Consolidated Financial Statements and Explanatory Notes

AT DECEMBER 31, 2024 AND 2023

Bogotá, March 2025

COMMITTED TO THE SUSTAINABLE DEVELOPMENT OF COLOMBIA

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

Financial accounting

Wilson Eduardo Díaz	*wilsoneduardo.diaz@bbva.com*
Luz Marina Gutiérrez	*luzmarina.gutierrez@bbva.com*
Yeimy Carolina Pérez	*yeimycarolina.perez@bbva.com*
Ana María Carrillo	*anamaria.carrillo.leon@bbva.com*

Communication & image

Constanza García	*constanza.garcia@bbva.com*
Ana María Sierra	*anamaria.sierra@bbva.com*

Style, design and layout editing: Todo Comunica

Contents

Statutory auditor's report

EY
Shape the future with confidence

Statutory auditor's report

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

Opinion

I have audited the attached consolidated financial statements of Banco Bilbao Vizcaya Argentaria S.A. and subordinate entities (hereinafter, the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the corresponding consolidated statements of income, comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as the explanatory notes to the financial statements that include information on material accounting policies.

In my opinion, the attached consolidated financial statements, present reasonably, in all material respects, the consolidated financial position of the Group as of December 31, 2024, the consolidated results of its operations and the consolidated cash flows for the year then ended in that date, in accordance with the International Financial Reporting Standards accepted in Colombia.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing accepted in Colombia. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this 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 applicable ethical responsibilities. I believe that the audit evidence obtained is sufficient and appropriate to support my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of the most significance in the audit of the attached 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, but not to provide a separate opinion on these matters. Based on the above, below, I explain how each key audit matter was addressed during my audit.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the 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 attached consolidated financial statements.

Ernst & Young Audit S.A.S.
Bogotá D.C.
Carrera 11 No 98 - 07
Edificio Pijao Green Office
Tercer Piso
Tel. +57 (601) 484 7000

Ernst & Young Audit S.A.S.
Medellín – Antioquia
Carrera 43A No. 3 sur-130
Edificio Milla de Oro
Torre 1 – Piso 14
Tel: +57 (604) 369 8400

Ernst & Young Audit S.A.S.
Cali – Valle del Cauca
Avenida 4 Norte No. 6N – 61
Edificio Siglo XXI
Oficina 502
Tel: +57 (602) 387 6688

Ernst & Young Audit S.A.S.
Barranquilla - Atlántico
Calle 77B No 59 – 61
Edificio Centro Empresarial
Las Américas II Oficina 311
Tel: +57 (605) 310 0444

EY
Shape the future with confidence

Key audit mater	Audit Response
Estimating Portfolio Credit Risk Losses The balance of the loan portfolio and its allowances for credit losses as of December 31, 2024, amounted to $76.759.836 million and $3.935.544 million, respectively. This allowances for credit losses is one of the most significant and complex estimates in the preparation of the consolidated financial statements, due to the high degree of judgment involved in the development of the models to determine impairment based on an expected credit loss (ECL) approach required in IFRS 9. I considered the assessment of the impairment allowances for credit losses of the loan portfolio as a key audit matter, because it incorporates significant measurement uncertainty, which required complex judgment, and industry knowledge and experience, especially in relation to: (1) the evaluation of the methodologies and models used, including the methodology for estimating the probability of default (PD), loss given default (LGD) and exposure at default (EAD), including its key factors and assumptions; (2) the incorporation of forward-looking information.	Among the audit procedures carried out in this area: • Evaluated the design and tested the effectiveness of the overall control environment. The audit procedures on the determination of the calculation of the credit risk for expected credit losses of the portfolio focused on: • Review of the policies, procedures and controls established by the Bank, as well as the models required by the applicable regulations. Likewise, the involvement of professionals with experience and knowledge in the evaluation of credit risk and information technology, to evaluate certain internal controls related to the Bank's process for determining the allowances for credit losses. • Review of the completeness and accuracy of the data sources used in the consolidation of the information used in the calculation for the estimation of the expected Credit losses due to Portfolio Credit Risk, based on the control processes of the SAS and Datio information systems. • Additionally, I received the assistance of our specialists, who have the experience and knowledge in the calculation of the estimate of the expected credit 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 of risk, probabilities of default, lifetime, prepayment ratio, type of portfolio, individual or collective evaluation, among others.

Shape the future with confidence

Key audit mater	Audit Response
	• Recalculation of expected credit losses, validation of the parameters for a sample of loans of the collective model of free investment loans families and mortgages and validation of the parameters for a sample of loans of the individual model. • Review of the attached disclosures, assessing that they contain the information required by the regulatory framework for financial reporting applicable to the Bank.

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

Management is responsible for the preparation and correct presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards accepted in Colombia; for design, implement and maintaining the internal control relevant to the preparation and correct presentation of the consolidated financial statements free from material misstatement, whether due to fraud or error; for to selecting and applying appropriate accounting policies; and, establish reasonable accounting estimates in the circumstances.

In preparing the consolidated financial statements, management is responsible for assessing the Group´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group´s 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 objective is 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 make based on these consolidated financial statements.

Shape the future with confidence

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

- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I are required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. The auditor´s 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 Group 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 consolidated 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 managing, 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 could reasonably be expected to affect my independence and, where applicable, related safeguards.

Shape the future with confidence

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 that are, consequently, key matters of the audit. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected exceed the public interest benefits of such communication.

Other Issues

The consolidated financial statements under International Financial Reporting Standards Accepted in Colombia of Banco Bilbao Vizcaya Argentaria Colombia S.A. and subordinates as of December 31, 2023, which are part of the comparative information of the accompanying financial statements, were audited by me, in accordance with International Auditing Standards Accepted in Colombia, on which i expressed my unqualified opinion on February 19, 2024, except for note 43 to the consolidated financial statements dated on March 22, 2024.

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

Bogotá, Colombia
February 26, 2025

Certification by the registered agent and general accountant

The undersigned Registered Agent and Public Accountant of BBVA Colombia S.A., in compliance with Article 37 of Law 222/1995, certify that the consolidated financial statements of the Group at December 31, 2024, along with their explanatory notes, have been prepared based on the Accounting and Financial Reporting Standards accepted in Colombia (NCIF, for the Spanish original), uniformly applied, ensuring that they reasonably present the financial position and the results of its operations, and that before making them available to the General Meeting of Shareholders and third parties we have verified that:

- The amounts included in the financial statements and their explanatory notes have been faithfully taken from the book and prepared in accordance with the Accounting and Financial Reporting Standards issued by the International Accounting Standards Board (IASB), including the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).
- We have verified that the measurement and valuation procedures have been uniformly applied with the previous year and that they reasonably reflect the financial position at December 31, 2024.
- All the assets and liabilities listed in the Group's consolidated financial statements at December 31, 2024 exist and all the transactions listed in said statements have been carried out during the year ended on that date.
- All the economic events carried out by the Bank during the year ended December 31, 2024 have been recognized in the financial statements.
- All the economic events that affect the Bank have been correctly classified, described and disclosed in the financial statements.
- The assets represent probable future economic benefits (rights) and the liabilities represent probable future economic sacrifices (obligations) obtained or on the account of the Group at December 31, 2024.
- All the 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 / 2005, we hereby certify that the Consolidated Financial Statements and other relevant reports for the public contain no defects, inaccuracies or errors that would prevent knowing the entity's true financial position and operations.

Esther Dafauce Velázquez
Registered Agent

Wilson Eduardo Díaz Sánchez
Accountant
Prof. License 62071-T

Consolidated comparative statement of financial position at december 31, 2024 and 2023

(Amounts in millions of Colombian pesos)

	Note	2024	2023
Assets			
Cash and cash equivalents	(7)	$ 10,955,265	$ 11,185,473
Financial investment assets, net	**(8)**	**10,859,924**	**9,917,523**
Investments at fair value through profit or loss		3,434,032	3,722,995
Investments at fair value through OCI		4,182,499	2,935,939
Investments at amortized cost		3,243,393	3,258,589
Derivative Financial Instruments and Cash Operations	(9)	6,085,251	9,539,609
Loan portfolio and financial lease transactions, net	**(10)**	**72,824,292**	**72,298,261**
Commercial		32,309,233	31,096,712
Consumer		28,991,977	29,642,438
Mortgage		15,458,618	15,161,842
Micro-credit		8	8
Impairment of loan portfolio and financial leases, net		-3,935,544	-3,602,739
Accounts receivable, Net	(13)	2,300,469	812,424
Tangible assets, net	(14)	782,428	794,005
Investments in joint arrangements	(15)	170,164	167,576
Intangible assets, net	(16)	316,671	234,820
Non-current assets held for sale, net	(17)	217,419	109,970
Other assets, net	(18)	22,657	15,402
Income tax assets, net		**1,482,030**	**835,070**
Current tax	(19)	1,482,030	835,070
Total assets		**106,016,570**	**105,910,133**

	Note	2024	2023
Liabilities			
Customer deposits	(20)	78,843,130	76,917,160
Derivative Financial Instruments and Cash Operations	(21)	8,213,706	12,277,305
Financial obligations	(22)	5,295,920	5,137,874
Outstanding investment securities	(23)	3,368,426	2,519,332
Accounts Payable	(24)	1,062,997	1,021,094
Other Liabilities	(25)	775,143	732,616
Employee benefits	(26)	396,738	344,902
Estimated Liabilities and Provisions	(27)	273,098	259,419
Income tax liabilities, net		**197,135**	**126,514**
Deferred tax	(40.3)	175,388	118.024
Current tax	(19)	21,747	8,490
Total liabilities		**98,426,293**	**99,336,216**
Shareholders' Equity			
Share capital	(28)	111,002	89,779
Share issue premium	(30)	1,549,007	651,950
Reserves	(29)	4,750,950	4,559,860
(Loss) Retained earnings		-34,824	447,240
Other comprehensive income (OCI)	(32)	1,203,224	815,570
Total shareholders' equity		**7,579,359**	**6,564,399**
Minority interest	(2.3)	10,918	9,518
Total equity		**7,590,277**	**6,573,917**
Total liabilities and equity		**$ 106,016,570**	**$ 105,910,133**

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 financial statements and that they have been faithfully taken from the ledgers of Banco Bilbao Vizcaya Argentaria SA and its subsidiaries.

Esther Dafauce Velázquez
Registered Agent (1)

Wilson Eduardo Díaz Sánchez
Accountant (1)
Prof. License 62071-T

Gloria Margarita Mahecha García
Statutory Auditor
Prof. License 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Refer to my report of February 26, 2025)

Consolidated comparative statement of income at december 31, 2024 and 2023

(Figures expressed in millions of Colombian pesos, except for basic earnings per share)

	Note	For years ended on December 31: 2024	2023
Interest and valuation income	(35)		
Loan portfolio and financial lease transactions		$ 9,717,422	$ 9,727,722
Valuation of financial instruments, net		671,715	1,636,871
Total interest and valuation income		**10,389,137**	**11,364,593**
Interest and valuation expenses	(36)		
Customer deposits		-5,974,392	-6,483,201
Financial obligations		-575,339	-562,721
Other interest		-96	-101
Total interest and valuation expenses		**-6,549,827**	**-7,046,023**
Total net margin of interest and financial instrument valuation		**3,839,310**	**4,318,570**
Impairment of financial assets			
Impairment of loan portfolio and financial leases, net	(10)	-2,740,183	-1,655,414
Impairment of non-current assets held for sale	(17)	-2,307	-4,051
Recovery of financial investment assets		1,979	1,007
Recovery (impairment) of property and equipment	(14)	1,485	5,975
Reversion of other impairment		154,672	174,975
Total impairment of financial assets, net		**-2,584,354**	**-1,477,508**

	Note	For years ended on December 31: 2024	2023
Fee revenues, net	(37)		
Fee revenues		1,151,764	1,018,244
Fee expenses		-709,930	-545,883
Total fee revenues, net		**441,834**	**472,361**
Other operating expenses			
Non-interest Revenues	(38)	1,260,982	96,373
Income by the equity method		2,327	2,748
Other operating expenses	(39)	-3,290,203	-2,996,346
Total other operating expenses		**-2,026,894**	**-2,897,225**
(Loss) Earnings before Income Taxes		-330,104	416,198
Income tax	(40)	-77,674	-168,835
Deferred Tax	(40)	119,190	-935
Total current year net income		**-288,588**	**246,428**
Net income attributable to:			
Owners of the controlling company		-292,240	243,856
Non-controlling interests		3,652	2,572
Total current year net income		**-288,588**	**246,428**
(Loss) Basic earnings per ordinary share (in COP)	(31)	-16,22	17,13
Number of subscribed and paid-in common and preferred shares		17,789	14,387

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 financial statements and that they have been faithfully taken from the ledgers of Banco Bilbao Vizcaya Argentaria SA and its subsidiaries.

Esther Dafauce Velázquez
Registered Agent (1)

Wilson Edgardo Díaz Sánchez
Accountant (1)
Prof. License 62071-T

Gloria Margarita Mahecha García
Statutory Auditor
Prof. License 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Refer to my report of February 26, 2025)

consolidated comparative statement of other comprehensive income at december 31, 2024 and 2023

(Amounts in millions of Colombian pesos)

	For the years ended on December 31,		
	Note	2024	2023
Current year net income		**$ -288,588**	**$ 246,428**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss for the period:			
Losses on other equity items of subsidiaries and joint ventures		-23	-215
Gains (Losses) on defined benefit plans		1,137	-8,756
Impairment adjustment and allowances for implementation of IFRS 9 in consolidated financial statements		435,111	45,458
Valuation of share in other comprehensive income of non-controlled entities		195,648	52,845
Associated deferred tax		-202,418	-23,922
Total items that will not be reclassified to income or loss for the period		**429,455**	**65,410**
Items that may subsequently be reclassified to profit or loss for the period:			
Losses (gains) on remeasurement of financial assets available for sale		-67,059	33,928
Cash flow hedge losses		-1,933	-22,642
Associated deferred tax		27,191	-3,741
Total items that may subsequently be reclassified to profit or loss for the period		**-41,801**	**7,545**
Total Other Comprehensive Income	**(32)**	**387,654**	**72,955**
Total Current Year Other Comprehensive Income		**$ 99,066**	**$ 319,383**

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 financial statements and that they have been faithfully taken from the ledgers of Banco Bilbao Vizcaya Argentaria SA and its subsidiaries.

