022, the group's loan portfolio shows a higher cumulative annual growth than that recorded for the same period of 2021, with an outstanding recovery of the individual portfolio with growth of 18% in the consumer portfolio and 36% in commercial loans.

Below are the Loan Portfolio and Lease Transactions by modality, stage and line:

December 31, 2022

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Expected credit losses over the lifetime of the asset with impairment	
Commercial				
Enterprise	10,401,126	889,753	444,054	11,734,933
Institutional	1,793,044	57,241	492	1,850,777
Corporate	7,444,950	79,525	-	7,524,475
Financial Entities	2,589,615	4,149	1,255	2,595,019
Territorial Entities	3,226,495	250,651	-	3,477,146
Representative	853,664	6,582	138,404	998,650
Small Enterprises	1,343,962	358,409	146,326	1,848,697
	27,652,856	1,646,310	730,531	30,029,697
Impairment	(134,108)	(136,110)	(717,505)	(987,723)
Net commercial loan portfolio	27,518,748	1,510,200	13,026	29,041,974
Consumer				
Vehicle	1,225,309	174,626	119,510	1,519,445
Payroll Loan	13,103,709	1,610,939	383,420	15,098,068
Hedge	4,754,398	820,322	704,971	6,279,691
Overdraft	647	292	163	1,102
Cards	2,766,633	271,320	251,505	3,289,458
Revolving	207,277	30,934	32,037	270,248

	22,057,973	2,908,433	1,491,606	26,458,012
Impairment	(374,017)	(311,789)	(1,078,837)	(1,764,643)
Net consumer loan portfolio	21,683,956	2,596,644	412,769	24,693,369
Mortgage				
	11,771,480	2,023,533	865,879	14,660,892
Impairment	(119,876)	(150,456)	(457,815)	(728,147)
Net mortgage portfolio	11,651,604	1,873,077	408,064	13,932,745
Total Loan Portfolio and Finance Lease Transactions and Interest on Loan Portfolio and Other Items	**61,482,309**	**6,578,276**	**3,088,016**	**71,148,601**
Impairment	(628,001)	(598,355)	(2,254,157)	(3,480,513)
Total Loan Portfolio and Finance Lease Transactions (Net) and Interest on Loan Portfolio and Other Items (Net)	**60,854,308**	**5,979,921**	**833,859**	**67,668,088**

December 31, 2021

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Expected credit losses over the lifetime of the asset with impairment	
Commercial				
Enterprise	8,286,535	863,244	512,749	9,662,528
Institutional	1,545,025	48,887	4,525	1,598,437
Corporate	4,243,730	207,617	-	4,451,347
Financial Entities	1,375,076	2,263	2,869	1,380,208

The BBVA Group's portfolios show a satisfactory recovery, with the Mortgage portfolio reversing the downward trend that was present during the course of the pandemic.

Territorial Entities	2,420,347	439,541	-	2,859,888
Representative	473,311	142,673	39,720	655,704
Small Enterprises	1,280,036	340,807	249,346	1,870,189
	19,624,060	2,045,032	809,209	22,478,301
Impairment	(68,536)	(117,109)	(732,915)	(918,560)
Net commercial loan portfolio	19,555,524	1,927,923	76,294	21,559,741
Consumer				
Vehicle	1,059,379	206,809	153,543	1,419,731
Payroll Loan	12,684,761	965,594	386,275	14,036,630
Hedge	2,709,476	922,430	768,729	4,400,635
Overdraft	621	478	849	1,948
Cards	1,732,468	404,309	171,526	2,308,303
Revolving	199,823	64,995	48,113	312,931
	18,386,528	2,564,615	1,529,035	22,480,178
Impairment	(206,372)	(330,088)	(1,135,882)	(1,672,342)
Net consumer loan portfolio	18,180,156	2,234,527	393,153	20,807,836
Mortgage				
	10,994,086	2,190,167	810,182	13,994,435
Impairment	(63,284)	(181,496)	(387,468)	(632,248)
Net mortgage portfolio	10,930,802	2,008,671	422,714	13,362,187
Total Loan Portfolio and Finance Lease Transactions and Interest on Loan Portfolio and Other Items	**49,004,674**	**6,799,814**	**3,148,426**	**58,952,914**
Impairment	(338,192)	(628,693)	(2,256,265)	(3,223,150)
Total Loan Portfolio and Finance Lease Transactions (Net) and Interest on Loan Portfolio and Other Items (Net)	**48,666,482**	**6,171,121**	**892,161**	**55,729,764**

Below is the reconciliation of the allowance of the loan portfolio and lease transactions by modality

December 31, 2022

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Expected credit losses over the lifetime of the asset with impairment	
Comercial				
Opening balance at January 1, 2022	68,536	117,109	732,915	918,560
Impairment	266,164	19,541	635,312	921,017
Reimbursement Provision for Loan Portfolio	(128,848)	(14,779)	(477,801)	(621,428)
Loans written off	-	-	(158,650)	(158,650)
Impairment adjustment application of IFRS 9 in OCI	(70,378)	14,320	9,860	(46,198)
Condemnations	-	-	(24,095)	(24,095)
Other movements	(1,366)	(81)	(36)	(1,483)
Net reconciliation of the commercial loan portfolio allowance	**134,108**	**136,110**	**717,505**	**987,723**
Consumer				
Opening balance at January 1, 2022	206,372	330,088	1,135,882	1,672,342
Impairment	375,015	26,337	1,365,060	1,766,412
Reimbursement Provision for Loan Portfolio	416	117	(691,282)	(690,749)
Loans written off	-	-	(776,939)	(776,939)
Impairment adjustment application of IFRS 9 in OCI	(205,771)	(44,487)	85,666	(164,592)
Condemnations	-	-	(39,414)	(39,414)
Other movements	(2,015)	(266)	(136)	(2,417)
Net reconciliation of the consumer loan portfolio allowance	**374,017**	**311,789**	**1,078,837**	**1,764,643**

We are aware of the new provisions, as well as the decrees, circulars and, in general, the regulatory framework necessary to guarantee a transparent and reliable performance.

Mortgage				
Opening balance at January 1, 2022	63,284	181,496	387,468	632,248
Impairment	74,325	13,479	159,274	247,078
Reimbursement Provision for Loan Portfolio	(37,845)	-	(137,924)	(175,769)
Loans written off	-	-	(57,669)	(57,669)
Impairment adjustment application of IFRS 9 in OCI	20,340	(44,480)	127,491	103,351
Condemnations	-	-	(20,808)	(20,808)
Other movements	(228)	(39)	(17)	(284)
Net reconciliation of the mortgage loan portfolio allowance	**119,876**	**150,456**	**457,815**	**728,147**
Undiscounted amount of credit-impaired originated portfolio at initial recognition				
Balance at December 31, 2022				**$3.480.513**

December 31, 2022

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the life-time of the asset	Expected credit losses over the lifetime of the asset with im-pairment	
Commercial				
Opening balance at January 1, 2022	162,076	263,727	798,524	1,224,327
Impairment				
Transfers to credit losses expected in the next 12 months	(157,586)	18,049	14,275	(125,262)
Transfers to credit losses expected during the lifetime of the asset (not im-paired)	3,403	(186,046)	99,122	(83,521)
Transfers to credit losses expected during the lifetime of the asset (im-paired)	15	276	(30,995)	(30,704)

Impairment Loans written off	-	(11.891)	(212.935)	(224.826)
Net reconciliation of the commercial loan portfolio allowance	68.536	117.109	732.915	918.560
Consumer				
Opening balance at January 1, 2022	188.567	541.079	745.500	1.475.146
Transfers to credit losses expected in the next 12 months	(158.770)	73.915	179.811	94.956
Transfers to credit losses expected during the lifetime of the asset (not im-paired)	2.923	(254.439)	335.841	84.325
Transfers to credit losses expected during the lifetime of the asset (im-paired)	481	1.634	63.712	65.827
Impairment	175.257	20.856	79.338	275.451
Loans written off	(2.086)	(52.957)	(268.320)	(323.363)
Net reconciliation of the consumer loan portfolio allowance	206.372	330.088	1.135.882	1.672.342
Mortgage	63.929	169.589	291.239	524.757
Opening balance at January 1, 2022	(14.807)	68.128	33.744	87.065
Transfers to credit losses expected in the next 12 months	975	(60.483)	97.755	38.247
Transfers to credit losses expected during the lifetime of the asset (not im-paired)	164	1.444	(14.581)	(12.973)
Transfers to credit losses expected during the lifetime of the asset (im-paired)	13.023	2.828	13.349	29.200
Impairment	-	(10)	(34.038)	(34.048)
Loans written off	$63.284	$181.496	$387.468	$632.248
Amount without deducting from portfolio originated with credit impairment upon initial recognition				-
Balance at December 31, 2022	-	-	-	**$ 3.223.150**

AThe following is a breakdown of loan portfolio impairment by type of client:

December 31, 2022

Modality	Stage 1		Stage 2			Stage 3			
	Risk not past due	Risk past due < 30 days	Risk not past due	Risk past due < 30 days	Risk past-due 30 -90 days	Risk not past due	Risk past due < 30 days	Risk past-due 30 -90 days	Risk past-due > 90 days
Loan portfolio by type of customer									
Government agencies	$ 4,014	$169	$33,197	$ 710	$-	$ -	$ -	$ -	$-
Credit institutions	155	-	-	-	-	-	-	-	-
Other financial institutions	1,054	38	36	1	-	55	40	14	21
Non-financial corporations	76,394	11,995	76,408	62,669	3,721	81,408	29,021	46,790	360,421
Individuals	508,926	25,256	266,947	60,436	94,230	338,372	237,630	206,415	953,970
Total loan portfolio by segment	**$590,543**	**$37,458**	**$376,588**	**$123,816**	**$97,951**	**$ 419,835**	**$ 266,691**	**$253,219**	**$1,314,412**
Loan portfolio by products									
Commercial loan portfolio	$ 3	$ 47	$ 20,955	$4,361	$ 1,754	$ 24,066	$ 9,426	$12,776	$ 22,927
Demand accounts and current accounts	240,423	29,778	-	-	-	-	5	3	835
Credit card debts	32,498	2,249	-	-	-	35,896	8,485	17,579	137,713
Other credits	317,620	5,383	355,634	119,454	96,197	359,870	248,776	222,862	1,152,938
Total loan portfolio by product	**$590,544**	**$37,457**	**$376,589**	**$123,815**	**$ 97,951**	**$419,832**	**$ 266,692**	**$253,220**	**$1,314,413**

December 31, 2021

Modality	Stage 1		Stage 2			Stage 3			
	Risk not past due	Risk past due < 30 days	Risk not past due	Risk past due < 30 days	Risk past-due 30 -90 days	Risk not past due	Risk past due < 30 days	Risk past-due 30 -90 days	Risk past-due > 90 days
Loan portfolio by type of customer									
Government agencies	$2,819	$ 50	$4,733	$4	$982	$ -	$ -	$ -	$-
Credit institutions	1,907	-	-	-	-	-	-	-	-
Other financial institutions	203	1	9	22	17	151	516	87	101
Non-financial corporations	43,341	6,079	156,774	13,643	2,672	162,963	40,947	12,625	346,773
Individuals	263,617	20,175	303,454	78,022	68,361	448,691	205,748	138,245	899,418
Total loan portfolio by segment	**$311,887**	**$26,305**	**$464,970**	**$91,691**	**$72,032**	**$ 611,805**	**$247,211**	**$ 150,957**	**$1,246,292**
Loan portfolio by products									
Commercial loan portfolio	$ -	$ 6	$ 30,655	$ 5,703	$ 2,208	$28,953	$9,711	$ 5,744	$30,345
Demand accounts and current ac-counts	244,865	20,546	-	-	-	2,534	-	-	-
Credit card debts	47,728	2,297	-	-	-	36,195	6,488	8,345	88,310
Other credits	19,280	3,470	434,313	85,988	69,826	544,123	231,012	136,868	1,127,637
Total loan portfolio by product	**$311,873**	**$26,319**	**$464,968**	**$91,691**	**$72,034**	**$ 611,805**	**$247,211**	**$ 150,957**	**$1,246,292**

In compliance with the regulatory criteria and conditions, risks that are not past due are listed in stages 2 and 3, based on the financial instrument and restructuring policy, in the loan portfolio impairment item.

The following is a breakdown of the loans by sector:

December 31, 2022

Modality	Total Gross Risk	Total Allowance	Net Carrying Value	%
Government agencies	$ 6,208,256	$ 38,090	$ 6,170,166	1%
Credit institutions	498,794	155	498,639	0%
Other financial institutions	1,271,300	1,259	1,270,041	0%
Non-financial corporations	21,676,003	748,827	20,927,176	■
Agriculture, forestry and fishing	577,408	27,870	549,538	5%
Extractive industries	230,698	58,480	172,218	25%
Manufacturing industry	5,953,822	96,324	5,857,498	2%
Supply of electricity, gas, steam and air conditioning	2,189,334	1,821	2,187,513	0%
Water supply	33,171	1,795	31,376	5%
Wholesale and retail trade	5,153,385	94,224	5,059,161	2%
Transport and storage	947,850	53,807	894,043	6%
Catering	181,348	28,630	152,718	16%
Information and communications	350,274	7,781	342,493	2%
Professional, scientific and technical activities	724,045	13,726	710,319	2%
Administrative activities and back-office	411,466	15,785	395,681	4%
Education	379,585	1,806	377,779	0%
Health activities and social work activities	670,768	14,355	656,413	2%
Artistic, recreational and entertainment activities	143,719	17,628	126,091	12%
Other services	49,662	3,543	46,119	7%
Public administration and mandatory social security	243,745	114	243,631	0%
Construction	1,069,992	174,659	895,333	16%
Real estate activities	291,977	22,095	269,882	8%
Financial and insurance-related activities	2,073,754	114,384	1,959,370	6%
Individuals	41,494,248	2,692,182	38,802,066	6%
Total loan portfolio	**$ 71,148,601**	**$ 3,480,513**	**$ 67,668,088**	5%

The financial assets account for loan portfolio at amortized cost is presented in accordance with the classification adopted by the Superintendence of Finance in the Unified Financial Information Catalog (CUIF for Spanish original).

December 31, 2022

Modality	Total Gross Risk	Total Allowance	Net Carrying Value	%
Government agencies	$ 4,690,540.00	$8,588.00	$ 4,681,952.00	0%
Credit institutions	896,219	1,907	894,312	0%
Other financial institutions	164,274	1,107	163,167	1%
Non-financial corporations	16,061,406	785,817	15,275,589	
Agriculture, forestry and fishing	482,167	29,344	452,823	6%
Extractive industries	193,071	54,410	138,661	25%
Manufacturing industry	4,571,158	121,220	4,449,938	2%
Supply of electricity, gas, steam and air conditioning	1,744,610	1,857	1,742,753	0%
Water supply	31,062	2,069	28,993	7%
Wholesale and retail trade	3,669,898	110,538	3,559,360	3%
Transport and storage	861,097	59,471	801,626	7%
Catering	163,081	33,018	130,063	20%
Information and communications	175,979	8,343	167,636	5%
Professional, scientific and technical activities	257,750	17,126	240,624	7%
Administrative activities and back-office	346,642	18,500	328,142	5%
Education	338,862	3,730	335,132	1%
Health activities and social work activities	548,179	17,115	531,064	3%
Artistic, recreational and entertainment activities	143,282	19,672	123,610	14%
Other services	259,238	5,367	253,871	2%
Construction	991,445	189,991	801,454	19%
Real estate activities	289,286	26,928	262,358	9%
Financial and insurance-related activities	994,599	67,118	927,481	7%
Individuals	37,140,475	2,425,731	34,714,744	7%
Total loan portfolio	**$58,952,914**	**$3,223,150**	**$ 55,729,764**	5%

BBVA
Creating Opportunities

Portfolio sales

Year 2022

During 2022, the Bank conducted portfolio sale transactions for a total of $ 1,011,934, where 97% of said assets had been written-off.

The breakdown of the portfolio transferred by modality was Mortgage, 36%; Commercial, 6%; and Consumer, 55%; these transactions were conducted in the months listed below:

Month	Total Debt by Portfolio Type			
	Consumer	Mortgage	Commercial	Total Debt
January	$ 212	$ -	$-	$212
February	527	795	851	2.173
March	635	17.788	729	19.152
April	441.254	335.466	36.858	813.578
May	136	1.034	130	1.300
June	356	29	749	1.134
July	117.637	12.169	14.862	144.668
August	41	-	89	130
September	283	-	602	885
October	27	146	337	510
November	308	24.127	588	25.023
December	547	1.508	1.114	3.169
Total	**$ 561.963**	**$ 393.062**	**$ 56.909**	**$ 1.011.934**
% of portfolio share sold	**55%**	**39%**	**6%**	**100%**

Amount includes principal, interest and accounts receivable balances.

Year 2021

During 2021, the Bank conducted portfolio sale transactions for a total of $ 1,119,934, where 97% of said assets had been written-off.

The breakdown of the portfolio transferred by modality was represented as follows: Mortgage, 2%; Commercial, 23%; and Consumer, 75%; these transactions were conducted in the months listed in the attached table:

Month	Total Debt by Portfolio Type			
	Consumer	Mortgage	Commercial	Total Debt
January	$ 185	$-	$2,335	$2,520
February	522,282	1,284	130,131	653,697
March	107	392	8,701	9,200
April	2	152	14,839	14,993
May	301	1,691	1,125	3,117
June	1,410	2,922	26,518	30,850
July	315,043	15,085	53,830	383,958
August	170	288	-	458
October	406	787	1,350	2,543
December	300	536	17,762	18,598
Total	**$ 840,206**	**$ 23,137**	**$ 256,591**	**$ 1,119,934**
% of portfolio share sold	**75.00%**	**2.00%**	**23.00%**	**100.00%**

(*) Amount includes principal, interest and accounts receivable balances.

10.
Right-of-use fixed assets

At December 31, the balance of this account is summarized as follows:

Item	2022	2021
Right-of-use Fixed Assets		
Buildings (Premises and ATMs)	203,836	187,909
Accumulated depreciation	(105,079)	(78,785)
Total right-of-use fixed assets	**$ 98,757**	**$109,124**
Item	**2022**	**2021**
Liabilities for rights of use		
Lease liabilities (Premises and ATMs)	107,313	115,796
Total liabilities for rights of use	**$107,313**	**$115,796**

For its operation and in line with its expansion process, the Bank leases offices nationwide.

At the end of December 2022, right-of-use assets recorded a balance of $98,757 and lease liabilities of $107,313, which includes the provision for decommissioning.

As of December 31, 2022, the following is the detail of the immobilized right of use.

Assets

Item	2022	Movement Year 2022	2021
Right-of-use premises	130,136	544	129,592
Right-of-use ATMs	73,701	15,384	58,317
Depreciation right-of-use premises	(91,415)	(20,690)	(70,725)
Depreciation right-of-use premises terminated leases	9,277	1,348	7,929
Depreciation right-of-use ATMs	(23,188)	(7,131)	(16,057)
Depreciation right-of-use ATMs terminated leases	246	178	68
Total	**$ 98,757**	**$(10,367)**	**$109,124**

Liabilities

Item	2022	Movement Year 2022	2021
Lease liabilities Premises	51,960	(17,973)	69,933
Lease liabilities ATMs	55,353	9,490	45,863
Total	**$107,313**	**$(8,483)**	**$115,796**

Amounts recognized in the separate statement of income:

Item	2022	2021
Interest on lease liabilities	$ 7,954	$ 8,320
Real estate rental expenses	2,581	2,294
Depreciation right to use ATMs	20,690	20,695
Depreciation right of use of premises	7,131	5,808

There are differences between the value of the accumulated depreciation against the expense for this concept, due to contracts that were terminated during the year, a cashier contract and thirteen contracts for premises during 2022.

Maturity analysis - non-discounted contractual cash flows at December 31:

Lease Liabilities for Premises	2022	2021
No more than one year	$ 1,208	$23,416
More than one year and less than three years	26,079	39,642
More than three years and less than five years	5,875	12,917
More than five years	24,012	2,643
Total undiscounted lease liabilities	**$ 57,174**	**$ 78,618**
Lease liabilities for ATMs	**2022**	**2021**
No more than one year	$22,969	$ 8,396
More than one year and less than three years	20,183	16,261
More than three years and less than five years	19,542	14,860
More than five years	10,579	22,570
Total undiscounted lease liabilities	**$ 73,273**	**$ 62,087**

The Group as a lessee

Lease commitments: The Group, for its functioning and according to its expansion process, leases offices at the national level by entering into agreements with the terms listed in the table below:

Range	2022	2021
One year or less	14,553	4,549
From one to five years	7,611	64,667
More than five years	45,146	15,423
Total	**$ 67,310**	**$ 84,639**

The lease rates are adjusted as agreed in the lease contract and/or as legally required. The expense recognized for the years ended December 31, 2022 and December 31, 2021 was $ 67,310 and $ $84,639, respectively.

We keep track of market movements in order to make strategic decisions that favor our clients' investments and generate confidence in our value groups.

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 ratio, reduce the regulatory capital consumption of the balance sheet, optimize the solvency ratio and create opportunities for growth in the placement of a new portfolio at better rates on the market.

In this sense, it is the Bank's policy to select customers that will allow the efficient performance of the transaction, for which it chooses sound portfolios.

Productive portfolio securitization: During 2022, the Bank did not participate in securitization processes.

The balances of the current issuances and portfolio in which the Bank has participated at December 31 are as follows:

	2022		2021	
Emisión	**Managed portfolio – total principal**	**Balances in BBVA TIPS securities**	**Managed portfolio – total principal**	**Balances in BBVA TIPS securities**
TIPS N-6	$-	$-	$7,681	$11,122
TIPS N-16	45,136	18,409	59,764	20,158
Total	**$45,136**	**$ 18,409**	**$ 67,445**	**$31,280**

Portfolio buyback: In 2022, 323 loans were repurchased from Titularizadora Colombiana S.A. of the N6 PESOS and N16 PESOS issues, for a value of $10,624 per principal amount, which include repurchases due to requests for rate reductions, remodeling 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 credits	1	248	3	48	19	-	1	-	1	-	-	2	323
Total balance of principal	$ 51	$7,630	$172	$ 1,866	$806	$ -	$64	$ -	$ 6	$ -	$-	$19	10,624
Total balance of debt	$ 51	$ 9,456	$172	$2,163	$895	$ -	$64	$ -	$18	$ -	$-	$19	12,838

Portfolio buyback: In 2021, 130 credits were bought back from Titularizadora Colombiana S.A. of Issuances TIPS E9 PESOS, TIPS E10 PESOS, TIPS E11 PESOS, E12 PESOS, N6 PESOS and N16 PESOS, for a total of $ 3,383, which include buybacks due to the request to decrease rates, refurbishment and write-offs, as well as the settlement of the E9, E10, E11 and E12 issues, with payment in kind, of a total of 103 obligations.

Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of credits	-	6	3	5	3	1	-	-	1	3	104	4	130
Total balance of principal	$ -	$ 586	$ 67	$304	$ 45	$ 103	$ -	$ -	$ 16	$ 128	$1,901	$233	3,383
Total balance of debt	$ -	$ 616	$ 72	$373	$ 49	$ 103	$ -	$ -	$ 16	$ 129	$3,026	$235	4,619

History of productive portfolio securitization

TIPS N-6 Pesos - In August 2012, portfolio representative TIPS N6 Pesos Non-LIH were issued; they were originated by BBVA Colombia S.A. for a total of $ 213,130 represented in 2,847 credits and Davivienda S.A. amounting to $ 155,867, represented in 1,661 credits.

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 $ 186,489.

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 $ 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+, CCC and CC, respectively.

TIPS N-16 Pesos - In November 2017, TIPS N16 Pesos was issued, representing social-interest and non-social interest mortgage loans originated by BBVA Colombia S.A. for a total of $ 167,252, by Bancolombia for $ 105,599 and by Davivienda S.A. for $ 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.

12.
Fair value

Fair Value Measurement

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 the entity 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, the Company 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.

The Group 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, the Group uses market prices and methodologies as a basis to establish the fair values of its financial instruments, which are provided by the valuation price vendor "Precia S.A.", selected by the Group and authorized by the Financial Superintendence of Colombia to do so.

When there is no listed price on an active market, the Group 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, that would have been determined by market participants separately.

In the case of financial instruments that are traded infrequently, 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.

The Group discloses transfers between the levels of fair value hierarchy at the end of the period during which the change occurred. At December 31, 2022 and 2021, there were no transfers of financial instruments measured at fair value between the levels of hierarchy.

Valuation techniques

The Group 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 Group shall use, as the case may be, the following approaches according to IFRS 13 to measure the fair value of financial instruments:

Market approach - wListed 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 – The Group 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.

- Equities that belong to other references and that are assets with low liquidity because they are low marketability shares and are not valued by an Official Price Vendor are conditioned by the internal valuation assumptions and thus, are classified at levels 2 and 3.

Determining what falls under the term "observable" requires significant use of judgment by the Group. 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.

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 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.

We have a highly qualified human team in the management of the different financial instruments that the Bank has today in order to maintain its leadership and vanguard.

The following is a summary of the methods and forms of valuation of investments in equity instruments:

Investments in Equity Instruments	Levels	Approach	
		December 31, 2022	December 31, 2021
Credibanco S.A.	3	Income	Income
Redeban Multicolor S.A.	3	Income	Income
ACH Colombia S.A.	3	Income	Income

For listed investments, the Colombian Stock Exchange S.A. updates the fair value on a monthly basis taking into account the price quoted on the stock exchange on the last day of the month published by our price vendor Precia S.A.

The following is a detail of the analysis of the sensitivity of changes in the Group's investments in equity instruments:

Entity	Variables	Variation	Present Value Adjusted by Discount Rate			
			December 31, 2022		December 31, 2021	
			Favorable Impact	Unfavorable Impact	Favorable Impact	Unfavorable Impact
Credibanco S.A.	Income	+/ - 1%	106.43	97.3	100.4	93.83
	Growth in residual values after 5 years	+/ - 1% of gradient	108.08	96.58	99.38	94.97
	WACC discount interest rates	+/ - 50PB	106.93	97.13	96.41	97.83
Redeban Multicolor S.A.	Income	+/ - 1%	19,297.02	14,165.96	22,039.33	16,349.43
	Growth in residual values after 10 years	+/ - 1% of gradient	17,830.80	15,661.07	20,830.44	17,853.29
	Cost of equity rate	-+PB50	17,466.83	15,909.54	20,106.86	18,333.18
ACH Colombia S.A.	Income	+/ - 1%	186,254.38	138,792.80	139,048.80	134,044.86
	Growth in residual values after 5 years	+/ - 1% of gradient	187,467.46	139,096.07	147,388.70	125,676.22
	Discount Rate	+/ - 50PB	186,709.29	139,854.24	146,023.90	128,434.39

The fair value of the products corresponds to assumptions of compliance of the products, as in the case of the portfolio that has implicit prepayment assumptions; on the other hand, the demand and time deposits have assumptions on their maturity. Additionally, they are discounted by a market curve, including an effect such as credit spread that applies to the portfolio and deposits.

Valuation sensitivity at hierarchy level 3 - Investments at fair value through OCI Equity instruments

Investments classified at Level 3 have significant non-observable input. Level 3 instruments mainly include investments in equity instruments, which are not traded on the stock market. Since observable prices are not available for these securities, the Group has used valuation techniques, such as discounted cash flow from dividends, to obtain the fair value thereof. The Group has equity investments in various entities holding less than a 20% share of the entity's equity. These investments are acquired because they are mandatory for the development of the operations, such as BVC (Bolsa de Valores de Colombia), ACH Colombia S.A, Redeban and FINAGRO, among others.

The discounted flow of dividends methodology shall be applied on the following financial assets classified at hierarchy level 3:

	BBVA valuation			**Long-term rate**			**NPV dividends**		
	Upper limit	Lower limit	Average	Upper limit	Lower limit	Average	Upper limit	Promedio	Limite Superior
FINAGRO	30,828,250	30,595,623	30,367,170	0.34%	0.35%	0.35%	215,563,332	214,937,908	214,316,475
Total	**30,828,250**	**30,595,623**	**30,367,170**	**0.342%**	**0.346%**	**0.349%**	**215,563,332**	**214,937,908**	**214,316,475**
Average	**$ 30,828,250**	**$ 30,595,623**	**$ 30,367,170**	**0.342%**	**0.346%**	**0.349%**	**$ 215,563,332**	**$214,937,908**	**$ 214,316,475**

		Lower limit	**Average**	**Upper limit**
Ke FINAGRO	30,595,623	26.92%	27.17%	27.42%
		26.92%	**27.17%**	**27.42%**

Sensitivity analysis: The Ke rate was sensitized using the criteria CPI +25 basis points/-25 basis points.

Sensitivity analysis: The variable to be sensitized during the period was the Ke discount rate; the particular component to be sensitized was inflation. This process took into account the estimates of the Bank's Research Department and the expectations of change in the Central Bank's intervention rate.

It is important to mention that the Group's investments include investments in financial service institutions and in FINAGRO. This means that the variables that make up the discount rate are different for the two types of investments.

Additionally, it is important to briefly mention the methodology to measure the entities. On one hand, there are the financial service institutions, which basically reflect the upward trend of the latest of each of the entities, always adjusted using the inflation variable estimated by Research. On the other, the valuation of FINAGRO is not only in line with the evolution of the figures, but also represents growth in the investment portfolio, and the statement of income is simulated using the DTF provided by Research, because it is the variable at which FINAGRO issues its securities.

Loan portfolio and lease transactions and deposits in customer accounts

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.

In the case of the loan portfolio, the capital cash flows are constructed based on the contractual agreement with the customer and the cash flows for interest payments are also projected. These cash flows are adjusted for balance reductions due to customer prepayments, which are modeled based on historical information. Finally, the fair value is the discounted value of cash flows using the Colombian market risk-free curve.

In turn, deposits in customer accounts are segmented into term deposits and demand deposits. For the term deposits, the contractually agreed cash flows are deducted using current market rates. For the maturity of demand deposits, assumptions are made on their maturity based on the historical modeling of opening and cancellation. The flows discounted at market rates are also projected..

Balances at December 31, 2022

	December 31, 20222				
Assets	**Book Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Commercial Portfolio	29,041,974	25,749,626	-	-	25,749,626
Mortgage Portfolio	24,693,369	12,382,475	-	-	12,382,475
Consumer Portfolio	13,932,745	25,290,698	-	-	25,290,698
Total Loan Portfolio	**$67,668,088**	**$63,422,799**	**$-**	**$-**	**$ 63,422,799**
Agricultural Investment Securities	1,866,903	1,872,424	-	-	1,872,424
Solidarity Securities	1,137,220	1,125,114	-	-	1,125,114
Mortgage-backed securities - TIP's	2,942	4,045	-	-	4,045
Available-for-sale investments	**$3,007,065**	**$3,001,583**	**$-**	**$-**	**$ 3,001,583**
Total portfolio and investments	**$ 70,675,153**	**$66,424,382**	**$-**	**$-**	**$ 66,424,382**

Liabilities	Book Value	Fair Value	Level 1	Level 2	Level 3
Demand deposits	40,582,668	40,582,668	-	-	40,582,668
Term deposits	28,562,696	25,828,602	-	-	25,828,602
Total customer deposits	**$69,145,364**	**$ 66,411,270**	**$-**	**$-**	**$66,411,270**

Balances at December 31, 2021

	December 31, 2021				
Assets	**Book Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Commercial Portfolio	21,559,741	20,693,191	-	-	20,693,191
Mortgage Portfolio	13,362,187	14,021,552	-	-	14,021,552
Consumer Portfolio	20,807,836	24,079,575	-	-	24,079,575
Total Loan Portfolio	**$ 55,729,764**	**$ 58,794,318**	**$ -**	**$ -**	**$58,794,318**
Agricultural Investment Securities	973,360	953,111	-	-	953,111
Solidarity Securities	1,097,564	1,092,674	-	-	1,092,674
Mortgage-backed securities - TIP's	12,448	14,865	-	-	14,865
Available-for-sale investments	**$2,083,372**	**$2,060,650**	**$ -**	**$ -**	**$ 2,060,650**
Total portfolio and investments	**$ 57,813,136**	**$60,854,968**	**$ -**	**$ -**	**$ 60,854,968**

Liabilities	**Book Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Demand deposits	41,143,827	41,143,827	-	-	41,143,827
Term deposits	18,022,109	18,196,248	-	-	18,196,248
Total customer deposits	**$ 59,165,936**	**$ 59,340,075**	**$ -**	**$ -**	**$59,340,075**

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.

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 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.

Financial obligations and other liabilities

As for financial obligations and other short-term liabilities, the carrying value was considered to be the fair value, since it is mainly indexed by variable interest rates.

Fair value hierarchy of the Group's financial instruments

Debt Securities in Local Currency

Investments in debt securities are valued on a daily basis and their results are also recorded daily.

The Group 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 entity, which have been determined using the market base. The securities that meet these conditions are classified as Level 1 of the fair value hierarchy.

In the case of instruments that are not 100% observable on the market, whose price is determined according to other inputs provided by the price vendor, such as market interest rates, the fair values are based on alternative discounted cash flow valuation techniques, and the entity will classify these instruments at level 2.

Investments in financial instruments are measured 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 indicator's re-price date. These securities are classified as Level 3 of the fair value hierarchy.

Debt Securities in Foreign Currency

In the first place, 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 Superintendence for this purpose, in which case the fair value hierarchy will be level 1.

In the absence of market prices on the part of the official price vendor, the prices determined by international markets, published by Bloomberg will be used; since they are observable on a financial information platform known by all market agents, they 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 calculated at the time of the purchase and recalculated on the coupon payment dates of the variable indicator if applicable. Securities calculated based on the latter model (IRR) will be classified as Level 3; the Group currently holds securities under this TIPS model.

Derivative Financial Instruments

According to the basic Basic Accounting and Financial Circular (External Circular 100/1995) chapter XVIII of the Financial Superintendence, transactions with derivatives are defined as contracts between two or more parties to purchase or sell financial instruments at a future date, or contracts where the underlying asset is a spot price or index. The Group carries out transactions with commercial purposes or hedging purposes in forwards, options, swaps and futures contracts.

All derivatives are measured at fair value. Changes in fair value are recognized in the consolidated statement of income.

For the derivative financial instruments listed below, except for futures, it calculates fair value based on listed market prices of comparable contracts and represents the amount that the entity would have received from or paid to a counterparty to write-off the contract at market rates on the date of the consolidated statement; therefore, they are classified in level 2 of the fair value hierarchy:

- **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, they are classified in level 1 of the fair value hierarchy.

- **FX Forward (Fwd)**

  Discounted cash flow is the valuation model used, using curves assigned in accordance with the source currency of the underlying asset. These market inputs are published by Precia, the official price vendor, based on observable market information.

- **Interest and Exchange Swaps**

  The valuation model is 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 the information published by Precia, the official price vendor.

- **European Options - USD/$**

  The valuation model is based on the Black Scholes methodology using the variables provided by the official price vendor. These variables are mainly curves assigned according to the functionary 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.

The Group has 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 shown below and the fair value hierarchy of derivatives recorded at fair value is detailed.

Fair value hierarchy of financial assets and liabilities in 2022

Assets and Liabilities	December 31, 2022				
Hierarchies	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets	$ 15,824,319	$ 15,824,319	$ 4,368,366	$ 11,147,798	$ 308,155
Assets at fair value measured on a recurring basis	15,824,319	15,824,319	4,368,366	11,147,798	308,155
Investments at fair value	5,763,051	5,763,051	4,368,366	1,086,530	308,155
Investments at fair value through profit or loss	2,216,381	2,216,381	1,155,380	1,061,001	-
Bonds	46,454	46,454	-	46,454	-
Certificate of deposit	998,126	998,126	-	998,126	-
Treasury securities – TES	1,164,117	1,164,117	1,155,380	8,737	-
Other domestic issuances	7,684	7,684	-	7,684	-
Investments at amortized cost	3,546,670	3,546,670	3,212,986	25,529	308,155
Bonds	4,064	4,064	-	4,064	-
Treasury securities - TES	3,176,552	3,176,552	3,176,552	-	-
Certificate of deposit	21,465	21,465	-	21,465	-
Mortgage securities - TIPS	14,364	14,364	-	-	14,364
Equity Instruments investments	330,225	330,225	36,434	-	293,791
Bolsa de Valores de Colombia S.A.	36,434	36,434	36,434	-	-
Credibanco	116,366	116,366	-	-	116,366
Redeban S.A.	26,913	26,913	-	-	26,913
ACH Colombia	119,916	119,916	-	-	119,916
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	30,596	30,596	-	-	30,596
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	2,605,860	2,605,860	-	2,605,860	-
Cash transactions	147	147	-	147	-
Options	49,118	49,118	-	49,118	-
Swaps	6,836,967	6,836,967	-	6,836,967	-
Hedging	569,176	569,176	-	569,176	-
Swaps	569,176	569,176	-	569,176	-
Liabilities	10,191,285	10,191,285	-	10,191,285	-
Liabilities at fair value measured on a recurring basis	10,191,285	10,191,285	-	10,191,285	-
Derivative Financial Instruments and (Liability) Cash Transactions	10,191,285	10,191,285	-	10,191,285	-
Trading	10,191,285	10,191,285	-	10,191,285	-
Forward Contracts	2,918,594	2,918,594	-	2,918,594	-
Cash transactions	467	467	-	467	-
Options	49,179	49,179	-	49,179	-
Swaps	7,223,045	7,223,045	-	7,223,045	-

Hierarchies	Carrying Value	Amortized Cost	Level 1	Level 2	Level 3
Assets	11,765,954	11,765,954	9,390,148	922,548	-
Assets measured on a non-recurring basis	11,765,954	11,765,954	9,390,148	922,548	-
Cash, cash balances in central banks and other demand deposits	10,312,696	10,312,696	9,390,148	922,548	-
Cash and deposits in banks	9,390,148	9,390,148	9,390,148	-	-
Investment funds	24,979	24,979	-	24,979	-
Money market and related transactions	897,569	897,569	-	897,569	-
Others	1,453,258	1,453,258	-	-	-
Advances to contracts and suppliers	203,561	203,561	-	-	-

Accounts receivable (net)	1,249,697	1,249,697	-	-	-
Liabilities	9,115,437	9,115,437	-	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 credits and other financial obligations	5,370,684	5,370,684	-	-	5,370,684
Others	1,067,963	1,067,963	-	-	-
Accounts payable	802,359	802,359	-	-	-
Other Liabilities	265,604	265,604	-	-	-
Total assets and liabilities at fair value	**$ 46,896,995**	**$ 46,896,995**	**$ 13,758,514**	**$ 24,938,421**	**$ 5,678,839**

Fair value hierarchy of financial assets and liabilities in 2021:

Assets and Liabilities	December 31, 2021				
Hierarchies	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets	$ 8,480,595	$ 8,495,460	$ 3,856,489	$ 4,301,422	$ 337,549
Assets at fair value measured on a recurring basis	8,480,595	8,495,460	3,856,489	4,301,422	337,549
Investments at fair value	5,189,615	5,204,480	3,856,489	1,010,442	337,549
Investments at fair value through profit or loss	2,766,217	2,766,217	1,795,164	971,053	-
Bonds	105,301	105,301	45,343	59,958	-
Certificate of deposit	545,583	545,583	-	545,583	-
Treasury securities – TES	2,107,139	2,107,139	1,741,627	365,512	-
Other domestic issuances	8,194	8,194	8,194	-	-
Investments at amortized cost	2,423,398	2,438,263	2,061,325	39,389	337,549
Certificate of deposit	9,954	9,954	-	9,954	-

Treasury securities - TES	2,039,057	2,039,057	2,009,622	29,435	-
Mortgage securities - TIPS	16,112	30,977	-	-	30,977
Equity Instruments investments	358,275	358,275	51,703	-	306,572
Bolsa de Valores de Colombia S.A.	51,703	51,703	51,703	-	-
Credibanco	110,983	110,983	-	-	110,983
Redeban S.A.	30,993	30,993	-	-	30,993
ACH Colombia	96,480	96,480	-	-	96,480
Central Counterparty Risk Clearing House	2,212	2,212	-	-	2,212
Fondo para el Financiamiento del Sector Agropecuario "FI-NAGRO"	65,904	65,904	-	-	65,904
Derivative financial instruments and (asset) cash transactions	3,290,980	3,290,980	-	3,290,980	-
Trading	2,960,451	2,960,451	-	2,960,451	-
Forward Contracts	1,265,012	1,265,012	-	1,265,012	-
Cash transactions	3,170	3,170	-	3,170	-
Options	7,756	7,756	-	7,756	-
Swaps	1,684,513	1,684,513	-	1,684,513	-
Hedging	330,529	330,529	-	330,529	-
Swaps	330,529	330,529	-	330,529	-
Liabilities	3,454,784	3,454,784	-	3,454,784	-
Liabilities at fair value measured on a recurring basis	3,454,784	3,454,784	-	3,454,784	-
Derivative Financial Instruments and (Liability) Cash Transactions	3,454,784	3,454,784	-	3,454,784	-
Trading	3,454,784	3,454,784	-	3,454,784	-
Forward Contracts	1,194,587	1,194,587	-	1,194,587	-
Cash transactions	789	789	-	789	-
Options	7,863	7,863	-	7,863	-
Swaps	2,251,545	2,251,545	-	2,251,545	-

Hierarchies	Carrying Value	Amortized Cost	Level 1	Level 2	Level 3
Assets	12,416,207	12,416,207	10,268,716	760,962	-
Assets measured on a non-recurring basis	12,416,207	12,416,207	10,268,716	760,962	-
Cash, cash balances in central banks and other demand deposits	11,029,678	11,029,678	10,268,716	760,962	-
Cash and deposits in banks	10,268,716	10,268,716	10,268,716	-	-
Investment funds	24,140	24,140	-	24,140	-
Money market and related transactions	736,822	736,822	-	736,822	-
Others	1,386,529	1,386,529	-	-	-
Advances to contracts and suppliers	139,803	139,803	-	-	-
Accounts receivable (net)	1,246,726	1,246,726	-	-	-
Liabilities	6,414,856	6,414,856	-	2,388,531	2,974,166
Investment securities	2,388,531	2,388,531	-	2,388,531	-
Outstanding Investment Securities	2,388,531	2,388,531	-	2,388,531	-
Financial Obligations	2,974,166	2,974,166	-	-	2,974,166
Bank credits and other financial obligations	2,974,166	2,974,166	-	-	2,974,166
Others	1,052,159	1,052,159	-	-	-
Accounts payable	712,760	712,760	-	-	-
Other Liabilities	339,399	339,399	-	-	-
Total assets and liabilities at fair value	**$ 30,766,442**	**$ 30,781,307**	**$ 14,125,205**	**$ 10,905,699**	**$ 3,311,715**

The Group discloses transfers between the levels of fair value hierarchy at the end of the period during which the change occurred. In 2022 and 2021, there were no transfers of financial instruments measured at fair value between the levels of hierarchy.

13.
Financial instruments, hedging derivatives and cash transactions (asset)

For this class of financial instrument, the difference in valuation between previous GAAP and the IFRS is the incorporation of the credit risk in each transaction, which is known as the CVA and DVA (credit or debit value adjustments), as applicable.

The financial instruments traded by BBVA are classified as assets or liabilities (see Note 28) according to their results. At December 31, the balance of this account classified as an asset is summarized as follows:

Item	Notional Value		Fair Value	
FORWARD TRANSACTIONS	**2022**	**2021**	**2022**	**2021**
Purchase on foreign currency				
Rights	$27,099,936	$ 32,647,678	$27,932,708	$32,287,857
Obligations	-	-	(26,129,743)	(31,119,626)
Sale on foreign currency				
Rights	41,092,945	12,058,014	39,999,670	11,911,191
Obligations	-	-	(39,195,858)	(11,813,588)
Less credit risk	-	-	(916)	(822)
Total forward contracts	**$ 68,192,881**	**$ 44,705,692**	**$ 2,605,861**	**$ 1,265,012**

	Notional Value		Fair Value	
CASH TRANSACTIONS	**2022**	**2021**	**2022**	**2021**
Purchase on foreign currency				
Rights	$8,361	$20,387	$8,413	$ 20,378
Obligations	-	-	(8,321)	(20,369)
Sales on foreign currency				
Rights	-	333,891	-	330,788
Obligations	-	-	-	(327,765)

Purchase on securities				
Rights	26,547	11,352	20,753	11,229
Obligations	-	-	(20,733)	(11,212)
Sales on securities				
Rights	53,130	42,670	40,424	41,481
Obligations	-	-	(40,389)	(41,360)
Less CVA credit risk			-	-
Total cash transactions	**88,038**	**408,300**	**147**	**3,170**

	Notional Value		Fair Value	
Options	**2022**	**2021**	**2022**	**2021**
Options on foreign currencies purchased - put:				
Purchase - Put	514,897	206,178	11,764	2,515
Options on foreign currencies purchased - call:				
Purchase - Call	766,208	179,598	37,433	5,349
Less CVA credit risk	-	-	(79)	(108)
Total fair exchange price	**1,281,105**	**385,776**	**49,118**	**7,756**

	Notional Value		Fair Value	
Swaps	**2022**	**2021**	**2022**	**2021**
On interest rates:				
Rights	63,089,163	75,190,549	13,408,911	6,629,391
Obligations	-	-	(9,420,663)	(5,646,979)
On currencies				
Rights	9,776,825	8,873,792	12,887,758	8,725,019
Obligations	-	-	(10,017,033)	(8,012,182)
Less CVA credit risk	-	-	(22,007)	(10,736)
Total swaps	**72,865,988**	**84,064,341**	**6,836,966**	**1,684,513**

	Notional Value		Fair Value	
Futures	**2022**	**2021**	**2022**	**2021**
Purchase on foreign currency				
Rights	8,070,501	6,134,009	8,070,501	6,134,009
Obligations	-	-	-8,070,501	-6,134,009
Sale on foreign currency				
Rights	13,237,057	6,413,140	13,237,057	6,346,629
Obligations	-	-	-13,237,057	-6,346,629
Total futures	**21,307,558**	**12,547,149**	**-**	**-**
Total cash transactions and derivatives	**$ 163,735,570**	**$ 142,111,258**	**$ 9,492,092**	**$ 2,960,451**

Hereinafter is the information on the value of CVA and DVA broken down by product, showing the product with the greatest impact for 2022 and 2021, respectively. Swaps represent 95.71% of the total CVA and DVA, also due to the higher volume and volatility in the rate and macroeconomic changes of transactions contracted up to 2022.

At December 31, 2022 and 2021, the total CVA (Credit Value Adjustments) and DVA (Debit Value Adjustments) were $29,178 and $11,519, respectively. The most significant counterparties are as follows:

Producto	2022	2021
	CVA	
FW FOREIGN CURRENCIES	$ 20	$ 46
FW US DOLLARS	896	776
OPTIONS	79	108
SWAP	22,007	10,736
TOTAL	**$ 23,002**	**$ 11,666**
	DVA	
FW FOREIGN CURRENCIES	$ 27	$ 29
FW US DOLLARS	1,149	386
OPTIONS	8	2
SWAP	27,994	11,102
TOTAL	**$ 29,178**	**$ 11,519**

Derivative transactions are basically covered with cross forwards

The Group has carried out forward transactions on foreign currencies and securities, showing on the latter an increase by the end of 2022 in relation to the previous year. This is due to the increase in the trading transactions of said portfolio, going from 38 transactions in the previous year to 40 contracts for the year 2022. In addition to the foregoing, it signed contracts for transactions with futures derivatives on national bonds at the official exchange rate and standardized forwards, options on currencies, swaps on currencies and swaps on interest rates which are valued in accordance with the provisions of Chapter XVIII of the Basic Accounting and Financial Notice (CBCF, for the Spanish original).

As a general policy for derivative transactions, the Bank is ruled by the standards issued by the Financial Superintendence of Colombia and it takes into account the restrictions and limits of proprietary position, the spot proprietary position, the leveraging position, and the interest rates established by the BBVA Group.

As a general policy for derivative transactions, the bank must comply with the instructions of Chapter XVIII, "Derivative Financial Instruments and Structured Products," of the CBCF (Public Notice 100 /95) of the Superintendence of Colombia in relation to transactions with derivative financial instruments and structured products that they are allowed to carry out, in accordance with the provisions of Decree 2555/2010 and their respective regulatory regimes.

As of December 31, 2022 and 2021, derivative transactions do not have any legal or financial charges, restrictions or encumbrances, nor any pledges, liens, litigation or any other limitation on the exercise of the rights inherent to these transactions.

The increase in both rights and obligations of the foreign currency forwards and futures contracts is a result of the fluctuations of the exchange rate throughout the year 2022.

At December 31, 2022, the breakdown of transactions with derivative financial instruments was as follows:

Maturity in Days							
Value Right	**Value Obligation**	**Net Result**	**Mínimo**	**Máximo**	**Vr. Derecho**	**Vr. Obligación**	**Neto Resultado**
Currency forward	Purchase	USD/COP	2	3,428	$ 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	XN/USD	30	44	5,020	(4,464)	556
	Purchase	NH/USD	30	149	192,191	(194,075)	(1,883)
	Sale	USD/COP	2	1,670	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 on 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 on currency					**50,122**	**(50,186)**	**(65)**
Total					**50,122**	**(50,186)**	**(65)**
Financial options	Purchase - PUT	USD/COP	5	727	11,761	-	11,761
	Purchase - CALL	USD/COP	5	727	37,364	-	37,364
	Sale - PUT	USD/COP	5	727	-	(11,761)	(11,761)
	Sale - CALL	USD/COP	5	727	-	(37,426)	(37,426)
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 swap on interest rates					**21,875,400**	**(22,181,758)**	**(306,357)**
Currency swap	CCS	EUR	-	-	-	-	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)**

Swap on currencies hedging	CCS	COP	842	842	1,654,118	(1,084,942)	569,176
Total swap on currencies hedging					**1,654,118**	**(1,084,942)**	**569,176**
Total swap					**46,776,496**	**(46,593,373)**	**183,123**
TOTAL					**225,552,196**	**(225,681,929)**	**(129,734)**

As of December 31, 2021, the composition of operations with derivative financial instruments was as follows:

Maturity in Days							
Value Right	**Value Obliga-tion**	**Net Result**	**Mínimo**	**Máximo**	**Vr. Derecho**	**Vr. Obligación**	**Neto Resultado**
Currency forward	Purchase	USD/COP	3	2975	$ 50,949,703	$ (49,841,601)	$ 1,108,102
	Purchase	EUR/COP	21	223	12,370	(12,248)	122
	Purchase	EUR/USD	13	1109	392,404	(402,486)	(10,082)
	Purchase	GBP/USD	41	41	1,152	(1,145)	7
	Purchase	JPY/USD	11	161	15,779	(16,154)	(375)
	Purchase	MXN/USD	49	409	6,284	(6,137)	147
	Purchase	SEK/USD	7	7	10,863	(10,819)	44
	Purchase	CNH/USD	117	332	259,482	(256,775)	2,707
	Purchase	GBP/COP	41	41	1,694	(1,673)	21
	Purchase	CAD/COP	56	56	4,492	(4,404)	88
	Sale	USD/COP	3	2035	56,141,734	(57,170,845)	(1,029,111)
	Sale	COP/EUR	3	362	97,388	(95,989)	1,399
	Sale	COP/GBP	41	41	1,130	(1,152)	(22)
	Sale	COP/SEK	7	7	10,937	(10,863)	74
	Sale	COP/CNH	117	332	251,206	(259,477)	(8,271)

	Sale	USD/EUR	13	1109	81,746	(76,186)	5,560
	Sale	USD/GBP	41	41	1,663	(1,694)	(31)
	Sale	COP/JPY	3	161	15,694	(15,779)	(85)
	Sale	USD/CAD	56	56	4,639	(4,492)	148
	Sale	USD/MXN	49	409	6,133	(6,148)	(15)
Total currency forward					**108,266,493**	**(108,196,067)**	**70,427**
Spot on currency	Purchase	USD/COP	3	4	114,085	(114,807)	(722)
	Purchase	EUR/COP	3	3	2,816	(2,817)	(1)
	Sale	USD/COP	3	3	330,788	(327,766)	3,022
Total spot on currency					**447,689**	**(445,390)**	**2,299**
Spot on securities	Purchase	COP	-361	3	48,718	(48,723)	(5)
	Sale	COP	-44561	3	68,379	(68,291)	88
Total spot on securities					**117,097**	**(117,014)**	**83**
Total spot					**564,786**	**(562,404)**	**2,382**
Financial options	Purchase - PUT	USD/COP	5	1092	2,515	-	2,515
	Purchase - CALL	USD/COP	5	1092	5,241	-	5,241
	Sale - PUT	USD/COP	5	1092	-	(2,514)	(2,514)
	Sale - CALL	USD/COP	5	1092	-	(5,348)	(5,348)
Total financial options					**7,756**	**(7,862)**	**(106)**
Interest rate swap	IRS	COP	3	5450	18,887,693	(20,108,967)	(1,221,274)
	IRS	USD	4	3391	7,801,996	(7,147,756)	654,240

Total swap on interest rates					**26,689,689**	**(27,256,723)**	**(567,034)**
Swap on currencies hedging	CCS	COP	1207	1207	1,482,378	(1,151,849)	330,529
Total swap on currencies hedging					**1,482,378**	**(1,151,849)**	**330,529**
Total swap					**28,172,067**	**(28,408,572)**	**(236,505)**
	Sale	COP			**168,912**	**(168,912)**	-
Total futures					**168,912**	**(168,912)**	**-**
TOTAL					**$ 137,180,014**	**$ (137,343,817)**	**$ (163,802**

The collateral received and delivered in derivative transactions at December 31, were:

Counterparty	DIV	2022	2021
Assets			
Banco Santander Central Hispano	EUR	-	212,415
Banco Santander S.A. NY	EUR	212,415	-
Banco Bancomer México	USD	3,460,000	2,820,000
BBVA Madrid [1]	USD	158,904,000	160,702,891

[1] The amount under BBVA Madrid corresponds to the collateral agreement on all the Bank's derivative transactions with this counterparty.

The financial collateral, regardless of the holder, instrumentation or other circumstances, is analyzed on a periodic basis to determine the credit risk to which they are exposed and, if necessary, to estimate the need to create a provision therefore.

Credit 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. At a certain point in the 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.

As of June 2016, the DVA (Debit Value Adjustment) calculation was introduced at the request of the Financial Superintendence of Colombia in the credit 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. This adjustment will report CVA of the counterparties whose portfolio value is positive for BBVA and DVA of portfolios with a negative value for the Group.

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 change in the reported CVA is mainly due to the high volatility that occurred in the second half of the year with a 27% devaluation in the USD/COP that generated increases in MtM in most of the derivatives traded in USD and EUR currencies.

In the case of DVA, the increase is mainly due to the high volatility in the second half of the year, increasing the MtM specifically with BBVA Madrid, with which hedges are made of exchange rate derivatives that were closed to customers, in order to reduce the sensitivity of market risk.

	Year	December-	Max Mill.	Min Mill.	Prom Mill.
CVA	2021	11,667	22,199	10,077	13,544
	2022	23,001	29,111	11,187	17,842
DVA	2021	11,518	24,088	11,006	13,211
	2022	29,178	36,202	11,152	20,941

13.1 Hedging derivatives

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.

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 has established fair value and cash flow hedges for USD 330 million, with which it intends to hedge the exchange rate risk and the interest rate risk in 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 in accordance with the nominal value agreed.

Transaction	Nominal Value	Tasa Derecho EA	Valor Nominal Obligación	Tasa Obligación EA	Valor Derecho 2022	Valor Obligación 2022	Otro Resultado Integral 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							**$ 228,514**

Transaction	Nominal Value	Tasa Derecho EA	Valor Nominal Obligación	Tasa Obligación EA	Valor Derecho 2021	Valor Obligación 2021	Otro Resultado Integral 2021
9217724	USD 40	9,98%	$ 129,200	4,88%	$ 179,682	$ 146,982	$ 32,701
9315701	USD 40	10,64%	124,000	4,88%	179,682	143,688	35,994
9346154	USD 40	10,71%	117,600	4,88%	179,682	136,536	43,146
Total							**$ 111,841**

- Fair value hedge accounting

It was designated at fair value because the obligation is indexed at the IBR (Reference Bank Indicator), which was 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 to say when a debt is acquired on the market today, it will be estimated at a rate similar to the reference rate.

Complying with national and international standards allows BBVA to fulfill its purposes and demonstrate its corporate values.

Transaction	Nominal Value of Right	EA Right Rate	Nominal Value of Obligation	EA Obligation Rate	Right Value 2022	Obligation value 2022	Other Comprehensive Income 2022
47936512	USD 70	4.87%	$ 226,100	IBR+3.19%	$ 350,873	$ 246,559	$ 104,314
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							**$ 340,662**

Transaction	Nominal Value of Right	EA Right Rate	Nominal Value of Obligation	EA Obligation Rate	Right Value 2021	Obligation value 2021	Other Comprehensive Income 2021
9217722	USD 70	4,87%	$ 226,100	IBR+3.19%	$ 314,444	$ 250,284	$64,160
9315699	USD 70	4,87%	217,000	IBR+3.57%	314,444	242,853	71,590
9346145	USD 70	4,87%	205,800	IBR+3.75%	314,444	231,506	82,938
Total							**$ 218,688**

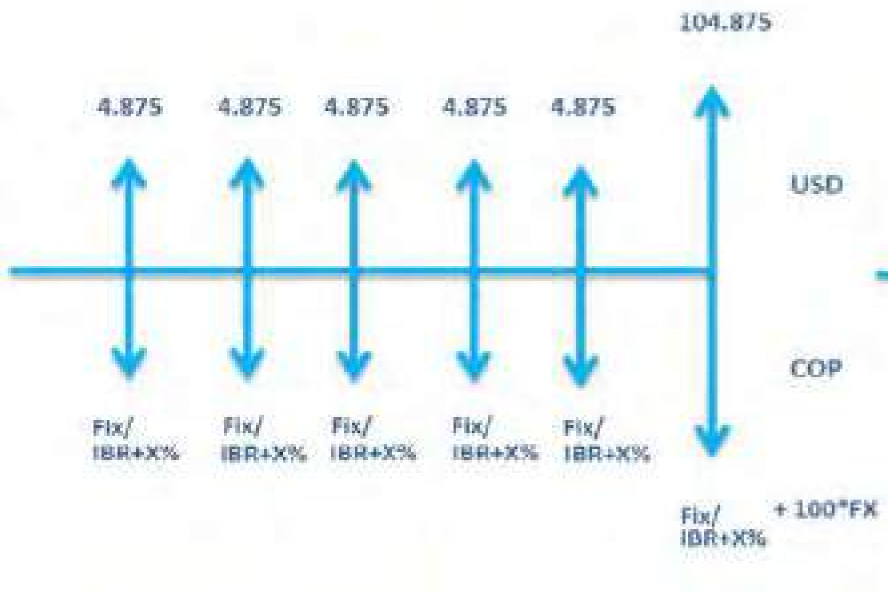
Measurement of Hedge Effectiveness

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."

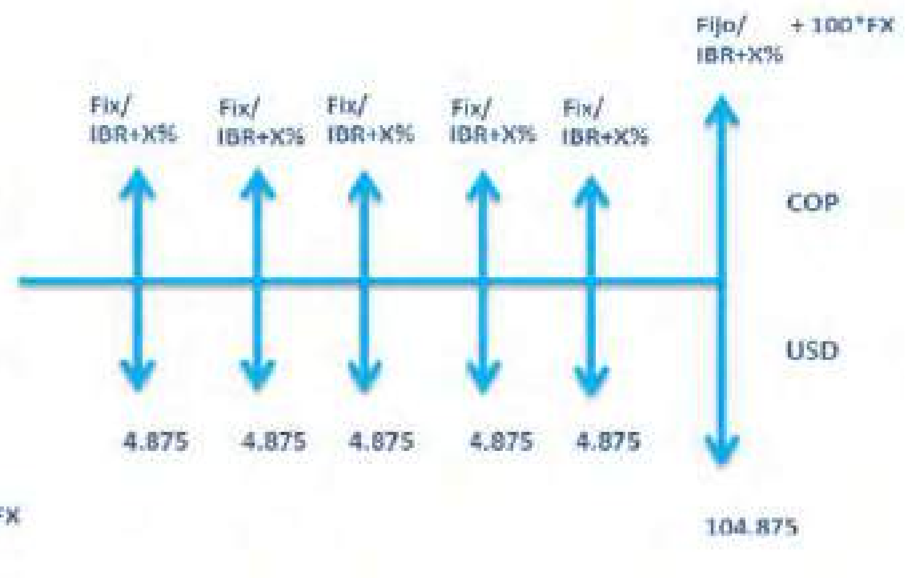
IFRS 9 Paragraph B6.5.5 indicates that "To calculate the change in the value of the hedged item for the purposes of measuring the hedge ineffectiveness, an entity can use a derivative with the conditions that match the fundamental conditions of the hedged item (which is commonly known as a hypothetical derivative)".

The hypothetical derivative is defined as the perfect mirror in which a leg is fully in line with the economic characteristics of the hedged item, therefore, it is the method used by the Bank to measure the effectiveness of its hedging instruments, concluding that it will be 100% effective over time.

Derivative



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.

At December 31, 2022 and 2021, the items of valuation and items of the cash flow hedging swap were recorded in Other Comprehensive Income (OCI) for $ 228,514 and $ 111,840, respectively. On the same dates, no reclassifications of equity were made to the statement of income for the year.