Esther Dafauce Velázquez
Registered Agent (1)

Wilson Eduardo Díaz Sánchez
Accountant (1)
Prof. License 62071-T

Gloria Margarita Mahecha García
Statutory Auditor
Prof. License 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Refer to my report of February 26, 2025)

Consolidated comparative statement of changes in equity at december 31, 2024 and 2023

(Amounts in millions of Colombian pesos)

					Retained Earnings						
	Note	Subscribed and Paid-in Capital	Share issue premium	Reserve	Net income for the period	Net income from previous period	Adjustment on first-time adoption of IFRS	Other comprehensive income (OCI)	Total shareholders' equity	Non-controlling interest	Total equity
Balances at December 31, 2022		$ 89,779	$ 651,950	$ 4,093,083	$ 1,026,275	$ 75,471	$ 32,451	$ 742,615	**$ 6,711,624**	$ 8,078	**$ 6,719,702**
Non-controlling interest (minority interest)											
Reserves		0	0	0	0	0	0	0	**0**	46	**46**
Valuation		0	0	0	0	0	0	0	**0**	214	**214**
Loss		0	0	0	0	0	0	0	**0**	-1,392	**-1,392**
Transfers		0	0	0	-92,761	92,761	0	0	**0**	0	**0**
Dividends paid in cash on preferred and common shares	(29)	0	0	0	-466,737	0	0	0	**-466,737**	0	**-466,737**
Appropriation for legal reserve		0	0	466,777	-466,777	0	0	0	**0**	0	**0**
Current year net income		0	0	0	243,856	0	0	0	**243,856**	2,572	**246,428**
Realization of Assets Subject to First-Time Adoption		0	0	0	0	19,251	-19,251	0	**0**	0	**0**
Deferred taxes (net)	(40)	0	0	0	0	0	-1,984	0	**-1,984**	0	**-1,984**
Adjustment by sales force of retained earnings		0	0	0	0	0	4,685	0	**4,685**	0	**4,685**
Other comprehensive income:											
Movements of other comprehensive income	(32)	0	0	0	0	0	0	100,618	**100,618**	0	**100,618**
Deferred taxes, net	(40)	0	0	0	0	0	0	-27,663	**-27,663**	0	**-27,663**
Balances at December 31, 2023		**$ 89,779**	**$ 651,950**	**$ 4,559,860**	**$ 243,856**	**$ 187,483**	**$ 15,901**	**$ 815,570**	**$ 6,564,399**	**$ 9,518**	**$ 6,573,917**

	Note	Subscribed and Paid-in Capital	Share issue premium	Reserves	Retained Earnings			Other comprehensive income (OCI)	Total shareholders' equity	Non-controlling interest	Total equity
					Net income for the period	Net income from previous period	Adjustment on first-time adoption of IFRS				
Balances at December 31, 2023		$ 89,779	$ 651,950	$ 4,559,860	$ 243,856	$ 187,483	$ 15,901	$ 815,570	**$ 6,564,399**	$ 9,518	**$ 6,573,917**
Reserves		0	0	0	0	0	0	0	**0**	406	**406**
Valuation		0	0	0	0	0	0	0	**0**	-86	**-86**
Loss		0	0	0	0	0	0	0	**0**	-2,572	**-2,572**
stock issuance	(30) (46)	21,223	897,057	0	0	0	0	0	**918,280**	0	**918,280**
Transfers		0	0	0	-49,168	52,795	0	0	**3,627**	0	**3,627**
Dividends paid in cash on preferred and common shares	(29)	0	0	0	-3,598	0	0	0	**-3,598**	0	**-3,598**
Release of occasional reserve - for protection of investments, available to the Board of Directors	(29)	0	0	-533	0	0	0	0	**-533**	0	**-533**
Allocation for Special Reserves	(29)	0	0	191,623	-191,090	0	0	0	**533**	0	**533**
Current year net income		0	0	0	-292,240	0	0	0	**-292,240**	3,652	**-288,588**
Deferred taxes (net)	(40,3)	0	0	0	0	0	1,237	0	**1,237**	0	**1,237**
Realization of Assets Subject to First-Time Adoption	(44)	0	0	0	0	16,080	-16,080	0	**0**	0	**0**
Other comprehensive income:											
Movements of other comprehensive income	(32)	0	0	0	0	0	0	562,880	**562,880**	0	**562,880**
Deferred taxes, net	(40)	0	0	0	0	0	0	-175,226	**-175,226**	0	**-175,226**
Balances at December 31, 2024		**$ 111,002**	**$ 1,549,007**	**$ 4,750,950**	**$ -292,240**	**$ 256,358**	**$ 1,058**	**$ 1,203,224**	**$ 7,579,359**	**$ 10,918**	**$ 7,590,277**

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 financial statements and that they have been faithfully taken from the ledgers of Banco Bilbao Vizcaya Argentaria SA and its subsidiaries.

Esther Dafauce Velázquez
Registered Agent (1)

Wilson Eduardo Díaz Sánchez
Accountant (1)
Prof. License 62071-T

Gloria Margarita Mahecha García
Statutory Auditor
Prof. License 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Refer to my report of February 26, 2025)

BBVA

Consolidated comparative statement of cash flow at december 31, 2024 and 2023

(Amounts in millions of Colombian pesos)

	Note	2024	2023
Balance at the beginning of period		$ 11,185,474	$ 10,312,696
Cash flows from operating activities:			
Disbursements and payments received from loan portfolio and leasing customers		1,248,194	-890,080
Payments and reception of on-demand deposits, net		465,873	474,955
Payments and reception of term deposits, net		1,187,080	7,923,829
Payments and reception of other deposits and on-demand liabilities		64,319	-2,655,714
Payments and redemptions received on financial debt and derivative instruments		-1,645,409	-793,035
Payments to suppliers and employees		-4,919,437	-4,045,456
Interest received from loan portfolio and leasing customers and others		9,011,437	8,765,170
Interest paid on deposits and on-demand liabilities		-5,979,834	-6,489,868
Income tax paid		-1,178,849	-1,433,058
Net cash flows (used in) provided by operating activities		**-1,746,626**	**856,743**
Cash flows from investment activities:			
Payments for investments at amortized cost		-259,167,189	-434,671,466
Collections on investments at amortized cost		259,388,479	436,241,239
Dividends received		16,648	38,680
Acquisition of property and equipment	(14)	-98,090	-51,341
Purchases of intangible assets	(16)	-149,987	-116,257
Payments and other revenue to acquire joint arrangements		0	1
Sale of property and equipment	(17)	2,227	11,063
Cash inflows from investment activities		645,357	604,045
Net cash flow provided by investing activities		**637,445**	**2,055,964**
Cash flow in financing activities:			
Payment of loans and other financial liabilities		-6,165,805	-4,243,503
Collection of loans and other financial liabilities		5,282,390	3,796,155
Dividends paid to owners		-38,838	-478,167
Cash inflows from financing activities		544,071	707,432
Cash inflows from financing activities		**-378,182**	**-218,083**
Cash and cash equivalents:			
Effect of exchange rate fluctuations on cash held in foreign currency		1,257,154	-1,821,847
Balance at the end of the period	**(7)**	**$ 10,955,265**	**$ 11.185,473**

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 financial statements and that they have been faithfully taken from the ledgers of Banco Bilbao Vizcaya Argentaria SA and its subsidiaries.

Esther Dafauce Velázquez
Registered Agent (1)

Wilson Eduardo Díaz Sánchez
Accountant (1)
Prof. License 62071-T

Gloria Margarita Mahecha García
Statutory Auditor
Prof. License 45048-T
Appointed by Ernst & Young Audit S.A.S. TR-530
(Refer to my report of February 26, 2025)

Notes to the consolidated

COMPARATIVE FINANCIAL STATEMENTS OF BANCO BILBAO VIZCAYA ARGENTARIA COLOMBIA S.A.

At December 31, 2024 and 2023

(Expressed in millions of Colombian pesos, except for the exchange rate and net earnings per share, selling price per share, nominal value of the share, transactions in foreign currency, and highest price paid per share)

Committed to the sustainable development of Colombia

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 Consolidated Financial Statements for the following companies:

BBVA Colombia S.A. is a private banking institution incorporated in accordance with Colombian laws on April 17, 1956 through Public Instrument No. 1160 granted in the Notary Public Office 3 of Bogotá and with term of duration until 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 451 and 508 offices for the years ended December 31, 2024 and 2023, respectively, which include branch offices, in-house services at customer facilities, service centers, agencies and cash extensions located in several cities in Colombia, distributed as follows:

Branch	2024	2023
Branch offices	332	384
In house	91	94
Service Centers	6	6
Remote Banking	22	24
Total Offices	**451**	**508**

The Bank is a subsidiary of Banco Bilbao Vizcaya Argentaria S.A. España (76% share), which is part of the BBVA Group.
The banking entity and its subsidiaries have a national work force that, at the end of December 2024 and 2023, amounted to 5,470 and 5,722 employees, respectively.

BBVA Asset Management S.A. Sociedad Fiduciaria, hereinafter, “the Trust Company”, is a joint-stock, private commercial entity of financial services, legally incorporated through Public Instrument 679 of Notary Public Office 13 of Bogotá dated 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. As of December 31, 2024 and 2023, it had 143 and 139 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, 2024 and 2023, it had 51 and 52 employees, respectively, and its term of duration expires on April 11, 2091.

At December 31, 2024 and 2023, the breakdown of the balance sheet for the consolidated entities was as follows:

Comparative Statement of Financial Position of the Consolidated Entities at December 31, 2024 and 2023

Entity	2024				2023			
	Asset	Liabilities	Equity	Income	Assets	Liabilities	Equity	Income
BBVA Colombia S.A.	$ 104,750,826	$ -98,196,523	$ -6,554,303	$ -368,949	$ 105,160,187	$ -99,224,220	$ -5,935,967	$ 194,688
BBVA Asset Management S.A. Sociedad Fiduciaria	163,260	-31,102	-132,158	50,004	141,469	-23,532	-117,938	35,121
BBVA Valores Colombia S.A. Comisionistas de Bolsa	82,322	-16,380	-65,942	16,327	65,398	-10,594	-54,804	11,590
Total	**$ 104,996,408**	**$ -98,244,005**	**$ -6,752,403**	**$ -302,618**	**$ 105,367,054**	**$ -99,258,346**	**$ -6,108,709**	**$ 241,399**

Eliminations in consolidation:

Description	2024			2023		
	BBVA Colombia S.A.	BBVA Asset Management S.A.	BBVA Valores Colombia S.A.	BBVA Colombia S.A.	BBVA Asset Management S.A.	BBVA Valores Colombia S.A.
Eliminations in consolidation	$ -32,302	$ 24,626	$ 7,676	$ -65,033	$ 58,731	$ 6,302
Eliminations of equity	-127,601	82,986	44,615	-120,296	82,635	37,661
Minority interest (equity)	0	-7,252	-3,666	0	-6,472	-3,046
Minority interest (income)	0	-2,744	-908	0	-1,927	-644

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

The Group prepares its consolidated financial statements in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF), issued by Decree 2420/2015 and its amendments. These accounting and financial reporting standards are equivalent to the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), in the versions accepted by Colombia through the aforementioned Decrees.

The application of said international standards in Colombia is subject to certain exceptions established by the regulator and contained in Decree 2420/2015 and its amendments. These exceptions vary depending on the type of company, and include the following:

The single catalog issued by the Financial Superintendence of Colombia (SFC, for the Spanish original) includes instructions related to reclassifications, which in some cases are not consistent with the requirements of the Accounting and Financial Reporting Standards. This catalog must be applied by companies supervised by the SFC, as well as by prepares of financial reports supervised in the National General Accounting Office (CGN, for the Spanish original), in accordance with the powers granted to the SFC through article 5 of Resolution 743/2013.

Section 4 of Article 2.1.2 of Decree 2420 of 2015, supplemented by Decree 2496 of 2015 and its amendments, requires the application of Article 35 of Law 222 of 1995, which indicates that equity interests in subsidiaries must be recognized in the consolidated financial statements using the equity method, rather than recognition, in accordance with the provisions of IAS 27 - Consolidated Financial Statements and Recognition of Investments in Subsidiaries, at cost, at fair value, or by the equity method.

Article 2.2.1 of Decree 2420/2015, supplemented by Decree 2496 of the same year and its amendments, establishes that the measurement of post-employment benefits related to future old age and disability retirement pensions will be made in accordance with the requirements of IAS 19 - Employee Benefits; however, the calculation of the pension liabilities must be disclosed and in accordance with the parameters set out in Decree 1625/2016, article 1.2.1.18.46 and subsequent articles, and in the case of partial pension transfers, in accordance with the provisions of section 5 of article 2.2.8.8.31 of Decree 1833/2016, reporting the variables used and any differences with the calculations performed under the NCIF technical framework.

Approval of Consolidated Financial Statements - The Group's Consolidated Financial Statements at and for the year ended December 31, 2024, 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 26, 2025. 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, 2024 will be approved by the General Meeting of Shareholders held on March 26, 2025.

2.2. ISSUED NOT YET EFFECTIVE STANDARDS

The standards and interpretations that have been published, but are not yet effective as of the date of these financial statements are disclosed below. The Group will adopt these standards on the dates on which they become effective, in accordance with the Decrees issued by the local authorities.

IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaced IAS 1 Presentation of Financial Statements. IFRS 18 introduces new presentation requirements for income statements, including specific totals and subtotals. Additionally, entities must classify all income and expenses in the income statements under one of five categories: Operating, Investing, Financing, Income Taxes, and Discontinued Operations, of which the first three are new.

It also requires specific disclosures for management-defined performance measures, subtotals for income and expenses, and it includes new requirements for aggregation and disaggregation of financial information based on the “functions” identified in the Primary Financial Statements (PFS) and the notes.

Additionally, limited-scope amendments were made to IAS 7 - Statement of Cash Flows, that include changing the starting point for determining operating cash flows under the indirect method, from "profit or loss" to "operating profit or loss," and eliminating optionality in the classification of cash flows from dividends and interest.

To date, IFRS 18 has not been incorporated in the Colombian accounting framework by means of Decree.

2022 Improvements

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 specify the requirements that a seller-lessor uses to measure the lease, the liability derived from a sale with leaseback, to ensure that the seller-lessor does not recognize any amount of the profit or loss related to the right of use it maintains.

To date, the amendments have not been incorporated into the Colombian accounting framework by means of Decree.

Amendments to IAS 1: Non-current Liabilities with Covenants.

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What a right to defer a transaction means
- There must be a right to defer payment at the end of the reporting period.
- Classification is not affected by the probability that an entity will exercise its right to deferral

Additionally, an entity must disclose when a liability that arises from a loan agreement is classified as non-current and the entity's right to defer settlement depends on fulfillment of agreed conditions within the next twelve months.

To date, the amendments have not been incorporated into the Colombian accounting framework by means of Decree.

2023 Improvements

Amendments to IAS 7 and IFRS 7: Supplier Finance Agreements.

The amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial instruments clarify the characteristics of supplier finance agreements and require additional disclosures on such agreements. The purpose of the disclosure requirements is to help users of financial statements understand the effects of supplier finance agreements on an entity's liabilities, cash flows and exposure to liquidity risks.

To date, the amendments have not been incorporated into the Colombian accounting framework by means of Decree.

Amendments to IAS 12: International Tax Reform - Pillar Two Model Rules.

The amendments to IAS 12 were introduced in response to OCDE pillar two rules regarding the prevention of erosion of the tax base and the transfer of benefits, and include:

- A mandatory temporary exemption for the recognition and disclosure of deferred taxes that arise from the jurisdiction implementation of the rules of the pillar two model, and
- Disclosure requirements for the affected entities to help users of the financial statements to better understand an entity's exposure to pillar two income taxes that arise from this legislation, in particular before their effective date.

To date, the amendments have not been incorporated into the Colombian accounting framework by means of Decree.

Amendments to IAS 21: Lack of Exchangeability.

In August 2023, the IASB issued amendments to IAS 21 - The Effects of Changes in the Exchange Rates to specify how an entity must assess whether a currency is exchangeable and how to determine an spot exchange rate when it is not exchangeable. The amendments also require disclosures to help users of financial statements understand how the fact that a currency is not exchangeable into another currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

To date, the amendments have not been incorporated into the Colombian accounting framework by means of Decree.

2.3. CONSOLIDATION CRITERIA

For consolidation purposes, and following the criteria established by the NCIF, the scope of consolidation is defined using the guidelines established by IFRS 10 - Consolidated Financial Statements, which basically concern control (control/returns) as a guide to determine which companies are susceptible to consolidation and the information to be disclosed regarding interests 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. Such control is obtained when the Bank is exposed, 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:

	2024	2023
BBVA Asset Management S.A. Sociedad Fiduciaria	-7,252	-6,472
BBVA Valores Colombia S.A. Comisionistas de Bolsa	-3,666	-3,046
Total	**$ -10,918**	**$ -9,518**

2.4. 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 through OCI.
- Derivative financial instruments measured at fair value.
- Loan portfolio measured at amortized cost.
- 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 significant accounting policies, judgments, estimations and assumptions described in Note 3.

2.5. 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.

2.6. MATERIALITY

The Bank, in preparing and presenting its financial statements, has considered the materiality of the amounts in relation to key indicators when determining their relevance, based on the specific item being reported.

There is no mandatory accounting principle or measurement criterion that would have a significant effect on the annual accounts that has not been applied in preparing them.

2.7. JUDGMENTS AND ESTIMATES

The information contained in these 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. Changes to the accounting estimates are recognized prospectively, recognizing the effects of changes made in the corresponding accounts of the Consolidated Statement of Income for the fiscal year, as applicable, starting from the fiscal year in which such changes 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 10).

2.8. CHANGES IN THE PRESENTATION OF THE FINANCIAL STATEMENTS

In compliance with the provisions of paragraph 41 of IAS 1, the entity will disclose the changes in the presentation of the financial statements.

The changes in the presentation of the financial statements in 2024 compared to 2023 are made following a review to fine-tune certain items of the statement of financial position and the income statement. These changes did not impact the presentation of the statement of cash flows.

Statement of financial position: A change was made to the presentation.

At December 31, 2024, the Group created accounts to reclassify the balances of customer payments pending recording, which were included in the component of customer deposits, and which in July 2024 were transferred to be recognized as other liabilities, because they are payments pending recording to accounts receivable. On the other hand, we offset other net assets against investments in joint arrangements, which is a FIA temporary union that is part of BBVA Asset Management S.A. Sociedad Fiduciaria, a subsidiary of Banco Bilbao Vizcaya Argentaria Colombia S.A.

The following are the adjustments made to the Consolidated Statement of Financial Position for the period ended December 31, 2023, to ensure comparability with the figures for the period ended December 31, 2024:

Item	Note	Balance at December 31, 2023, without changes	reclassification	Balance at December 31, 2023, including changes
Assets				
Investments in joint arrangements	(15)	$ 167,573	$ 3	**$ 167,576**
Other assets, net	(18)	15,405	-3	**15,402**
Liabilities				
Customer deposits	(20)	77,154,318	(237,158)	**76,917,160**
Other Liabilities	(25)	495,458	237,158	**732,616**

These amendments changed the presentation of the following notes:

5. Maturity of assets and expiration of liabilities
12. Fair Value
15. Investments in joint arrangements
18. Other assets, net
20. Customer deposits
25. Other Liabilities

Income Statements: A change was made to the presentation.

The following are the adjustments made to the Consolidated Income Statement for the period ended December 31, 2023, to ensure comparability with the figures for the period ended December 31, 2024:

Item	Note	Balance at December 31, 2023, without changes	Segregation and reclassifications	Balance at December 31, 2023, including changes
Net impairment losses due to credit risk (1)		$ -1,649,576	$ 5,838	**$ -1,655,414**
Reversion of other impairments (1)		169,137	-5,838	**174,975**
Other interest (2)	(36)	0	101	**-101**
Fee revenues (2)	(37)	1,016,235	-2,009	**1,018,244**
Fee expenses (2)	(37)	-545,872	11	**-545,883**
Non-interest revenues (3)	(38)	575,309	478,936	**96,373**
Other operating expenses (3)	(39)	-3,473,385	-477,039	**-2,996,346**

1. The Credit Risk Department, through constant validations of the movements in impairment and recovery of the loan portfolio, has determined a need to reclassify an account titled 'reimbursement provision for accounts receivable,' as it does not fall within the loan portfolio's scope, and this impacts the category called recovery of other impairments.

2. Mapping of activities in joint operations of BBVA Asset Management S.A. Sociedad Fiduciaria was validated, where reclassifications between currently identified items are made.

3. Under the operating income and expenses line, the exchange difference item was reclassified. At the end of each period, the Group validates the effect of this item and presents it depending on the result: if it is positive it is included in the note on other operating income, and if the result is negative, it is included in the note of other operating expenses.

These amendments changed the presentation of the following notes:

36. Interest and valuation expenses
37. Fee revenues, net
38. Other operating revenues
39. Other operating expenses

Statement of changes in equity: A change was made to the presentation.

The following changes have been made to the Consolidated Statement of Changes in Equity for the period ended December 31, 2023, to make the figures comparable with the period ended December 31, 2024:

Item	Note	Balances as of January 1, 2023, unchanged	reclassification	Balances as of January 1, 2023 with changes
Balances as of January 1, 2023				
Period results		$ 1,101,746	$ -75,471	**$ 1,026,275**
Net income from previous period		0	75,471	**75,471**
Balances as of January 1, 2023		**$ 1,101,746**	**$ 0**	**$ 1,101,746**

Item	Note	Balance at December 31, 2023, without changes	reclassification	Balance at December 31, 2023, including changes
Balances at December 31, 2023				
Period results		$ 412,088	$ -168,232	**$ 243,856**
Net income from previous period		19,251	168,232	**187,483**
Balances at December 31, 2023		**$ 431,339**	**$ 0**	**$ 431,339**

For the concepts grouped in this chart, it was decided to present them in a way that retained earnings, which were previously reported as a separate line item, now include the result of the current period, the result of previous years, and the first-time adoption adjustments to IFRS; all to ensure that the financial information reported is comparable with other financial entities at the national and international levels.

Statement of cash flows: A change was made to the presentation.

The following are the adjustments made to the Statement of Cash Flows for the period ended December 31, 2023, to ensure comparability with the figures for the period ended December 31, 2024:

In the cash flows presented for 2023, two lines are included under the items of Loans granted to third parties and Collections pending reimbursement, with values of COP 776,202 and COP 873,839, respectively, for 2024.

	For the years ended 2023 Unchanged	Reclassifications	For the years ended 2023 With changes
Cash flows from operating activities:			
Disbursements and payments received from loan portfolio and leasing customers	$ -983,175	$ 93,095	$ -890,080
Payments and redemptions received on financial debt and derivative instruments	-798,958	5,923	-793,035
Cash advances and loans granted to third parties	-776,202	776,202	0
Collections on the reimbursement of advances and loans granted to third parties	873,839	-873,839	0
Net cash flow provided by operating activities	**855,362**	**1,381**	**856,743**
Cash and cash equivalents:			
Effect of exchange rate fluctuations on cash held in foreign currency	-1,820,466	-1,381	-1,821,847
Balance at the end of the period	**$ 11,185,473**	**$ 0**	**$ 11,185,473**

During 2024, these items were reclassified to Disbursements and payments received from loan portfolio and leasing customers - Others, achieving a presentation better aligned with the nature of the transactions in the financial statements.

Additionally, the general ledger account 131720 - debt financial instruments, was redirected, because it was grouped under a different item. This correction ensures an adequate classification and presentation of the financial statements.

3. Main accounting policies for the preparation and presentation of the Consolidated Financial Statements

The following are the significant accounting policies used by the Group in preparing the Consolidated Financial Statements at December 31, 2024. These policies have been applied on a uniform basis in all the presented periods.

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).
- They are easily convertible into determined amounts of cash.
- They are subject to insignificant risk of changes in value.

At December 31, 2024 and 2023, all the positions held as money market transactions met the conditions to be classified as cash equivalents (Note 7).

3.2. MONEY MARKET AND RELATED OPERATIONS

Repos, swaps, temporary security transfers, interbank funds and on-demand deposits are recognized at the amount of the transaction and measured at present value over the term of the transaction, using the reference short-term interest rate “IBR” (market indicator developed by the private sector, backed by 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.

The guidelines below are followed at the close of each reporting period:

- Monetary assets and liabilities denominated in foreign currency are converted using the accounting exchange rate at the closing date of the reporting period.
- Non-monetary assets and liabilities, not valued at fair value, are translated using the exchange rate at the date of the transaction.
- Non-monetary assets and liabilities measured at fair value are translated using the exchange rate at the date on which 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 balance in US Dollars at December 31, 2024 and December 31, 2023 was COP 4,409.15 and COP 3,822.05 per USD 1, respectively.

3.4. FINANCIAL GUARANTEES

The Group issued credit commitments and financial guarantees. Credit commitments are agreements under which the Bank has an irrevocable obligation to grant a loan. The financial guarantee agreements issued by the Bank are contracts that require making a specific payment to reimburse the holder for loss in which it incurs when a specific debtor defaults on its payment obligation, according to the original or amended terms of a debt instrument.

Financial guarantees are periodically assessed in order to determine their credit risk exposure and assess the need to set aside a provision, which is determined applying criteria similar to those for quantifying impairment losses.

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 fair **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, contract 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 credit risk is not significant, the loss adjustment to 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 reviews whether the credit risk of the loan portfolio has increased significantly since initial recognition, and recognizes a gain or loss for impairment under Other Comprehensive Income for the amount of the expected credit loss (or if a reversion is appropriate).

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 a 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 - Financial Instruments.

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 COAP Financial Management area is a Group internal department in charge of managing, classifying and defining the business model for investments classified as at fair value through OCI 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) the accounting record and disclosing to the market the fair value at which a security could 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 “Fair Value Measurement,” and in all cases: objectivity, transparency and representativeness, permanent assessment and analysis.

Frequency of measurement and recognition thereof. The investments in debt securities must be measured on a daily basis, unless other provisions indicate a different frequency. Likewise, the accounting records necessary for the recognition of the 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 - Fair Value Measurement 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.

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 - Investments in Associates and Joint Ventures. 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 arrangement with Compañía de Financiamiento Comercial RCI Colombia, which is part of the Renault Group, with a 49% share, where the adjustments for the joint arrangement for the fiscal year are recorded in profit or loss, and other adjustments to the net asset by the equity method are recognized in Other Comprehensive Income (OCI).

In joint arrangements, the assets and liabilities are recognized including the shares held and incurred jointly, and the revenues from ordinary activities arising from the sales of the joint arrangement and the expenses incurred jointly. The assets, liabilities, revenues from ordinary activities and expenses will be recognized proportionately to the share of interest held in the joint arrangement in accordance with IFRS 11 Joint Arrangements, as applicable, in particular the assets, liabilities, revenues from ordinary activities and expenses.

Additionally, BBVA Asset Management S.A Sociedad Fiduciaria entered into a cooperation agreement with BBVA Valores Colombia S.A. Comisionista de Bolsa, with a share of interest of 64.91%, whose purpose is to join commercial efforts, based on their operating, product, strategic and commercial capabilities, in order to not only create synergies, but also achieve greater efficiency in the model of expanded offerings of products and overall customer care.

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, interest rate and currency swap hedging. Note 9 - Derivative Financial Instruments and Money Market Transactions includes a more detailed explanation of derivative financial instruments. The Group continues to apply IAS 39 - Financial Instruments: Recognition and Measurement, 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 through profit or loss, 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. HEDGE ACCOUNTING

A derivative intended to achieve the financial hedging of a certain risk is treated as hedge accounting if, when trading, the changes in its fair value or cash flows are expected to be highly effective in offsetting changes in the fair value or cash flows of the hedged item, directly attributable to the hedged risk from the start, which should be documented in the trading of the derivative and during the hedging period. The Bank continues to apply IAS 39 Financial Instruments: Recognition and Measurement, for hedge accounting.

The Group designates certain hedging instruments, which may include implicit derivatives (if any), and non-derivatives with respect to foreign currency risk, as fair value hedging, cash flow hedging or net investment hedging of a business abroad. Foreign currency risk hedging of a firm commitment may be recorded as cash flow hedging.

At the start of the hedging, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking several hedging transactions.

At the start of the hedge and on a continuous basis, said documentation includes the manner in which the entity measures the effectiveness of the hedging instrument to offset exposure to changes in the fair value of the hedged item or to changes in cash flow attributable to the hedged risk.

Note 9 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.

3.9. LOAN PORTFOLIO AND FINANCE LEASE TRANSACTIONS AND INTEREST ON LOAN PORTFOLIO AND OTHER ITEMS

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 loan portfolio: It recognizes, regardless of the amount, the loans granted to individuals for the acquisition of new or used housing, or for the construction of individual housing, with the following characteristics:

- They are denominated in Real Value Units (UVR, for the Spanish original) or local currency. The UVR is used to update long-term loans. This unit allows the value of the loans to be adjusted over time according to the country's cost of living (Consumer Price Index - CPI). The RVU value is currently calculated by the Central Bank of Colombia for every day of the year.