The accounting of hedging derivatives at December 31 2022 and 2021, is as follows::

Asset hedging - CCS swap Valuation
At December 31, 2022

Hedge Type	Currency	Value of Right	Value of Obligation	Statement of Financial Position	Statement of Comprehensive Income	Statement of Other Comprehensive Income
Fair Value	USD	$(1,052,620)	$ 711,959	$ 340,662	$ -	$ -
Cash flow		(601,497)	372,983	-	-	$ 228,514
			Total	$ 340,662	$ -	$ 228,514
			Total asset hedging			**$ 569,176**

At December, 2021

Hedge Type	Currency	Value of Right	Value of Obligation	Statement of Financial Position	Statement of Comprehensive Income	Statement of Other Comprehensive Income
Fair Value	USD	$ (943,331)	$ 724,643	$ 218,688	$ -	$ -
Cash flow		(539,046)	427,206	-	-	111,840
			Total	$ 218,688	$ -	$ 111,840
			Total asset hedging			**$ 330,529**

Passive hedging - CCS swap 2022
Interest accrual

Hedge Type	Currency	Value of Right	Value of Obli-gation	Statement of Financial Posi-tion	Statement of Com-prehensive Income	Statement of Other Comprehensive In-come
Cash flow		-	-	-	2,099	$ (2,099)
			Total	-	2,099	$ (2,099)
			Total active hedging			**$ -**

Passive hedging - CCS swap 2021

Hedge Type	Currency	Value of Right	Value of Obligation	Statement of Financial Position	Statement of Comprehensive Income	Statement of Other Comprehensive Income
Fair Value	USD	$ -	$ -	$ -	$ -	$ -
Cash Flow		-	-	-	3,021	(3,021)
			Total	$ -	$3,021	$ (3,021)
			Total asset hedging			**$ -**

In 2022, the value equivalent to the restatement of the cash flow hedge was $ 219,470 over USD 120 million.

Due to fluctuations in the exchange rate during 2022, there is an 82.91% increase in OCI compared to 2021, which means a decrease in our interest obligation balance for the cash flow hedge transactions.

14.
Accounts receivable, net

At December 31, the balance of this account is summarized as follows:

Item	2022	2021
Deposits for executive proceedings, collateral and others (1)	$ 942,932	$ 820,771
Accounts transferred to ICETEX (2)	156,264	145,697
Inactive National Treasury Department accounts	29,541	28,987
Fees	13,069	9,843
Securitization process	-	7
To employees	257	267
To parent company, subsidiaries, related parties and associates	233	-
Other (3)	129,907	261,811
Subtotal	**$ 1,272,203**	**$ 1,267,383**
Impairment of other accounts receivable (4)	(22,506)	(20,657)
Total other accounts receivable, net	**$ 1,249,697**	**$ 1,246,726**

(1) The main variations in deposit accounts correspond to:

a. This corresponds to the accruals for the purchase of goods given in commercial leasing and mortgage leasing, the variation is also reflected by the increase in interest rates and the decrease in government subsidies.

b. Temporary deposits of the Cámara De Compensación De Divisas De Colombia S.A. and also for derivative products in foreign currency.

(2) These are abandoned accounts transferred to ICETEX, whose balance is greater than 322 RVU and have been inactive for more than 36 months, in accordance with Law 1777/2016, regulated by Decree 953/June 15, 2016. Their increase in 2022 is especially reflected in the transfer of Savings Accounts with an increase of 8% and checking accounts with a variation of 22% in 2022, , this concept presents a total variation in the amount of $10,567.

(3) The other line shows an overall decrease of $131,904, where the most significant variation corresponds to accounts receivable for settlement of foreign currency derivative operations, at the end of 2022 this concept shows a total variation of $112,564 and settlement of operations of the Central Counterparty Risk Clearing House for $3,429.

(4) The changes in the allowance for accounts receivable protection account for the years ended December 31, 2022 and December 31, 2021 were as follows:

Movements in provision accounts	2022	2021
Balance at the beginning of year	$ (20,657)	$(19,603)
Impairment charged to expenses in the year (a)	(1,176)	(2,491)
Transfer other items (b)	(85)	(105)
Provision recovery(c)	588	1,542
Balance at year end	**$ (22,506)**	**$ (20,657)**

a. The decrease corresponds to accounts receivable from highly seasoned leasing advances and interest receivable from customers.

b. Transfer of automatic provisions corresponding to December 2021 made in January 2022.

c. There is an impairment due to payment, activation or cancellation of contracts for leasing advances, releasing 3,275 accrued at the end of December 2022.

Movements in provision accounts	2022	2021
Balance at the beginning of year	(20,657)	(19,603)
Impairment charged to expenses in the year	(2,531)	(2,491)
Transfer other items	(85)	(105)
Provision recovery	767	1,542
Balance at year end	**$(22,506)**	**$(20,657)**

15.
Non-current assets held for sale, net

Non-current assets held for sale are mainly realizable assets received from the loan portfolio debtors, which the Group intends to sell in the short term; there are departments, processes and programs in place for their sale, either in cash or by granting financing to potential buyers.

At December 31, the balance of this account is summarized as follows:

Item	December 31, 2022	December 31, 2021
Realizable assets		
Real estate	$34,692	$40,022
Subtotal realizable assets	**34,692**	**40,022**
Assets restituted in lease agreements		
Real estate	16,824	14,697
Vehicles	232	725
Machinery and equipment	293	259
Real estate given under residential leasing	26,927	28,956
Others	44	-
Subtotal assets restituted in Lease Agreements	**44,320**	**44,637**
Assets not used for the corporate pur-pose		
Lands	4,063	3,641
Buildings	21,384	13,523
Vehicles	708	-

Furniture and fixtures	556	1,541
Computer equipment	2,127	168
Subtotal not used for the corporate pur-pose assets	**28,838**	**18,873**
Trusts	7,176	7,175
Subtotal trusts	**7,176**	**7,175**
Subtotal realizable and restituted assets	**115,026**	**110,707**
Impairment of non-current assets held for sale		
Assets received in payment	(1,864)	(24,057)
Assets returned under leasing contracts	(765)	(19,608)
Trusts	(1,365)	(6,401)
Furniture and fixtures	(556)	(1,541)
Computer equipment	(2,127)	(168)
Subtotal impairment	**(6,677)**	**(51,775)**
Total realizable assets, assets received as payment and restituted assets, net	**$108,349**	**$58,932**

At the end of December 2022, the Group reviewed all Non-Current Assets Held for Sale to comply with paragraph 91 (B) Disclosures of IFRS 13 Fair Value Measurement and calculated the value to be affected by provisions and recoverable provisions carried forward from prior periods.

As of December 31, 2022 the Group had 385 Non-Current Assets Held for Sale valued at $115,026 and an impairment of $6,677; As of December 31, 2021 the Bank had 360 Non-Current Assets Held for Sale valued at $110,707 and an impairment of $51,775.

Non-current assets held for sale with an age of more than two years for the year 2022 and 2021 amounted to $6,677 and $51,775, respectively.

During 2022, 103 sales were made for a total value of $38,883, one of the most significant came from real estate assets not used in the corporate purpose that corresponded to an office that was closed, this asset was received in GANF in 2022 which was called Basika 95 in Chico; also the donation of the virtual classroom bus for $197 was made.

The changes in the provision for the protection of non-current assets held for sale during the years ended December 31 were as follows:

Item	2022	2021
Balance at the beginning of year	$ (51,775)	$ (34,792)
Provision charged to expenses in the year	(8,193)	(21,823)
Transfers	-	209
Presentation adjustment	(974)	(1,709)
Less – Withdrawal for sales and recoveries	54,265	6,340
Balance at year end	**$ (6,677)**	**$ (51,775)**

16.
Property and equipment, net

At December 31, 2022, the balance of this account is summarized as follows:

Item	Lands	Buildings (1)	Vehicles	Fixtures and Accessories (2)	Computers (2)	Machinery, Plant and Equipment in Assembly	Improvements to Assets under Lease	Assets under construction	Total
Cost									
Balance at December 31, 2021	**$ 146,900**	**$ 627,792**	**$ 1,164**	**$ 243,738**	**$ 300,242**	**$ 2,076**	**$ 15,648**	**$ 1,349**	**$ 1,338,909**
Acquisitions	-	-	-	11,256	14,037	3,127	-	-	28,420
Additions	-	2,664	-	-	-	-	643	2,261	5,568
Removals	-	-	-	(7,128)	2,459	(287)	-	(12)	(4,968)
Transfer to noncurrent assets held for sale	(3,603)	(9,835)	(199)	-	-	-	-	-	(13,637)
Activation of equipment being assembled and construction in progress	-	-	-	-	-	(4,293)	(1,924)	(2,117)	(8,334)
Cost balance at December 31, 2022	**143,297**	**620,621**	**965**	**247,866**	**316,738**	**623**	**14,367**	**1,481**	**1,345,958**
Depreciation and impairment losses									
Balance at December 31, 2021	**$ -**	**$ 223,997**	**$ 832**	**$ 161,689**	**$ 237,748**	**$-**	**$ -**	**$ -**	**$ 624,266**
Depreciation for the fiscal year	-	6,071	-	18,265	24,585	-	-	-	48,921

Retreats	-	-	-	(6,695)	(9,781)	-	-	-	(16,476)
Transfer to noncurrent assets held for sale	-	(3,927)	133	-	-	-	-	-	(3,794)
Depreciation balan-ce at De-cember 31, 2022	**-**	**226,141**	**965**	**173,259**	**252,552**	**-**	**-**	**-**	**652,917**
Balance as of De-cember 31, 2021	**5,862**	**36,840**	-	-	-	-	-	-	42,702
Impairment (3)	3,876	(15,992)	■	■	■	-	-	-	(12,116)
Impairment balance as of December 31, 2022	**9,738**	**20,848**	**-**	**-**	**-**	**-**	**-**	**-**	**30,586**
■	**9,738**	**20,848**	**-**	**-**	**-**	**-**	**-**	**-**	**30,586**
Carrying value at December 31, 2022	**$ 133,559**	**$ 373,632**	**$ -**	**$ 74,607**	**$ 64,186**	**$ 623**	**$ 14,367**	**$ 1,481**	**$ 662,455**

Property and equipment shows a total decrease of 1.41%, compared to the figures of December 2021, such difference corresponds to $9,486.

(1) During the period 2022, 7 real estate properties that no longer serve the Company's corporate purpose were transferred to non-current assets held for sale.

(2) In 2022 there has been a decrease in purchases of furniture and accessories and computer equipment for $13,307 based on the hybrid work model that the group is developing, in order to ensure that employees have the necessary implements for the development of their activities.

(3) In accordance with the Bank's policy of performing appraisals of real estate properties every three (3) years, during the period 2022 the corresponding updates were performed, which meant an increase in the impairment based on the opinions issued by the external appraiser..

At December 31, 2021, the balance of this account is summarized as follows:

Item	Lands	Buildings	Vehicles	Fixtures and Accessories	Computers	Machinery, Plant and Equipment in Assembly	Improvements to Assets under Lease	Assets under construction	Total
Cost									
Balance at December 31, 2020	**$ 152,181**	**$ 647,261**	**$ 2,942**	**$ 278,613**	**$ 306,674**	**$ 397**	**$ 17,504**	**$ 2,735**	**$ 1,408,307**
Acquisitions		696	198	17,615	20,985				39,494
Additions		3,389			2,726	5,264	764	2,088	12,194
Removals	(5,281)	(23,554)	(1,976)	(52,490)	(30,143)				(30,899)
Transfer to noncurrent assets held for sale						(3,585)	(2,620)	(3,474)	(9,679)
Activation of equipment being assembled and construction in progress									
Cost balance at December 31, 2021	**146,900**	**627,792**	**1,164**	**243,738**	**300,242**	**2,076**	**15,648**	**1,349**	**1,338,909**
Depreciation and impairment losses									
Balance at December 31, 2021		**224,939**	**2,610**	**194,870**	**236,720**				**659,139**
Depreciation for the fiscal year		6,066	198	19,097	31,171				56,532
Retreats		(7,008)	(1,976)	(86)	(8,209)				(17,279)
Transfer to noncurrent assets held for sale				(52,192)	(21,934)				(74,126)
Depreciation balance at December 31, 2021		**223,997**	**832**	**161,689**	**237,748**				**624,266**
Impairment	5,862	36,840							42,702
Carrying value at December 31, 2021	**$ 141,038**	**$ 366,955**	**$ 332**	**$ 82,049**	**$ 62,494**	**$ 2,076**	**$ 15,648**	**$ 1,349**	**$ 671,941**

For the year 2021 there is a decrease in buildings for an amount of $14,790, represented by the sale of the same, due to the Covid-19 pandemic, the number of offices decreased.

There is a decrease of $1,694 in fixtures and fittings, mainly due to withdrawals made by the Bank in order to make optimal adjustments for the execution of the processes, taking into account the sanitary emergency caused by Covid 19.

All the Group's property and equipment are duly covered against the risks of fire, allied hazards, damage to electrical and electronic equipment, machinery breakage, HAMCCop (malicious acts) and theft, through insurance policies in force, and there is no restriction of ownership.

For the purpose of establishing provisions or individual valuations on real estate, commercial appraisals are performed by independent firms registered in the Real Estate Market (Lonja de Propiedad Raíz). The term applied for these appraisals is 3 years, and as of December 31, 2021, appraisals were performed on 2% of the real estate owned by the Bank.

Appraisal Date	Number of Appraisals	Share %
2020	66	25%
2021	245	2%
2022	229	96%

Depreciation - Fixed assets are depreciated using the straight line method and begin depreciating when they are in optimal conditions of use.

The useful life and cost of the assets are determined through appraisal by independent experts every 36 months and the basis of depreciation is calculated by subtracting the residual value of each fixed asset (buildings) from the cost.

Impairment– Impairment of fixed assets for 2022 and 2021 was $30,586 and $42,702, respectively. The decrease in the impairment is mainly due to the fact that in 2022 there were reversals of impairment due to the sale of buildings.

In an environment of lower profitability for the financial industry, efficiency has become an essential priority in BBVA's transformation plan.

This priority is based on building a new organizational model that is as agile, simple and automated as possible.

17. Intangible assets, Net

Intangible assets at December 31 are summarized as follows:

Item	2022	2021
Software and applications	$ 184,918	$ 139,621
Total intangible assets	**$ 184,918**	**$ 139,621**

The change in software and applications during the years 2022 and 2021 was as follows:

At December 31, 2022

Item	Useful Life	Balance at Dec 31, 2021	Addition	Amortization/ removal	Balance at Dec 31, 2022
Software and applications	5	139,621	89,874	($ 44,577)	184,918
Total		**139,621**	**89,874**	**($44,577)**	**$184,918**

At December 31, 2021

Item	Useful Life	Balance at Dec 31, 2020	Addition	Amortization/ removal	Balance at Dec 31, 2021
Software and applications	5	120,202	49,831	($30,412)	$139,621
Total		**120,202**	**49,831**	**($30,412)**	**$139,621**

The additions in 2022 correspond to payments made for Corporate Software development contracts, Mobile Banking and licenses in 2022.

Amortization/retirements for intangible assets for the years 2022 and 2021 were $44,566 and 30,412, respectively.

The Group performs the Impairment Test to its assets where it assesses whether it is an intangible asset and whether it is being amortized; this step, performed with certain indicators, identifies whether the Software associated with the asset was rejected, released, or its amortization was completed.

Based on this assessment, the Bank recognizes the assets that are subject to impairment, estimates their value and makes their accounting adjustment to reflect the real value in the inventory.

18.
Investments in joint ventures

The balance of the account at December 31, 2022 and 2021 consisted of the following::

December 31, 2022

Item	Domicile	Equity	Equity Capital	Share Percentage %	Carrying Value
RCI Banque Colombia S.A.	Medellín	$ 234,942	$ 115,122	49.00%	183,418
FAP Asobolsa	Bogotá D.C.	$ 1,526	$ 80	5.26%	78
Total investments in joint arrangements					**$183.496**

Item	Rating	Assets	Liabilities	Profits and/ or Losses
RCI Banque Colombia SA	AAA	3,872,057	3,497,730	69,326
FAP Asobolsa	AAA	1,489	-	(0.20)

There is an increase of 2%, represented by $3,732 in investments in RCI joint ventures with an increase vs. 2021 of 20% +29.946M.
The Group measures investments in joint arrangements as follows: FAP Asobolsa at equity variation and RCI Banque Colombia SA at equity method.
Investments in subsidiaries and joint arrangements - Corresponds to investments in equity instruments in controlled investees which as of December 31, 2021 consisted of::

December 31, 2021

Item	Domicile	Equity	Equity Capital	Share Percentage %
RCI Banque Colombia S.A.	Medellín	$ 234,942	$ 115,122	49.00%
FAP Asobolsa	Bogotá D.C.	$ 1,526	$ 115,820	5.26%
Total investments in joint arrangements			**179,764**	

Item	Rating	Assets	Liabilities	Profits and/ or Losses
RCI Banque Colombia SA	AAA	2,841,497	2,474,791	68,562
FAP Asobolsa	AAA	1,489	-	(0.2)

RCI Colombia S.A. Compañía de Financiamiento" ("RCI" or "the Company"): The purpose of RCI is to enter into or carry out all transactions and contracts legally permitted for financing companies, subject to the requirements and limitations of Colombian Law, namely:

(1) Attracting term funds for the primary purpose of carrying out asset consumer credit, payroll loan, factoring and remittance transactions.

(2) Providing retail financing (credit, leasing) for buyers of new Renault vehicles and new vehicles of related brands and used vehicles of all brands.

(3) Providing wholesale financing to Renault dealers and distributors and related brands and spare part inventories.

(4) Transferring and selling accounts receivable from vehicle loans.

(5) Obtaining loans from financial institutions, related parties or affiliates of their shareholders in the form of loans, bonds, asset-backed securities, commercial papers and other instruments and to guarantee such obligations to the extent necessary.

(6) Facilitating the sale of related insurance and other services (including life insurance, payment protection insurance and all-risk vehicle insurance).

(7) Remarketing the vehicles returned by leasing customers and those recovered from defaulted customers.

19.
Other assets, net

The balance of the account at December 31, 2022 and 2021 consisted of the following:

Item	2022	2021
Activities in joint operations	$ 3	$ 3
Art and cultural assets	1,108	1,108
Miscellaneous (1)	10,466	7,721
Subtotal other assets	**11,577**	**8,832**
Impairment of other assets	(4,000)	(1,122)
Total other assets, net	**$ 7,577**	**$ 7,710**

(1) In miscellaneous accounts there is a representative variation due to the following increases in different operations:

i. The Bank has linked new merchants, which generates a high volume of foreign cardholders shopping in our stores.

ii. These operations are due to the fact that a greater number of withdrawals are being made at BBVA ATMs by cardholders from abroad, with which Visa

iii. International generates a greater payment for these transactions in the clearing process.

iv. PSE card transactions, during the last year there was a higher volume which are those that apply to BBVA cards.

v. In Swap derivatives collections, customers with maturities on December 30 and 31 brought forward the payment leaving a large volume to the next business day to make the correct application

.

The movement in the other asset impairment account in the years ended December 31, 2022 and December 31, 2021.

Movements in provision accounts	2022	2021
Balance at beginning of year	$ (1,122)	$ (1,313)
Deterioration during the year	(2,899)	(170)
Recovery of provision	21	361
Balance at end of year	**$ (4,000)**	**$ (1,122)**

BBVA takes into account the legal framework of the various countries where it operates, in order to provide its customers with quality service and create a positive experience in their interaction with the Bank.

20.
Prepaid expenses and advances from contracts and supplierss

Prepaid expenses are summarized as follows:

Item	2022	2021
Prepaid expenses		
Corporate software maintenance (1)	$ 33,232	$ 30,050
Insurance	9,382	5,308
Electronics	1,039	3,009
Others (2)	3,599	324
Total prepaid expenses	**47,252**	**38,691**
Advances to contracts and suppliers		
Advances to contracts and suppliers (3)	203,561	139,803
Total advances to contracts and suppliers	**203,561**	**139,803**
Total prepaid expenses and advances to contracts and suppliers	**$ 250,813**	**$ 178,494**

(1) In the corporate software maintenance line, there is an increase between 2022 and 2021 of$3,182, this is due to the fact that the bank continues to improve its systems focusing on the digitalization of the Bank.

(2) The most significant variation between the years 2022 and 2021 is presented in the line of others by 3,275, mostly due to the development, personalization and enhancement of credit cards, which in 2022 was one of the Bank's fastest growing product lines.

(3) At December 31, 2022 the Bank has 172 advances totaling $203,561 and at the end of 2021 had 241 advances for $139,803, a total of 223 contracts were cancelled during 2022 for $98,149, 154 new contracts were generated for $108,659 and 18 contracts for $136,544 remain.

Other prepaid expenses include maintenance contracts for robust local and corporate software, the amortization period is stipulated in accordance with the legal or contractual rights and may not exceed the period of those rights but may be less than that established by the parties. The stated useful life depends on the period over which the entity expects to use the asset.

The additions presented during the year 2022 in the Prepaid Expenses accounts correspond to payments made as follows:

1. Payments made for the acquisition of comprehensive, multi-risk, life and vehicle insurance policies.
2. Payments made for software support and maintenance renewals, transfer pricing and technical data storage services.

The retirements generated during the year 2022 correspond to the amortizations generated during the period in which the services are received or their costs or expenses are incurred.

The movement of prepaid expenses during the years 2022 and 2021 was as follows:

At December 31, 2022

Item	Balance 2021	Addition	Amortization/ Removal	Balance 2022
Software maintenance	$ 30,050	$ 79,768	$ (76,586)	$ 33,232
Insurance	5,308	16,520	$ (12,446)	9,382
Electronics	3,009	3,404	$(5,374)	1,039
Others	324	23,534	(20,259)	3,599
Total	**$ 38,691**	**$ 123,225**	**$ (114,665)**	**$ 47,252**

At December 31, 2021

Item	Balance 2019	Addition	Amortization/ Removal	Balance 2021
Software maintenance	$ 11,718	$ 62,111	$ (43,779)	$ 30,050
Insurance	2,050	9,663	(6,405)	5,308
Electronics	3,460	7,085	(7,536)	3,009
Others	407	19,565	(19,648)	324
Total	**$ 17,635**	**$ 130,499**	**$ (109,443)**	**$ 38,691**

21. Deposits and current liabilities

The Group's liabilities portfolio as of December 31, 2022 and 2021 consisted of the following:

Item	2022	2021
Savings deposits	$29,628,375	$30,116,543
Deposits in checking accounts	9,022,045	9,299,296
Current liabilities for services	417,958	546,516
Special deposits	1,174,119	837,485
Special savings accounts	329,709	333,841
Single deposits	1,615	2,006
Canceled accounts	744	737
Banks and correspondents	1,794	2,756
Electronic deposits	6,307	4,647
Total deposits and on-demand current liabilities	**40,582,668**	**41,143,827**
Certificates of deposit	28,550,967	18,011,495
Real value savings certificates	11,729	10,614
Total deposits and term liabilities	**28,562,696**	**18,022,109**
Total deposits and current liabilities	**$69,145,364**	**$59,165,936**

A summary of deposits and current liabilities as of December 31, 2022 is as follows:

	Local Currency	Foreign Currency	Total Currency
Checking account			
Public sector	$ 1,510,922	$ -	$1,510,922
Private sector	7,483,662	27,461	7,511,123
Total checking account	**8,994,584**	**27,461**	**9,022,045**
Simple deposit			
Private sector	1,615	-	1,615
Total single deposits	**1,615**	**-**	**1,615**
Term Desposits -COP			
Public sector	3,062,132	-	3,062,132
Private sector	25,488,836	-	25,488,836
Total Term Desposits -COP	**28,550,967**	**-**	**28,550,967**
Savings deposits			
Public sector	8,105,840	-	8,105,840
Private sector	21,522,534	-	21,522,534
Special savings:	-	-	-
Private sector	329,709	-	329,709
Total savings deposits	**29,958,084**	**-**	**29,958,084**
Term Desposits - RVU			
Private sector	11,729	-	11,729
Total Term Desposits -RVU	**11,729**	**-**	**11,729**
Other deposits			
Banks and correspondents	1,235	559	1,794
Special deposits	485,082	695,327	1,180,409
Tax collection	300,680	117,277	417,958
Banking services	19	-	19
	787,016	**813,164**	**1,600,180**
Others			
Canceled accounts	**744**	**-**	**744**
Total deposits and current liabili-ties	**$68,304,739**	**$840,625**	**$ 69,145,364**

Below is a summary of deposits and current liabilities as of December 31, 2021:

	Local Currency	Foreign Currency	Total Currency
Checking account			
Public sector	$ 1,627,096	$ -	$ 1,627,096
Private sector	7,668,096	4,104	7,672,200
Total checking account	**9,295,192**	**4,104**	**9,299,296**
Single deposit			
Private sector	2,006	-	2,006
Total single deposit	**2,006**	**-**	**2,006**
Term Desposits - COP			
Public sector	1,807,336	-	1,807,336
Private sector	16,204,159	-	16,204,159
Total Term Desposits -COP	**18,011,495**	**-**	**18,011,495**
Savings deposits			
Deposits:			
Public sector	9,148,062	-	9,148,062
Private sector	20,968,482	-	20,968,482
Special savings:			
Private sector	333,841	-	333,841
Total savings deposits	**30,450,385**	**-**	**30,450,385**
Term Desposits – RVU			
Private sector	10,614	-	10,614
Total Term Desposits -RVU	**10,613**	**-**	**10,613**
Other deposits			
Banks and correspondents	2,741	15	2,756
Special deposits	498,403	343,729	842,132
Banking services	463,391	83,125	546,516
	964,535	**426,869**	**1,391,404**
Others			
Canceled accounts	737	-	737
Total deposits and current liabili-ties	**$ 58,197,297**	**$ 968,639**	**$ 59,165,936**

The decrease in savings deposits occurred in the official sector, mainly due to public administrations, which withdrew their income during the last days of 2022.

The increase in special deposits is due to:

- Collateral with the counterparty Morgan Stanley for $551,724 and with BBVA Madrid for $143,604, both transactions in dollars.
- Receipt of payments in the Bank's office or channels corresponding to the payment of National and Customs Taxes, which depends on the flow of taxpayers.

Current accounts showed a 3% decrease compared to the previous year, which is mainly due to the balance available in the official sector due to the balance available in customers' accounts.

For term certificates of deposit there was an increase of $10,539, this is due to the fact that interest rates have increased and this is attractive for customers who wish to invest.

22.
Money market and simultaneous transactions

At December 31, the balance of this account is summarized as follows:

Item	Rate	2022	Rate	2021
Ordinary interbank funds purchased:				
Banks (1)	11.15%	$ 322,349	2.92%	$ 347,120
Residents from abroad (2)	16.25%	729,625		-
Total interbank funds purchased		**1,051,974**		**347,120**
Transfer commitments in closed repo transactions:				
Central Bank of Colombia (3)	10.94%	1,381,317	2.91%	2,167,054
Counterparty Clearing House (4)	10.96%	154,068	2.66%	606,401
Total closed repo transactions		**1,535,385**		**2,773,455**
Commitments originated in short positions for simultaneous transactions				
Central Bank of Colombia		279,392		445,457
Residents from abroad		109,541		66,107
Brokerage Firms		100,388		40,211
Trust companies		69,437		-
Banks		35,420		-
Insurance companies		22,556		19,700
Banks and financial corporations		-		4,575
Total commitments for simultaneous transactions		**616,734**		**576,050**
Total passive positions in money market transactions (5)		**$3,204,093**		**$3,696,625**

(1) December 2022, ordinary purchased interbank funds of $ 322,349 were agreed at an average rate of 11.15% with maturity at 1 day, while at the end of December 2021 they were agreed at a rate of 2.92% with maturity at 1 day.

(2) In particular, in November 2022 an interbank fund was agreed with the Corporación Andina de Fomento, which will be fulfilled in November 2023.

(3) On the other hand, as of December 29, 2022, repo transactions were agreed with Banco de la República at an average rate of 10.94%, with maturities of 1 and 3 calendar days, while as of December 29, 2021, closed repo transactions were agreed with Banco de la República at an average rate of 2.91%, maturity between 1 and 3 calendar days.

(4) Additionally, as of December 29, 2022, there was a considerable decrease in repo transactions with Banco de la República with maturities from 1 to 8 calendar days at a rate of 10.94%, the same situation occurred with the Central Counterparty Risk Clearing House at an average rate of 10.96% with maturities of 1 and 8 calendar days, while for the month of December 2021 closed repo transactions were agreed with the Central Counterparty Risk Clearing House at an average rate of 2.66%, maturity between 1 and 8 calendar days.

(5) There was a decrease of 0.49% represented by $490,001, closing the fourth quarter of 2022 with a moderate liquidity requirement, undoubtedly one of the most influential factors was due to the increase in interest rates in November 2022

. Transaction costs were in line with estimates for liquidity coverage needs.

23.
Créditos en bancos y otras obligaciones financieras

Al 31 de diciembre el saldo de esta cuenta se resume así:

CONCEPTO	2022	2021
Moneda extranjera		
Bancoldex S.A.	$ 46.711	$ 114.787
Wells Fargo Bank N.A.	73.253	199.289
The Toronto Dominion Bank	268.376	59.769
Bank Of Nova Scotia	-	231.064
Bbva Madrid	752.969	-
International Finance Corporation Ifc	1.433.166	-
Banco Del Estado De Chile-Chile	73.274	-
Bank Of America, N.A- Sanfrancisco, Ca Us	175.174	-
Citibank Na	48.546	-
Total moneda extranjera	**$ 2.871.469**	**$ 604.909**
Moneda Legal		
Financiera de Desarrollo Territorial - FINDETER	833.213	1.048.112
Banco de Comercio Exterior S.A. - BANCOLDEX	527.320	387.865
Fondo para el Fomento del Sector Agropecuario - FINAGRO	732.663	527.923
International Finance Corporation IFC	406.019	405.357
Total moneda Legal	**2.499.215**	**2.369.257**
Total Créditos en Bancos y Otras Obligaciones Financieras	**$ 5.370.684**	**$ 2.974.166**

The increase between 2022 and 2021 of the resources obtained in foreign currency comes from the constitution of $2,483,129 due to the financing with Banco del Estado de Chile, Bancoldex S.A. Bank of America, Bank of Nova Scotia, Bbva Madrid, Citibank NA, International Finance Corporation IFC, The Toronto Dominion Bank and Wells Fargo Bank.

The most representative loans are those acquired with IFC (USD 300 million) and BBVA Madrid (USD 150 million), which are in the hands of ALCO and represent 76% of total outstanding loans.

The rate for foreign currency obligations averaged SOFR + 0.60% for short-term obligations with maturity up to 1 year as of December 31, 2022. It is important to mention that for the year 2021 the financing will not have any change in its Libor financing rate, so the credits will be finalized with the conditions with which they were opened.

Borrowing costs are calculated on a daily basis based on 360 days of principal due to their periodicity and interest rate.

The maturity of the loans varies according to the program (normally between one and ten years), and the funds provided directly by the Bank vary from 0% to 40% of the total loan while the balance is provided by government entities. The obligations are secured by the corresponding loans made to the clients.