- They are covered by a first degree mortgage on the financed property.

- The amortization term must be between a minimum of five (5) years and a maximum of thirty (30) years.

- It must have a remunerative interest rate, which shall be fixed during the entire term of the credit, unless a reduction thereof is agreed and must be stated only in terms of annual effective rate.

- The loan amount shall be for up to eighty percent (80%) of the value of the property in the case of loans to finance social interest housing (VIS, for the Spanish original) and up to seventy percent (70%) for all other loans. In the case of residential leasing of Non-LIH Housing (Non-low Income Housing), the financing shall be up to eighty five percent (85%).

Early repayment can be made on all or part of the loan at any time without any penalty. In the case of partial prepayments, the debtor has the option of choosing whether the amount paid will be used to reduce the amount of the installment or the term of the loan.

Consumer loan portfolio. It recognizes all credits granted to individuals whose purpose is to finance the acquisition of consumer goods or the payment of services for non-commercial or non-business purposes, regardless of their amount and other than loans classified as micro-credits (see credit risk rating model of reference in Note 10).

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. It recognizes the loans granted to micro-enterprises whose workforce does not exceed ten (10) workers and whose total assets are less than COP 501, and the maximum amount of the loan is 25 legal minimum monthly wages (SMMLV, for the Spanish original). The balance of the debtor’s indebtedness may not exceed 120 SMMLV, excluding the mortgage loans to finance housing.

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 in one of the two time frames 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 loan portfolio must be segmented in accordance with the possible risk margin of the customer or contract, at the corresponding stage.

The assessment of the 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, with regular and effective payments.

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.

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 2024 (in this case, from January 2011 to 2023, seen at the end of 2024).

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 include 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 reflects 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.

$$EAD = Established\ t + (CCF * Available\ t)$$

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:

$$CCF = \frac{Established_{t+k} - Established_t}{Available_t}$$

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 PD 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.

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.

According to Public Notice 009/2022 of the Financial Superintendence of Colombia standardizes the policies for the adequate management of credits that present modifications in their conditions due to presenting potential or real deterioration of the payment capacity of their debtors and establishes that the Bank may amend the terms and conditions that were initially agreed upon without this being considered restructuring in the terms of Subsection 2.3.2.3.1 of Chapter XXXI of the Basic Accounting and Financial Notice 100/1995, as long as during the latest 6 months the loan has not incurred in past due payments of more than 60 days for micro-credit and consumer loans and more than 90 days for commercial and mortgage loans. These amendments can be made at the request of the debtor or by initiative of the entity, subject to prior agreement with the debtor. Amendments to loan terms must not become a generalized practice for regularizing the behavior of the loan portfolio. This regulation establishes special criteria for rating of restructured loans at the time they are restructured and subsequently therefrom.

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 all requirements established by the Superintendence in that respect are met.

3.10. ACCOUNTS RECEIVABLE

Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not traded 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. Some accounts receivable involve less complexity, have short terms and are of low financial value. Based on the simplified approach under which impairment is calculated over the lifetime of the asset, the accounts receivable recognized by BBVA fit in the assessment that enables determining possible impairment while the instrument is active. In terms of the process of IFRS 9 paragraph 5.5.15, entities may apply the simplified approach when the term of the asset is one year or less or when it does not incorporate a significant financing component; however, item b of the same paragraph establishes that entities may adopt the simplified approach even when the asset has a significant financing component, but when by accounting policy it decides to measure the value adjustment over the entire lifetime of the asset.

The Bank 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 recovering said accounts, it must make a provision equivalent to 100% of the account receivable in the event of a default equal to or greater than 180 days.

For accounts receivable related to lease advance payments that record the items disbursed to suppliers during the process of acquiring an asset to include it in the lease contract, in amounts that are recognized on behalf of the customers, they are subject to impairment and shall be those that meet any of the following conditions:

- Lease contracts in the advance payment stage where one or more installments for payment of monthly interest is past due.
- Lease contracts in the advance payment stage that have not been activated by the expiration of the maximum term defined for each line.
- Customers who do not fit any of the above two categories may be subject to impairment when, due to various different circumstances, it is found that a situation of impairment or risk to be Bank may arise.

If the customer meets any of the above conditions, the Lease Operations Area will include the customer in the list of customers to be reviewed and assessed in the Advance Payments Committee. The Leasing Specialist, or his/her assigned replacement, will present to the Committee members the details or circumstances that led to non-payment of the interest or the reasons for not meeting the established due date for the advance payments stage. In both cases, the established maximum due date for advance payment transactions will be taken into consideration, and a provision will be established for each of the suggested customers, according to the methodology described below.

3.11. LOAN WRITE-OFFS

The Bank selects loans that have been 100% provisioned, and on which collection has not been achieved after having executed various collection mechanisms, including judicial methods, in order to request to the Board of Directors the derecognition of those assets by means of a write-off. Once the Board of Directors authorizes the write-off of the transactions selected, they are recorded and the corresponding report is made to the Superintendence in the format designed for that purpose.

Notwithstanding having made the write-off of credit transactions given the impossibility of their collection, the administrators continue with their collection management through formulas that lead to the total recovery of the obligations.

As a general rule, integral punishment is assessed on the customer, labeling all the customer's active operations as in default. Likewise, the best possible ratio regarding missing provisions should be sought so as to minimize the cost effect of the write-off.

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 classified to the categories from which they originated. The Bank does not depreciate (or amortize) the asset while it is classified as held for sale.

Transfers. If the asset has not been sold within the maximum term established for the sale (one year from the date of its classification and/or justified actions for deferment), due to actions or circumstances beyond of the Bank's control, and there is sufficient evidence that the Bank is still committed to its plan to sell the asset, under the conditions indicated in IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, the period needed to complete the sale will be extended.

The commercial value of a real estate property is updated with a new appraisal, whose date of issue must be within the latest three (3) years; however, impairment testing must be performed at least once per year.

The Bank maintains a strict analysis at the time of recording this class of assets, for which, through the Non-Financial Asset Management (GANF, for the Spanish original) department, it establishes receipt percentages for assets; this receipt value is calculated using variables with the current market, the type of property, its location and its physical and legal condition.

The maximum allowable percentage for receipt is defined by the Non-Financial Asset Management Department, taking the above as basis, in addition to the possible time it will take to resell it, which generates administrative, security and tax expenses that are forecast up to the possible time of sale.

When the acquisition cost of a real estate property is lower than the value of the debt recognized in the Statement of Financial Position, the difference must be immediately recognized through the consolidated statement of income.

When the commercial value of a BRDP is lower than its carrying value, an allowance for the difference must be recognized.

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 Bank 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 THROUGH A FINANCIAL LEASE

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.

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 Group 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 decided not to recognize right-of-use assets and lease liabilities for leases of low-value assets (new contracts for less than USD 5,000) and short-term leases (less than or equal to 12 months), including technological equipment and common areas. BBVA Colombia recognizes the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

As a lessor. At the beginning or upon amendment of a contract containing a lease component, 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.

To classify each lease, the Group makes a general assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for most of the economic life of the asset.

If a contract contains both 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 income on a straight-line basis over the term of the lease as part of "other income."

In general, the accounting policies that apply to the Group as lessee in the comparative period did not differ from IFRS 16 “Leases”.

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 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 items 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 Property, Plant, and Equipment 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 its assets, has established the useful life 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

Later recording. Later measurement of the property and equipment is valued using the cost model, which equals the cost of acquisition less the 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- Borrowing Costs. At December 31, 2024 and 2023, 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, and that do not significantly influence the operation of the asset, are recognized directly as expenses. 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 reassessed, which will include the new useful life and the residual value. The residual value is considered insignificant and therefore irrelevant for the calculation of the depreciation amount.

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 may 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 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. In this case, the lower amount of the appraisal and the net carrying amount is recorded, directly affecting expenses.

The Bank's established policy is that the impairment of assets on which the attributed cost exemption was applied affects the profit or loss of the period in which impairment is determined, if any.

Improvements to Leased 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 asset have been transferred to the buyer, no involvement is retained by the seller in connection with management of the asset, nor is effective control retained over it, the amount of revenue from ordinary activities can be measured reliably, it is probable that the economic rewards associated with the transaction will be received, and the costs incurred, or to be incurred, related to the transaction can be measured reliably.

The 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.

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 reduced by the realization of such properties when they are sold and by the depreciation of such revaluation charged against retained earnings.

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 - Intangible Assets, 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 Software

Impairment tests must be made twice a year (at the June and December cut-off dates), both for software in use and in the development phase.

Impairment tests have two phases:

The first phase is to assess whether there are any indications of impairment. The following are considered indications of software impairment:

If the software is not used, it must necessarily be impaired.

- Verification that the software is not expected to be used or to provide the service for which it was developed.
- Any other circumstances that indicates that the recoverable value of the asset is less than its carrying amount.
- Substitution of an old platform or application for a new one. In these cases, in order to determine whether indications of impairment effectively exist,
- an assessment must be made of any transition periods in which both platforms/applications may coexist.
- When the software was allocated to a business line that was abandoned.

In any of the above circumstances, or in the event of any other perceived circumstance of impairment, the process should move on to the second phase of test to calculate the estimated impairment.

- The second phase consists in calculating the impairment value.

Performance of an impairment test does not necessarily imply impairment of the full value of the asset. In other words, the outcome of the analysis is not necessarily that the software has no value. In the event the software is in use but there are indications of its impairment and it is considered that it is not appropriate to fully impair it, the value in use of the asset must be determined, to which end the net cash flows (inflows and outflows) derived from its use must be estimated and discounted using a market rate.

If the loss of value arises because a given functionality of a specific software package is no longer used, and a separate cost of development of such functionality is available, the amount pending amortization of that functionality will be impaired. If it is not possible to estimate a recoverable value in a reliable manner, the full amount of the asset is impaired.

In the case of software under development, the following circumstances could indicate that the development is not expected to be completed and deployed. It should be noted that it may include debatable indications and not hard evidence that determines the existence of impairment.

In the case of software under development, the following circumstances could indicate that the development is not expected to be completed and deployed. It should be noted that it may include debatable indications and not hard evidence that determines the existence of impairment.

- No funds for the project's expenses or budget.
- Programming issues that cannot be resolved in a timely manner.
- Substantial cost overruns.
- Information indicating that the costs of internally developed software exceed the cost of comparable software provided by third parties, in such a manner that it indicates that management should attempt to acquire the third-party software rather than complete the internal development.
- The introduction of new technologies that increase the probability that management will choose to acquire third-party software rather than complete the internal project.
- Insufficient profitability of the segment/business unit the software belongs to or the potential discontinuation of the line.

If the loss of value arises because a given functionality of a specific software package is no longer used, and a separate cost of development of such functionality is available, the amount pending amortization of that functionality will be impaired. If it is not possible to estimate a recoverable value in a reliable manner, the full amount of the asset is impaired.

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 incorporates 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 on-demand liabilities: This category includes all on-demand liabilities, except term savings account, which are not considered to be on-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 transaction amount.

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 transaction amount.

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.

3.19. BANK CREDITS AND OTHER FINANCIAL OBLIGATIONS

They are financial liabilities that are initially recognized at fair value net of incurred transaction costs, and are subsequently classified as at amortized cost. They include obligations with other local banks; obligations with banks abroad are subsequently measured at amortized cost using the effective interest rate.

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 Bank, 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 - Employee Benefits.

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 retirement to the total amount of estimated benefits.

The liability for benefits defined under the plan is the sum of the liability for each individual at the date of measurement, and the cost of services for the current plan period is calculated as the sum of costs of individual services for the current period.

The 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 plans. 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 guidelines of IAS 19 - Employee Benefits, 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 items, these provisions include commitments made with employees, as well as provisions for tax and legal disputes.

The provisions are recalculated at each reporting date and are used to cover the specific liabilities for which 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.

Additionally, BBVA Colombia uses a decision tree to find the best estimate for the establishment of provisions, under the following criteria:

- **Probable:** They are recognized and disclosed
- **Possible:** They are disclosed
- **Remote:** They are neither recognized nor disclosed.

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 recording 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 Group 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 Group 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 record. 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 opening entry of the business combination, the tax effect is considered in the entry of the business.

3.24. REAL VALUE UNIT – UVR

The Real Value Unit (UVR, 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 UVR 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 Bank carries out transactions to obtain savings deposits, and to grant short- and long-term loans and investments, in Real Value Units (UVR), translated into local currency in accordance with the provisions of Law 546/December 23, 1999, which created the legal framework for housing 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 (UVR) and reflects 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 must not be lower than 4.5%.

$$\textit{Basic Solvency} = \frac{PBO}{APNR + \frac{100}{9}\left(VeR_{RM} + VeR_{RO}\right)} \geq 45\%$$

- **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%.

$$\textit{Additional Basic Solvency} = \frac{PBO + PBA}{APNR + \frac{100}{9}\left(VeR_{RM} + VeR_{RO}\right)} \geq 6\%$$

- **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%.

$$\textit{Leverage Ratio} = \frac{PBO + PBA}{\textit{Leverage Value}} \geq 3\%$$

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

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

Where:

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

APNR: Assets Weighted by Credit Risk Level calculated in accordance with the instructions given in Section 2.4 of Chapter XIII-16 of the Basic Accounting and Financial Notice (Public Notice 100/1995 of the Financial Superintendence of Colombia - SFC) and in Form 239 (Proforma F.1000-141 "Solvency Margin Information Report and Other Equity Requirements and Solvency Margin Law Control Statement".

(VaR)_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).

(VaR)_RO: Value of the operational risk exposure calculated in accordance with the instructions set forth in Chapter XXIII "Rules Related to Operational Risk Management" of the Basic Accounting and Financial Notice (CBCF).

Leverage value: It is the sum of the value of all assets net of allowances; 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.

The recognition of interest revenue and expenses is applied using the effective interest method, which is a method to calculate the amortized cost of an asset or liability 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.

For the recognition of general revenues and expenses, the Group uses the general principles of the conceptual framework, such as: accrual basis, record, certainty, reliable measurement, correlation of revenues and expenses, consideration of cost/benefit, valuation 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.

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 to determine the time and the amount of revenue recognition. This standard is applicable since 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 Bank has no financial instruments with a dilutive effect, basic and diluted earnings per share are the same.

4. Business Segments

4.1. DESCRIPTION OF THE SEGMENTS

For BBVA it is essential to make available to customers opportunities of value that fit their needs; it consequently directs and values the performance of its operations by business segments, and transactions between them are made under regulated commercial terms and conditions. This disclosure reports how the Group has managed the business segments at December 31, 2024 compared to the same period in 2023.

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 Group responsible for serving major corporate customers and financial institutions, by offering, in addition to the traditional financial products, services and products with high value added in order for them to fulfill their objectives in the different local and international markets.
- **Assets and Liabilities Committee (COAP, for the Spanish original):** It is the unit that manages the Group's liquidity and sets the transfer prices for resources and portfolios that flow from and to all other banking segments.

In addition, several business sub-segments have been defined within these banking segments in order to direct commercial actions effectively, in accordance with customer profiles, framed within the Group's strategic objectives for the growth of the franchise in Colombia.

On its part, BBVA Colombia as a group actively promotes its participation through its affiliates:

- **BBVA Valores:** Its corporate purpose is the development of the commission contract for the purchase and sale of securities, the development of security funds management contracts for its domestic and foreign customers, and the performance of transactions on its own behalf.
- **BBVA Fiduciaria:** BBVA Asset Management is the unit of the BBVA Group that encompasses the investment and pension fund management companies at the global level.

4.2. OTHER SEGMENTS

The banking segments other than those mentioned above are grouped in the “other” segment, including the Core and Complementary Areas.

4.3. 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 industries using the apportionment line, in accordance with the distribution criteria established by the business areas of the Group's general management.

4.4. CROSS-SELLING

When two business areas are involved in the sale or placement of the Group'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 Group has cross-selling agreements where the profitability generated by these sales is analyzed, and the percentage to be compensated to the banking or business area that originated the transaction is determined, reducing the profitability of the other banking segment where the profit was initially recorded, using the Group's compensation accounts.

Income by Segment at December 31, 2024 and December 31, 2023

Below are the details of the accumulated balance sheet for the periods at December 2024 and December 2023, by business segments:

Separate Financial Position Statement by Segments
December 31, 2024

	Group Total	Commercial Banking	EIB	BBVA Valores	BBVA Fiduciaria	CIB	COAP	Other	Eliminations
Cash and central banks	**$ 4,360,943**	$ 2,433,941	$ 9,370	$ 43,170	$ 4	$ 17,951	$ 1,254,084	$ 602,423	$ 0
Financial intermediaries	**7,142,838**	2,432,566	11,214,721	5,705	3,414	6,241,589	-11,007,829	-1,747,328	0
Securities portfolio	**16,522,033**	0	0	19,433	113,367	9,166,467	7,222,766	0	0
Net credit investment	**72,969,614**	**44,967,956**	**17,364,052**	**0**	**0**	**10,618,829**	**-91**	**18,868**	**0**
Consumer	**22,310,641**	22,299,560	863	0	0	278	0	9,940	0
Cards	**3,669,096**	3,668,397	109	0	0	63	0	527	0
Mortgage	**14,202,430**	14,198,664	2,881	0	0	358	0	527	0
Enterprise	**31,986,780**	3,776,878	17,497,769	0	0	10,711,636	0	497	0
Other	**4,743,176**	4,511,676	222,141	0	0	4	0	9,355	0
Impairment	**-3,942,509**	-3,487,219	-359,711	0	0	-93,510	-91	-1,978	0
Net fixed assets	**1,206,760**	186,941	1,508	399	10,116	15,084	0	992,712	0
Other assets	**3,814,382**	83,804	54,664	12,895	35,941	1,537,879	432,955	1,881,259	-225,015
Total assets	**$ 106,016,570**	**$ 50,105,208**	**$ 28,644,315**	**$ 81,602**	**$ 162,842**	**$ 27,597,799**	**$ -2,098,115**	**$ 1,747,934$**	**$ -225,015**
Financial intermediaries	**2,294,750**	18,606,051	5,689,511	12	0	12,874,172	-36,653,710	1,778,714	0
Customer resources	**82,021,895**	**29,319,629**	**20,686,773**	**0**	**0**	**7,061,709**	**24,989,557**	**2,020**	**-37,793**
On-demand	**8,183,145**	2,778,985	4,120,682	0	0	1,282,217	0	1,332	-71
Savings	**31,998,923**	15,249,614	11,592,937	0	0	5,193,482	0	612	-37,722
CDs	**37,669,573**	11,291,030	4,973,154	0	0	586,010	20,819,303	76	0
Bonds	**4,170,254**	0	0	0	0	0	4,170,254	0	0
Other liabilities	**14,109,648**	1,389,602	1,182,646	16,368	24,526	6,851,230	2,941,017	1,704,298	-39
Total liabilities	**$ 98,426,293**	**$ 49,315,282**	**$ 27,558,930**	**$ 16,380**	**$ 24,526**	**$ 26,787,111**	**$ -8,723,136**	**$ 3,485,032**	**$ -37,832**

Note: For segmentation purposes, grouping is done differently from the presentation in the financial statements, following Corporate models; grouping carried out according to Financial Management and Planning, Specific Balance as of December 31, 2024.

December 31, 2023

	Group Total	Commercial Banking	EIB	BBVA Valores	BBVA Fiduciaria	CIB	COAP	Other	Eliminations
Cash and central groups	**$ 4,880,495**	$ 2,202,100	$ 16,327	$ 23,309	$ 3	$ 19,084	$ 2,516,878	$ 102,794	$ 0
Financial intermediaries	**6,657,488**	1,663,598	11,081,750	6,258	3,801	4,272,365	-9,182,956	-1,187,328	0
Securities portfolio	**19,210,033**	0	0	20,883	52,808	13,113,894	6,022,448	0	0
Net credit investment *	**72,371,407**	**46,159,482**	**15,924,948**	**0**	**0**	**10,310,297**	**-91**	**-23,229**	**0**
Consumer *	**23,595,973**	23,624,544	971	0	0	7	0	-29,549	0
Cards *	**3,679,770**	3,679,532	105	0	0	18	0	115	0
Mortgage *	**14,001,284**	13,998,572	2,617	0	0	0	0	95	0
Enterprise *	**30,720,858**	4,121,703	16,158,993	0	0	10,440,157	0	5	0
Other *	**3,986,123**	3,732,822	246,511	0	0	11	0	6,779	0
Impairment *	**-3,612,601**	-2,997,691	-484,249	0	0	-129,896	-91	-674	0
Net fixed assets	**1,111,852**	182,220	1,571	636	11,649	15,459	0	900,317	0
Other assets *	**1,678,858**	105,285	15,955	13,598	72,773	218,249	404,247	1,084,279	-235,528
Total assets	**$ 105,910,133**	**$ 50,312,685**	**$ 27,040,551**	**$ 64,684**	**$ 141,034**	**$ 27,949,348**	**$ -239,474**	**$ 876,833**	**$ -235,528**
Financial intermediaries	**2,605,067**	19,233,155	4,680,344	407	0	11,526,535	-34,040,820	1,205,446	0
Customer resources	**79,395,987**	**27,311,879**	**20,425,448**	**0**	**0**	**5,649,556**	**26,073,120**	**8,250**	**-72,266**
On-demand	**7,974,686**	2,973,337	3,797,328	0	0	1,196,719	0	7,413	-111
Savings	**31,529,327**	14,264,515	12,952,125	0	0	4,384,297	0	545	-72,155
CDs	**36,471,945**	10,074,027	3,675,995	0	0	68,540	22,653,091	292	0
Bonds	**3,420,029**	0	0	0	0	0	3,420,029	0	0
Other liabilities	**17,335,162**	1,955,645	1,126,397	10,186	18,129	10,192,839	2,543,702	1,488,302	-38
Total liabilities	**$ 99,336,216**	**$ 48,500,679**	**$ 26,232,189**	**$ 10,593**	**$ 18,129**	**$ 27,368,930**	**-$ 5,423,998**	**$ 2,701,998**	**$ -72,304**

Note: For segmentation purposes, grouping is done differently from the presentation in the financial statements, following Corporate models; grouping carried out according to Financial Management and Planning, Specific Balance as of December 31, 2023.
Note 2 (*): There were changes in the items compared to those reported in 2023, due to adjustments in the classification of accounts to facilitate a clearer interpretation of the figures.

Upon analyzing the disaggregated balance sheet by banking segment as of December 31, 2024, the segments with the most significant share of the Group's total assets are Commercial Banking at 47.3%, Enterprise and Institutional Banking (EIB) at 27%, and Corporate and Investment Banking (CIB) at 26%.

In an account-by-account analysis, the BBVA's Cash and Central Groups line recorded a quarterly variation of -10.6%. The securities portfolio experienced a decrease of 14%, attributed to a decline in CIB (-COP 3,947,427) and partially offset by gains in COAP (+COP 1,200,318), aiming to maximize returns through the effective management of business segment resources.

Net Credit Investments increased by 0.8%, mainly due to changes in Commercial (-COP 1,439,104) and CIB (-COP 308,532), partially compensated by an increase in EIB (+COP 1,191,526). This growth in EIB and CIB reflects BBVA's commitment to the business sector, establishing itself as a partner that promotes the advancement of new initiatives through its financial support. In Commercial Banking, the variation in Credit Investment is mainly explained by the decrease in Consumer Credit (-5.6%) and Credit Cards (-0.3%), and is partially offset by the growth in Mortgage Loans (+1.4%). In EIB, the growth in credit is also mainly due to the 8.3% increase in Corporate Loans.

Total Assets increased by 0.1%, explained by the change in BEI (+COP 1,603,764), partially offset by the change in CoAP (-COP 1,858,641) and Commercial (-COP 207,477). This growth in EIB is in line with BBVA's commitment to the business sector, becoming a partner that facilitates the development of new projects through financing, contributing to the creation of more job opportunities for Colombians, in addition to driving economic growth.

In terms of liabilities, the banking segments with the highest share of customer funds are Commercial Banking at 35.7%, COAP at 30.5%, EIB at 25.2%, and CIB at 8.6%.

The liabilities of financial intermediaries decreased by -11.9%. With respect to the gathering of funds from demand and savings products, there were variations in CIB (+COP 894,683), Commercial (-COP 790,747), and EIB (-COP 1,035,834).

In turn, COAP, which is the area responsible for raising corporate customer funds through certificates of deposit, accounts for 55.3% of the Group's total CDs. The Certificates of Deposit (CDs) showed a variation of -COP 1,833,788 compared to December 31, 2023. This variation is due to the effect of the decrease in the interest rate of the Central Bank of Colombia during the year, which reduced market appetite for this product. The Bonds, on the other hand, show a positive variation, increasing by +750,225 compared to the previous year's closing.

COAP showed a negative asset and liability driven by the Financial Intermediaries lines of the balance sheet (in Assets and Liabilities). This is due to the fact that, through these intermediaries, COAP manages the banks' funding. Each banking segment has its primary function, acting as either attractors (bringing funds to the Group) or placement agents (generating credit investment). Therefore, COAP is the area responsible for collecting the excess funds from an attractor banking segment and "transferring" them to a placement banking segment. However, in order not to affect the financial statements of the attractor banking segment, COAP "transfers" the investment generated to the attractor banking segment. This is done to reconcile the balance sheets of the banking segments and to show how the Group functions as a whole, without punishing and recognizing the function of each banking segment. The asset financial intermediaries showed a variation of -COP 1,824,873, while the liability financial intermediaries showed a variation of -COP 2,612,890, both behaving in line with the Bank's activity.

The "other" areas segment includes the central, means and financial complementary areas. They are all areas that provide support for the other banking segments. The Means area includes the Formalization Center, which mainly manages credit investments that are not segmented. The Core areas includes the central account, which reconciles the Group's balance sheet and is where the investment assets for holdings in subsidiaries are included. The assets of the "Other" segment are mostly made up of net fixed assets. The other area is also responsible for eliminating duplicates caused by transactions between banking segments or in which more than one banking segment participates. It also includes all the components of the central areas and the adjustments of the Financial Statements of the Business Areas (EFAN, for the Spanish original). Adjustments through the EFAN include the standardization of local vs. international regulations and reciprocal activities between different countries/banking segments.

It is important to mention the results of BBVA Valores Colombia S.A. Comisionistas de Bolsa and BBVA Asset Management S.A. Sociedad Fiduciaria. The total assets of BBVA Valores Colombia S.A. Comisionistas de Bolsa reported an increase of +COP 16,918, thus closing with a total of COP 81,602 in December 2024.

Total assets of BBVA Asset Management S.A. Sociedad Fiduciaria increased by +COP 21,808 reaching a total of COP 162,842 in December 2024.

The following details the accumulated income statement as of the end of December 2024 and 2023 by business segment:

December 31, 2024

	Group Total	Commercial Banking	EIB	BBVA Valores	BBVA Fiduciaria	CIB	COAP	Other	Eliminations
Interest margin	**$ 3,815,497**	$ 3,419,125	$ 936,258	$ 4,983	$ 10,670	$ 276,254	$ -452,128	$ -379,809	$ 144
Net fees	**745,980**	54,610	412,299	24,527	123,526	212,280	-5,395	-75,873	6
Other financial transactions	**426,909**	75,941	68,871	6,353	2,383	417,898	-143,560	-971	-6
Other net ordinary income	**-347,557**	-63,263	-21,832	7,584	-13,041	-6,024	-228,250	39,948	-62,679
Gross margin	**$ 4,640,829**	3,486,413	1,395,596	43,447	123,538	900,408	-829,333	-416,705	-62,535
General administrative expenses	**-2,156,190**	-1,154,430	-124,998	-15,525	-34,006	-113,237	-4,158	-709,692	-144
Personnel expenses	**-1,006,807**	-365,651	-69,098	-14,183	-18,609	-45,627	0	-493,639	0
Overhead	**-983,043**	-685,522	-25,654	-1,220	-13,318	-29,787	-2,563	-224,835	-144
Taxes (Contributions and Taxes)	**-166,340**	-103,257	-30,246	-122	-2,079	-37,823	-1,595	8,782	0
Amortization and depreciation	**-151,608**	-48,919	-496	0	-2,705	-4,945	0	-94,543	0
Apportionment of expenses	**0**	-482,610	-159,088	0	0	-51,430	-49,520	742,648	0
Net margin	**$ 2,333,031**	$ 1,800,454	$ 1,111,014	$ 27,922	$ 86,827	$ 730,796	$ -883,011	$ -478,292	$ -62,679
Asset impairment loss	**-2,814,634**	-2,771,438	-34,632	0	-2,447	36,374	0	-42,491	0
Credit to provisions	**-4,996**	-8,102	-1,275	-1	0	-258	-986	5,626	0
Other non-ordinary income	**156,495**	166,248	10,277	0	1,979	178	0	-22,187	0
PBT	**$ -330,104**	-812,838	1,085,384	27,921	86,359	767,090	-883,997	-537,344	-62,679
Corporate tax	**41,516**	-57,638	0	-11,593	-36,355	0	0	147,102	0
PAT	**$ -288,588**	**$ -870,476**	**$ 1,085,384**	**$ 16,328**	**$ 50,004**	**$ 767,090**	**$ -883,997**	**$ -390,242**	**$ -62,679**

Note: For segmentation purposes, grouping is done differently from the presentation in the financial statements, following Corporate models; grouping carried out according to Financial Management and Planning. Specific Balance as of December 31, 2024.