The breakdown of these obligations by term was as follows:

Foreign Currency	
Category	**Time**
Less than 1 year	<365
From 1 to 5 years	> 365 < 1825
More than 5 years	> 1825

Local Currency	
Category	**Time**
Less than 1 year	<364
From 1 to 3 years	> 365 < 1095
More than 3 years	> 1096

The breakdown by term in foreign currency is as follows:

Foreign currency obligations

December 31, 2022		Capital			
	Interest	Short-term	Medium-term	Long-term	Total
Bancoldex S.A.	$ 234	$ -	$ 17,616	$ 28,861	$ 46,711
Wells Fargo Bank N.A.	1,100	72,153	-	-	73,253
The Toronto Dominion Bank	3,815	264,561	-	-	268,376
Bbva Madrid	31,439	-	-	721,530	752,969
International Finance Corporation IFC	4,325	-	1,428,841	-	1,433,166
Banco Del Estado De Chile-Chile	1,121	72,153	-	-	73,274
Bank Of America, N.A- Sanfrancisco, CA US	2,007	173,167	-	-	175,174
Citibank NA	444	48,102	-	-	48,546
Total	**$ 44,485**	**$ 630,136**	**$ 1,446,457**	**$ 750,391**	**$ 2,871,469**

December 31, 2021	Capital				
	Interest	Short-term	Medium term	Long term	Total
Bancoldex S.A.	$ 229	$ 114,558	$ -	$-	$ 114,787
Wells Fargo Bank N.A.	231	199058	-	-	199,289
The Toronto Dominion Bank	52	59,717	-	-	59,769
Bank Of Nova Scotia	356	230,708	-	-	231,064
Total	**$ 868**	**$ 604,041**	**$-**	**$-**	**$ 604,909**

La composición por plazo en moneda legal es la siguiente:

December 31, 2022	Capital				
	Interest	Short-term	Medium term	Long term	Total
FINDETER	$ 9,877	$ 662,553	$ 52,491	$ 108,292	$ 833,213
Bancoldex S.A.	3,232	73920	340,219	109949	527,320
FINAGRO	11,727	341,703	218160	161073	732,663
International Finance Corporation IFC	1,346	-	-	404673	406,019
Total	**$ 26,182**	**$ 1,078,176**	**$ 610,870**	**$ 783,987**	**$ 2,499,215**

Local currency obligations

December 31, 2021		Capital			
	Interest	Short-term	Medium term	Long term	Total
FINDETER	$ 2,319	$ 27,790	$ 161,537	$ 856,465	$ 1,048,111
BANCOLDEX	635	31935	236,353	118942	387,865
Fondo para el Fomento del Sector	2,376	45,894	191329	288325	527,924
FINAGRO					
International Finance Corporation IFC	**1,386**	**-**	**-**	**403971**	**405,357**
Total	**$ 6,716**	**$ 105,619**	**$ 589,219**	**$ 1,667,703**	**$ 2,369,257**

In compliance with IAS 07 paragraphs 44a and 44c, the reconciliation of cash flow financing activities is disclosed.

BBVA has a customer-oriented business model that offers a differential service with a very ambitious objective: to be the leader in customer satisfaction in all the geographies in which it operates.

	Bank Credits 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	Total
Updated balance at January 1, 2021	$ 2,974,166	$ 2,388,531	$ 89,779	$ 651,950	$ 152,797	$ 1,148,916	$ 3,643,354	$ 506	$ 11,049,999
Changes in financing cash flows									
Payment of loans and other financial liabilities	(3,257,514)	(86,703,877)							(89,961,392)
Collection of loans and other financial liabilities	5,157,653	86,462,349							91,620,002
Dividends and coupons paid on equity instruments						(434,477)			(434,477)
Other cash inflows (outflows							446,206		446,206
Total changes in cash flow from financing	**1,900,139**	**(241,528)**				**(434,477)**	**446,206**		**1,670,339**
Effect of changes in foreign currency exchange rates		488,678							488,678
Other changes	952,640						-		952,640
Interest expenses	202,422	193,550							395,972
Interest payment	(658,682)	(152,441)							(811,123)
Total other changes relat-ed to liabilities	**(456,261)**	**41,109**							**(415,152)**
Total other changes relat-ed to equity					**(11,570)**	**476,432**	**3,017**		**467,879**
Balances at December 31, 2022	**$ 5,370,684**	**$ 2,676,790**	**$ 89,779**	**$ 651,950**	**$ 141,227**	**$ 1,190,871**	**$ 4,092,577**	**$ 506**	**$ 14,214,383**

24. Derivative financial instruments and cash transactions (liabilities)

For this class of financial instrument, the difference in valuation between previous GAAP and the IFRS is the incorporation of the credit risk in each transaction, which is known as the CVA and DVA (credit or debit value adjustments), as applicable.

The financial instruments traded by the Group are classified as assets or liabilities (see Note 28) according to their results. At December 31, the balance of this account classified as liabilities is summarized as follows:

At December 31, the balance of this account classified as liabilities is summarized as follows:

:

Forward Contracts	Notional Value		Fair Value	
	2022	2021	2022	2021
Purchase on foreign currency				
Rights	$ 45,041,029	$ 7,613,981	$ (42,523,020)	$ (7,526,148)
Obligations	-	-	43,603,988	7,592,887
Sale on foreign currency				
Rights	29,237,757	31,091,237	(28,184,931)	(30,680,948)
Obligations	-	-	30,023,733	31,809,210
Less credit risk	-	-	(1,178)	(415)
Total forward contracts	**$ 74,278,786**	**$ 38,705,218**	**$ 2,918,592**	**$ 1,194,586**

Cash transactions	Notional Value		Carrying Value	
	2022	2021	2022	2021
Purchase on foreign currency				
Rights	$ 38,190	$ 97,274	$ (38,022)	$ (96,522)
Obligations	-	-	38,144	97,255
Sales on foreign currency				
Rights	3,690	-	(3,687)	-
Obligations	-	-	3,723	-
Purchase on securities				
Rights	5,159	33,676	(4,724)	(37,490)
Obligations	-	-	4,726	37,512
Sales on securities				
Rights	107,490	29,417	(82,104)	(26,898)
Obligations	-	-	82,412	26,931
Total cash transactions	**$ 154,529**	**$ 160,367**	**$ 468**	**$ 788**

Options	Notional Value		Carrying Value	
	2022	2021	2022	2021
Options on foreign currencies issued - Put:				
Sale - Put	514,897	206,178	11,762	2,517
Options on foreign currencies issued - Call:				
Sales - Call	766,208	179,598	37,426	5,348
Less CVA credit risk	-	-	(6)	(2)
Total fair exchange price	**$ 1,281,105**	**$ 385,776**	**$ 49,182**	**$ 7,863**

Swaps	Notional Value		Carrying Value	
	2022	2021	2022	2021
On interest rates:				
Rights	$ 69,200,561	$ 63,530,898	-$ 8,462,445	-$ 4,964,320
Obligations	-	-	12,760,299	6,246,325
On currencies:	-	-	-	-
Rights	10261606	6487950	-10346179	-6370594
Obligations	-	-	13299364	7351237
Less CVA credit risk	-	-	-27995	-11102
Total swaps	**79,462,167**	**70,018,848**	**7,223,044**	**2,251,546**
Total cash transactions and derivatives	**$ 155,176,587**	**$ 109,270,209**	**$ 10,191,286**	**$ 3,454,783**

BBVA Colombia is the second largest Bank in the Public Debt Market Makers Arrangement and this means that it must structurally have a large portfolio of treasury bonds (both fixed-rate TES and RVU TES). This need has increased over time as the Public Credit Office's strategy has been to increase the duration of On the Run bonds. A hedge on the bond position can be covered with IBR swaps, which grew in 2022; also, several local offshore customers have sought hedges which can be seen in the growth in the position of all the Bank's derivatives.

Guarantees received in derivative transactions as of December 31 were as follows

Counterparty	DIV	2022	2021
Liabilities			
Morgan Stanley and Co Internacional	USD	114,698,850	86,338,850
BBVA Madrid Clearing Broker	USD	29,853,825	-

25. Accounts payable

At December 31, the balance of this account is summarized as follows:

Item	2022	2021
Suppliers (1)	$ 181,889	$169,109
Labor contributions	6,161	5,406
Fogafin deposit insurance (2)	115,615	98,842
Dividends and surplus (3)	101,271	89,542
Seizure management	5,805	2,963
National Law 546/1999	50,242	42,475
Loan transaction surplus and others	56,688	50,509
Uncollected checks	27,684	23,749
Promising buyers	23,663	27,150
Costs and expenses payable	148	1,657
Settlement of DTN Decree 2331/98	-	258
Settlement and ofFsetting of POS Counterparty Clearing House (4)	119,159	65,429
Collection of fees and VAT payable to the Fondo Nacional de Garantías	8,241	4,459
Visa and MasterCard advertising campaigns	988	1,074
Commissions and fees	2,573	1,487
Transfer of check disbursements from other markets (5)	2,561	10,598
Other accounts payable (6)	99,671	118,053
Total accounts payable	**$802,359**	**$712,760**

(1) Outstanding amounts payable to suppliers, mainly leasing, technology, advertising and engineering of $12,780.

(2) Money pending to be transferred to Fogafín for deposit insurance, which is calculated monthly but paid quarterly. The balance as of 2022 is composed of the payment of the last two quarters.

(3) Increase in dividends payable due to amounts declared during 2022 that were not received by shareholders.

(4) The variation corresponds to the increase in the amounts contracted in settlement operations with the Central Counterparty Risk Clearing House on December 29, 2022.

(5) The variation corresponds to a lower amount of loans pending disbursement due to portfolio purchases, which are accounted for by the formalization center so that the Office Network can write the corresponding checks at the end of 2022.

(6) The most significant variations are presented by settlements of derivative products in -$32,354, since they are recorded both in USD and COP and the closing rate of December 2021 decreased by 161 compared to December 2022. And due to a decrease in the surplus of Libranzas for 2022 by $1,178.

Financial liabilities are derecognized only when the legal obligations have ended, that is to say, when the obligation specified in the corresponding contract has been paid or canceled, or it has expired. BBVA considers three possible scenarios to derecognize an account payable: The receipt of payment, buy-back of the debt or the forgiveness of the payment.

26.
Outstanding debt securities

At December 31, the balance of this account is summarized as follows:

Item	2022			2021		
	Subordinated Bonds	Ordinary Bonds	Total	Subordinated Bonds	Ordinary Bonds	Total
Capital	$2.695.080	$ -	$2.695.080	$2.363.464	$	$2.363.464
Interest	27.737	-	27.737	20.095	-	20.095
Costs and valuation	(46.027)		(46.027)	4.972		4.972
Total	**$2.676.790**	**$-**	**$2.676.790**	**$ 2.388.531**	$	**$** 2.388.531

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 return 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 return of maximum variable rate of CPI + 4.38% for 15 years, and of CPI + 4.50% for 20 years.

The first issuance of subordinated bonds in USD was carried out on April 21, 2015 with a redemption term of 10 years and a fixed-rate yield of 4,875%.

The issuance prospectus contemplate the following characteristics:

Subordinated 2009 Bonds (issued in September 2011, February 2013 and November 2014)

- Subordination of obligations: Since they are subordinated bonds, in the event of the issuer's liquidation, the redemption of the subscribed capital is subordinated to the prior payment of the external liabilities, which constitutes an irrevocable obligation.
- Capital amortization method, prepayments and buy-back events: 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 corresponding public offering notice. Pre-payable bonds may be issued, which is determined in the respective public offering notice.The issuance of subordinated 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 the Spanish original.

Subordinated Bonds in USD 2015

- Subordination of obligations: Since they are subordinated bonds, in the event of the issuer's liquidation, the redemption of the subscribed capital is subordinated to the prior payment of the external liabilities, which constitutes an irrevocable obligation.
- Capital amortization method. Prepayments and reacquisition events: 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 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 Superintendence of Colombia.

This issuance is not covered by the deposit insurance of the Financial Institutions Collateral Fund (FOGAFIN, for the Spanish original).

A summary of the issuances and bonds is shown in the table below:

Emisión bonos	Monto autorizado	Plazo años	Tasa Facial	Cupón	Valor nominal	Fecha emisión	Fecha vencimiento
Subordinados 2011	$ 3.000.000	15	IPC+4,70%	TV	$ 156.000	19/09/2011	19/09/2026
Subordinados 2013		10	IPC+3,60%	TV	$ 200.000	19/02/2013	19/02/2023
Subordinados 2014		15	IPC+3,89%	TV	$ 165.000	19/02/2013	19/02/2028
		15	IPC+4,38%	TV	$ 90.000	26/11/2014	26/11/2029
		20	IPC+4,50%	TV	$ 160.000	26/11/2014	26/11/2034
Total bonos COP					**$771.000**		
Subordinados 2015 USD	USD 500	10	4,875%	SV	USD 400	21/04/2015	21/04/2025
Total bonos millones USD					**USD 400**		

Sorprendemos al cliente: buscamos la excelencia en todo lo que hacemos para sorprender a nuestros clientes, creando experiencias únicas y soluciones que superen sus expectativas.

27.
Other liabilities

At December 31, the balance of this account is summarized as follows:

Item	2022	2021
Overdue principal and interest CD (1)	$ 69,457	$ 132,141
Loans and CC subject to collection (2)	14,631	30,461
Deferred partial payments	3,990	4,259
Balances to apply to obligations (3)	10,913	22,480
Network clearance	10,554	10,108
Income received in advance (4)	21,338	24,395
Network transaction surplus (5)	79,895	73,421
Ascredibanco international purchases	14,138	9,734
Credit balances in foreign currency	3,587	1,992
Surpluses in exchange	-	37
Other Liabilities	37,101	30,371
Total other liabilities	**$ 265,604**	**$ 339,399**

(1) The decrease is due to the cancellation of term deposits securities, the balance as of 2022 is subject to the holder's presentation to collect them at the office.

(2) The decrease corresponds to payments made in checks except for good collection for card transactions, swap transactions and transactions for the constitution of term deposits for some obligation; presenting a normal variation linked to the volume of check loan payments in transit at the moment, due to the behavior of each client.

(3) The decrease is due to the advances made by customers in addition to the value of the installment of the leasing operations, for the last year the accumulated total is lower due to the efforts made in the last weeks at the end of the year.

(4) The main amount is presented by deferred income corresponding to a framework contract with Zurich Colombia for marketing alliance, and deferred commissions with the third party Comunicación celular SA Comcel.

(5) The increase is mainly due to mixed term deposits, except for good cashing, which have been registered with the proceeds of a cashed check in transit, in addition to a high volume and value of transactions through banking correspondents.

28.
Accrued liabilities and pro-visions

The Group records provision liabilities based on the opinion of experts from the Legal, Labor Relations and Tax Consultancy areas, who rate each case in accordance with the status of the legal process.In addition, decision trees developed in accordance with the type of contingency (legal, labor and tax) are applied for classification in the following criteria to create the provision:

- Probable: they are recognized and disclosed
- Remote: they are not recognized or disclosed

At December 31, 2022 and 2021, the balance of this account is summarized as follows

Item	2022	2021
Expenses for invoices pending payment (1)	$ 103,823	$ 63,753
Lawsuits due to breach of contracts (2)	51,696	51,890
FOGAFIN contingencies	8,565	8,587
Provision for fines and penalties (3)	-	3,533
Labor lawsuits (4)	17,395	14,362
Fines and penalties other administrative authorities (5)	180	922
Commission sales force (CF, for the Spanish original)	1,188	1,152
Other personnel expenses	4	6
IFRS 16 disassembly costs	8,809	8,607
Others (6)	138,341	132,021
Total estimated liabilities and provisions	**$ 330,001**	**$ 284,833**

For the closing of December 2022 and December 2021, there is an increase of $45,168 specifically in the concept of other provisions in the account of estimated expenses payable for general expenses, personal expenses and commissions.

(1) Presents an increase of $40,070 corresponding to the estimated provisions for invoices pending payment at the end of each period, among the concepts are Bank Correspondent Services, ANCMV Maintenance, Energy, Cleaning, among others.

(2) The civil lawsuits correspond to a total of 753 lawsuits, with estimated claims of $430,672. As of December 31, 2022, provisions of $51,696 have been recorded, corresponding to 19 lawsuits considered probable. These proceedings are mainly related to alleged noncompliance with contracts.

(3) Likewise, the Group reports 3 criminal cases with a total claim of $284, which, since they are classified as remote, have not constituted a provision. The variation corresponds to the use of the provision for the year 2021, recorded due to: (i) Audit proceedings that were in progress against the group, (ii) Penalty imposed by the Pension and Parafiscal Management Union (UGPP

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(4) Regarding labor lawsuits, the group reports a total of 141 cases, with a total value of claims of $20,778, of which 77 lawsuits have been provisioned for a value of $17,395. According to the Group's legal advisors, it is considered that the final result will be favorable for the Bank or that its loss will not be significant.

(5) The Group handles in administrative proceedings and before the contentious-administrative jurisdiction, 11 tax proceedings with estimated claims for $404 and provisions recorded as of December 31, 2022 for $180 associated to 5 proceedings with probable qualification, corresponding to one (1) popular action for withholding of the tax on financial movements, proceedings for territorial taxes, essentially for property tax, untimeliness in the provision of information derived from information requirements and tax collection proceedings, especially a direct reparation action against the Bank.

(6) At the end of December 2022 and December 2021, there is an increase of $6,320 mainly in the concept of other provisions on the account of estimated expenses payable for the following concept, estimates on invoices pending payment to suppliers that provided the service charged to general expenses.

At December 31, 2022, the movements of estimated liabilities were as follows:

Item	Proceedings	Others	Total
Opening balance at January 01, 2022	$ 67,175	$ 217,658	$ 284,833
Increase	2,824	46,564	49,388
Income	4,437	-	4,437
Payment	(2,309)	(3,492)	(5,801)
Removal	(2,856)	-	(2,856)
Closing balance at December 31, 2022	**$ 69,271**	**$ 260,730**	**$ 330,001**

Item	Proceedings	Others	Total
Opening balance at January 01, 2021	91,438	185,056	276,494
Increase	9,189	53,605	62,794
Income	13,684	-	13,684
Payment	(13,121)	(21,003)	(34,124)
Removal	(34,015)	-	(34,015)
Closing balance at December 31, 2022	**67,175**	**217,658**	**284,833**

29.
Labor liabilities

The details of the component of short-term labor liabilities at December 31, 2022 and 2021 are as follows:

Item	2022	2021
Severance pay	$17,543	$14,821
Interest on severance pay	2,022	1,728
Vacations	41,829	36,879
Legal and Extra-legal Premium	16	-
Current provisions for employee benefits (1)	112,328	94,450
Other benefits (2)	36,433	3,959
Total short-term benefits	**210,171**	**151,837**
Non-current provisions for employee benefits		
Seniority bonus	51,120	49,917
Seniority-based vacation Bonus	2,309	2,751
Retirement pension actuarial calculation	34,924	43,546
Retirement plan premium	1,511	1,954
Total long-term benefits	**89,864**	**98,168**
Total labor liabilities	**$300,035**	**$250,005**

(1)(1) The current provisions for employee benefits correspond to the variable remuneration incentive EDI (Individual Performance Evaluation) and CIB (Corporate and Investment Banking), which presents an increase between 2022 and 2021 of $23,159, as it is linked to salary increases and the achievement of goals.

(2) Corresponds to the balance payable for the month of December 2022 for social security, and presents an increase between the year 2022 and the year 2021 of $27,194, due to the salary increase.

Actuarial calculation - As part of the long-term benefits, the Bank pays its employees a seniority bonus for every five years they work with the Bank. This benefit is calculated in days of salary for each five-year period and, if contract termination is not for cause, the bonus is paid in proportion to the time worked. The Bank also grants an additional vacation period (15 days) to those employed at the Bank for 30, 35 or 40 years, in recognition of their stability.

The additional vacation period created herein may be paid in cash at 100%. Likewise, the Bank shall pay employees who complete the aforementioned years of service a vacation bonus equal to and in addition to that agreed upon, in relation to the extra-legal vacations recognized. The vacation bonus is equivalent to twenty-three (23) days of basic salary without exceeding a fixed amount for each year. For the year 2022, the fixed amount is equivalent to $ 2,181,677.

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Item	2022	2021
Liabilities for benefits at the beginning of the 2022 and 2021 period	$ 49,917	$ 55,484
1- Cost of services	5,785	6,192
2- Cost of interest	4,092	3,304
3- Cash flow	(5,347)	(9,299)
Adjustment for experience	892	(413)
Adjustment for change in financial assumptions	(4,219)	(5,351)
Liabilities at the end of the 2022 and 2021 period	**$ 51,120**	**$ 49,917**

Conciliation

Item	2022	2021
Balance at December 31, 2022 and 2021	$49,917	$55,484
Payment of seniority bonus	(5,347)	(9,299)
Expense for seniority bonus benefit	5,785	6,192
Financial cost of seniority bonus	4,092	3,304
Change in demographic variables	(3,327)	(5,764)
Liabilities at the end of the 2022 and 2021 period	**$ 5,112**	**$ 49,917**

Actuarial calculation of retirement plan premium:

The Bank has carried out the actuarial valuation at December 31, 2022 and 2021 for the retirement plan premium commitment made by BBVA with its pensioned and active participants.

The following are the details of the actuarial calculation and the results of the study at December 31, 2022:

Item	2022	2021
Liabilities for benefits at the beginning of the 2022 and 2021 period	$ 1,953	$ 2,373
1- Cost of services	100	128
2- Cost of interest	161	148
3- Cash flow	(49)	(28)
Adjustment for experience	(228)	(331)
Adjustment for change in financial assumptions	(426)	(336)
Liabilities at the end of the 2022 and 2021 period	**$ 1,511**	**$ 1,954**

Conciliation

Item	2022	2021
Balance at December 31, 2022 and 2021	$ 1,954	$ 2,373
Actuarial calculation adjustment by hypothesis	(654)	(667)
Actuarial calculation adjustment debited to expenses	260	276
Transfer (1)	(49)	(28)
Liabilities at the end of the 2022 and 2021 period	**$ 1,511**	**$ 1,954**

(1) Transfer made from pensions by individualization record for retirement plan premiums.

Pensions (Prior to Law 100/1993)

Monthly pension payment: To determine the number of monthly pension payments for each pension, the legal and constitutional regulatory framework applicable at the time that the pension entitlement is accrued is taken into account.

The number of monthly pension payments recognized by the ISS in this valuation was determined as follows:

- All pensions accrued before July 29, 2005 are calculated based on 14 monthly pension payments per year.
- All pensions accrued after July 29, 2005 are calculated based on 13 monthly pension payments per year.
- All pensions accrued before July 31, 2011 and whose amount is less than three minimum monthly salaries are calculated based on 14 monthly pension payments per year.

BBVA, in turn, recognizing for all its retirees 15 monthly payments per year, thus providing them with one additional monthly payment in some cases, and two additional monthly payments in others. As for retirees with pension Shares of whom the BBVA is not responsible for their final pension, only the quota-part corresponding to 14 monthly payments per year is granted.

For the purposes of the proforma, monthly payment number 15 is valued as an additional benefit established via a collective agreement, and monthly payment number 14, for retirees granted 13 monthly payments by the ISS, is considered in the pension reserve (columns 31 and 32).

Additional benefits: according to Notice 039 / October 21, 2009, the reserves are calculated for extralegal benefits offered by the Company to its retirees and beneficiaries.

In the case of BBVA, these benefits are as follows:

- One extralegal monthly payment. This is the payment of 15 days in June and 15 days in December.
- One funeral benefit for a total of $ 3,512,849 upon the death of the retiree and$ 824.768 upon the death of the retiree's spouse.
- One life insurance policy for all retirees and survivors entitled to a survivor's pension at a cost of $ 102,600 per year in the case of natural death and $ 36,660 per year in the case of accidental death.
- The Company pays the value of a Hospitalization and Surgery policy for some of its retirees (according to family group). The value paid depends on the number of beneficiaries and, for the current year, for participants in the valuation, this premium is $ 154,788.

Types of pensions and/or contingencies to be assessed

Retirees to be paid by the Bank: These pensions are calculated based on the provisions established in Article 260 of the Labor Code, which applies to all individuals in the transitional system who have provided services for companies that recognize and pay pensions.The amount of the pension is 75% of the average salaries earned in the last year of service, provided the person has worked 20 or more years for the pension paying company. This pension is granted for life.

Survivors' pensions: Survivors' pensions or substitutions payable by the Bank are paid to surviving beneficiaries of retirees to be paid by the Bank, in accordance with 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 between 10 and 15 years of service: It was determined in accordance with 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 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)..

Dismissals without just cause after 15 years of service: determined in accordance with 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 in accordance with 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 retirement 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 expectations of a pension from the ISS: The actuarial reserve is recognized to cover a retirement pension for life in accordance with Article 260 of the Labor Code, which is applicable because they were working at the service of the Bank for more than ten years at the time of enrollment in the General Pension System. The Bank shall pay this pension on a permanent basis until said employee, on whose behalf it continues to make contributions to the ISS, meets the minimum requirements established by the General Pension System. This is based on the date on which the weeks of contribution requirement (increasing annually up to a limit of 1,300 weeks in the year 2017) and the age of retirement (men 60 and women 55, and as of January 1, 2014, men 62 and women 57) will be met. Once the old-age pension is accrued in the ISS, an actuarial reserve is calculated to cover a monthly payment for life in an amount equal to the difference resulting between the pension that was being paid by the company and the pension that will be paid by the ISS.

Retirees to be paid by the Bank with a quota-part: An actuarial reserve is recognized on these individuals to cover a retirement pension for life in accordance with Article 260 of the Labor Code. These retirees include those whose final pension is the responsibility of BBVA as well as those to whom the BBVA only grants the corresponding proportion without responsibility for the final pension. As for the retirees for whom the BBVA is not responsible for their final pension, the actuarial reserve is calculated proportional to the quota-part determined by the time of service that said employee worked for the Bank. At the request of the BBVA, the actuarial reserve of the retirees for whom the BBVA is responsible for their final pension, it is calculated as 100% payable by the Company and not proportional to the corresponding quota-part, except for the individuals mentioned in innovations.

Survivors' pensions payable by the Bank with a quota-part: These pensions are paid to surviving beneficiaries of retirees to be paid by the Bank, in accordance with 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.

As for beneficiaries whose final pension is the responsibility of the BBVA, the actuarial reserve is calculated as 100% payable by the BBVA and not in proportion to the corresponding quota-part, as requested by the BBVA. As for beneficiaries whose final pension is not the responsibility of the BBVA, the actuarial reserve is calculated in accordance with the value of the pension quota-part corresponding to the Bank. According to the provisions set forth in Decree 1889/1994, the funeral benefit is not calculated.

Shared pensions and pensions to be paid by the Bank with expectation of pension by the ISS:

- **Pension sharing**: As a result of the transition to the Pension System of the Colombian Social Security Institute (ISS, for the Spanish original), the legislation established the possibility of pension sharing, in order for any individual who can eventually become entitled to a pension to maintain the right to be paid by their employer, but with the possibility for the company to transfer this pension obligation to the Social Security Institute, provided the company continues to make the contributions to enable the individual to eventually meet the pension requirements established by the system.The regulatory framework of this possibility has been established in Article 16 of Agreement 049/1990, which sets out the conditions for the application of pension sharing.

- **Retirees to be paid by the company with the expectation of a pension from the ISS**: A monthly retirement pension is paid in accordance with the requirements set out in Article 260 of the Labor Code, that the Bank shall pay on a permanent basis until the employee, on whose behalf it continues to make contributions to the ISS, meets the minimum requirements established by the General Pension System. This is based on the date on which the weeks of contribution requirement (increasing annually up to a limit of 1,300 weeks in the year 2015) and the age of retirement (men 60 and women 55, and as of January 1, 2014, men 62 and women 57) will be met. Once the old-age pension is accrued in the ISS, an actuarial reserve is calculated to cover a monthly payment for life in an amount equal to the difference resulting between the pension that was being paid by the company and the pension that will be paid by the ISS.

- **Shared pensions**: These pensions recognize only the difference between the value of the pension that the company was paying and that paid by the ISS. They are calculated as a life annuity.

The following methodologies and actuarial bases were used for the evaluation of the mathematical reserve of retirement, pension bonds and securities.They are adjusted to the current regulations for the preparation of actuarial calculations (Decrees 1625/2016 and 2420/2015).

Pension reconciliation:

Item	2022	2021
Balance at December 31, 2022 and 2021	$ 43,546	$ 54,776
Pension payments	(4,083)	(4,260)
Pension expenses	3,630	3,421
Adjustment against equity	(8,169)	(10,391)
Liabilities at the end of the 2022 and 2021 period	**34,924**	**43,546**

BBVA grants its employees extra-legal benefits to improve their well-being and that of their families.

Sensitivity of the actuarial calculation

Closing 2022 and expense 2023	Pen-sions	Benefits Additional	Premium for Retirement	Premium for Seniority	Premium for Vacations	Comments
Accrued obligation at end of period						
Accrued obligation at year-end for 25 basis points increase	41,859	847	1,922	49,388	2,711	It is the sensitivity by discount rate: if it decreases or increas-es the discount rate by 25 points.
Accrued liability at closing due to a de-crease of 25 basis points.	43,537	883	1,986	50,459	2,791	
Long-term inflation (CPI)						
Accrued obligation at closing for in-crease of 25 basis points.	43,648	885	N/A	N/A	N/A	It is the sensitivity by CPI: if the CPI decreases or increases by 25 points by managing the same discount rate.
Accrued liability at closing due to a decrease of 25 basis points.	**41,750**	**844**	**N/A**	**N/A**	**N/A**	

Bases of the actuarial hypothesis - Over time, the total cost of the plan will depend on a number of factors, including the amount of the benefits paid, the number of individuals receiving benefits, the administrative expenses of the plan and the returns obtained on the assets used to pay the benefits. These amounts and other variables are uncertain and unknown at the time of the calculation and are only predicted within a reasonable range of possibility.

Since it is not possible or practical to measure all the variables, summarized information, estimates or simplified information were used to facilitate the efficient measurement of future events.

Also, the figures stated in the actuarial calculation are based on the Bank's accounting policies.

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The actuarial technical bases and hypotheses used in the calculation according to IAS 19, are:

Economic and Demographic Hypotheses	For the financing situation at December 31, 2022 and the determination of cost for the 2023 fiscal year
Discount rate	13.00%
Inflation	3.00%
Salary increase rate	5.00%
Pension increase rate	Equal to inflation
Minimum salary increase rate	4.0%
Increase rate for the benefits granted by the Bank	Equal to inflation
Growth rate of the retirement and disability bonus	Equal to inflation
Medical expense increase rate	5.00%
Mortality	Colombian Mortality Table of Life Annuities 2008 (RV08)
Disability	Active employee disability table - Banking Superintendence Resolution 0585/1994
Turnover	BBVA turnover table based on age, adjusted to 90%

Technical bases and hypothesis for the actuarial calculation based on the application of Decree 1625/2016:

Mortality table	Mortality Table of Valid Male and Female Annuitants "2005 – 2008 Experience", as per Resolution 1555/2010 issued by the Financial Superintendence of Colombia.
Salary and pension adjustment:	The formulation used explicitly incorporates future salary and pension increases 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) times the inflation of year k-3 in accordance with 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 rate:	The real technical interest rate of 4.80% was used in accordance with Article 1 of Decree 2984/2009 and Article 1 of Decree 2783/2001.

Actuarial methodology - The prospective method of calculation was used, valuing future benefits segmented from the expired period (segmented income).