Al 31 de diciembre de 2023

	Group Total	Commercial Banking	EIB	BBVA Valores	BBVA Fiduciaria	CIB	COAP	Other	Eliminations
Interest margin	**$ 3,175,483**	$ 3,918,659	$ 1,035,658	$ 5,116	$ 10,449	$ 324,624	$ -1,780,468	$ -338,696	$ 141
Net fees	**740,084**	181,162	341,719	15,413	90,901	167,926	-7,931	-49,109	3
Other financial transactions	**397,065**	76,901	54,744	5,137	4,991	490,104	-231,694	-3,115	-3
Other net ordinary income	**-319,638**	-42,125	-16,660	5,691	-6,705	-7,858	-140,878	-66,964	-44,139
Gross margin	**$ 3,992,994**	4,134,597	1,415,461	31,357	99,636	974,796	-2,160,971	-457,884	-43,998
General administrative expenses	**-1,855,484**	-1,027,108	-115,366	-12,853	-32,699	-111,186	-3,358	-552,773	-141
Personnel expenses	**-866,222**	-337,527	-60,350	-11,836	-16,961	-45,210	-84	-394,254	0
Overhead	**-814,861**	-590,608	-22,089	-932	-13,526	-30,225	-1,357	-155,983	-141
Taxes (Contributions and Taxes)	**-174,401**	-98,973	-32,927	-85	-2,212	-35,751	-1,917	-2,536	0
Amortization and depreciation	**-131,776**	-47,497	-568	0	-2,464	-4,931	0	-76,316	0
Apportionment of expenses	**0**	-359,792	-132,500	0	0	-47,384	-45,831	585,507	0
Net margin	**$ 2,005,734**	$ 2,700,200	$ 1,167,027	$ 18,504	$ 64,473	$ 811,295	$ -2,210,160	$ -501,466	$ -44,139
Asset impairment loss	**-1,709,299**	-1,683,466	-1,155	0	-1,361	10,156	345	-33,818	0
Credit to provisions	**-20,756**	-8,590	-1,287	-17	0	-1,058	-135	-9,669	0
Other non-ordinary income	**140,520**	127,820	12,679	0	0	-734	611	144	0
PBT	**$ 416,199**	1,135,964	1,177,264	18,487	63,112	819,659	-2,209,339	-544,809	-44,139
Corporate tax	**-169,771**	-371,242	-368,900	-6,896	-27,991	-255,805	696,028	165,035	0
PAT	**$ 246,428**	**$ 764,722**	**$ 808,364**	**$ 11,591**	**$ 35,121**	**$ 563,854**	**$ -1,513,311**	**$ -379,774**	**$ -44,139**

Note: For segmentation purposes, grouping is done differently from the presentation in the financial statements, following Corporate models; grouping carried out according to Financial Management and Planning. Specific Balance as of December 31, 2023.

Analyzing the income statements for the fourth quarter of 2024, the banking segment that generated the most profit for the Group was EIB, followed by CIB, reaffirming the Bank's focus on the business sector. On the other hand, Commercial Banking shows a negative performance, adapting to the effect of the healthy decrease in credit along with a 42 bps growth in the portfolio delinquency rate at the end of December 2024. Likewise, other areas exhibit a negative performance as their primary role is to ensure the proper internal functioning of the Group.

COAP is the unit that manages the Group's liquidity and sets the transfer prices for the resources and portfolios flowing to and from all other banking segments. The interest margin increased by COP 1,328,340. The gross margin was positioned at -COP 452,128.

The other areas are responsible for eliminating duplications caused by transactions between banking segments or involving more than one segment. Also, the latter includes all the expenses of the core areas and the adjustments to the Financial Statements of the Business Areas (EFAN, for the Spanish original). The central and means areas perform activities related to investment assets and central account, and the activities of the formalization center (credit investment). Finally, the central area is the segment with highest expenses (including the salaries of all the individuals from areas that are not in the business areas and administrative overhead).

BBVA Asset Management S.A. Sociedad Fiduciaria displays PAT growth of 42.4%, closing with PAT of COP 50,004 year to date at December 2024. The PAT of BBVA Valores Colombia S.A. Comisionistas de Bolsa was COP 16,328, presenting a variation of +COP 4,737 compared to the same period in 2023.

The Group’s interest margin increased by 20.2% compared to December 2023, a figure explained by an increase in interest income. COAP variation, with a growth of +COP 1,328,340, stands out, resulting from excellent liquidity management by the Group, which enables better management of the resources of the business segments. The Group’s gross margin grew by 16.2% compared to the same period in 2023, for which COAP showed the best performance with a variation of +COP 1,331,638, followed by BBVA Asset Management S.A. Sociedad Fiduciaria with a variation of +COP 23,902 and BBVA Valores Colombia S.A Comisionistas de Bolsa with +COP 12,090.

The Group's general administrative expenses recorded an increase of 16.2% and the greatest increases were of Commercial Banking and EIB.

Finally, the Group's profit after taxes decreased by 217.1% compared to December 31, 2023, due to an 240.3% increase in Asset Impairment Losses, and a 16.2% rise in General Administrative Expenses. The best performing banking segments were CIB and EIB.

5. Maturity of assets or 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; bank loans and other financial liabilities – The Group's loan portfolio maturity analysis involves an assessment of the expiration dates of financial assets and liabilities, for which the periodic amortization of the principal and interest of each obligation is taken into account, 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 according to the final maturity date of each contract, classified by commercial, consumer, mortgage and micro-credit loan portfolios, assessing them separately for local currency and total currency.

Investment Financial Assets – The maturity of the principal and interest of investment financial assets in fixed-yield debt securities at fair value through profit or loss and at amortized cost are 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 maturity of more than twelve months. The securities consist mainly of Treasury Securities (TES), Short-term Treasury Securities (TCO) and Certificates of Deposit (CDs).

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:

Al 31 de diciembre de 2024 maduración activos

Item	0-1	1-3	3-5	More than 5	Total
Cash and deposits in banks	$ 9,864,726	$ 0	$ 0	$ 0	**$ 9,864,726**
Cash equivalent investment funds	31,364	0	0	0	**31,364**
Money market transactions	1,059,175	0	0	0	**1,059,175**
Investments at fair value through profit or loss	1,675,196	1,108,196	65,812	584,828	**3,434,032**
Investments at fair value through OCI	2,260,660	1,183,585	238,690	499,564	**4,182,499**
Investments at amortized cost	3,033,897	198,371	11,125	0	**3,243,393**
Investments in joint arrangements	0	0	0	170,164	**170,164**
Derivative financial instruments and cash hedging transactions	420,051	0	0	0	**420,051**
Derivative financial instruments and money market trading	2,304,259	1,066,369	1,209,021	1,085,551	**5,665,200**
Commercial loan portfolio	17,609,247	6,123,635	5,934,660	2,641,691	**32,309,233**
Consumer loan portfolio	6,688,299	7,662,512	8,661,151	5,980,015	**28,991,977**
Mortgage loan portfolio	1,856,168	2,191,564	3,000,402	8,410,484	**15,458,618**
Micro-credit loan portfolio	0	1	1	6	**8**
Other non-maturing assets	0	0	0	4,946,351	**4,946,351**
Total maturity of assets	**$ 46,803,042**	**$ 19,534,233**	**$ 19,120,862**	**$ 24,318,654**	**$ 109,776,791**

The total of the loan portfolio and leasing transactions does not include an allowance for COP 3,935,544.

December 31, 2024 - Maturity of Liabilities

Item	0-1	1-3	3-5	More than 5	Total
Checking accounts	$ 7,914,440	$ 0	$ 0	$ 0	**$ 7,914,440**
Certificates of deposit	25,394,115	8,073,295	3,013,513	1,180,188	**37,661,111**
Savings deposits, single deposits, special savings accounts, electronic deposits, banks and correspondents, and real value savings certificates	15,947,409	1,613,644	2,608,710	12,069,484	**32,239,247**
Current liabilities for services	499,637	0	0	0	**499,637**
Money market transactions	2,492,401	0	0	0	**2,492,401**
Special deposits	528,695	0	0	0	**528,695**
Derivative financial instruments and money market trading	2,433,711	1,126,247	1,154,823	1,006,524	**5,721,305**
Bank credits and other financial obligations	1,754,841	259,857	1,938,820	1,342,402	**5,295,920**
Outstanding investment securities	1,952,915	183,527	937,870	294,114	**3,368,426**
Other non-maturing financial liabilities	0	0	0	2,705,111	**2,705,111**
Total maturity of liabilities	**$ 58,918,164**	**$ 11,256,570**	**$ 9,653,736**	**$ 18,597,823**	**$ 98,426,293**

December 31, 2023 - Maturity of Assets

Item	0-1	1-3	3-5	More than 5	Total
Cash and deposits in banks	$ 8,580,285	$ 0	$ 0	$ 0	**$ 8,580,285**
Cash equivalent investment funds	29,057	0	0	0	**29,057**
Money market transactions	2,576,131	0	0	0	**2,576,131**
Investments at fair value through profit or loss	1,913,315	856,833	360,743	592,104	**3,722,995**
Investments at fair value through OCI	38,942	2,339,576	121,301	436,120	**2,935,939**
Investments at amortized cost	0	3,254,551	4,038	0	**3,258,589**
Investments in joint arrangements	0	0	0	167,573	**167,573**
Derivative financial instruments and cash hedging transactions	0	218,963	0	0	**218,963**
Derivative financial instruments and money market trading	6,132,532	1,098,246	915,835	1,174,033	**9,320,646**
Commercial loan portfolio	16,491,881	5,791,188	6,252,997	2,560,646	**31,096,712**
Consumer loan portfolio	6,700,385	7,858,980	8,994,667	6,088,406	**29,642,438**
Mortgage loan portfolio	1,803,067	2,181,371	3,023,475	8,153,929	**15,161,842**
Micro-credit loan portfolio	0	1	1	6	**8**
Other non-maturing assets	0	0	0	2,493,058	**2,493,058**
Total maturity of assets	**$ 44,265,595**	**$ 23,599,709**	**$ 19,673,057**	**$ 21,665,875**	**$ 109,204,236**

The total of the loan portfolio and leasing transactions does not include an allowance for COP 3,602,739.

December 31, 2023 - Maturity of Liabilities

Item	0-1	1-3	3-5	More than 5	Total
Checking accounts	$ 7,926,833	$ 0	$ 0	$ 0	**$ 7,926,833**
Certificates of deposit	24,021,907	7,146,213	3,635,503	1,670,245	**36,473,868**
Savings deposits, single deposits, special savings accounts, electronic deposits, banks and correspondents, and real value savings certificates	10,005,156	2,627,273	4,090,331	14,824,336	**31,547,096**
Current liabilities for services	522,286	0	0	0	**522,286**
Money market transactions	2,718,258	0	0	0	**2,718,258**
Special deposits	447,077	0	0	0	**447,077**
Derivative financial instruments and cash hedging transactions	14,336	0	0	0	**14,336**
Derivative financial instruments and money market trading	6,412,091	1,131,429	822,357	1,178,834	**9,544,711**
Bank credits and other financial obligations	1,067,995	1,248,814	1,440,274	1,380,791	**5,137,874**
Outstanding investment securities	0	1,535,545	746,540	237,247	**2,519,332**
Other non-maturing financial liabilities	0	0	0	2,484,545	**2,484,545**
Total maturity of liabilities	**$ 53,135,939**	**$ 13,689,274**	**$ 10,735,005**	**$ 21,775,998**	**$ 99,336,216**

6. Foreign currency transactions

The Group carried out transactions in the year 2024 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, 2024 and 2023, the balances in foreign currency were restated in terms of US dollars (USD):

Item	2024	2023
Spot proprietary position	USD 1,058	USD 512
Proprietary position	-63	11
Gross leverage position	USD 35,188	USD 36,484

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

At December 31, 2024 and 2023, the breakdown of foreign-currency assets and liabilities, equivalent in thousands of US dollars, is as follows:

	Note	2024	2023
Assets			
Cash and cash equivalents	(7)	USD 1,248	USD 968
Investments at fair value through OCI	(8)	51	0
Loan portfolio and financial lease transactions, net	(10)	440	352
Accounts receivable, Net	(13)	385	76
Total assets in foreign currency		**2,124**	**1,396**
Liabilities			
Customer deposits	(20)	USD 172	USD 146
Financial obligations	(22)	548	487
Outstanding investment securities	(23)	644	522
Accounts Payable	(24)	17	9
Other Liabilities		2	1
Total liabilities in foreign currency		**1,383**	**1,166**
Net assets (liabilities) in foreign currency		741	230
Spot transactions in USD		1	8
Spot transactions in DIV		1	2
Forex		31	5
Total rights		**33**	**15**
Spot transactions in USD		10	68
Forex		31	5
Total liabilities		**46**	**73**
Net rights (liabilities) in foreign currency		(13)	(58)
Exclusions according to the standards of DODM-139/05-25-2015 issued by the Central Bank of Colombia		330	340
Spot proprietary position		**USD 1,058**	**USD 512**

Exchange differences

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

The market representative exchange rates for the 2024 and 2023 periods were:

Item	2024	2023
Spot exchange rate (TRM)	4,409.15	3,822.05

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

At December 31, 2024 and 2023, the details of the exchange difference in income are as follows:

Item	2024	2023
Operating revenue - exchange gain	$ 1,491,810	$ 1,375,251
Operating expenses - exchange loss	-792,715	-1,851,907
Net gain (loss)	**$ 699,095**	**$ -476,656**

Item	2024	2023
Operating revenue - gain on sales	$ 293,754	$ 20,472
Net gain	**293,754**	**20,472**
Operating revenue -gain due to exchange adjustment	1,198,056	1,354,779
Operating revenue -loss due to exchange adjustment	-792,715	-1,851,907
Net gain (loss)	**405,341**	**-497,128**
Net gain (loss)	**$ 699,095**	**$ -476,656**

December 31, 2024 the spot exchange rate (TRM) decreased by 15.36%, equivalent to -COP 587.10 (pesos), compared to the rate at December 31, 2023.