Comparison	
Decree 1625/2016	IAS 19 – Employees benefits
$ 47.994	$ 34.924

30. Income tax and deferred tax

30.1 Components of the incometax expense

The income tax expense for the years 2022 and 2021 is made up of the following:

Item	2022	2021
Current income tax	$ 741,905	$ 463,394
Deferred tax	(190,452)	(25,082)
Income tax of previous years	1,266	5,847
Total income tax	**552,719**	**444,159**

30.2 Reconciliation of the tax rate in accordance with the tax provisions and the effective rate:

The current tax provisions applicable to the Bank and its subsidiaries stipulate that in Colombia:

- In accordance with the Law of Equality and Social Justice 2277 of 2022, the income tax rate for legal entities from 2023 to 2027 will be 35%. Additionally, financial institutions will have to pay 5 additional percentage points to the income tax and complementary taxes, leaving an integral rate of 40%.
- The income tax rate for the year 2022 is 35% plus 3 additional points for surtax applicable to financial institutions; for the year 2021 the income tax rate was 31%. Additionally, for financial institutions that obtain in the period a taxable income equal or higher than 120,000 UVTS, additional points apply to the income tax of 3%.
- For the year 2022, no presumptive income is determined, since it was in force until the taxable year 2020, the last year in which it was calculated at a rate of 0.5%, in accordance with Article 188 of the Tax Statute. This means that for the return of the taxable year 2021 this calculation disappears in its entirety.
- With the Economic Growth Law 2010 of 2019, the term of finality of the income and supplementary tax return of taxpayers who determine or offset tax losses or are subject to the transfer pricing regime, will be 5 years.
- The occasional gain tax is levied at a rate of 15%.
- For taxable periods 2019, 2020 and 2021, the audit benefit is created for taxpayers who increase their net income tax for the taxable year in relation to the net income tax for the immediately preceding year by at least 30% or 20%, whereby the income tax return will become final within 6 or 12 months following the date of filing, respectively.
- The Social Investment Law 2155 of 2021, establishes a new audit benefit. For the years 2022 and 2023 taxpayers that increase their net income tax of the taxable year in relation to the net income tax of the immediately preceding year by 35%, the term of finality is 6 months and when the increase is 25% the term will be 12 months.
- The Economic Growth Law 2010 of 2019 maintains the possibility of taking as a tax discount on income tax 50% of the industry and commerce tax, notices and boards effectively paid in the taxable year or period. The social investment law maintains this discount at 50%.

For the year ended December 31, 2022, the commission agent presents accounting and tax profit and therefore, after offsetting tax credits, presents net income, allowing the calculation of the tax through the ordinary system at the rate of 35%.

Below are the details of the reconciliation between the total income tax expense calculated at the tax rates in force for 2022 and 2021, respectively and the tax expense actually recognized in the Statement of Income.

	2022		2021	
Profit before taxes from continuing operations	**Relation %**	**$1.580.385**	**Relatión %**	**$1.335.958**
Income tax expense calculated at 38% for the year 2022 and 34% for the year 2021	38.00%	$600,546	34.00%	$454,226
Dividends received that are not taxable income	(0.42%)	($6,570)	(0.46)%	($6,146)
Exempt income	(1.63)%	($25,779	(1.68)%	($22,435)
Gain from valuation using the equity method	0.76%	$11,961	(0.94)%	($12,596)
Other non-taxable income	(0.79)%	($12,478	(1.22)%	($16,357)
Other non-deductible expenses	2.43%	$38,384	2.54%	$33,910
Non-deductible taxes	2.77%	$43,741	1.89%	$25,257
Rate difference effect of deferred tax vs. nominal rate	(1.81)%	($28,602	(1.43)%	($19,066)
Fines, penalties and other non-deductible expenses	0.21%	$3,385	0.43%	$5,767
Income tax of previous years	0.08%	$1,266	0.44%	5,847
Tax discounts	0.28%	$4,492	(1.32)%	($17,588)
Amortization of tax credits	(3.07)%	($48,510	(0.08)%	($1,007)
Others	(1.84)%	($29,117)	1.07%	$14,347
Income tax expense recognized in the income statement (related to continuing operations)	**34.97%**	**$552,719**	**33.25%**	**$444,159**

30.3 Activos y pasivos por impuesto corriente

	2022	2021
Current tax credit balance	**$ 2,231**	**$ 2,316**
Total	**2,231**	**2,316**
Income tax payable	292,592	152,986
Total	**292,592**	**152,986**

30.4 3Deferred 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 at December 31, 2022 and 2021 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 presented in the Statements of Financial Position at December 31, 2022 and 2021:

	2022	2021
Deferred tax asset	601,997	322,105
Deferred tax liability	(580,571)	(424,494)
Total	**21,426**	**(102,389)**

Year ended December 31, 2022

2022	Opening Balance	Recognized in the Income Statement	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Closing Balance
Deferred tax asset related to:					
Cash flow hedges	$ 1,947	-	-	-	$ 1,947
Net investment hedges	192,223	94,356	-	-	286,579
Property, plant and equipment	37,205	12,249	-	(4,030)	45,424
Intangible Assets	3,918	15,664	-	-	19,582
Deferred income	7,566	-	-	-	7,566
Provisions	-	84,201	-	-	84,201
Defined benefit liabilities	29,320	10,256	-	-	39,576
Restatement of assets and liabilities in FC	41,718	75,171	-	-	116,889
Leases	5,806	1,140	-	-	6,946
Industry and commerce tax	8,349	(8,349)	-	-	-
Others	-	(766)	-	-	(766)
Total deferred tax asset	**$ 328,052**	**$ 283,922**	**-**	**$ (4,030)**	**$ 607,944**

Deferred tax liability related to:					
Cash flow hedges	-	-	(6,404)	-	(6,404)
Associates	(32,310)	(12,316)	(13,037)	-	(57,663)
Property, plant and equipment	(132,320)	(9,937)	-	-	(142,257)
Repos, simultaneous transactions and temporary security transfers	(90)	(568)	-	88	(570)
Intangible Assets	(2,609)	(4,242)	-	-	(6,851)
Financial assets at fair value through profit or loss and amortized cost	(11,349)	(1,345)	11,885	-	(809)
Portfolio	-	(19,100)	-	1,179	(17,921)
Portfolio provisions	(238,787)	-	(56,457)	-	(295,244)
Convertible Instruments	-	(4,834)	-	-	(4,834)
Provisions	(7,178)	-	-	-	(7,178)
Defined benefit obligations	-	375	-	-	375
Unclaimed issuance and buyback costs	(1,421)	(127)	-	-	(1,548)
Investment hedges	(4,376)	-	-	-	(4,376)
Others	-	(41,237)	-	-	(41,237)
Total deferred tax liability	**(430,440)**	**(93,331)**	**(64,013)**	**1,267**	**(586,517)**
Net deferred tax	**$(102,388)**	**$190,591**	**$(64,013)**	**$(2,763)**	**$21,427**

Year ended December 31, 2022

2022	Opening Balance	Recognized in the Income Statement	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Closing Balance
Deferred tax asset related to:					
Cash flow hedges	12,365	-	$ (10,418)	-	1,947
Net investment hedges	151,368	40,855	-	-	192,223
Property, plant and equipment	36,604	19	-	582	37,205
Intangible Assets	1,296	(1,296)	-	-	-
Financial assets at fair value through profit or loss and amortized cost	-	3,918	-	-	3,918
Deferred income	-	7,566	-	-	7,566
Provisions	9,606	(9,606)	-	-	-
Defined benefit liabilities	15,547	13,773	-	-	29,320
Restatement of assets and liabilities in FC	52,206	(10,488)	-	-	41,718
Leases	4,422	1,384	-	-	5,806
Industry and commerce tax	8,040	309	-	-	8,349
Total deferred tax asset	**291,454**	**46,434**	**(10,418**	**582**	**328,052**
Deferred tax liability related to:					
Net investment hedges		(4,376)			(4,376)
Associates	(26)	(2,522)	34,754	(38,414)	(32,310)
Property, plant and equipment	(118,722)	(13,598)	-	-	(132,320)
Repos, simultaneous transactions and temporary security transfers	-	(50)	-	(40)	(90)
Intangible Assets	-	(2,609)	-	-	(2,609)
Financial assets at fair value through profit or loss and amortized cost	(29,759)	2,386	16,024	-	(11,349)
Portfolio	(82,783)	82,783	-	-	-
Portfolio provisions	(141,164)	(82,450)	(24,023)	8,850	(238,787)
Provisions	(6,029)	(1,149)	-	-	(7,178)
Unclaimed issuance and buyback costs	(1,654)	233	-	-	(1,421)
Total deferred tax liability	**(406,239)**	**(21,352)**	**26,755**	**(29,604)**	**(430,440)**
Net deferred tax	**$ (114,785)**	**$ 25,082**	**$ 16,337**	**$ (29,022)**	**$ (102,388)**

For the purposes of disclosure in the consolidated statement of financial position, the Bank and its subsidiaries offset the deferred tax assets and liabilities pursuant 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.

30.4.1 Deferred taxes for subsidiaries and joint operations

At December 31, 2022 and 2021, the Bank has not recognized deferred tax liabilities regarding temporary differences of the investment in its Subsidiaries, as it has the authority to control the reversal of these temporary differences, and it is not planning on reversing them in the near future (exception of IAS 12). If this deferred tax liability had been recognized, the difference would amount to $ 21,470 and $ 26,830 at December 31, 2022 and 2021, respectively.

30.4.2 Effect of current and deferred taxes on each component of other comprehensive income in equit

The effects of current and deferred taxes on each component of other comprehensive income are detailed below:

Component	Movement at December 31, 2022			Movement at December 31, 2021		
	Amount Before Taxes	Deferred Tax	Net	Amount Before Taxes	Deferred Tax	Net
Items that will not be reclassified to the statement of income for the period						
Surplus from the equity method	95	-	95	142	-	142
Share in other comprehensive income of non-controlled entities	-26,786	-13,036	-39,822	-52,214	34,754	-17,460
Loan portfolio	106,677	-56,457	50,220	12,469	-24,023	-11,555
Defined benefit liabilities	-2,234	-	-2,234	15,268	-	15,268
Items that may be subsequently reclassified to the statement of income for the period						
Financial assets available-for-sale	-31,897	11,885	-20,012	-51,244	16,024	-35,220
Cash flow hedges	16,266	-6,404	9,862	31,243	-10,418	20,825
TOTAL	**$ 62.121**	**$ (64.012)**	**$ (1.891)**	**$ (44.337)**	**$ 16.337**	**$ (28.000)**

30.5 30.5 Transfer prices

In compliance with the provisions of Laws 788/2002, 863/2003, 1607/2012 and 1819/2016, regulated by Decree 2120/2017, the Bank conducted a transfer price study on the transactions carried out with related parties abroad during the 2021 tax year. The study did not give rise to any adjustments that would affect the Bank's tax costs, expenses and revenue.

Although the transfer price study for the year 2022 is currently in progress, no significant changes are expected in relation to the preceding year.

30.6 30.6 Uncertainty in tax positions

As of January 1, 2021 and through Decree 2270/2019, which was adopted for the purposes of the local financial statements of Group 1, the interpretation IFRIC 23- Uncertainties in Income Tax Treatments, in the application of this standard, the Bank and its subsidiaries have 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 recognition of additional provisions on this account.

31.
Subscribed and paid-in capital

The Bank's subscribed and paid-in capital is divided into ordinary shares and non-voting preferential dividend shares. The latter may not represent more than 50% of subscribed capital. At December 31, 2022 and 2021, 13,907,929,071 ordinary shares and 479,760,000 preferred shares were subscribed and paid-in, at a nominal value of $ 6.24, for total subscribed and paid-in capital of $ 89,779.

BBVA COLOMBIA					
PRINCIPALES ACCIONISTAS					
Nombre	**No. Identificación**	**No. Acciones ordinarias**	**No. Acciones preferenciales**	**No. Acciones totales**	**% Participación**
BBV AMERICA SL	9.005.046.846	2.511.124.962	256.150.000	2.767.274.962	19,23363
BANCO BILBAO VIZCAYA ARGENTARIA S.A	8.300.704.540	10.766.099.008	196.857.652	10.962.956.660	76,19679
OTROS		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

32.
Reserves

At December 31, the balance of this account was broken down as follows:

Item	2022	2021
Legal reserve	$ 4,092,044	$ 3,642,821
Occasional reserves:		
Available to the Board of Directors	1	1
To protect investments	532	532
Total reserves	**$ 4,092,577**	**$ 3,643,354**

Legal reserve – In accordance with the statutory provisions, 10% of Bank's net profit each year must be credited to a "reserve fund" until its balance reaches at least 50.01% of the subscribed capital.As a result, the legal reserve may not be reduced below this percentage, except to cover losses in excess of undistributed profits. Share issue premiums are also credited to the legal reserve.

Available to the Board of Directors and others – These reserves may be used for future distributions, and include:

- Non-taxed profits available to the Board of Directors, with a balance of $ 1 million.
- For investment protection, with a balance equivalent to $ 532 million.

Declared dividends - During the years ended on December 31, the following dividends were declared payable:

Item	2022	2021
Net income from previous year, 2021 and 2019	$890,240	$ 461,405
Outstanding preferred shares (units)	479,760,000	479,760,000
Dividends per preferred share (Colombian pe-sos)	31.00 per share	16.32 per share
Total dividends declared for preferred shares	14,872	7,830
Ordinary shares outstanding (units)	13,907,929,071	13,907,929,071
Dividends per ordinary share (Colombian pe-sos)	31.00 per share	16.32 per share
Total dividends declared for ordinary shares	431.145,8	226,977
Dividends declared at December 31, 2021 and 2019	446.018	234,807
Dividends payable at December 31, 2021 and 2019	$ 101.264	$ 89,536

Preferred and ordinary dividends for the year 2022 were paid in cash in two equal install-ments on June 16 and October 13, 2022.

Preferred and ordinary dividends for the year 2020 were paid in cash in two equal install-ments on June 10 and October 14, 2021.

Restrictions on dividend payments

In accordance with Decree 4766/2011, holders who have acquired the shares during the ex- dividend periods, which corresponds to (4) trading days immediately preceding the pay-ment date, will be exempt from dividend payments.

The management carried out by the Shareholders Area for the payment of dividends is the publication in the official newspaper and the Bank's web page of the dates on which the divi-dends decreed for each fiscal year will be paid to the shareholders. Likewise, the data of the clients was updated, of which there is a remainder of mandatory shareholders coming from Banco Ganadero that has not been possible to update.

33.
Earnings per share

Basic and diluted earnings per share are calculated in ac-cordance with the criteria set forth in IAS 33.

Item	2022	2021
Basic earnings per ordinary and preferred share:		
Net earnings attributable to shareholders	$ 1,026,275	$ 890,240
Average number of shares outstanding	14.387.689.071	14.387.689.071
Basic earnings per share (*)	71	62
Diluted earnings per share (*)	**71**	**62**

(*) Values in Colombian pesos

During the years ended December 31, 2022 and 2021, there were no other financial instruments or commitments to employees based on shares that may affect the calculation of the diluted earnings per share for those years. Therefore, the basic and diluted earnings per share are the same.

34.
Other comprehensive income - OCI

The details on the movements in other comprehensive in-come for the years ended December 31, 2022 and 2021, respectively, are as follows.

Productivity and reliability; that is, getting the most out of the technology and doing so in a completely reliable way, guaranteeing the highest quality standards.

Other Comprehensive Income	December 31, 2022	Movements During the Fiscal Year	December 31, 2021
Gains from other equity items in joint ventures and trust rights (1)	**$ 1,086**	**$ 95**	**$ 991**
Actuarial losses on defined benefit plans, before taxes	8,824	(2,234)	11,058
Share in other comprehensive income of non-controlling interests (3)	83,792	(26,786)	110,578
Income taxes relating to investments in equity in-struments equity in OCI (2)	(30,158)	(13,036)	(17,122)
Impairment adjustment on loan portfolio and finan-cial leasing transactions by application of IFRS 9 to consolidated financial statements	592,859	106,677	486,182
Income tax on impairment measurements of loans and financial leases IFRS9	(365,400)	(56,457)	(308,943)
Total other comprehensive income that will not be reclassified to the statement of income, before taxes	**$ 291,003**	**$ 8,259**	**$ 282,744**
Losses from remeasurement of financial assets available-for-sale, before taxes (5)	9,641	(31,932)	41,573
Reclassification adjustments, financial assets available-for-sale, before taxes (6)	(13,507)	35	(13,542)
Income tax on remeasurement of assets financial	844	11,885	(11,041)
Gains on application of IFRS9	447,949	-	447,949
Gain on cash flow hedging (4)	11,142	16,266	(5,124)
Income tax related to cash flow hedges cash from other comprehensive income	(4,457)	(6,404)	1,947
Total OCI that is not reclassified to the State-ment of Income, before taxes	**$ 451,612**	**$ (10,150)**	**$ 461,762**
Total other comprehensive income	**$ 742,615**	**$ (1,891)**	**$ 744,506**

(1) The change in investments in equity instruments before taxes, for the closing of December 31, 2022, is detailed below:

Entity	December 31, 2022	December 31,	Variación
BBVA Fiduciaria (OCI valuation)	(1,334)	(1,288)	(46)
BBVA Valores (OCI valuation)	985	1,034	(49)
RCI Banque Colombia	(737)	(737)	-
Total	**$(1,086)**	**$(991)**	**$ (95)**

(2) Movement in the valuation of the equity interest recorded in OCI:

Item	2022	2021	Variation
Credibanco	105,600	110,983	(5,383)
Bolsa de Valores de Colombia	59,068	44,517	14,551
FINAGRO	51,483	53,814	(2,331)
Redeban	35,073	30,993	4,080
ACH Colombia	64,288	49,757	14,531
Central Clearing House	3,787	2,449	1,338
Total	**$ 319,299**	**$292,513**	**$26,786**

(3) The variation of -$26,786 due to new measurements of Available-for-Sale financial assets, before taxes is mainly due to the maturity of the Fixed Rate Treasury Securities TES and RUV Rate and TIPs recorded during 2022.

(4) Movement in cash flow hedges shows the following variation:

Date	Valuation	Interest accrual	Difference in exchange	Variation
31/12/2022	(228,514)	(2,099)	219,470	(11,141)
31/12/2021	(111,840)	(3,021)	119,986	5,125
Total	**$ (340,354)**	**$ (5,120)**	**$ 99,485**	**$ (16,266)**

(5) The variation of -$31,932 due to the remeasurement of Available-for-Sale financial assets, before taxes is mainly due to the maturity of the Fixed Rate Treasury Securities TES and RUV and TIPs registered during the third quarter of 2022.

(6) The movement of $35 of adjustment of reclassifications of financial assets available for sale before taxes, corresponds to the sale of the security CB07FV250222, of Bancolombia held as of December 2021

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35.
Legal controls

In the years 2022 and 2021, the Bank complied with all the standards on legal controls set forth by the Financial Superintendence of Colombia, as follows:

In regards to the limit on proprietary position in foreign currency, minimum legal reserve required on deposits in local currency, standard liquidity risk indicator (IRL, for the Spanish original) and mandatory investments in Agricultural Investment Securities (TDAs, for the Spanish original).

The Bank's portfolio policy is compliant with the current mortgage law, according to which mortgage loans can be granted as follows:

- Social Interest mortgage: Up to 80% financing on the value of the mortgage unit.
- Non-Social Interest mortgage: Up to 70% financing on the value of the mortgage unit.

After having obtained internal approvals and approval from the Financial Superintendence of Colombia, BBVA Colombia opted for the early application of decrees 1477/2018 and 1421/2019, which became effective in January 2022. This process was completed with submission as of June 2021 to the Financial Superintendence of Colombia of the Solvency Ratio indicator in accordance with the above decrees.

In this manner, starting in June 2020, BBVA Colombia abides by the regulatory limits contained in said decrees regarding the Solvency Ratio, which at December 2022 stood at 10.88%, and at year-end 2021 at 10.25%, within the adjustment period provided for in the regulations.

At December 31, 2022 and 2021, the Bank's technical reserve represented 13.29% and 13.75%, of its assets and credit-risk-related contingencies calculated based on the Consolidated Financial Statements.

36.
Commitments and contingencies

In the normal course of operations, the Group issues financial instruments which are recorded in contingent accounts. The Group's management does not expect material losses as a result of these transactions.

The Group issues guarantees and sureties to guarantee contracts and obligations of special customers. These guarantees have maturities ranging from one to fifteen years, and commissions are charged to correspondent banks, whether or not they belong to the Group, for this service.

At December 31, the Group recorded the following balances:

In legal currency

Item	2022	2021
Endorsements	$ -	$ 878
Bank Guarantees	2,194,195	2,015,166
Total Bank Guarantees and Warranties Legal currency	**$ 2,194,195**	**$ 2,016,044**

December 31, 2022

In foreign currency (Expressed in millions of US dollars)

Item	USD	EUR
Bank Guarantees	434.50	35.84
Letters of Credit (LC)	49.70	10.52
Total in Foreign Currency	**484.20**	**46.36**
Exchange rates (applied to the cut-off)	4,151.21	4,339.88
Total in pesos $	**$ 2,010,021.48**	**$ 201,226.11**

December 31, 2021

In foreign currency (Expressed in millions of US dollars)

Item	USD	EUR
Bank Guarantees	450.69	30.80
Letters of Credit (LC)	46.33	3.74
Exp Letters of Credit	-	-
Total in Foreign Currency	**497.02**	**34.54**
Exchange rates (applied to the cut-off)	3,981.16	4,511.05
Total in Colombian pesos $	**$ 1,978,754.77**	**$ 155,781.60**

Historically, Banco BBVA has not had any default of any Bank Guarantee in legal or foreign currency.

In the event that any of our customers were to default on their obligations to third parties under a Bank Guarantee issued by Banco BBVA Colombia S.A., a provision would be recognized under the parameters established by IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, by applying the following decision tree:

DISCRIMINATED DECISION TREE - CONCEPTS TO BE EVALUATED FOR CRITERIA DEFINITION	
CONTINGENT LIABILITIES - GUARANTORS, LETTERS OF CREDIT AND BANK GUARANTEESS	Is a possible obligation arising from past events and whose existence is to be confirmed only because uncertain future events do or do not occur? controlled by the entity?
	Isn›t it likely that satisfying the obligation will require an additional outflow of resources incorporating future economic benefits?
	Can the amount be measured with sufficient relia-bility?

The risk area was asked to rate the customers that as of December 31, 2022 have a current balance in both legal and foreign currency, and the result was as follows:

Since Bank Guarantees are not part of the rating processes established for active credit operations, the Risk Area proceeded to carry out the following activities:

a) Locate the identification sent from the bank guarantees and assign the risk rating if the identification at the close of December 2022 has active credit operations..

b) The identifications that do not have active credit operations were taken from the rating information.

The rating is assigned by the analysis of a set of qualitative and quantitative variables established in models, which are analyzed by the Bank's tools area, these variables give a final weight to each client to establish and define the master rating.

This rating, through a computerized process, is homologated according to the parameters of section 8017 of the UGDT37 to the 8 risk levels managed for credit investment, a rating that in turn is equivalent to the five levels established by Circular 100.

Guarantees in legal currency

The rating of the information as of December 31, 2022 is as follows::

Rating	COP	Percentage
A	615	100%
Total in COP	**615**	**100%**

The rating of the information as of December 31, 2021 is as follows:

Rating	COP	Percentage
A	878	100%
Total in COP	**878**	**100%**

Bank guarantees in foreign currency (Expressed in millions of US dollars)

The rating of the information as of December 31, 2022 is as follows:

Rating	USD	EUR	CNY	CHF	Percentage
A	434.00	36.00	-	-	99.98%
C	0.06	-	-	-	0.01%
E	0.04	-	-	-	0.01%
Total in foreign currency	**434.10**	**36.00**	**-**	**-**	
Exchange rates (applied at cutoff)	4,151.21	4,339.88	620.09	4,336.13	
Total in COP	**$ 1,803,704.00**	**$ 155,549.00**	**$ -**	**$-**	**100.00%**

The rating of the information as of December 31, 2021 is as follows:

Rating	USD	EUR	CNY	CHF	Percentage
A	450.00	31.00	-	-	99.87%
D	0.22	-	-	-	0.05%
NR	0.36	0.04	-	-	0.08%
Total in foreign currency	**450.58**	**31.04**	**-**	**-**	
Exchange rates (applied at cutoff)	3,981.16	4,511.05	624.33	4,356.94	
Total in COP	**$ 1,794,280.00**	**$ 138,919.00**	**$ -**	**$-**	**100.00%**

Letters of credit in foreign currencies (Expressed in millions of currency)

The rating information as of December 31, 2022 is as follows:

Rating	USD	EUR	CAD	CHF	Percentage
A	50.00	11.00	-	0.05	99.90%
B	0.03	-	-	-	0.05%
E	0.03	-	-	-	0.05%
Total in foreign currency	**50.06**	**11.00**	**-**	**0.05**	
Exchange rates (applied at cutoff)	**4,151.21**	**4,339.88**	**3,218.10**	**4,336.13**	
Total in COP	**$ 206,317.00**	**$ 45,677.00**	**$ -**	**$ 217.00**	**100.00%**

The rating of the information as of December 31, 2021 is as follows:

Rating	USD	EUR	CAD	CHF	Percentage
A	45.47	3.74	-	-	98.28%
B	0.87	-	-	-	1.72%
Total in foreign currency	**46.34**	**3.74**	**-**	**-**	
Exchange rates (applied at cutoff)	3,981.00	4,511.00	3,113.31	4,356.94	
Total in COP	**$ 184,474.00**	**$ 16,863.00**	**$ -**	**$-**	**100.00%**

As a result of the work performed for the evaluation of the current status of the Guarantees, Bank Guarantees and Letters of Credit in force at the end of 2022, under the criteria of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, the following are the facts that caught our attention:

- 100% of the customers with operations (Bank Guarantees) in legal currency do not represent any level of risk since the rating of their economic group is "A".
- Of the 100% of the letters of credit in foreign currency issued by the end of 2022, 99.87% have the best rating, such as an A rating, as well as 0.05% and 0.08% for categories D and NR, respectively.
- Of the total Guarantees issued in Foreign Currency, 99.90% are from clients that are rated under category A, as well as 0.03% and 0.03% for categories B and E, respectively.

According to the revised bases, it is considered that BBVA Colombia S.A. at the end of 2022 does not require the constitution of any provision for the products of Guarantees, Bank Guarantees and Letters of Credit in Legal and Foreign Currency, according to the criteria of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

37.
Interest income

Revenues from ordinary activities for the years ended December 31, 2022 and 2021 consist of the following:

Interest income	2022	2021
Loan portfolio		
Commercial (1)		
Commercial loans	1,743,179	722,486
Commercial credit overdrafts	9,289	4,557
Commercial portfolio discounting transactions	6,159	3,010
Commercial portfolio rediscount operations	172,291	73,513
Commercial portfolio write offs	168,231	16,912
Micro-credit	6	-
Total Commercial	**2,099,155**	**820,478**
Consumer (2)		
Consumer loans	2,415,247	2,085,173
Consumer credit overdrafts	429	358
Delinquencies consumer portfolio	173,119	32,040
Total Consumer	**2,588,795**	**2,117,571**
Credit card		
Commercial credit card portfolio	6,613	4,451
Consumer credit card portfolio	589,374	399,854
Total Credit card	**595,987**	**404,305**
Mortgage		
Mortgage loans and mortgage leasing	838,974	816,633
Delinquent payments on mortgage and mortgage leasing portfolios	85,040	16,744
Readjustment of the real value unit RVU	51,809	25,228
Total Mortgage	**975,823**	**858,605**
Factoring		
Factoring transactions	86,516	32,681
Total Factoring	**86,516**	**32,681**
Financial leasing (3)		
Penalties for noncompliance with financial leasing contracts	2,459	2,711
Financial component of financial leasing - consump-tion	610	224
Financial component of financial leasing - commer-cial	175,622	98,476
Total financial leasing	**178,691**	**101,411**
Mortgage leasing (4)		
Financial component of mortgage leasing	359,156	311,870
Total mortgage leasing	359,156	311,870
TOTAL INTEREST INCOME	**6,884,123**	**4,646,921**
INTEREST EXPENSE (5)		
Savings accounts	1,165,190	277,173
Term Certificates of Deposit	1,885,954	1,018,915
Other interest expense	1,310	517
Bank loans and financial obligations	251,446	85,606
Total interest expense	**3,303,900**	**1,382,211**
Total net interest income	**$ 3,580,223**	**$ 3,264,710**

Net interest income recorded a year-on-year decrease of 1.0%.

(1) Interest income from commercial portfolio increased by $1,128,677, with the main variations in interest on commercial portfolio of $1,020,693 and rediscount operations of commercial portfolio of $98,778.

(2) The consumer portfolio generated a higher income of $471,224, of which $330,074 corresponds to the increase mainly to the product of promissory notes, also influenced by the increase in the placement rates of portfolio loans in all products.

(3) In Financial Leasing operations a higher income of $77,280 was obtained, the variation is mainly due to the commercial financial leasing category with an increase of 77,146, likewise there is an increase of 47,686 in mortgage leasing, additionally, the increase in the rates of the Bank of the Republic which closed at 12% as of December 31, 2022 compared to the same period of the previous year which closed at 3%.

(4) The mortgage portfolio generated a higher income of $53,835, which is mainly due to the variation of the RVU during the period.

(5) Interest expense increased by 888,017 and 867,039 in savings deposits and Term Certificates of Deposit, respectively. In 2022, the Ganadiario product was strengthened, which meant an interest expense of $606,337, representing 68% of the variation. Likewise, there was an increase in Term Certificates of Deposit issued for more than 12 months, which generated a higher interest expense of $497,618.

The increase in interest rates is linked to the new loan portfolio placements in all products and to the increase in the intervention rate of the Central bank, which closed at 12% as of December 30, 2022, compared to the same period of the previous year, which closed at 3%.

38. Non-interest income

For the years ended December 31, 2022 and 2021 the balances of these accounts are summarized as follows:

Item	2022	2021
Commissions		
Commission income	839,175	658,723
Commission expenses	(474,309)	(440,984)
Total commissions (1)	**364,866**	**217,739**
Securities		
Money market operations		
Interest income from money market operations and other interest income	197,295	44,593
Valuation of short positions of open repo transactions simultaneous and temporary transfer of securities (2)	641,577	147,513
Valuation of spot transactions	936	3,311
Investments at fair value		
Valuation of debt instruments at fair value (3)	1,107,402	474,432
Valuation of equity instruments at fair value	4,154	1,804
Investments at amortized cost		
Valuation at amortized cost of investments	471,723	224,089
Equity method	33,968	37,047

Total securities	**2,457,055**	**932,789**
Derivatives		
Trading derivatives	49,024,753	20,449,955
Hedging derivatives	-	4,690
Total derivatives (4)	**49,024,753**	**20,454,645**
Disposals		
Sale of non-current assets held for sale	4,187	2,399
Sale of property and equipment	-	3
Sale of investments	334,287	171,223
Total disposals	**338,474**	**173,625**
Total operating income	**52,185,148**	**21,778,798**
Other operating income		
Sale of checkbooks	7,267	8,622
VISA financing fee	17,155	14,394
Dividends	18,333	18,043
Operational Risk	9,861	44,121
Reimbursement provision	9,652	3,792
Swift Messages	3,576	3,555
Leases	2,769	2,077
Visa regional credit agreement	16,457	13,131
Cash sales	764	426
Advertising Agencies Rebates	15,885	11,971
Commercial information to customers	694	653
Other income	74,916	73,287
Total other operating income	**177,329**	**194,072**
Net exchange difference (5)	1,169,412	483,266
Activities in joint operations	1,304	880
Total other non-interest income	**$53,533,193**	**$ 22,457,016**

Income other than interest income shows a variation of $31,076,177 and is composed as follows:

(1) The variation is concentrated in fiduciary assignments, ETM trust, commission contracts and fees for financial advisory services provided by the Group, increasing commissions by $180,452.