In 2024, net income of COP 699,095 was reported, basically influenced by exchange rate fluctuations, which tended upwards, especially in the last quarter of 2024.
At December 2024, the Group reported an asset volume of USD 2,123, remeasurement of which was favorable due to exchange rate volatility, recognizing a gain of COP 993,931. The volume of Liabilities was USD 1,053, which gave rise to an exchange difference loss of COP 793,294.

Below is the calculation of the gain and/or loss from the exchange difference in 2024:Al 31 At

Item	Amount in USD	Value in COP	Average Exchange Rate
Spot proprietary position in Dec 2023	USD 512	$ 1,956,233	$ 3,822,05
Purchases	USD 54,813	221,078,521	4,033,30
Position before sales	USD 55,325	223,034,754	4,031,35
Sales	USD 54,267	219,057,488	4,036,68
Gain in sales		303,720	
Adjusted proprietary position	USD 1,058	4,666,395	4,409,15
Gain in exchange differences		395,375	
Net gain		$699,095	

Currency trading operations during 2024 produced a net profit of COP 293,754, which was strongly influenced by rate fluctuations, given that at the start of 2024 the rate was COP 3,915.56 pesos, whereas at the end of the year it traded at COP 4,409.15 pesos, which implied that rate volatility was COP 493.59 pesos.

7. Cash and cash equivalents

At December 31, 2024, the balance of this account is summarized as follows:

Item	2024	2023
Local currency in Colombian pesos:		
Cash	$ 3,131,351	$ 2,633,812
Deposits in the Central Bank	1,228,855	2,246,028
Deposits in other banks	1,693	4,699
Remittances in transit of negotiated checks	5	26
Subtotal cash and deposits in banks in local currency	**4,361,904**	**4,884,565**
Foreign currency		
Cash	761	668
Foreign correspondents	5,502,125	3,695,090
Impairment foreign correspondents	-64	-38
Subtotal cash and bank deposits in foreign currency	**5,502,822**	**3,695,720**
Total cash and deposits in banks	**9,864,726**	**8,580,285**
Investment funds	31,364	29,057
Money market and related transactions	1,059,175	2,576,131
Total cash and cash equivalents	**$ 10,955,265**	**$ 11,185,473**

Cash and cash equivalents showed a 2.06% variation between 2024 and 2023, with the most representative items being: Deposits in other banks decreased by 63.97%, equivalent to COP 3,006, due to the natural flow of the operations.

Regarding the deposits at the Central Bank of Colombia, there is a decrease of COP 1,017,173, which is due to the reversal of repos, external trading systems, securities management operations, and other transactions carried out by the treasury.

At December 31, 2024, legal reserve deposits totaled COP 3,339,347, which is deposited at the Colombian Central Bank (Banco de la República). The purpose of this requirement is to assure the necessary liquidity to cover deposits and other liabilities. The reserve deposits are determined according to provisions established by the Central Bank's Board of Directors and are calculated as a percentage of the average deposits held in the Group by its customers.

As of December 31, 2024, and December 31, 2023, there are no reconciling items over 30 days old in the operations of the Central Bank of Colombia.

Foreign correspondent balances increased by COP 1,807,035, the most important movement of which were transactions with the following banking institutions: Citibank NA NY, with an increase of COP 1,342,136, JP Morgan Chase Bank with an increase of COP 361,014, BBVA Madrid with an increase of COP 137,315 and Bank Tokyo Mitsubishi with an increase of COP 30,756.

At December 31, 2024 and 2023, the number of reconciliation items with foreign correspondents that were more than 30 days old totaled 267 and 133, respectively. As part of the reconciliation process, impairment was calculated, which at December 2024 totaled COP 64.

Impairment movement as of December 2024 and December 2023 cutoff

	2024	2023
Initial balance	$ -38	$ -316
Impairment of Foreign Correspondents	-411	0
Recovery of impairment of foreign correspondents	385	278
Closing balance	**$ -64**	**$ -38**

Money market and related transactions decreased by 59%, equivalent to COP 1,516,956. This outcome is mainly explained by a significant outflow of COP 1,592,632 at the Colombian Central Bank, as well as lower revenues from other banks for COP 40,000. There were also significant outflows in Clearing Houses for COP 31,400 and Insurance COP 4,336, which reflect treasury transactions, settlements and financial adjustments.

At December 31, 2024, the balance of money market and related operations are summarized as follows:

Description	Days	Interest rate	2024	Days	Interest rate	2023
Ordinary interbank funds sold						
Banks	0 a 3 días	8.96%	$ 120,060	4 a 8 días	$ 12.05%	$ 80,107
Subtotal ordinary interbank funds sold			**120,060**			**80,107**
Active simultaneous transactions						
Central Bank of Colombia	4 a 8 días	7.64%	307,212	4 a 8 días	11.76%	1,899,845
Insurance and reinsurance companies	Mayor a 15 días	9.19%	54,548	Mayor a 15 días	12.50%	50,212
Counterparty Clearing House	Mayor a 15 días	8.95%	577,355	Mayor a 15 días	12.12%	545,967
Subtotal active simultaneous transactions			**939,115**			**2,496,024**
Total money market and related transactions			**$ 1,059,175**			**$ 2,576,131**

At the end of the period, transfer commitments in closed repo transactions decreased by 83.86% compared to December 2023. This change is due to fluctuations in market rates, which impacted the dynamics of the operations.

During the period, repo transactions were made with the following counterparties and terms:

- Central Bank of Colombia: Active repos at a rate of 7.64%, with maturities between 3 and 10 days.
- Counterparty Clearing House: Repos at a rate of 8.95%, with maturities between 3 and 50 days.
- Insurance and reinsurance companies: Repos negotiated at a rate of 9.19%, with maturities at 49 days.

Similarly, as of December 2023, no ordinary commitments in short positions were recorded.

The above information reflects the liquidity management and financing strategies adopted during the period, in response to market conditions.

There are no restrictions on cash and cash equivalents to meet the liquidity requirements in deposits and on-demand liabilities.

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-

Credit Quality					
Bank Name	Currency	Internal	External		
			S&P	FITCH	Moody's
Jp Morgan Chase	USD	A+	A-	AA-	Aa1
Citibank N.Y	USD	A+	A+	A+	Aa3
Wachovia	USD	AA-	A+	AA-	Aa1
Toronto Dominion	CAD	AA-	AA-	AA-	Aa1
U.B.S.	CHF	A-	A-	A	Aa2
Barclays	GBP	BBB+	BBB+	A	A1
Bank Of Tokyo	JPY	A+	A	A	A1
BBVA Hong Kong	CNY	A	A	A	-
BBVA N.Y. USA PNC	USD	A+	A	A+	Aa3
BBVA Madrid	EUR	A	A	BBB+	A2
Bank Of America N.Y.	USD	A+	A-	AA-	Aa1
BBVA Bancomer México	MXN	BBB	BBB	BBB	A3
China Citic Bank	USD	BBB+	A-	BBB+	Baa2
BBVA Madrid	SEK	A	A	BBB+	A2

8. Financial investment assets, net

The following is a summary of financial investment assets:

Financial Investment Assets	2024	2023
Investments at fair value through profit or loss		
Treasury securities - TES	$ 3,084,859	$ 2,420,506
Other domestic issuers	349,173	1,302,489
Subtotal investments at fair value through profit or loss (1)	**3,434,032**	**3,722,995**
Investments at fair value through OCI		
Treasury securities - TES (2)	3,910,211	2,518,818
Other foreign issuers (3)	222,752	0
Other domestic issuers (4)	52,181	421,381
Impairment of investments	-2,645	-4,260
Subtotal investments at fair value through OCI	**4,182,499**	**2,935,939**
Investments at amortized cost		
Other securities issued by the National Government (5)	3,036,759	3,260,018
Other domestic issuers	12,541	4,045
Treasury securities - TES (6)	198,620	0
Impairment of investments	-4,527	-5,474
Subtotal of investments at amortized cost	**3,243,393**	**3,258,589**
Total financial investment assets, net	**$ 10,859,924**	**$ 9,917,523**

1. Between December 2024 and December 2023, the portfolio measured at fair value through profit or loss decreased by COP 288,963, mainly explained by the reduction of other domestic issuers, which decreased significantly by COP 953,316. This reduction was partially offset by an increase in treasury securities (TES), which increased from COP 2,420,506 in 2023 to COP 3,084,859 in 2024. This behavior is consistent with the nature of the assets at fair value, whose valuation is subject to market conditions. The variation observed reflects normal adjustments in the make-up of the portfolio and market movements typical of instruments of this type.

2. Between December 2024 and December 2023, there was an increase in investment securities at fair value through OCI of COP 1,246,560, mainly in Treasury securities (TES) delivered in money market operations.

3. At December 2024, there was a change in other foreign issuers, due to a purchase of a security (United States Treasury Bill) with a face value of USD 50,000,000 valued at USD 50,423,500, which matures on February 28, 2029. This investment is part of the Bank's risk management strategy.

4. The following is a breakdown of investments at fair value through OCI of other local issuers:

For the years 2024 and 2023, the non-controlled entities declared dividends as follows:

	2024			2023		
Entity	**In Shares**	**In Cash**	**Total**	**In Shares**	**In Cash**	**Total**
Fondo para el Financiamiento del Sector Agropecuario “FINAGRO”	$ 0	$ 2,414	**$ 2,414**	$ 1,082	$ 4,328	**$ 5,410**
Holding Bursátil Regional Chilena S.A.	0	1,518	**1,518**	0	0	**0**
Bolsa de Valores de Colombia S.A.	0	0	**0**	0	3,874	**3,874**
ACH Colombia S.A.	0	11,566	**11,566**	0	10,039	**10,039**
Credibanco S.A.	0	1,062	**1,062**	0	1,571	**1,571**
Total	**0**	**$ 16,559**	**$ 16,559**	**$ 1,082**	**$ 19,812**	**$ 20,894**

Note: Redeban Multicolor S.A did not declare dividends in 2024 nor in 2023.

In 2024, no dividends were reported by Bolsa de Valores de Colombia S.A., due to its merger into a the new company Holding Bursátil Regional Chilena S.A (NUAM), which consolidates the operations of the securities markets of Chile, Peru and Colombia. For this reason, the dividends are reflected in the new entity, rather than in Bolsa de Valores de Colombia S.A separately.

Investments in non-controlled entities. These are investments in equity instruments in non-controlled entities, consisting of the following at December 31, 2023 and 2024, consisting of:

December 31, 2024

Item	Domicile	Share Capital	Shareholdings	Shareholdings Percentage %	Carrying Value	Assets	Liabilities	Profits and/or Losses
Investments in non-controlled entities								
Holding Bursátil Chilena SA	Bogotá D.C.	450,368	2,670	3,14%	55,549	2,595,622	426,737	0
Credibanco S.A.	Bogotá D.C.	9,031	1,143	12,65%	131,806	443,908	165,954	33,453
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	Bogotá D.C.	413,051	37,535	9,09%	133,798	19,177,596	17,934,298	88,669
A.C.H. Colombia S.A.	Bogotá D.C.	6,595	707	10,72%	137,414	733,595	614,977	108,610
Redeban Multicolor S.A.	Bogotá D.C.	15,792	1,616	10,31%	122,144	8,834,257	8,619,344	28,912
Total investments in non-controlled entities					**$ 580,711**			

December 31, 2023

Item	Domicile	Share Capital	Shareholdings	Shareholdings Percentage %	Carrying Value	Assets	Liabilities	Profits and/or Losses
Investments in non-controlled entities								
Holding Bursátil Chilena SA	Bogotá D.C.	450,368	2,670	3,14%	64,528	450,368	0	0
Credibanco S.A.	Bogotá D.C.	9,031	1,143	12,65%	135,909	431,534	180,505	31,768
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	Bogotá D.C.	413,051	37,535	9,09%	40,951	18,215,627	17,009,890	150,454
A.C.H. Colombia S.A.	Bogotá D.C.	6,595	707	10,72%	118,349	529,470	411,574	107,889
Redeban Multicolor S.A.	Bogotá D.C.	15,792	1,616	10,31%	25,586	2,101,985	1,918,782	32,351
Total investments in non-controlled entities					**$ 385,323**			

a. For the investment held by the Group in Credibanco S.A., the valuation is carried out by "Precia S.A." (Price vendor for valuation) which is applicable to the entire Colombian Financial sector, for the closing of December 2024 and December 2023, the price is COP 115.33 and COP 118.92 respectively; these valuations are recorded in other comprehensive income.

b. The valuation of the investment in ACH Colombia S.A. is carried out by "Precia S.A." under the Cash Flow method. The latest reports provided indicate that the price per share at September 2024 was COP 194,372.18 pesos, whereas at December 2023 it was COP 167,404.87 pesos.

c. The valuation of the investment in Redeban Multicolor S.A. was previously made by "Precia S.A" using the cash flow method, but it is now made by "PIP Colombia S.A.". Even though both vendors use the same method, the change had an impact on the rates and assumptions used, which produced a significant adjustment. In December 2023, under "Precia S.A", the valuation of the price per share was COP 15,833.82, whereas with the new vendor the price at August 2024 was COP 75,588.80 pesos. As a result, the total value of the investment increased from COP 25,585.89 in 2023 to COP 122,144.02 in 2024, with a net impact of COP 96,558.13, which was recognized in other comprehensive income.

d. In the case of participation in the new Holding Bursátil Chilena S.A., the share price published by Bolsa de Comercio de Santiago BCS S.A., converted to Colombian pesos, is considered. These shares were valued at a market price of COP 17,699.26 at the close of December 2024, and these valuations are recorded with changes in other comprehensive income.

e. For investments classified as non-controlled interests in the Fund for the Financing of the Agricultural Sector (FINAGRO), their valuation up to March 2024 was conducted based on the marketability index, taking into account equity variations following the acquisition of the investment. However, starting in April 2024, the valuation was performed by "PIP Colombia S.A." (Price Provider for Valuation) using the Shareholder's Free Cash Flows Discount Methodology. As of December 2024, the price stood at COP 3,564. These valuations are recorded in other comprehensive income.

5. As of December 31, 2024, the inventory of investments at amortized cost shows a decrease of COP 15,196, mainly due to other securities issued by the national government for COP 223,259 delivered in money market operations.