(2) Money market operations increased by $494,064, which corresponds to the business strategy executed by the desk at the time the balance is observed.

(3) The variation is presented in the Treasury Securities - TES issued and guaranteed by the Nation, which compared to the year 2021 presents an increase of $ 632,970.

(4) Speculation Derivatives correspond to the liquidation of the results of future currency operations, which reflect an increase of Ps. 28,570,108, equivalent to 140%.

(5) At the end of the fourth quarter of 2022, there was an increase in the exchange rate, which closed at $4,810.20 (peso/dollar), which generated a net profit of $1,169,412.

Income other than interest income corresponds to 2%, equivalent to a variation of $512,437.

39.
Non-interest expenses

As of December 31, 2022, the balance of this caption is summarized as follows:

Items	2022	2021
Securities		
Money market operations		
Interest income from money market operations and other interest income	432,514	156,440
Valuation of short positions of open repo, sell/buy-back and securities repurchase agree-ments (1)	580,103	121,497
Valuation of spot transactions	3,638	868
Valuation of debt instruments at fair value (2)	1,158,774	499,675
Valuation at amortized cost of investments	57,319	56,268
Total securities	**2,232,348**	**834,748**
Derivatives		
Trading Derivatives (3)	49,517,644	20,577,777
Hedging Derivatives	36,659	17,347
Total Derivatives	**49,554,303**	**20,595,124**
Disposals		
Sale of non-current assets held for sale	991	685
Sale of property and equipment	-	61
Sale of Investments	262,174	131,281
Sale of Portfolio	23,154	9,334
Total disposals (4)	**286,319**	**141,361**

Other operating expenses		
Salaries and employee benefits (5)	839.057	668.157
Fees	31.776	38.571
Statutory Audit Fees	4.123	3.609
Depreciation of property and equipment	76.743	80.829
Amortization of intangible assets	42.659	33.831
Taxes	158.711	109.770
Leases	6.645	6.107
Insurance	219.330	210.663
Contributions and affiliations	20.001	18.566
Maintenance, adjustments and repairs	139.542	112.321
Operational Risk	25.004	23.973
Fines and penalties, litigation, indemnities, fines and sanctions	8.946	17.026
Temporary Service	86.785	78.528
Advertising and publicity	26.269	20.805
Public Relations	1.601	921
Utilities	31.576	29.411
Electronic data processing	140.783	122.478
Travel expenses	8.104	2.538
Transportation	50.433	39.988
Supplies and stationery	4.563	4.269
Administrative miscellaneous	11.885	12.168

Miscellaneous product administrative	31.702	31.163
External staffing costs	5.136	3.849
Central and base queries	10.624	9.792
Loyalty incentive and customer cost	11.126	8.988
Cost of formalization of active product	1.477	1.349
Costs over MEP	17.045	9.208
Archiving and custody	6.723	7.620
IT development and support	25.656	12.152
Corporate responsibility	8.952	4.683
Customer loyalty	2.747	583
Updating RVU TES 546	7.767	4.172
Other Financial Operations Costs	-	5.860
Digital Sales	20.532	3.189
Donations	29	156
Others - Miscellaneous	137.025	93.204
Administration and brokerage services and sys-tems	2.436	1.556
Legal Expenses	11	8
Joint Operations Activities	2.906	2.967
Total other operating expenses	**2.226.430**	**1.835.028**
Total expenses other than interest	**$ 54.299.400**	**$ 23.406.261**

Expenses other than interest presented a variation of $30,893,139, this variation is composed as follows:

(1) The result of the short-term money market operations is due to the result of the strategies applied in the money desk, projected in the search for greater liquidity and in the execution of the negotiations at the moment of evidencing the balances of the operations such as repos, simultaneous and others within the mentioned market. For the year 2022 there is an increase in 2022 of $458,606 equivalent to 1% of the total variation with respect to the previous year

(2) There is an increase in the Treasury Securities - TES issued and guaranteed by the Nation, which compared to the year 2021 presents an increase of $ 659,099.

(3) Speculation Derivatives correspond to the settlement of losses on future currency transactions, which reflect a variation between 2022 and 2021 of $28,939,867, equivalent to 58%.

(4) The variation in the account is due to the result of the sales of the majority of securities of the fixed rate Tees whose issuer is the National Treasury Directorate, some of the securities sold correspond to the following Isines TFIT08031127, TFIT15260826 and TFIT16280428.

On the other hand, the RVU TES also had an important variation given the fluctuation of the RVU, which according to the behavior between the end of 2021 and 2022, there is evidence of a growth in the rate of 35.77 (RVU DEC. 2021 288.6191 and RVU DEC. 2022 324.3933). We also mention some of the securities sold TUVT20250333, TUVT18250237 and TUVT10180429.

(5) For the year 2022, there was an increase in Target bonuses, in the total incentive awards for the year 2022. $40,304, this incentive generated an important increase in the salaries of the employees who received bonuses in salaries of $29,914, integral salaries of $14,389 and in their social security of $11,525; the Bank carried out a restructuring process of the offices where it was necessary to eliminate some jobs, which generated an increase in severance payments of $30,019.

(6) Other miscellaneous presented a variation of $43,821 within this line, the most representative values during 2022 were the expenses from non-current assets held for sale for $10,654, the point redemption program for card purchases for $16,705 and expenses for the provision of IT services for global projects for $92,893.

For the rest of the expenses, there was a variation of $391,402, corresponding to 1% of the total variation.

40. Related party transactions

Controller and main controller

BBVA Colombia S.A. has Banco Bilbao Vizcaya Argentaria as the main controller of the group with a percentage of participation of 95.43%, transactions that are disclosed hereinafter as shareholders with more than 10% of the company.

Recognition of Relationship with Related Parties

Individuals Related to the Entity

BBVA Colombia recognizes as related parties the members of the Board of Directors and the registered agents and/or key management personnel that have a significant influence over the organization's decision-making.

Joint ventures

In July 2015, Compañía de Financiamiento RCI Colombia was incorporated under a joint arrangement with RCI Banque, owned by the Renault Group. This investment represents a holding of 48.99% for the Bank, with 11,512,154 shares; the third capitalization was carried out in the month of March. This company carries out its activities at Cra 49 No. 39 Sur 100 Envigado, Antioquia.

Other related parties in Colombia

BBVA recognizes the following companies as related parties: BBVA Seguros Generales, which is in the business of selling general or damage insurance products; and BBVA Seguros de Vida, which only sells life insurance. Since its shareholding structure reflects 99.95% of BBVA Group's share, they are recognized as economically related parties. These companies carry out their activities at Cra 15 No. 95-65 on the 5th and 6th floors.

Comercializadora de Servicios Financieros is also considered a local related party, since it is a partner responsible for facilitating access to the products and services of BBVA Colombia by presenting the offerings of some of its products to customers. Said company holds significant shareholdings in BBVA Seguros Colombia.

This same group includes Telefónica Factoring Colombia, S.A., Opplus Operaciones y Servicios S.A., Fideicomiso de Administración Redetrans, Fideicomiso Horizontes Villa Campestre and Fideicomiso Lote 6.1 Zaragoza.

Compensation received by key management personnel and Board members

In addition to their remuneration, the Company has a system for the calculation and payment of the annual variable compensation for individuals whose professional activities have a significant impact on the Bank's risk profile, as well as other employees who have oversight roles, including executive directors and other members of BBVA's Senior Management.

The deferred amounts of the annual variable compensation, both in cash and in shares, are subject to long-term indicators, so the degree of fulfillment of these objectives determines the amount of the benefit granted to each related party.

Below are the other remunerations paid to key management personne:

Details	2022	2021
Short-term employee benefits	10,220	9,059
Post-employment benefits	72	67
Share-based payment	2,350	577
Remuneration of key management personnel	10,902	9,364
	23,544	**19,067**

In addition to the aforementioned remuneration, key management personnel and members of the Board of Directors submitted per diem expenses for the year 2022 for $439 and for 2021 for $220, made through corporate cards.

The members of the Board of Directors received compensation for fees and attendance at board meetings for 78 during 2022 and $311 by 2021.

Recognized transactions with shareholders with more than 10% of the company's shares

For comparative purposes BBVA Colombia S.A., as of December 2022 presents a balance of $219,023 in correspondent banks of BBVA Madrid, $3,251, BBVA Hong Kong, $47,292 in BBVA New York. With BBVA Madrid, accounts receivable of $40,224 and accounts payable of $2,274,177 have been recognized as a result of the settlement of trading derivatives; additionally BBVA Colombia S.A. has recorded income of $7,495 of commissions and expenses of $230,983 for commissions and transfer of technology and finally in the negotiated derivatives a Mark to Market (MTM) has been recorded in the Active part for $8,089,683 and in the passive part for $8,711,608.

With respect to recognized contingent commitments, the Bank issues Guarantees, Letters of Credit and Bank Guarantees to its economic related parties, which are recorded in contingent accounts. These guarantees have maturities between one and fifteen years, and for this service a commission of 0.2% is charged with a minimum of USD 80 for those belonging to the group and of 0.3% on the value of the guarantee or guarantee, with a minimum of USD 100 per quarter in advance with correspondent banks not belonging to the BBVA Group.

The following is a detail in legal and foreign currency by type of guarantee generated to Banco Bilbao Vizcaya Argentaria:

Detail	2022	2021
Bank guarantees in local currency	539,015	431,964
Bank guarantees in foreign currency	209,168	164,647
Letters of credit in foreign currency	1,517	8,795
	749,700	**605,406**

Other related party transactions

Related party relationships are a normal feature of trade and business, BBVA frequently conducts part of its activities through subsidiaries, joint ventures and other related parties.

Details of related party transactions as of December 31, 2022 are as follows:

Year 2022		Joint Ventures			Year 2021		Joint Ventures		
	Shareholders with share over 10%	RCI COLOMBIA	Board Members	Registered Agents and Key Manage-ment Personnel		Shareholders with share over 10%	RCI COLOMBIA	Board Members	Registered Agents and Key Manage-ment Personnel
Asset									
Loan portfolio and interest	$-	$ 742,003	$ 278	$ 3,737	$-	$ 2	$ 3	$ -	$ 3,737
Investments	-	198,796	-	-	-	-	-	-	-
Derivatives and spot transactions	2,292,973	-	-	-	-	-	-	6,051	-
Banks and other financial institu-tions	1,259,186	-	-	-	-	-	-	228	-
Accounts receivable	155,659	4,768	-	-	-	-	58	-	-
Security deposits	639,784	-	-	-	-	-	-	11,227	-
Prepaid expenses	**-**	**-**	**-**	**-**	**2,897**	**-**	**-**	**-**	**3,737**
Non-current assets held-for-sale	-	-	-	-	$-	$ -	$ 13,576	$ -	
Total	4,347,602	945,567	278	3,737	2,897	2	13,637	17,506	1,941
Revenue:									-
Deposits (Savings and current)	**-**	**75,533**	**50**	**1,941**	**49,606**	**120,170**	**29,924**	**-**	**1,941**
Outstanding Investment Securities	-	-	-	-	-	17,089	-	-	

Derivatives and spot transactions	3,027,008	-	-	-	-	-	-	14,318	-
Accounts payable	53,620	1	-	-	6	263	943	1,075	255
Total	3,080,628	75,534	50	1,941	49,612	137,522	30,867	15,393	16
Revenue:									
Dividends Equity Method	-	37,047	-	-	-	-	-	-	203
Interest and/or return on invest-ments	405	35,769	13	255	-	-	20	29	21
Fees	1,817	37	2	16	25,405	83,124	43	522	576.933
Leases	-	-	-	-	16	64	1,201	-	220
Total	2,222	72,853	15	271	25,421	83,188	1,264	551	121
Expenses:									**577.498**
Interests	134	483	3	203	157	4,040	118	1	-
Fees	**4,770**	**-**	**-**	**21**	-	-	**168,336**	**9,555**	**$ -**
Employee Benefits	**-**	**-**	**-**	**576,933**	-	-	-	-	
Insurance	**-**	**-**	**-**	**-**	**9,291**	-	-	-	
Other Expenses	**-**	**2,531**	**-**	**220**	-	**2**	**945**	-	
Advisory and consultancy fees	**-**	**-**	**346**	**121**	-	-	**6,830**	-	

Other companies of the BBVA Group that are not subsidiaries of BBVA Colombia				
Year 2022	BBVA Seguros	BBVA Seguros de Vida	Other domestic related parties	Other Related Parties Abroad
Assets				
Loan portfolio and interest	2	7	44	$-
Investments	-	-	437	-
Derivatives and spot transactions	-	-	-	45,769
Banks and other financial entities	-	-	-	-
Accounts receivable	-	-	40	210
Deposits as collateral	-	-	-	16,643
Prepaid expenses	3,282	-	-	-
Non-current assets held-for-sale	$ -	$-	14,349	$-
Total	**3,284**	**7**	**14,870**	**62,622**
Revenue:				
Deposits (Savings and current)	54.691	150.182	5.665	-
Outstanding Investment Securities	-	105.000	-	-
Derivatives and spot transactions	-	-	-	58.496
Accounts payable	4	371	619	146
Total	**54.695**	**255.553**	**6.284**	**58.642**
Revenue:				
Interest and/or return on investments	-	-	1.915	451
Fees	27.558	93.691	46	701
Leases	17	67	1.230	-
Total	**27.575**	**93.758**	**3.191**	**1.152**
Expenses:				
Interest	935	5.412	105	-
Employee Benefits	-	-	161.713	8.390
Insurance	9.711	-	-	-
Advisory and consultancy fees	-	-	4.482	-
Corporate application services	-	-	5.384	97.053
Total	**10.646**	**5.412**	**171.684**	**105.443**
Commitments and contingent liabilities	-	-	-	61.523
Call and put purchase commitments	-	-	-	1.281.105
Total	**$ -**	**$ -**	**$ -**	**$ 1.342.628**

Other companies of the BBVA Group that are not subsidiaries of BBVA Colombia				
Year 2021	**BBVA Seguros**	**BBVA Seguros de Vida**	**Other domestic related parties**	**Other Related Parties Abroad**
Activos:				
Loan portfolio and interest	$ -	$ 2	$ 3	$ -
Derivatives and spot transactions	-	-	-	6.051
Banks and other financial entities	-	-	-	228
Accounts receivable	-	-	58	-
Deposits as collateral	-	-	-	11.227
Prepaid expenses	2.897	-	-	-
Non-current assets held-for-sale	$ -	$ -	$ 13.576	$ -
Total	**2.897**	**2**	**13.637**	**17.506**
Revenue:				
Deposits (Savings and current)	49.606	120.170	29.924	-
Outstanding Investment Securities	-	17.089	-	-
Derivatives and spot transactions	-	-	-	14.318
Accounts payable	6	263	943	1.075
Total	**49.612**	**137.522**	**30.867**	**15.393**
Revenue:				
Interest and/or return on investments	-	-	20	29
Fees	25.405	83.124	43	522
Leases	16	64	1.201	-
Total	**25.421**	**83.188**	**1.264**	**551**
Expenses:				
Interest	157	4.040	118	1
Employee Benefits	-	-	168.336	9.555
Insurance	9.291	-	-	-
Other Expenses	-	2	945	-
Advisory and consultancy fees	-	-	6.830	-
Corporate application services	-	-	5.475	83.724
Total	**9,448**	**4,042**	**181,704**	**93,280**
Commitments and contingent liabilities	-	-	-	50,247
Call and put purchase commitments	-	-	-	180,498
Total	**$-**	**$-**	**$-**	**$ 230,745**

41.
Market, interest, structural and credit risk report

Exposure and risk management as of December 2022 and 2021 were as follows:

Maximum Risk Exposure	2022	2021
Cash and cash equivalents	$ 8,990,175	$ 8,339,067
Financial assets held for trading	2,428,475	2,768,305
Financial assets available-for-sale	3,135,005	1,892,941
Investments held to maturity	2,933,429	2,092,811
Derivatives and hedge accounting	5,050,559	2,308,641
Consumer portfolio	26,458,012	22,480,178
Commercial Loan Portfolio	30,029,697	22,478,301
Mortgage portfolio	14,660,892	13,994,435
Credit investment	71,148,601	58,952,914
Loans approved but not disbursed	1,144,505	1,131,063
Credit limits	5,693,115	5,072,602
Bank Guarantees	4,047,353	3,944,637
Credit limits	1,345,329	951,968
Total net maximum risk exposure	**$ 12,230,302**	**$ 11,100,270**

Note: This information contains the implicit risk for which reason no direct cross-referencing with Balance Sheet balances is established.

Banco BBVA Colombia S.A

Market Risk

Market risk is defined as the possibility that the Group will incur in losses associated with the decrease in value of its portfolio due to changes in the prices of the financial instruments on which it holds positions. Although the Bank, the trust company and the securities broker manage their risks separately, they maintain a common corporate methodology, which manages the market risk resulting from the activity of their operations with the basic objective of limiting possible losses, quantifying the economic capital necessary to carry out their activity and optimizing the relationship between the level of exposure assumed and the expected results.

To optimize management of these exposures, the Bank has developed a series of organizational, identification, measurement, control and monitoring systems and policies of the risks inherent to trading, as well as balance sheet transactions

1. **Segregation of roles** - Depending on the role that the contracting, accounting, compliance or risk monitoring activities are related to, the responsibility was assigned to each of the following areas:

- Global Markets - Department responsible for managing the application of defined policies and programs to ensure the efficient management of the Bank's financial resources, as well as to control that there is the necessary liquidity for the normal course of the institution's operations, by designing policies on the investment portfolios that contribute to the strengthening of the Group's financial, competitive and expansion position at the national and international levels.

- Market Management - Area responsible for controlling the trading desk's daily transactions, as well as for confirming, settling and clearing Treasury transactions. In turn, it is responsible for the custody of the contracts and the management of securities deposits, reporting to the Media Vice-Presidency.

- Market accounting - Area responsible for validating and ensuring the appropriate incorporation of the treasury transactions in the Bank's balance sheet, as well as controlling, calculating and reporting the proprietary position of foreign currency, reporting to the Finance Vice-Presidency.
- Market and structural risks - Area responsible for quantifying, assessing and promptly reporting the risks of Global Market operations, as well as liquidity and structural balance risks, reporting to the Risk Vice-Presidency.
- Legal Area - Responsible for analyzing and assessing the legal risks that may result from the arrangements or contracts that formalize the transactions, so as to avoid any legal situation that can legally affect the instrumentation or documentation thereof. As part of its duties, the Legal Area verifies that the relevant legal regulations are observed and that the Entity's policies and standards are in line with them. In all cases, it legally structures transactions based on the current legal regulations that the Bank is subject to, including participation in new markets or products.
- Internal Control and Operational Risk Area - Responsible for analyzing, assessing and managing internal control (processes) together with the operational risks that may result from the Global Market operations, identifying them and proposing mitigating control measures in compliance with the corporate model and local regulatory guidelines required for adequate maintenance of the Internal Control System (SCI, for the Spanish original) and the Operational Risk Management System (ORMS).

2. Nature and scope of the risks arising from financial instruments

Senior Management has assigned the following objectives to the Treasury Department:

- Management of the Bank's short-term liquidity; and
- Management of the necessary tools and mechanisms for hedging interest, exchange rate and liquidity risks in operations with proprietary resources, as well as in operations with customers.

Therefore, the Global Markets Department carries out procedures through its proprietary account to meet its liquidity needs and those of external customers. It also actively participates as a market maker in fixed income and in foreign currency and spot and term transactions, as well as in money market transactions. Therefore, it has an organizational structure comprised of a trading desk (interest rates and currency transactions), front office (customer needs) and the structuring activity.

Taking into account the objectives assigned to the Treasury Department and with the aim of optimizing, managing and administrating the risks inherent thereto, Senior Management has decided to establish roles 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; it also uses tools to determine limits for trading positions and to revise positions and strategies quickly as the market conditions change.

The main sources of market risk that affect the Bank are:

a. 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 on the financial market.

b. Exchange rate: The banking book and the trading book are exposed to this risk when their values and transactions depend on the exchange rate between currencies on the financial market.

The methodologies used to measure VaR are assessed on a periodic basis and subjected to back testing to determine their effectiveness. In addition, the Bank has tools to conduct stress and/or sensitivity tests on portfolios under the simulation of extreme scenarios.

2.1.1 Limits - Limits were established for the exposures to risk of the global market activity, by assigning the following:

The main metric is the target average economic capital (CEMO, for the Spanish original) in accordance with the standards defined by Basel 2.5. This indicator is calculated using the

VaR; a measurement of stressed VaR is also added, resulting in a final measurement that is the higher of the two (VaR and Stressed VaR) during an average of three months. This way, more weight is given to the stress events of the current or past market. This measurement is rescaled by the multiplier set by Basel of three by the square root of ten to calculate the economic capital charge.

Monitoring is carried out through a "global limit", which, in turn, is broken down by risk factor, as well as by desk, currency and product, for which there are internal warning signs when the consumption thereof is 85% or higher. Overrunning this warning sign requires express communication from the person in charge of the Global Markets Department to the Market and Structural Risk Department, indicating the strategy to be followed.The Market and Structural Risk Department informs senior management and the Global Market Risk Unit, which will then indicate up to what point said strategy may continue.

The limits are approved by the Board of Directors, while measurement, monitoring and control are carried out daily by the Market and Structural Risk Department, issuing regular reports to Senior Management and monthly reports to the Board of Directors.

2.1.2 Measurement and monitoring tools - dThe main risk measurement tools include Value at Risk (VaR), Stress VaR and delta sensitivity. However, other tools are used, such as stress testing and stop loss.

- **Value at Risk - VaR**, The VaR measurement methodology used by the Bank is based on historical simulation, in order to collect the negative impacts that the statements of income of the trading portfolio may undergo due to negative impacts generated by the history of risk factors on the Bank's current position. When historical data are used, the correlation between these data and their occurrence distributions is included naturally.

To monitor and control limits for the Global Market operations, a measurement is carried out based on the "VaR without exponential smoothing" methodology, using two years of information on the financial markets.

	VaR Figures in COP million			
	December	Minimum	Maximum	Average
Year 2021	7.831	3.081	14.809	6.390
Year 2022	9.205	3.752	15.733	7.779

- Stop Loss: This is a monitoring measure of the accumulated losses in the global market portfolios with the aim of limiting the negative impact on the income statement.

- The stop loss was monitored in 2022 through a double control mechanism, implementing an annual limit with the aim of controlling possible accumulated losses in the income statement, accompanied by a monthly loss limit. These limits aim to minimize the impact on the income statement.

- Stress Testing: It is the generation of a set of historical scenarios, which puts pressure on the different risk factors related to the different Global Market positions. The period observed starts in June 2009 and extends to December 2022.

	SVaR according to Lehman, Figures in COPmillion			
	December	Minimum	Maximum	Average
Year 2021	8.914	6.952	26.380	14.544
Year 2022	16.908	6.102	22.918	11.879

- Sensitivity (Delta): This is another measure BBVA Colombia uses to estimate the exposure of the global market portfolios. The tool estimates portfolio sensitivity in response to a variation of one basis point in the interest rates, and its purpose is to raise internal warnings of interest rate risk. Therefore, additional sublimits are established by products.

2.1.3 Posiciones y perfil de riesgo de mercado

Portfolio positions for the years 2022 and 2017 (in billions)

Below is a comparative chart that lists the positions of the portfolios of the Bank, the Trust Company and the Broker.

Classification	Dec-22	Local Currency		Other Currencies		Dec-21	Local Currency		Other Currencies	
	Amount	Average	Maximum	Average	Maximum	Amount	Average	Maximum	Average	Maximum
Public debt	$ 1,286	$ 217	$ 3,624	$ 6	$ 63	$ 2,089	$ 1,529	$ 2,133	$ 12	$ 54
Corporate securities	896	702	896	-	-	634	495	625	41	68
Cash FX	-	-	1	-	1	2	-	2	-	-
Forward	(313)	(67)	232	(4)	16	81	(65)	205	(7)	1
Shares without subsidiaries	578	565	578	-	-	562	520	562	-	-

*Include strategic investments made by Banco BBVA Colombia. As a result, they are not included in market risk metrics.

2022 and 2021 market risk profile (in COP million)

Global Market Risks	December 2022	Average	Maximum	Minimum	December 2021	Average	Maximum	Minimum
VaR - Interest rates	9,089	756	14,745	3,787	8,003	6,114	1,524	2,785
VaR - Exchange rates	1,307	1,328	15,385	70	1,211	1,217	6,837	80
Total VaR	9,205	7,779	15,733	3,752	7,831	639	14,809	3,081
Economic capital consumption limit	50%	49%	57%	41%	42%	37%	48%	32%
Total Delta to 1 bp	113	(113)	362	(439)	58	(84)	294	(642)
Delta consumption sublimit	17%	21%	65%	0,02%	8,7%	20%	96%	0,30%

In 2022, the average market risk consumption (VaR) of trading operations was $ 7,779 million, with a consumption exceeding the internal limit for authorized economic capital by 50%. The average sensitivity of the interest rate to one basis point (Delta) was $ 113 million with 17% consumption over the authorized internal limit.

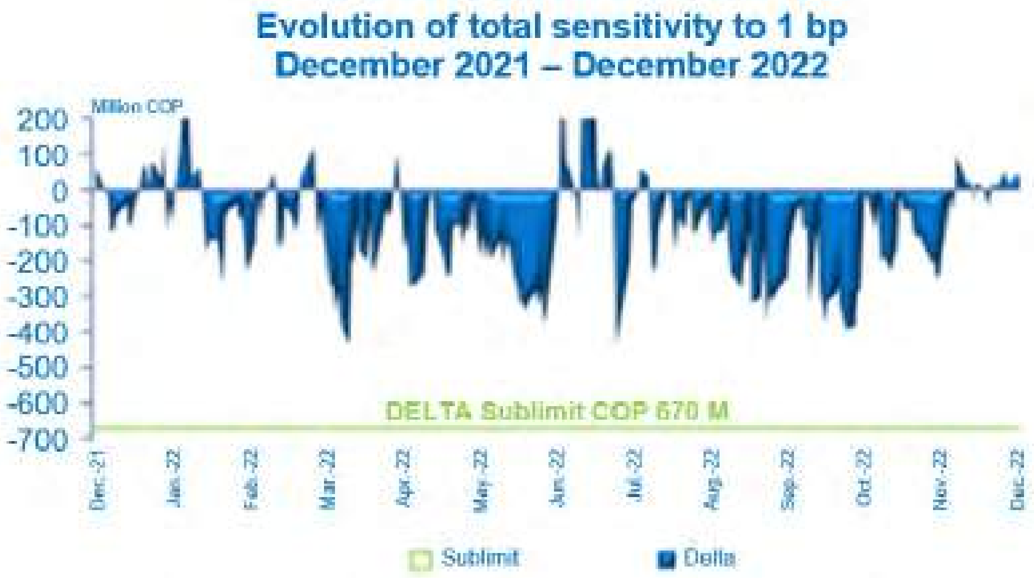
Evolution of the trading market risk: Daily measurements and controls were carried out in 2022 on the consumption levels of the authorized internal limits, regularly reporting their compliance to Senior Management.

We solve your needs: we are fast, agile and executive in solving the problems and needs of our customers, overcoming the difficulties we encounter.

The following graphs show their evolution:

Monitoring of Market Risk

Monitoring of Market Risk



During the year, the fixed-income trading portfolio was characterized by presenting a concentration of the short-term position held mainly by TCO and TES with short-term maturities, as well as Certificates of deposit (CDs). Although its financial instruments are still the traditional ones, there are also sovereign green bonds. In 2022, the Ministry of Finance issued the first sovereign green bonds in the country in order to be aligned with international best practices on environmental benefits, sustainable financing, transparency and accountability to investors. The first green bond issue will finance associated expenditures in areas such as water management and sanitation, clean transportation, ecosystem services and biodiversity protection, renewable energy, circular economy, and sustainable and climate resilient agricultural production.

In turn, the derivatives portfolio maintained the composition by type of product; the main products are USD-$ forwards and IRS in IBR. Although these financial derivatives are the most traditional ones, BBVA Colombia wants to offer new derivative products that consider sustainability-related KPIs. The sensitivities are concentrated by type in $ and USD, consistently with portfolio composition. The portfolio characteristics described above keep the average VaR low, because short-term positions cause relatively low sensitivities and interest rate deltas had a conservative risk consumption throughout the period.

The market risk monitoring process is complemented with stress-testing scenarios, which aim to estimate the losses that the Bank would incur in the event that extreme situations occur on the markets.

It subjects the positions held to strong hypothetical market oscillations based on historical or possible situations obtained through the generation of scenarios. This is done to quantify the effect of the results in order to identify possible adverse impacts and those greater than the VaR figures that could potentially occur, and design contingency plans to be applied immediately in the event that an abnormal situation occurs.

Monitoring of Value at Risk (VaR) Regulatory Model - Standard Model

In accordance with Public Notice 09/2007 of the Financial Superintendence of Colombia, the Bank has been assessing its exposure to market risks, of both interest rate and exchange rate, on a daily basis. This includes the measurement for Global Markets' available-for-sale and tradeable positions, and securities classified as to maturity that are delivered as collateral in a counterparty clearing house. This is done in order to determine the effect that possible changes in market conditions may have on the economic value of the Bank's equity. This impact is also reflected in the solvency ratio.

The following graph shows the value at risk assessment and the solvency margin:

Bank VaR

Market risk profile of the Bank

VaR	2022	2021
Interest rate	$ 356.011	$ 416.683
Exchange rate	22.829	19.046
Total Value at Risk (VaR)	**$ 378.840**	**$ 435.729**

The Bank performs the risk exposure under the methodology published in Annex 1 of Chapter XXI of Circular 100 of 1995 issued by the Financial Superintendence of Colombia, which shows a decrease in the variation between the year 2022 and 2021. This decrease is reflected in the interest rate exposure, which decreased by 14.56%, due to a decrease in the Fixed Income positions for close to 1 billion, based mainly on the positions of TCOs and TES (e.g. TES50).

Liquidity Risk

The liquidity and financing risk is defined as the potential loss caused by events that affect the capacity to have funds available to fulfill liability obligations, either because of the impossibility to sell the assets, an unexpected reduction in commercial liabilities or the closing of the regular sources of financing both in normal situations and under stress.

The management of financing and liquidity at BBVA Colombia is based on the principle of financial autonomy, which means that management is decentralized and independent from the BBVA Group's other regions. This principle helps prevent and limit the liquidity risk of each of the entities by limiting their vulnerability to events that affect the BBVA Group in periods of elevated risk. Therefore, the Entity acts independently to cover its liquidity needs on the market in which it operates.

BBVA Colombia

During the year 2022, the internal model for measuring liquidity and financing structure did not present changes in its metrics with respect to 2021; these calculations are made on a daily basis through three indicators defined as follows:

- Monitoring of the balance sheet financing structure, Loan to Stable Customer Deposits (LtSCD), which compares the net credit investment granted with stable customer deposits, and has an upper limit set at 125%. The objective is to preserve a stable financing structure in the medium term, considering that maintaining an adequate volume of stable customer resources is key to achieving a solid liquidity profile.
- Basic Capacity is the management and control metric for short-term liquidity risk, which is defined as the ratio between the explicit assets available and the maturities of wholesale liabilities and volatile funds, in different time frames, with particular relevance for those of 30 days. This metric aims to promote the short-term resistance of the liquidity risk profile, by ensuring that BBVA Colombia has sufficient collateral to deal with the risk of closing wholesale markets. The limit for 2021 is set at 120% at 30 days.
- To achieve the proper diversification of the financing structure, avoiding high dependency on short-term financing, a limit is set on the attraction of Short-term Financing (STF), which consists of both wholesale financing and less stable customer funds. For 2021, the limit was set at $ 13 trillion.

The Liquidity Committee and Senior Management are informed on a monthly basis of the evolution of these indicators for timely decision-making.

In 2022, BBVA Colombia maintained a solid liquidity position, in order to improve the cost of the Entity's liabilities; efforts are made to increase customer deposit balances in all banking segments, focusing on commercial banking. The strategy to maintain the diversification of the sources of financing and the robustness of the financing structure is maintained

The following tables show the evolution of short-term liquidity for 2021 and 2022:

Month	2021			2022		
	LtSCD (%)	CB 30 D (%)	FNCP (blln)	LtSCD (%)	CB 30 D (%)	FNCP (blln)
January	110%	622%	7,234	107%	796%	4,685
February	108%	N.C	6,809	108%	1443%	4,887
March	110%	318%	10,621	108%	2083%	4,452
April	109%	698%	8,731	107%	N.C	3,263
May	109%	750%	7,654	104%	N.C	2,532
June	108%	N.C	6,736	104%	N.C	2,984
July	108%	N.C	5,570	107%	N.C	4,465
August	110%	N.C	6,465	108%	872%	4,288
September	112%	N.C	6,193	108%	2625%	5.28
October	114%	10159%	8,374	104%	N.C	3,137
November	114%	N.C	7,539	103%	N.C	3,582
December	115%	N.C	8,054	107%	N.C	5,192
Limit	**120%**	**140%**	**13**	**120%**	**140%**	**13**

Details of Basic Capacity by timeframes at December:

2022			2021		
1 Month	3 Months	12 Months	1 Month	3 Months	12 Months
N.C	197%	92%	N.C	224%	121%

Regulatory model – In addition to the main indicators mentioned above, BBVA Colombia reports the regulatory Liquidity Risk Indicator (LRI) using the regulatory weekly and monthly format, which contains the short-term contractual and non-contractual flows.

For each of the time frames (7 and 30 days), the ratio between liquid assets adjusted according to market liquidity and exchange risk, and the total net liquidity requirement for the LRI must be at a level above 100% (regulatory limit). In 2022, the Liquidity Risk Indicator (LRI) with a 7-day time frame stood at average levels (756%), while the 30-day LRI stood at an average of (181%), which indicates that for a short-term horizon, BBVA Colombia has more than enough liquidity to fulfill its short-term financing commitments.

	2022		2021	
LRI	7 Days (%)	30 Days (%)	7 Days (%)	30 Days (%)
January	692.5%	207.7%	1029.8%	242.3%
February	1277.6%	213%	977.2%	208.4%
March	606.3%	148.9%	813.4%	202.9%
April	596%	174.9%	977.4%	258.5%
May	558.6%	168.5%	656.3%	234.4%
June	780.4%	223.6%	947.6%	217.9%
July	967.7%	177.1%	780.1%	176.1%
August	749.4%	182.3%	878.6%	222.2%
September	632.8%	139%	710.7%	182.1%
October	622.6%	171.8%	974.7%	223.6%
November	836.8%	186.4%	743.0%	202.8%
December	755.5%	167.1%	857.7%	213.3%
Limit	100%	100%	100%	100%
Management Limit	150%	150%	150%	150%

Two warnings are presented on the management limit in March and September 2022, related to the outflow of customer funds in the first case and with the reclassification of customers in accordance with the provisions of External Circular 021 of 2022 of the Financial Superintendence of Colombia related to the (CFEN) net stable funding ratio, in any case it remains well above the regulatory limit.

For the 2022 and 2021 year-end, the 30-day LRI is summarized as follows:

IRL	Contractual Maturities in 2022 In COP million			
	Days 1 to 7 - total	Days 8 to 15 - total	Days 16 to 30 - total	Days 1 to 30 - total
Term deposits	373,508	729,851	1,665,330	2,768,689
Interbank funds	322,473	-	-	322,473
Repo, simultaneous operations and t.t.v.	1,525,650	-	-	1,525,650
Transactions with derivative financial instruments	174,273	465,360	986,225	1,625,828
Bank credits and other financial obligations	233	73,326	629	74,187
Accounts payable not associated with cds and savings certificates (cdats, for the spanish original)	174,160	199,041	373,201	746,402
Other liabilities and credit contingencies	550,844	233,254	225,044	1,009,142

Note: These are contractual maturities of principal and interest with a term not exceeding 90 days

IRL	Contractual Maturities in 2021 In COP million			
	Days 1 to 7 - total	Days 8 to 15 - total	Days 16 to 30 - total	Days 1 to 30 - total
Term deposits	178,684	159,459	530,382	868,525
Interbank funds	347,176	-	-	341,176
Repos, simultaneous and t.t.v.	2,747,519	-	-	2,747,519
Transactions with derivative financial instruments	115,127	161,950	625,372	902,449
Bank credits and other financial obligations	-	79,603	99,042	178,645
Accounts payable not associated with cds and savings certificates (cdats, for the spanish original)	130,512	149,157	279,669	559,338
Other liabilities and credit contingencies	736,654	33,717	63,219	833,591

Note: They are contractual maturities of principal and interest for time frames of no more than 90 days.

Structural Risk

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: the interest margin (short-term) and economic value (long-term). Under this kind of structure, a dynamic (going concern) model is used, which is consistent with the corporate assumptions of results forecasting.

The monitoring encompasses the Banking Book positions and excludes all the Trading Book positions, is carried out on a monthly basis and consists of a wide range of scenarios, which include sensitivities in the event of changes parallel to the different impacts, and 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. This is all done differently for each of the main foreign currencies to which the BBVA balance sheet is exposed, and subsequently considers the diversification effect between foreign currencies.

Below are the average interest-rate risk levels in terms of sensitivity for the BBVA Colombia balance sheet during the 2022 fiscal year:

	Limit	Dec-20	Oct-21
Margin sensitivity warning (- 100 basis points)	5,00%	1,73%	1,39%
Margin at risk limit (*)	4,00%	2,72%	1,87%
Economic value sensitivity warning (+100 basis points)	450.000	261.081	416.189
Economic capital limit	500.000	429.626	485.016

(*) Percentage in relation to the projected "1 year" interest margin of each unit.
Values presented in the balance

Structural currency risk: Its purpose is to assess and control potential impacts caused by fluctuations in exchange rates on positions in foreign currency, on the solvency and income of BBVA Colombia. During the year 2022, an exposure limit is established as a percentage of the solvency ratio of 5.5% in the event of movements of 25% of the TRM:

Table of sensitivity: solvency to variations in exchange rates at the end of 2022 and 2021

Impact of a 10% movement in the TRM			
2022		2021	
Impact on Solvency Ratio	Actual Solvency Ratio	Impact on Solvency Ratio	Actual Solvency Ratio
14,10%	13,31%	13 pbs	13,76%

Credit risk

Evolution of exposure and credit risk quality

Comprehensive risk management -credit, market and operational- is carried out in accordance with BBVA Colombia's internal risk policy and current Colombian regulations, and is implemented through the development of models and tools that allow coordinating monitoring and control activities, with the purpose of identifying and mitigating the different risks to which the loan portfolio is exposed.

BBVA Colombia closes 2022 with growth trend in terms of investment, in 4Q22, varying with respect to the previous quarter as follows (3Q22 → +2.9%; 4Q22 → +4.8%). Investment growth is concentrated in Wholesale, in Corporate +$1.337mM; +15.7%. In the Retail world, focused growth. In Credit Cards (+$325mM; +10.6%) and Free Investment (+$284mM; +4.8%).

Nonperforming loans ended 4Q22 with a quarterly variation of 5.2% ($84mM), compared to the annual decrease of 5.2% ($84mM). 50mM (-2.9%). Doubtful assets ratio ends 2022 at 2.40%, which is -1bps vs. the previous quarter and -57bps vs. the end of 2021. Recoverable efficiency ratio for the quarter was 32.2%, which is -13p.p. versus 4Q21. The accumulated rate for the year was 44.3%.

Portfolio Management & Reporting

It monitors the Commercial and Consumer Reference Models, according to the provisions of Annexes 3 and 5 of Chapter II of the Basic Accounting and Financial Notice of the Financial Superintendence, complying with the regulations related to provisions and qualifications. It also verifies the correct application of the regulations for the traditional models of mortgage loans and employee loans.

Continuous monitoring is performed, verifying compliance with the thresholds established in the risk appetite framework with the follow-up of core metrics for compliance with the Bank's objectives expressed in terms of solvency, liquidity and funding, and profitability and recurrence of income.

We are working proactively, together with the recovery area, in order to be able to focus management on customers who can reduce the impact on local and consolidated NPAs, which in the end provides benefits in terms of write-offs in the Bank's provisions.

Retail Credit

COE Risks

The first focuses on the development, monitoring and maintenance of the models that support decision making in the reactive and proactive admission process, both for individual and corporate portfolios, measuring the concession risk, making use of variables related to the customer profile in the Bank and financial sector as well as the customer's socio-economic data available at the time of application. Based on the score given by the scoring and rating tools.

For the proactive area, a score is given at client level using variables of the general behavior of the clients with the entity, as well as their payment behavior in all the products contracted with the Bank and financial sector. With the purpose of monitoring the credit quality of the customer, being used to pre-grant new operations.

The second area of activity derives from the calibration of parameters required for the application of provisions under the international IFRS9 methodology.

IFRS 9 anticipates the recognition of credit losses by using the parameters of PD, LGD, CCF and macroeconomic models for the calculation of collective provisions.

For the estimation of parameters, a disaggregation by families is used based on the credit portfolios (Corporate, Mortgages, Libranzas, Free Investment, SMEs, Revolving and Vehicles), which historically have had a differential behavior in terms of credit risk recognition.

Solutions Development Risk

Manages the needs of evolutionary maintenance and development of new functionalities that arise from the Risk area teams: Wholesale credit, Recovery & Workout, Planning & Reporting, CoE Risks and Market and Structural Risks. The above under the project management framework defined by the process area, SDA and Agile office.

We work proactively with the different engineering teams from the moment the project or need is conceived until the end of the post-implementation stage.

During the last quarter of 2022, the implementation of the committed deliverables was satisfactorily completed, among which the following stand out:

- Improvements to the portfolio evaluation process: Libranza and commercial (legal)
- Report of interest on loans used in indebtedness (legal)
- Adjustment Format 341 - Usury rate (statutory)
- Plan Ascenso - Improvements CAP Pymes: Assignment and delegation, Etiquette vendor - fasttrack and nice reporting sheets.
- Cronos Collections: Payment Agreement Control Module Phase I: New BF Process and FM007 and FM002, Parameterization Module.

Data Quality Team Riesgos

It supports the implementation of the work plans defined within the framework of the Principles for Effective Risk Data Aggregation and Risk Reporting - BCBS 239 standard, with the objective of strengthening banks' risk data aggregation capabilities and internal risk reporting practices, improving in turn the Bank's management and decision-making processes. For this purpose, periodic assessments and reassessments of the Risk processes -currently 15 processes are incorporated- are carried out according to plans defined by the Data team, which allow evaluating and implementing work plans in order to strengthen the processes in compliance with the Basel Committee on Banking Supervision (BCBS).

On the other hand, it supports the development of the CDD data migration plan carried out by the leaders of the risk processes and the data technical team. The current phase for the Risk processes corresponds to the ingestion of information into the corporate data platform DATIO of the core risk processes: IFRS 9, REFIS, DOD, COVID, in addition to the implementation and monitoring of data quality controls.

Definition and start of the execution of the Risk Data Plan, which identifies data and analytics use cases that will allow exploiting the information ingested in the DATIO corporate data platform by automating data flow processes, generating automated reports for regulatory purposes, monitoring risk appetite or decision making and developing analytical models for risk, leveraged on governance and data quality aligned with BCBS 239.

Retail Credit

The Retail Risk Department includes the following units:

- **Individuals Admission Management**

  Dedicated to the process of analysis and decision regarding credit operations originated for individuals through the different channels.

  Management of the application of the policies developed for the different lines of credit.

  Specialized assessment of customer profiles according to the established risk levels, focused on the Bank's customers with direct deposit payroll accounts and on lines of credit with direct deduction of the installment from the customer's payroll, as is the case of payroll loans.

  Adjustments to the admission processes with the associated policy changes, due to the new scenario of general economic contraction, securing the risk with the requirement of collateral or guarantees offered by the government.

  Permanent support and training of the commercial staff is in place for the correct implementation of the operations focused on the target market for the Bank.

- **Follow-up Management**

  Carry out actions aimed at measuring the risk of individual portfolios and controlling their evolution, assessing growth trends and the behavior of credit operations granted to individuals, in order to establish target or high risk profiles.

  Continuous monitoring of the quality of the placements made under the attribution of the office network during the maturity of the portfolio, to ensure the performance of the risk indicators.

  The improvement of the processes for the generation of follow-up figures through an integral vision, as well as the inclusion of new axes and dimensions, has allowed us to respond in a more agile manner to the Bank's requirements in terms of risk appetite, proposing changes in admission and supporting decision making.

  In addition, support is provided in the management of preventive portfolio clients in order to anticipate the deterioration of portfolios based on statistical information according to the risk group associated with the profile of each client.

  On the other hand, there is constant monitoring of each of the products, the quality of new originations and the active portfolio through IFRS 9 indicators, as well as compliance with KRI's to support the growth of retail banking.

- **Management of Regulations, Policies, Processes and Campaigns**

  Its responsibility is to update regulations in accordance with corporate and local regulatory guidelines, and to define new admission policies and adjustments based on the periodic review of portfolio performance and economic evolution.

  In general, we continue with the implementation and alignment of the policies according to the guidelines given by the corporate and in coordination with Business we review and evaluate figures to support the admission process by adapting the most relevant filters.

From Policies and Particular Campaigns, automatic, transversal and integral loan granting processes are promoted, which although they involve and are adjusted to established risk levels, they allow the development of a digital culture both within the Bank and for a better customer experience. For the 4Q, due to the pressure of inflation observed throughout the year 2022 on the basic expenses of Colombian households, action plans are established in order to prevent future deterioration in the consumer portfolio, with which, adjustments in the bureau, effort rate and income level are ratified.

Campaigns, adequately manages the processes and circuits for mass approvals of current or new portfolios, monitors the quality of the products placed in order to make adjustments to policies and establishes controls over the quotas offered.

Adjustment in cluster of the profiles that show deterioration in the generation of Preapproved offers to Payroll and Non-Payroll Clients consulted in Social Security aimed at the public and private sector, mainly focused on savings, free investment and credit cards.

SME Risks

Responsible for the analysis and decision process of credit operations originated to legal clients and natural persons with business according to the segmentation defined in the Bank with sales of less than $15,000 per year.

A strategy aligned with the economic situation of the country and the business behavior in each territory was continued, and the admission and product policies were kept in line with the Global Risk Framework defined by the Holding Company and the national regulatory circulars. The main actions are:

1. Continuation of the Pre-Approved strategy in resilient, high-value, high-touch profiles.
2. Viability was maintained in sectors with stable and growing financial dynamics with a financing proposal in line with their working capital and investment needs.
3. The collateral allocation strategy remained leveraged on FNG and real guarantees with an allocation structure in accordance with the risk profile of each client, the term of the financing and the destination of the resources.

Improvements and efficiencies continue to be made in the flow of the reactive circuit related to the application, credit assessment and safeguarding of information, a determining factor in the experience and increase in invoicing in the SME segment.

Recovery & Workout

The year 2022 has presented itself as a year of important challenges in economic and political terms, with an environment of uncertainty which led to close the year with the highest inflation of the decade, having relevant repercussions on the payment behavior of debtors and leading to an increase in the entries into arrears in the last five months of the year.

In this way, the Recoveries area has established different plans focusing efforts and seeking to anticipate, contain and mitigate a greater impact on entries into arrears for the year, with the following initiatives representing the most relevant milestones:

- Collection Optimization Process (POC)

  One of the pillars of portfolio recovery is established in the proper allocation of the portfolio to our different Collection Factories, so we optimized the scheme since the second quarter of the year, with the main focus on maintaining a stable distribution for a period of 3 months, allowing the collection channels to manage customers from the first day of the month. As a result, we have been able to reduce from 4 days to 0 days the management start-up times in two of the three months.

- Collective Impact Management

  As a strategy for the recovery management of high-impact customers, customers categorized as Default according to the consolidated criteria, as well as Target customers, are marked in the portfolio allocation, allowing the collection channels to define strategies for a focused management of these profiles.

- Tender for Collection Agencies and creation of Digital Collection Factory

  During 2022, progress was made with the bidding process for BBVA's collection management, closing the process with the ten best agencies that make up the Recovery Factory, as well as the contracting of two additional agencies with which the Digital Collection Factory is promoted. With the above, pilots are initiated to decentralize small balance contracts for a greater focus and dedication of the Recovery Factory in impact customers.

- Punishment Methodology

  The Write-off Methodology is created, which allows us, from a recovery perspective, to determine the optimal customers to pass to write-offs, as a divestment alternative.

- Implementation Executive Workout (EWO's)

  The SMEs Risk Anticipation Executives (EAR Pyme) were resized and the Executives Workout (EWO's) scheme was created, a scheme that began to be managed in the last quarter of the year. With this adjustment, each executive goes from managing 10 clients to an average of 150 clients with exclusive dedication, ensuring knowledge of the client and offering tailor-made solutions.

  The aforementioned initiatives allow a great closing focused on the containment of the local doubtful portfolio with the challenge of having an average monthly susceptibility of $300mM in the year. Likewise, we achieved recoveries in the order of $75mM on average per month, the main sources of recovery being the effective payment of the clients, the sweep of the recovery engine and, to a lesser extent, the restructurings.

Wholesale Credit

The Wholesale Risk area managed in 2022 the admission and follow-up of risks in accordance with the guidelines of the credit risk framework defined by Holding. The portfolio recorded a 38% growth, highlighting an increase of COP 7 trillion in Corporate banking (annual variation of 74%), COP 4 trillion in Corporate banking (annual variation of 21%), COP 1.7 trillion and COP 923 billion in Government banking (annual variation of 20.9%).

As a strategy to anticipate portfolio deterioration, efforts were concentrated on the preventive alert of customers with activity in economic sectors of greater vulnerability, with a decrease in their rating and possible defaults in the early stages in BBVA and other financial sector entities, maintaining the Emerge plan in place since the second half of 2020. This allowed us to reduce the doubtful portfolio ratio from 1.52% in December 2021 to 1.15% in the same period of 2022.

Finally, at the end of 2022, the rating validation indicator was 99% in terms of amount and 83% in terms of number of clients.

BBVA Valores Colombia S.A.

Market Risk

The risk management of BBVA Valores Colombia S.A. is carried out within the guidelines designed by the Group and approved by the Board of Directors and consistent with local regulations. The Broker has a Risk Committee, which meets on a recurring basis to discuss, measure, control and analyze the management of market (SARM), liquidity (SARL) and counterparty (Counterparty Risk Management System) risks.

- Market risk is the potential loss faced by the Broker as a consequence of adverse movements in market prices or rates, such as interest rates, exchange rates, stock prices and other factors that affect the value of the portfolio. The SARM market risk management system has stages and elements that allow the Broker to identify, measure, control and monitor the market risk to which it is exposed, based on the positions assumed in the performance of its operations.

- Liquidity risk is the contingency faced by the Broker of not being able to fully and timely comply with payment obligations on the corresponding dates, due to the insufficiency of liquid resources or the need to assume unusual funding costs. The LRM liquidity risk management system allows the Broker to maintain sufficient liquidity to face possible scenarios of its own or systemic stress. In this sense, the Broker has liquidity alert indicators that allow establishing and determining the scenario in which it is, as well as the strategies to be followed in each case.

- Counterparty risk is the contingency to which the Broker is subject in the event of default on one or several transactions by the counterparties and having to cover such default with its own resources or materialize a loss in the balance sheets.

- Credit risk is the risk of financial loss faced by the Broker, if a client or counterparty in a financial instrument does not comply with its contractual obligations, and originates mainly from the accounts receivable from clients and the investment instruments of BBVA Valores Colombia S.A.

Market Risk Management System - SARM

The broker-dealer manages market risk with the basic objectives of limiting potential losses, optimizing the relationship between the level of exposure assumed and the results set and managing the mechanisms and tools necessary to hedge interest rate and equity risks.

In order to face this management with maximum guarantees, the Broker has developed a series of organizational policies and systems for the identification, measurement, control and follow-up of the risks inherent to the operations. Therefore, the Front Office carries out actions on its own account to meet its liquidity needs and those of external clients.

Taking into account these objectives and in order to optimize, manage and administer the inherent risks, Senior Management establishes functions by areas and risk measurement tools, as follows:

Segregation of Duties

Depending on the function to which the contracting, accounting, compliance or risk follow-up actions are related, responsibility was assigned to each of the following units:

- Front office - It is the area in charge of managing the interaction with the client in order to hire and manage the positions in the market.

- Back office - Area responsible for managing the company itself and with which the customer does not need direct contact. It fulfills, validates and reports the Front office activity.

- Accounting - Validates the correct incorporation of the operations performed by the Front and reviewed by the Back to the entity's financial statements.

- Market risk - Area responsible for quantifying, valuing and timely reporting market, liquidity and counterparty risks.

- Legal Area - Responsible for analyzing and evaluating the legal risks that may arise from the acts or contracts that formalize the operations, in such a way that no legal situation is evidenced that may legally affect the instrumentation or documentation thereof. In the exercise of its functions, the legal area verifies compliance with the pertinent legal norms and adjusts to the policies and standards of the entity in all cases, legally structures the operations based on the legal norms in force to which the company is subject, including participation in new markets or products.

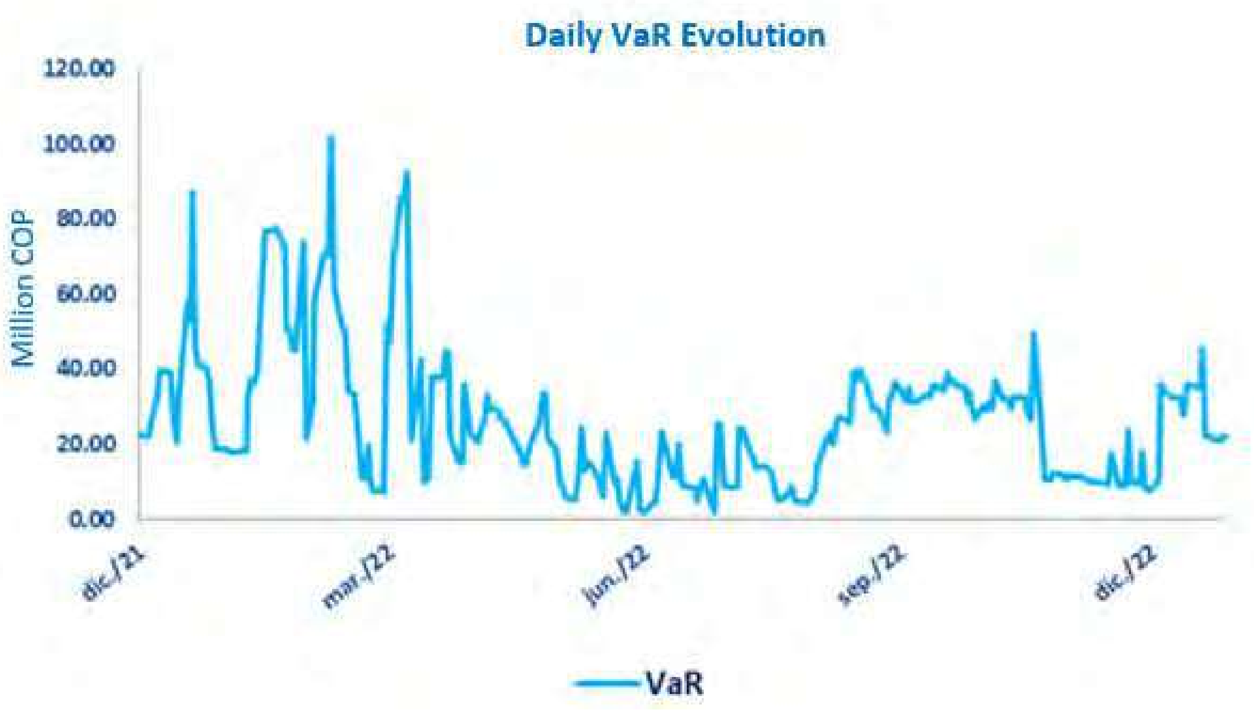
Value at Risk VaR - Internal Model

The VaR measurement methodology used by the Broker is historical simulation, this method is based on past values of the risk factors during a time horizon of two years, therefore it naturally includes the correlation existing between them and their occurrence distributions, and the portfolio sensitivities on the measurement date. The confidence level of the model is (99%).

For limit monitoring and control, a measurement based on the “VaR without exponential smoothing” methodology is performed using two years of information from the financial markets.

During the year 2022, daily measurements and controls of the consumption levels of the approved internal limits were carried out, reporting regularly to senior management on their compliance.

The following graph shows their evolution:



By the end of 2022, the VaR consumption was COP $21,931.10 Thousands equivalent to 9.97% of the internal limit. With respect to 2021, the VaR decreased by COP $3,216.00 Thousands, mainly explained by sales in the portfolio due to the rotation of investments

Stop Loss

This is a measure to monitor accumulated losses in the portfolio in order to limit negative impacts on the income statement.

During 2022, the stop loss was monitored through a double control mechanism; an annual limit, in order to control possible accumulated losses in the income statement, accompanied by a monthly loss limit. These limits are intended to minimize the impact on the total income statement.

Backtesting

The risk measurement model is periodically tested against actual results in terms of profit and loss. The purpose of this test is to check the quality and accuracy of the internal model. Backtesting is performed on a daily basis and compares the VaR with the clean results.

Stress Testing

In addition to the risk measurements in terms of VaR, the analysis of Stress Testing scenarios is carried out on a daily basis, the purpose of which is to estimate the losses that the Broker would incur in the event of extreme situations arising in the markets, taking into account historical and simulated scenarios.

Value at Risk VeR - Regulatory Model

In accordance with Chapter XXI of the Basic Accounting and Financial Circular (External Circular 100 of 1995) of the Financial Superintendence of Colombia, the Broker carries out a daily measurement of its exposure to market risks (interest rate, variable income) which incorporates the measurement for the positions held with its own resources, in order to determine the effect that possible changes in market conditions may have on the economic value of the broker's equity, whose impact is reflected in the solvency index, a measurement that is made on a monthly basis.

La siguiente gráfica muestra la evolución del valor en riesgo y el margen de solvencia:

The following is the market risk report as of the end of December 2022, in accordance with the regulatory parameters established by the Financial Superintendence of Colombia:

Factor	December 31, 2022				
	NPV	End of Period	Average	Maximum	Minimum
Interest rate	21,889,867	230,379	250,988	629,937	7,267
Share price	4,310,357	622,097	716,606	824,413	619,906
Total value at risk		852,476	967,594	1,439,084	715,112

*Figures in Thousands of COP

The total exposure to market risk of the Broker is calculated by the arithmetic sum of each of the factors that comprise it and to which it is exposed by its operation. A risk factor is any market variable that may generate changes in the value of the portfolio of instruments.

Policies regarding Valuation at market prices

As a policy of BBVA Valores Colombia S.A., it has been defined that the market risk area is responsible for providing the end-of-day market prices for the valuation of its own and third-party position portfolios.

The sources of information used for the valuation of the portfolios are those approved by the Superintendence of Finance and published by the official price provider Precia on a daily basis.

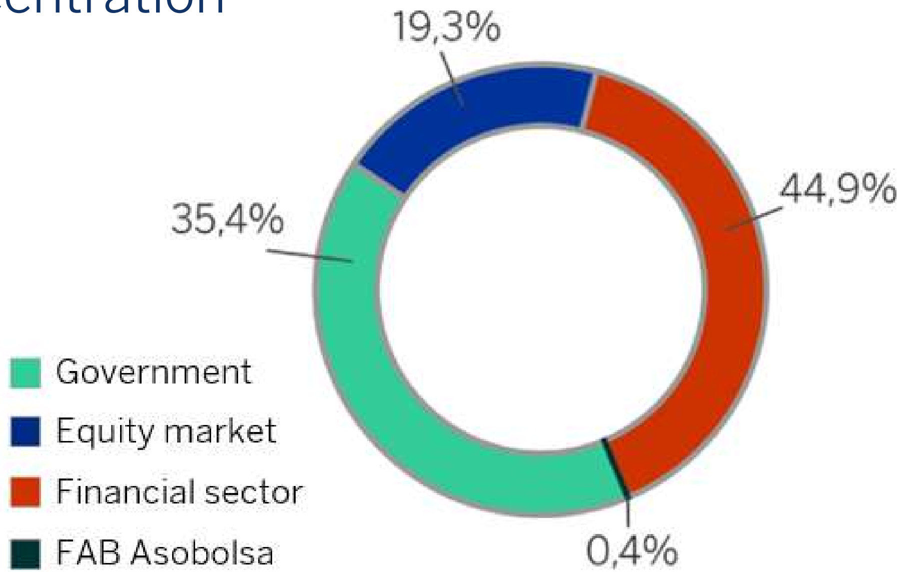
The tool used to capture and disseminate market prices to the different risk management, accounting and measurement systems on a daily basis is Asset Control.

- Portfolio - At the closing of December 31, 2022, the largest participation within the portfolio is in fixed income securities of the financial sector with 44.87%, followed by fixed income securities of the government sector with 35.44%, BVC shares with 19.33%, and the ASOBOLSA Autonomous Equity with 0.36%.

PORTAFOLIO POSICIÓN PROPIA			
Broadcast	**NPV**	**Portfolio participation**	**Classification**
BANCOLOMBIA S.A.	2,033,020	9.29%	NEGOTIABLE INVESTMENTS
BANCO POPULAR S.A.	750,070	3.43%	NEGOTIABLE INVESTMENTS
BANCO DAVIVIENDA S.A.	4,026,480	18.39%	NEGOTIABLE INVESTMENTS
FINDETER	3,012,780	13.76%	NEGOTIABLE INVESTMENTS
MINISTRY OF FINANCE AND PUBLIC CREDIT	7,757,160	35.44%	NEGOTIABLE INVESTMENTS
STOCK EXCHANGE OF CO-LOMBIA S.A.	4,231,950	19.33%	AVAILABLE FOR SALE
FAP ASOBOLSA	78,407	0.36%	NEGOTIABLE INVESTMENTS
TOTAL	**21,889,867**	**100.00%**	

* Figures in thousands of COP

Own Position portfolio concentration



Liquidity Risk Management System –LRM

It is the contingency faced by the Broker of not being able to fully and timely comply with the payment obligations on the corresponding dates, due to the insufficiency of liquid resources or the need to assume unusual funding costs.

The LRM liquidity risk management system allows the Broker to maintain sufficient liquidity to face possible scenarios of its own or systemic stress. In this sense, the Broker has liquidity alert indicators that allow establishing and determining the scenario in which it is, as well as the strategies to be followed in each case.

In accordance with Chapter VI of the Basic Accounting and Financial Circular (External Circular 100 of 1995) of the Financial Superintendence of Colombia, the Broker carries out the measurement of the Liquidity Risk Indicator to quantify the adequate level of liquid assets to be maintained daily and to prevent or mitigate liquidity risk in periods of high risk.

Limits are approved by the board of directors, while measurement, monitoring and control is performed by the Market Risk area on a daily basis, issuing reports to senior management on a regular basis and to the board of directors on a monthly basis.

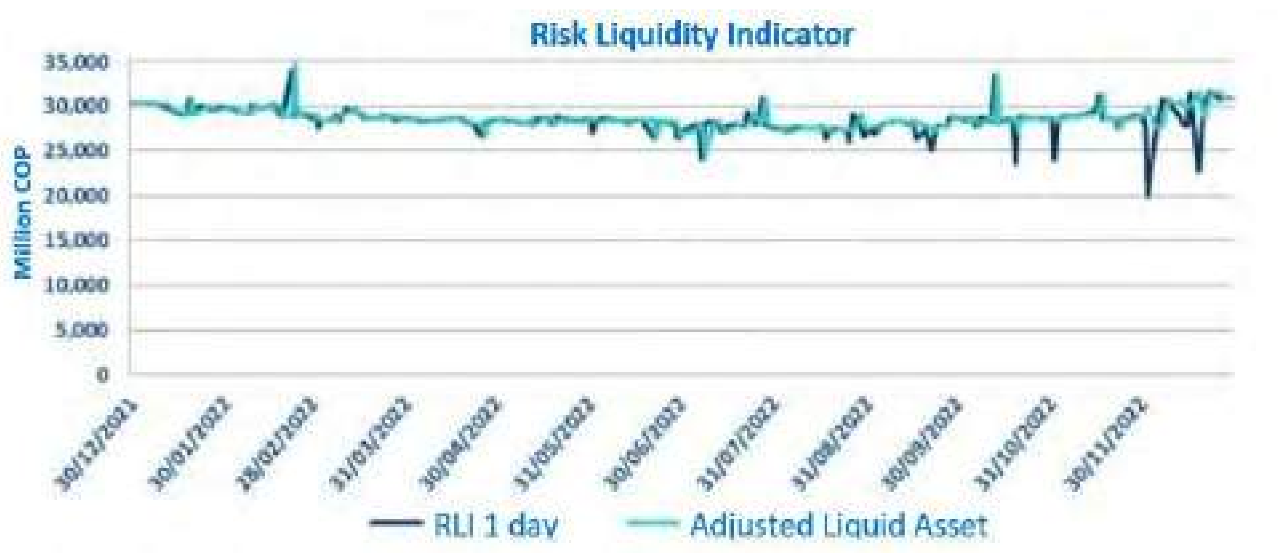
To estimate liquidity risk, a liquidity risk indicator (LRI) is calculated, which corresponds to the ratio between liquid assets, Net Liquidity Requirement on Own Account and Net Liquidity Requirement on Third Party Account for horizons of one business day and between the second business day and seven calendar days. This indicator shows the liquidity coverage for the different time bands. During the year 2022 the indicator was found in ranges higher than those required by regulations.

	December 30, 2022			
	End of period	Average	Minimum	Maximum
Liquid Assets	31,012,172	28,747,896	24,210,024	34,673,928
Liquidity Requirement	-	15,363	-	1,352,430
RLI Amount 1 day	31,012,172	28,555,610	19,932,282	34,077,713

*Figures in Thousands of COP

At the end of the year, the liquidity risk indicator Amount (IRL) with a 1-day time horizon was COP $31,012,172 thousand.

The evolution of the indicator during the year 2022 is presented below:



In addition to the Regulatory Liquidity Measurement, the Broker monitors other metrics and limits for traders' positions, in order to review positions and strategies quickly, as market conditions change. In this way, limits and controls are established to the maximum amount per trade, volumes per trade per counterparty and accumulated defaults per counterparty.

The Risk Committee and the Board of Directors are periodically informed of the evolution of these indicators for timely decision making.

Counterparty Risk Management System

This is the contingency to which the Broker is subject in the event of default on one or several transactions by the counterparties and having to cover such default with its own resources or materialize a loss in the balance sheets.

The Market Risk area is in charge of controlling and monitoring the issuer, counterparty and settlement risk limits of transactions on a daily basis, in accordance with the current approvals provided by the Board of Directors.

The counterparty risk measurement process includes all transactions and starts with the initial process of identifying for each type of risk the type of client with whom the transaction is closed.

The management procedures include the processes of approval of counterparty limits and an internal monitoring model, using tools that allow the control and measurement of counterparty quotas, contrasted with the operations pending compliance. BBVA Valores Colombia S.A. applies clear policies in the event that limits are exceeded and for action to be taken in the event of overruns.

Allocation of Quotas

The quotas for the firm's own position operations are assigned as follows:

- Front office makes a proposal on the credit quotas it considers pertinent for the development of the business operations. This proposal is prepared with the support of the BBVA Valores Colombia S.A. Market Risk area.
- The Market Risk Area of BBVA Valores Colombia S.A. sends a proposal to the Credit Risk Area of BBVA Colombia S.A. for its study. The Credit Risk Area of BBVA Colombia S.A. carries out the study of the proposal and issues a concept on it, making recommendations on the quotas. The recommendations of the Credit Risk area of BBVA Colombia S.A. are taken into account by BBVA Valores Colombia S.A. and are presented to the Risk Committee and then taken to the Board of Directors for approval.

The approved quotas for issuer, settlement, counterparty and concentration are monitored on a daily basis.

Credit Risk

BBVA Valores Colombia S.A. according to its investment policy for shareholders' equity limits its exposure to credit risk to invest in liquid debt instruments and with issuers that have a credit rating of at least AA+ in the long term (international BB+). Management actively monitors credit ratings and given that the Broker at the end of December 2022 had only investments in instruments with investment grade credit ratings, management does not expect any of its counterparties to default on their obligations.

The position by issuer as of December 31, 2022 and 2021, with their respective ratings, is presented below:

Issuer	Rating		Rating agency	Dic-22	Dic-21
	LT Debt	ST Debt			
Bancolombia SA	AAA	F1+	Fitch Ratings	2,033,020	70,022
Banco Davivienda SA	AAA	F1+	Fitch Ratings	4,026,480	-
Banco Popular SA	AAA	VrR1+	Value and Risk	750,070	-
Bolsa de Valores de Colombia SA	AAA	F1+	Fitch Ratings	4,231,950	5,218,797
FINDETER SA	AAA	F1+	Fitch Ratings	3,012,780	-
FAP Asobolsa	-	-	Fitch Ratings	78,407	78,384
Nation	BB+	B	Fitch Ratings	7,757,160	17,730,290

*Figures expressed in thousands of pesos

BBVA Asset Management S.A. Sociedad Fiduciaria

The high level of inflation and the economic slowdown were the main drivers of volatility in the financial markets throughout 2022 and particularly in the second half of the year.

The context of wars and trade barriers continued to weaken labor markets worldwide, with the expected consequences on domestic demand, which up to the year 2022 continued to resist. Uncertainty about the levels of global deceleration continues, which keeps the volatility rates of the main financial indicators high. Likewise, the markets were stress scenarios due to the news of the possible Tax Reform in the United Kingdom and the loss of credibility in cryptocurrency platforms. However, at the close of the year, some moderation could be observed in commodity prices and in part of the energy sector due to the increase in reserves. Relevant corrections are also observed in high yield bonds, technology stocks and leveraged credit. The following curves were observed

U.S. treasury yields invested at the end of December with average devaluations of the different maturities above 270 bps.

In this environment, the Fed initiated an asset selling program and aggressively raised interest rates. This path was the same taken by the ECB with a slightly more lagged asset selling program, while China's expansion took a more moderate path due to new COVID outbreaks, restrictive policies and real estate tensions in the region. These scenarios were accompanied by lower market liquidity and a stronger dollar that generated significant corrections in global currencies.

In Colombia, the year-end inflation level of 13.1%, unprecedented in the last century, exceeded market expectations of 12.64%. The line item with the greatest impact was food, mainly in perishable products, followed by the restaurant and hotel division due to a generalized higher cost of inputs. The above was preceded by a 100 bps rate increase by the Central Bank at the end of December, reaching a level of 12%. The Report stated that among the most important reasons for the decision were inflation expectations, foreseeing additional increases for the beginning of the year 2023.

The unemployment rate for the end of November reached 9.5%, while for the previous year it was 11.5%, so single-digit figures are expected to be maintained for the end of the year.

Uncertainty was also a relevant factor in the volatility of the markets, particularly in the political context. Expectations about the impact of the Tax Reform that will be passed in Congress in the second half of the year, the almost conflicting positions of the Government actors on the energy policy, doubts about the results of the Health Reform and statements about the possible change in the pension regulation were the main variables on which the markets were attentive to make decisions.

Private consumption showed signs of deceleration, especially in goods, with a less sharp decline in services during the third and fourth quarters of the year, consistent with a trend of inventory accumulation.

The average Fixed Rate TES curve increased its average yield over 480 bps compared to the close of December of the previous year, but commercial banks continued to be the largest and pension funds the main sellers, a behavior atypical to that of previous years. The RVU TES curve behaved with a similar trend, with an effect mitigated by the slight appreciation of the RVU TES with maturity 2023 (over 31 bps).

On the other hand, there was a new rebound in the exchange rate, above levels of approximately COP 5,000 per USD, breaking its historical highs and surpassing the countries of the Region and countries with similar macroeconomic and historical conditions worldwide.

In this context, below is a summary of the exposure to credit risk, market risk and liquidity risk of the Company's portfolio as of December 31, 2022 and compared to December 31, 2021.

Credit risk

Credit risk is the probability of incurring losses associated with the non-compliance with the contractual obligations of an issuer of a financial instrument, and originates mainly in the investment instruments of the portfolio.

BBVA Asset Management S.A. Sociedad Fiduciaria established a service agreement with the area specialized in credit risks of the BBVA Group in Colombia, area in charge of performing the financial analysis based on profitability, quality, stability, liquidity and management indicators of each of the entities with which it wishes to take a risk position.

In this order, the Risk Management Department relies on the financial analysis performed by the Corporate Credit Risk Unit (hereinafter UCRC), on the information of the credit risk ratings of the Risk Rating Agencies for the entities with which it has risk exposure and on the CAMEL financial analysis model, to generate the input information for the definition of limits and quotas.

On the other hand, there is information from the local and international Watch List where it is possible to observe which entities present financial problems that may lead them to default on their obligations, and with the information of internal credit ratings generated by the UCRC unit, which are taken into account for the analysis of the Fiduciary's counterparties and issuers.

Periodically, the updates of the risk ratings granted by the authorized entities are monitored, and in the event of any deterioration thereof, the Entity's exposure to the counterparty or issuer analyzed is mitigated.

Methodology for the analysis of issuers and counterparties

For the definition of issuer and counterparty quotas, BBVA Asset Management has designed a credit risk analysis structure for issuers and counterparties, based on information from different reliable sources; this structure unifies and defines a probable credit quota for the different entities analyzed based on the different internal and external variables of each company.

The following are the sources of information on the different issuers and counterparties under study, used in the methodology:

- CAMEL: consists of the calculation of various financial indicators that show the efficiency of the companies evaluated in relation to their Asset Quality, Expense Management, Stability,

  Profitability and Liquidity, the indicators that are calculated for this evaluation are calculated from the financial statements published by the regulatory body, in the case of Colombia it is the Financial Superintendence of Colombia.

The base information for the application of the CAMEL model are the financial statements of the last twelve months for issuers of the financial sector and for the last cut for the other sectors. Likewise, for the particular allocation of quotas, the investment policies of the portfolio and the existing conflict of interest regulations applicable to each portfolio are taken into account.

- External Ratings: based on the publications made by the different national and international firms dedicated to the rating of issuers in the capital markets, a consolidation of ratings is made as a source of information to grant risk levels and their corresponding credit risk quota.
- BBVA Group Relations: BBVA Asset Management S.A. Sociedad Fiduciaria shares a service agreement with the corporate analysis area of the Central Credit Risk Unit of Banco BBVA Colombia S.A. (URC), from which it receives analysis of issuers, especially those for which there is no direct information from the Financial Superintendence of Colombia (not supervised).
- Fiduciary Framework: a scale of concentration per issuer is determined based on two important principles for the valuation of risk in the Colombian market; the first is the risk rating issued by certified risk rating agencies and the second is the comparison of market risk at country level between the Colombian, Spanish and Mexican markets, the latter as a guide to applied risk.

Unification Qualifications

With the above sources, we proceed to unify the ratings internally to determine the maximum risk level of each issuer, the internal rating nodes obey the scale that starts from AAA as the best and A- as the worst, these define the proposed quota to be allocated to each entity, which is presented to the Risk and Investment Committee and if approved, the decision is ratified by the Board of Directors.

The credit quality of the issuers of the instruments comprising the Company's investment portfolio remained stable. Due to the fact that the investment portfolio is comprised mainly of AAA rated instruments, the liquid resources of the portfolio were deposited in accounts with low default risk expectations. The liquid resources of the portfolio were deposited in accounts with low default risk expectations.

Concentrations per issuer remained within the approved quotas. On the other hand, all issuers have investment grade ratings granted by the rating agencies Fitch Ratings Colombia S.A., BRC Investor Service S.A., Value and Risk Ratings S.A., Moody's, Standard & Poor's and Fitch Ratings International.

The following is a list of the issuer, number of securities per issuer, average term in days to maturity of the security and the credit risk rating per issuer:

Issuer	Deadline in days	Quantity titles	Rating
Banco Davivienda S.A.	114	2	AAA
Banco de Bogotá S:A	63	1	AAA
Bancolombia S.A.	300	5	AAA
BBVA Colombia S.A.	N/A	1	AAA
Bolsa de Valores de Colombia S.A.	N/A	1	Not Rated
Collective Investment Fund BBVA Efectivo	N/A	1	AAA
Collective Investment Fund with perma-nence agreement BBVA Plazo 30	N/A	1	AAA
BBVA Páramo Collective Investment Fund	N/A	3	AAA
Swift scrl	N/A	1	Not Rated

A. The maximum exposure to credit risk by investment rating at December 31, 2022 and 2021 is as follows:

Rating	31 Dec 2022	%	31 Dec 2021	%
AAA	62,505,325	91.25	57,150,422	56.06
Nation	-	-	34,135,796	33.48
Unqualified (1)	1,755,235	1.63	2,472,091	2.42
Non-manageable portfolio (2)	7,683,634	7.12	8,194,019	8.04
Total (*)	**$71,944,194**	**100**	**$101,952,327**	**100**

(1) Corresponds to the portfolio's positions in equity instruments.

(2) Corresponds to the investment portfolio constituted on the value of the yield stabilization reserve of the funds managed in the FONPET 2012 Autonomous Patrimony.

(*) Reported data include the position in savings accounts.

B. The maximum exposure to credit risk by economic sector of the investment portfolio as of December 31, 2022 and December 31, 2021 is as follows:

Sector	31 Dec 2022	%	31 Dec 2021	%
Financial	64,242,990	92.86	59,607,035	58.46
Nation	-	-	34,135,796	33.48
Real	17,570	0.02	15,477	0.02
Non-manageable portfolio	7,683,634	7.12	8,194,019	8.04
Total (*)	**$ 71,944,194**	**100**	**$ 101,952,327**	**100**

(*) Reported data include the position in savings accounts.

C. The accounting classification of investments and/or breakdown of the investment portfolio as of December 31, 2022 is as follows:

Ranking	Percentage
Trading	70.82%
Available for sale	29.18%

Market risk

In the development of its operations, the Company's equity portfolio is exposed to market risk due to the decrease that the value of the portfolio could experience as a consequence of changes in the price of the financial instruments that are part of the investment portfolio. The market risk is quantified by means of the Value at Risk (VaR), which corresponds to the maximum potential loss that the fund could experience in a given time horizon and an established confidence level.

Value at Risk (VaR) Analysis: the Fiduciary has a market risk management system that allows to adequately manage this risk. The INNOVAR platform (used by Global AM) calculates the total and diversified VaR for the Portfolio under the parametric VaR methodology by Monte Carlo at 99% and with a 63-day horizon.

On the other hand, the model implemented in External Circular 051 of October 2007 of the Financial Superintendence of Colombia (SFC) is followed, which considers 17 risk factors: Zero Coupon Curve in pesos (analyzed according to its 3 main components which are the parallel rate shocks, slope and convexity), Zero Coupon Curve in RVU (3 components), Zero Coupon Curve in US Treasuries, DTF (short and long term), CPI, TRM, Euro/Pesos, IGBC, World Index and investment funds.

A. The composition of the portfolio by species at the end of December 31, 2022 and December 31, 2021 is as follows:

	31 dic 2022	%	31 dic 2021	%
Shares	1,755,235	2.44	2,472,091	2.42
Term deposit Fixed rate	8,994,370	12.51	16,751,140	12.14
Term deposit IBR	11,965,900	16.64	-	-
Non- manageable	7,683,634	10.68	8,194,019	8.04
portfolio	24,841,621	45.19	23,814,722	23.36
Investment Funds	-	-	29,435,100	28.87
TCO	-	-	4,700,696	4.61
TES RVU	4,064,300	5.65	-	-
CPI Bonds	4,955,500	6.89	-	-
Term deposit CPI	**$ 64,260,560**	**100**	**$ 85,367,769**	**100**

* Data do not include position in savings accounts.

The portfolio has investments in FICs as of December 31, 2022, representing a participation of 45.19% of the total value of the portfolio.

Portfoli o	Value	%
FIC open BBVA Cash	10,004,346	16.39
Open FIC with permanence agreement BBVA Term 30	13,558,731	12.57
FIC open BBVA Páramo	1,278,544	1.18
Total	**$ 32,496,911**	**30.15**

PThe portfolio has investments in SHARES as of December 31, 2022 and a participation of 1.63% of the total value.

Below is the exposure of the portfolio to the different risk factors defined under the methodology of the Financial Superintendence of Colombia, as of December 31, 2022 and December 31, 2021. In the tables, the "Balance" field corresponds to the value of the portfolio exposed to the corresponding risk factor, and the "Regulatory VaR" field shows the calculation made for reporting to the SFC.

B. **Interest rate risk**: Taking into account the portfolio's exposure to interest rate risk due to positions in debt instruments denominated in local currency, the VaR for this risk factor is calculated in order to estimate the maximum potential losses that the equity portfolio could experience due to variations in interest rates.

Interest Rate Risk Table

Interest rate risk	Balance		Regulatory VaR	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Fixed Rate	8,994,370	46,186,240	3,081	69,954
RVU	-	4,700,696	-	12,420
DTF	11,965,900	-	6,849	-
CPI	9,019,800	-	216,159	-
Total	**$ 29,980,070**	**$ 50,886,936**		

Relevant variations were observed in the exposure to interest rate risk in the period under analysis, mainly due to the decrease in the Fixed Income and RVU positions. These positions were partially offset by DTF and CPI positions acquired in the first half of 2022. The largest VaR contribution at the end of 2022 was presented by the CPI positions.

C. **Exchange rate risk**: the VaR is calculated for the exchange rate risk factor in order to estimate the maximum potential losses that the equity portfolio could experience due to variations in this factor. The following shows the exposure of the equity portfolio as of December 31, 2022 and December 31, 2021 according to the methodology established by the Financial Superintendence of Colombia.

Exchange Rate Risk Table

Exchange Rate Risk	Balance		Regulatory VaR	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Euro	17,570	15,477	374	291
Total	**$ 17,570**	**$ 15,477**		

An increase in the exposure to exchange rate risk is observed in the period under analysis. However, foreign currency positions do not represent an alert within the portfolio.

D. **Stock price risk**: VaR is calculated for this risk factor in order to estimate the maximum potential losses that the equity portfolio could experience due to variations in the prices of local and international stock positions. Below is the exposure of the equity portfolio as of December 31, 2022 and December 31, 2021 under the methodology established by the Financial Superintendence of Colombia (SFC).

Risk Table Share Price

Share price risk	Balance		Exhibition	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Local Actions	1,737,665	2,456,614	50,143	81,975
Foreign Shares	17,570	15,477	551	319
Total	**$ 1,755,235**	**$ 2,472,091**		

The exposure to price risk of local equities decreases slightly in response to the decrease of the position in this factor in the period under analysis. On the other hand, foreign stocks increase their position and therefore the exposure to this factor.

E. **Investment funds risk**: the VaR calculation is made for this risk factor in order to estimate the maximum potential losses that the equity portfolio could experience due to variations in the unit values of the collective investment funds. Below is the exposure of the fund as of December 31, 2022 and December 31, 2021 according to the methodology established by the Financial Superintendence of Colombia (SFC).

Risk by Investment Funds Table

Investment Fund Risk	Balance		Regulatory VaR	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Investment Funds	24,841,621	32,192,578	13,176	30,501
Total	**$ 24,841,621**	**$ 32,192,578**		

No relevant variations were observed in the positions associated with the exposure to Investment Funds risk in the period under analysis.

F. **Diversified VaR**: The risk factors of the fund and its total regulatory VaR as of December 31, 2022 and December 31, 2021 are presented below.

Factor	31 Dec 2022	31 Dec 2021
CEC peso interest rate - component 1	1,834	40,695
CEC peso interest rate - component 2	959	20,075
CEC peso interest rate - component 3	287	9,184
CEC RVU interest rate - component 1	-	7,152
Interest rate CEC RVU - component 2	-	2,400
CEC RVU interest rate - component 3	-	2,868
DTF Interest Rate - Node 1 (Short Term)	3,113	-
DTF Interest Rate - Node 2 (Long Term)	3,736	-
CPI Interest Rate	216,159	-
Exchange rate - euro / pesos	374	291
Share price - igbc	50,143	81,975
Share price - world index	551	319
ollective portfolios	13,176	30,501
Total value at risk	**$ 220,140**	**$ 86,362**

Liquidity risk

In the development of its operations, the Company's equity portfolio is exposed to liquidity risk due to the possible insufficiency of available liquid assets to meet its obligations or the probability of having to assume unusual costs in order to meet them. In order to mitigate the probability of occurrence of this risk, the Fiduciary has tools for the control and monitoring of this risk.

The Fiduciary has established indicators and tests for the control and monitoring of this risk that allow it to monitor the outflows and inflows of resources by establishing a quantitative analysis, with models and indicators that seek to anticipate possible illiquid scenarios and take measures for their timely management.

Liquidity management is subject to the investment policy defined by Global and must be within the local regulatory framework.

The liquidity indicators of the portfolio as of December 31, 2022 and December 31, 2021 are presented below.

Liquidity Risk Indicator Measurement	Dec 31, 2012	31-Dec-21
Available	35,677,489	16,125,036
Degrees considered ALAC (High Quality)	$ -	33,538,420
Non-Permanent Covenants Funds	9,179,477	7,565,467
Other Liquid Assets	23,984,056	13,400,912
Net Liquidity Requirement 7 days	718,446	1,017,484
Net Liquidity Requirement 30 days	4,423,643	(1,873,433(
IRL 7 Days	68,122,576	69,612,350
IRL 30 Days	64,417,379	72,503,267

The results of the 7-day and 30-day IRL show that the Company's equity portfolio has adequate resources to fully meet its net liquidity requirements.

42.
Subsequent events

Since the closing of these consolidated financial statements as of December 2022, there were no subsequent effects that require disclosure.

43.
Other aspects of interest

BBVA Colombia S.A. Bank

Recent situation of the company

In order to conclude on the continuity of the business of BBVA Colombia S.A., an analysis of the recent situation of the company will be made in such a way that its financial situation can be evidenced.

An analysis of the disaggregated balance sheet as of December 2022 shows that Total Assets showed a growth of 24.8% (+$19,682,244), with the Loan and Leasing Portfolio capital being the most representative line with an increase of 20.2%.

When analyzing by account, the bank's Cash and cash equivalents line recorded an annual variation of -8.7%, Investments and derivative transactions increased by 77% and accounts receivable decreased by 19.4%.

On the other hand, liabilities presented a growth of 26.1% (+$19,202,635). With respect to customer funds raised through sight and savings products, the lines that caused the greatest variation were deposits and callable funds (+16.7%) and financial instruments.

The bank's interest margin presented a decrease of 1.0% with respect to December 2021, a figure explained by the increase in interest expense. Operating expenses recorded a growth of 14.4%, with the personnel and tax expense lines showing the greatest increase.

Finally, the Bank's result for the period increased 4.3% compared to the same period of 2021, ending the 2022 period with a profit of +$933,514.

In summary, the balance sheet growth is driven by the main operational lines for a credit bank (the portfolio and funds), which speaks very well of the business performance of BBVA Colombia S.A.

Projected financial information

Likewise, when reviewing the company's projections in the country, it was found that in its current financial planning, it is estimated to have profits of over 790 million pesos for the next twelve months and portfolio growth of over 9.2% based on the strategic plan, as well as on the good macroeconomic conditions of the country, which will allow for a year of great growth.

Conclusions

In this sense, taking into account both the situation in the recent past and what is expected in the near future, it can be affirmed that the bank has an adequate financial structure, which allows it to continue with the development of its operation in a profitable manner, in addition to obtaining the necessary resources to meet its short and medium-term obligations, due to the adequate management of the balance sheet and income statement accounts.

Performance Measures and Indicators December 2022 and 2021

Below are the financial returns and indicators defined in Decree 854 of 2021 as minimums to evaluate the business continuity of a company. In this case, they are presented for the year-end 2022 and 2021, which allow assessing the financial management carried out and thus evaluate whether the going concern assumption is appropriate:

Indicator	2021	2022	Formula	Result
Negative equity position	$5,687,302	$6.166.911	Total equity <$0	Total equity >$0
$Consecutive losses in two closing periods or several monthly periods, depending on the business model.	$895,242	$933.514	(Income for the year < 0) and (Profit/loss for the previous year <0)	(Profit/(Loss for the year Dec 2022 > 0) and (Profit/(Loss for the year Dec 2021 > 0))
Net working capital over short- term debt	0,07	0,04	(Trade accounts receivable from customers + current inventory - Trade accounts payable) / Liabilities Current (<0.5)	Result < 0,5
UAII / Total assets < Liabilities	1,7%	1,4%	(Earnings before interest and taxes / Total assets) < Liabilities total"	Result > 0

The adequate management carried out at BBVA Colombia allows it to develop its operations while maintaining good indicators of equity quality and solvency.

Therefore, it is concluded that there are no material uncertainties related to events or conditions that may cast significant doubt about the bank's ability to continue as a going concern.

BBVA Valores Colombia S.A. Comisionista de Bolsa

BBVA Valores together with BBVA Colombia maintain a continuous monitoring of the conditions generated since the beginning of the COVID-19 pandemic in the country and its effects in all areas of society.

During 2022, significant progress was seen in the containment of the COVID-19 virus in the country and in the world. Advances in the vaccination plan together with the other measures adopted by the national government

This allowed a significant reduction in the number of cases of contagion in the country, reducing the occupation of health centers and intensive care units, and consequently allowing the relaxation of the restrictive measures and health emergency adopted by the national government since March 2020. Along with this situation, during this period, the BBVA Group, together with the efforts of the private sector and the government, carried out vaccination campaigns for all its employees, with great acceptance and participation of all, achieving a milestone in the process of overcoming the limitations brought by the pandemic. Slowly but progressively we have seen a greater normality in the country's activities, which has been assumed with great responsibility, returning to face-to-face activities on a voluntary basis in almost all aspects of society.

During 2022, BBVA Valores continued to maintain its remote work operating capacity, following the biosecurity priorities established by the BBVA group, which seek to ensure the health of all its employees while providing adequate service to all customer needs. Remote work capabilities were combined with the alternation of several critical business positions with face-to-face work from the office, allowing for a smooth and seamless operation during the period.

In the context of the improved sanitary conditions surrounding the COVID-19 virus, BBVA Valores achieved favorable results that led to an accumulated net profit of Ps. 1,493,943 thousand at the end of December, supported by the greater dynamics of the securities brokerage business and the greater dynamism of the Investment Banking team in its work of accompanying the strategic processes of corporate clients.

The BBVA team will continue to continuously and judiciously monitor the effects of the pandemic in order to anticipate any adverse effects and thus take the necessary measures to maintain the stable conditions that have been achieved to date.

In the area of consumer protection, the Customer Conduct and Product Governance Policy was adopted, which establishes the principles that BBVA must observe when evaluating the characteristics and risks of products and services, as well as when defining their distribution conditions and their follow-up, in such a way that the interests of customers are taken into account at all times and compliance with applicable regulations is guaranteed, observing the principles of transparency, adequacy and fair treatment.

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

Additionally, during 2022, the "SOY BBVA" Campaign continued, focused on internal and external customer service, establishing general guidelines for customer service, service provision and attention to requests, complaints and claims, and including red lines in terms of customer information, implementing BBVA's principles with permanent communications aimed at all employees.

On the other hand, through the "Do the Right Thing" campaign, the principles of Integrity, honesty and transparency have been promoted by the Senior Management, disseminating through simple contents the importance of acting in accordance with BBVA's values in all the activities in which they participate.

During 2022, continuity was given to the action plan generated as a result of the improvement opportunities identified in the comprehensive evaluation of the Compliance Function carried out by Internal Audit. which concluded that the Function for the BBVA Group entities supervised by the Financial Superintendence of Colombia (hereinafter SFC), has monitoring schemes aimed at ensuring compliance with legal provisions and the identification of deviations in order to appropriately manage its own risks.

On the other hand, the action plans of the Compliance Area established by the control entities were met within the deadlines, and the other areas of the entity were permanently followed up and accompanied in the fulfillment of the commitments assumed by them.

In addition, it actively participated in the Committees and meetings of the different Entities and at different levels, issuing concepts involving those aspects that fall within its competence, as well as in all those in which it has a voice and vote given the nature of its functions.

Finally, the Compliance Plans were promoted in BBVA entities in Colombia in accordance with the provisions of the Compliance Function Statute approved by the Boards of Directors, in order to prevent, mitigate and manage the so-called Compliance and Conduct Risk.

The Trustee

At the 2022 General Shareholders' Meeting held in March under Minute No. 90, dividends in the amount of $27,544 were declared from the financial results as of December 31, 2021.

BBVA Asset Management S.A. Sociedad Fiduciaria managed its operations through checking and savings accounts, opened at Banco BBVA Colombia S.A.

The contract for the use of the Fiduciaria's office network with Banco BBVA Colombia S.A. was maintained

44. Glossary

- The Bank: Name to BBVA Colombia S.A.
- The Trustee: Name to BBVA Asset Management S.A. Sociedad Fiduciaria.
- The Broker: Name of BBVA Valores Colombia S.A. Comisionista de Bolsa.
- ANMV: Non-Current Assets Held for Sale.
- BRDP: Disaffected assets and assets returned under leasing contracts.
- ALCO: Assets and Liabilities Committee.
- CIB: Corporate and Investment Banking.
- GANF: Non-Financial Asset Management
- EFAN: Business Area Financial Statements.