6. The Treasury Securities (TES) line increased in 2024 by COP 198,620, whereas in 2023 it had no movements. This increase reflects strategic investment decisions in response to market conditions.

The following is the breakdown of investment financial assets by classification and type, excluding impairment, at December 31, 2024:

Breakdown of the Securities Portfolio at year-end 2024

CLASS OF SECURITY	Inv. at Fair Value through Profit or Loss		Inv. At Amortized Cost		Amortized Inv. at Fair Value through OCI		OVERALL TOTAL
	Amount	%	Amount	%	Amount	%	
Ordinary Bonds	$ 10,938	0.32%	0	0.00%	0	0.00%	**$ 10,938**
CDs	338,235	9.85%	0	0.00%	73,819	1.76%	**412,054**
TDAs	0	0.00%	1,889,528	58.18%	0	0.00%	**1,889,528**
TIPS	0	0.00%	12,541	0.39%	15,955	0.38%	**28,496**
TDS	0	0.00%	1,147,231	35.32%	0	0.00%	**1,147,231**
Treasury Securities - TES	3,084,859	89.83%	198,620	6.12%	3,291,907	78.66%	**6,575,386**
United States Treasury Bill	0	0.00%	0	0.00%	222,752	5.32%	**222,752**
Holding Bursátil Regional Chilena S.A.	0	0.00%	0	0.00%	49,923	1.19%	**49,923**
Bolsa de Valores de Colombia S.A.	0	0.00%	0	0.00%	5,626	0.13%	**5,626**
A.C.H. Colombia S.A.	0	0.00%	0	0.00%	137,414	3.28%	**137,414**
Redeban Multicolor S.A.	0	0.00%	0	0.00%	122,144	2.92%	**122,144**
Credibanco S.A.	0	0.00%	0	0.00%	131,806	3.15%	**131,806**
Financiamiento del sector agropecuario “FINAGRO”	0	0.00%	0	0.00%	133,798	3.20%	**133,798**
Overall Total	**$ 3,434,032**	**100%**	**$ 3,247,920**	**100%**	**$ 4,185,144**	**100%**	**$ 10,867,096**
Contribution to year’s net income	**-326,690**		**- 261,861**		**-291,993**		**-880,544**
% Profitability		**10%**		**8%**		**7%**	

The composition of the investment portfolio as of December 31, 2023 was:

Breakdown of the Securities Portfolio at year-end 2023

CLASS OF SECURITY	Inv. at Fair Value through Profit or Loss		Inv. At Amortized Cost		Amortized Inv. at Fair Value through OCI		OVERALL TOTAL
	Amount	%	Amount	%	Amount	%	
Ordinary Bonds	$ 15,843	0.43%	0	0.00%	0	0.00%	**$ 15,843**
CDs	1,286,646	34.56%	0	0.00%	20,485	0.70%	**1,307,131**
TDAs	0	0.00%	2,106,983	64.55%	0	0.00%	**2,106,983**
TIPS	0	0.00%	4,045	0.12%	15,573	0.53%	**19,618**
TDS	0	0.00%	1,153,035	35.33%	0	0.00%	**1,153,035**
Treasury Securities - TES	2,420,506	65.02%	0	0.00%	2,518,818	85.67%	**4,939,324**
Holding Bursátil Regional Chilena S.A.	0	0.00%	0	0.00%	54,811	1.86%	**54,811**
Bolsa de Valores de Colombia S.A.	0	0.00%	0	0.00%	9,717	0.33%	**9,717**
A.C.H. Colombia S.A.	0	0.00%	0	0.00%	118,349	4.03%	**118,349**
Redeban Multicolor S.A.	0	0.00%	0	0.00%	25,586	0.87%	**25,586**
Credibanco S.A.	0	0.00%	0	0.00%	135,909	4.62%	**135,909**
Financiamiento del sector agropecuario “FINAGRO”	0	0.00%	0	0.00%	40,951	1.39%	**40,951**
Overall Total	**$ 3,722,995**	**100%**	**$ 3,264,063**	**100%**	**$ 2,940,199**	**100%**	**$ 9,927,257**
Contribution to year’s net income	**-480,053**		**-278,117**		**-336,809**		**-1,094,979**
% Profitability		**13%**		**9%**		**12%**	

The maturity of debt security investments at December 31 was as follows:

Maturities Securities Portfolio (in Millions of Colombian Pesos)				2024
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	$ 1,675,196	$ 3,038,257	$ 1,673,596	**6,387,049**
From 1 to 5 years	1,112,490	201,827	1,570,519	**2,884,836**
More than 5 years	$ 646,346	$ 7,836	$ 941,029	**$ 1,595,211**
Overall Total	**$ 3,434,032**	**$ 3,247,920**	**$ 4,185,144**	**10,867,096**

Maturities Securities Portfolio (in Millions of Colombian Pesos)				2023
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	$ 1,913,316	$ 3,260,018	$ 41,345	**5,214,679**
From 1 to 5 years	1,216,070	4,045	2,501,003	**3,721,118**
More than 5 years	593,609	0	397,851	**991,460**
Overall Total	**$ 3,722,995**	**$ 3,264,063**	**$ 2,940,199**	**9,927,257**

At December 31, 2024, the distribution by rating of debt securities of investments at fair value through other comprehensive income and investments at amortized cost through profit or loss, was as follows:

December 31, 2024

Representative values of investments at fair value through OCI				Representative values of debt at amortized cost			
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	%
AAA	$ 0	$ 580,711	0%	AAA	$ 1,889,528	$ 0	58%
BBB-	3,291,906	0	93%	BBB-	1,345,851	0	41%
Unclassified	0	312,527	7%	Unclassified	0	12,541	0%
Total	**$ 3,291,906**	**$ 893,238**	**100%**	**Total**	**$ 3,235,379**	**$ 12,541**	**100%**

December 31, 2023

Representative values of investments at fair value through OCI				Representative values of debt at amortized cost			
S&P Global Rating issue	Carrying Value Sovereign Debt	Carrying Value Other Debt	%	S&P Global Rating issue	Carrying Value Sovereign Debt	Carrying Value Other Debt	%
A	$ 0	$ 385,323	0%	A	$ 0	$ 0	0%
BB+	2,518,818	0	99%	BB+	3,260,018	0	100%
Unclassified	0	36,058	1%	Unclassified	0	4,045	0%
Total	**$ 2,518,818**	**$ 421,381**	**100%**	**Total**	**$ 3,260,018**	**$ 4,045**	**100%**

Global Rating Agency

ISSUER	CDT	TDA	TES	TIPS
Bancolombia S.A.	AAA			
DTN National Government (TES)			BBB	
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"		AAA		
Titularizadora Colombiana S.A.				
INSC15061232-229718				BB+
INSZ15061232-229722				BBB
TIPN16B32-229723				A
INST180739B1-394904				AA
INST180739B2-394906				BBB

Securities of issues or issuers with one or more ratings granted by external ratings agencies recognized by the Financial Superintendence of Colombia, or debt securities issued by entities that have been rated by the same agencies, may not be recognized in an amount exceeding the following percentages of their nominal value net of the amortization made up to the measurement date:

Long-term Rating	Maximum Value %	Short-term Rating	Maximum Value %
BB, BB, BB-	Ninety (90)	3	Ninety (90)
B, B, B-	Seventy (70)	4	Fifty (50)
CCC	Fifty (50)	5 y 6	Zero (0)
DD,EE	Zero (0)	-	-

Restrictions on Investments

As of December 31, 2024, there are no restrictions on the aforementioned investments, except securities under the status of seizure, which decreased compared to December 31, 2023; they are classified as at fair value through profit or loss. The seizures arise from legal rulings against the Bank, which arrive through the offices, Depósito Centralizado de Valores (DECEVAL) and/or the Central Bank of Colombia:

	2024		2023	
Class of Security	Nominal	Market Value	Nominal	Market Value
Certificado de depósito a término	56	$ 57	850	$ 869
Total	**56**	**$ 57**	**850**	**$ 869**

9. Derivative financial instruments and cash transactions- assets

The financial instruments traded by BBVA are classified as assets or liabilities (see Note 21) according to their results.

December 31, the balance of this account classified as an asset is summarized as follows:

Derivative Financial Instruments and Cash Operations	2024	2023
Trading (1)	$ 5,665,200	$ 9,320,646
Hedging (2)	420,051	218,963
Total derivative financial instruments and (asset) cash transactions	**$ 6,085,251**	**$ 9,539,609**

9.1. FINANCIAL INSTRUMENTS - TRADING DERIVATIVES (ASSETS)

Below is the summary of financial instruments and spot transactions for trading:

Item	Notional Value		Fair Value	
Forward transactions	**2024**	**2023**	**2024**	**2023**
Purchase on foreign currency				
Rights	$ 53.178.504	$ 699.237	$ 53.326.305	$ 665.697
Obligations	53.178.504	699.237	-51.377.442	-631.155
Sale on foreign currency				
Rights	12.559.743	62.489.752	12.337.474	60.483.036
Obligations	12.559.743	62.489.752	-12.194.574	-54.760.067
Less credit risk	0	0	-774	-1.429
Sale on securities				
Rights	930.800	0	912.358	0
Obligations	930.800	0	-897.042	0
Total forward contracts	**$ 66.669.047**	**$ 63.188.989**	**$ 2.106.305**	**$ 5.756.082**

Item	Notional Value		Fair Value	
Cash transactions	**2024**	**2023**	**2024**	**2023**
Purchase on foreign currency				
Rights	$ 5,524	$ 34,855	$ 5,527	$ 34,858
Obligations	5,524	34,855	-5,461	-34,666
Sale of currencies				
Rights	63,036	183,545	63,142	183,422
Obligations	63,036	183,545	-62,990	-182,901
Purchase on securities				
Rights	23,655	196,953	21,663	192,105
Obligations	23,655	196,953	-21,642	-191,848
Sale on securities				
Rights	37,821	18,024	33,432	16,047
Obligations	37,821	18,024	-33,400	-16,030
Total cash transactions	**$ 130,036**	**$ 433,377**	**$ 271**	**$ 987**

Options	2024	2023	2024	2023
Purchase - Put	$ 959,359	$ 544,773	$ 9,028	$ 47,400
Purchase - Call	1,187,353	796,623	22,934	5,672
Less CVA credit risk	0	0	-54	-31
Total fair exchange price	**$ 2,146,712**	**$ 1,341,396**	**$ 31,908**	**$ 53,041**

Item	Notional Value		Fair Value	
Swaps	**2024**	**2023**	**2024**	**2023**
On interest rates				
Rights	$ 71,518,844	$ 63,252,041	$ 15,979,225	$ 14,062,010
Obligations	71,518,844	63,252,041	-14,011,456	-11,834,967
On currencies				
Rights	9,706,313	12,898,360	11,330,022	13,657,075
Obligations	9,706,313	12,898,360	-9,760,521	-12,362,368
Less CVA credit risk	0	0	-10,554	-11,212
Total swaps	**$ 81,225,157**	**$ 76,150,401**	**$ 3,526,716**	**$ 3,510,538**

Item	Notional Value		Fair Value	
Futures	**2024**	**2023**	**2024**	**2023**
Purchase on foreign currency				
Rights	$ 23,207,987	$ 10,463,242	$ 23,207,987	$ 10,463,242
Obligations	23,207,987	10,463,242	-23,207,987	$ -10,463,242
Sale on foreign currency				
Rights	25,445,957	13,038,777	25,445,957	$ 13,038,777
Obligations	25,445,957	13,038,777	-25,445,957	$ -13,038,777
Total futures	**48,653,944**	**23,502,019**	**0**	**0**
Total cash transactions and derivatives	**$ 198,824,896**	**$ 164,616,182**	**$ 5,665,200**	**$ 9,320,648**

Derivative transactions are basically covered with cross forwards.

The Group has conducted forward operations on foreign currencies, forwards on securities, futures on national bonds, at the spot exchange rate (TRM, for the Spanish original) and standardized forwards, options on foreign currencies, swaps on foreign currencies and swaps on interest rates, which are valued according to the provisions of Chapter XVIII of the Basic Accounting and Financial Notice.

As a general policy for derivative transactions, the Group 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.

At December 31, 2024 and 2023, derivative transactions showed no charges, restrictions or levies of a legal or financial nature, or pledges, seizures, litigation or any other limitation on the rights inherent to these transactions.

The variation 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 2024.

At December 31, 2024, the breakdown of transactions with derivative financial instruments was as follows:

			Maturity in Days		Figures in COP millions		
Type of Instrument	Type of Transaction	Currency	Minimum	Maximum	Right value	Obligation value	Net Result
Currency forward	Purchase	USD/COP	2	2.697	$ 94,532,588	$ 92,717,135	$ 1,815,453
	Purchase	EUR/COP	7	272	13,535	13,544	-9
	Purchase	EUR/USD	10	126	440,722	462,263	-21,541
	Purchase	JPY/USD	14	279	89,816	94,599	-4,783
	Purchase	MXN/USD	0	0	0	0	0
	Purchase	SEK/COP	37	37	4,227	4,421	-194
	Purchase	GBP/USD	15	15	1,177	1,188	-11
	Purchase	JPY/COP	7	164	2,454	2,382	72
	Sale	USD/COP	2	939	95,322,104	97,119,118	-1,797,014
	Sale	COP/EUR	7	217	242,015	242,997	-982
	Sale	USD/JPY	164	238	15,852	14,614	1,238
	Sale	USD/CNH	238	238	4,324	4,163	161
	Sale	USD/SEK	37	238	5,906	5,416	490
	Sale	USD/CHF	238	238	10,491	9,780	711
	Sale	USD/EUR	13	272	139,667	122,188	17,479
	Sale	USD/GBP	238	238	11,254	10,808	446
	Sale	COP/JPY	14	279	91,613	89,950	1,663
	Sale	USD/CAD	238	238	4,783	4,522	261
	Sale	USD/MXN	238	238	8,348	8,125	223
	Sale	COP/GBP	15	15	1,178	1,177	1
Total forward de divisas					**190,942,054**	**190,928,390**	**13,664**

			Maturity in Days		Figures in COP millions		
Type of Instrument	Type of Transaction	Currency	Minimum	Maximum	Right value	Obligation value	Net Result
Forward on securities	Purchase	COP	8	8	121,596	-124,988	-3,392
	Sale	COP	7	8	912,363	-897,048	15,315
Total forward on securities					**1,033,959**	**-1,022,036**	**11,923**
Total Forwards					**191,976,013**	**189,906,354**	**25,587**
Spot on currency	Purchase	USD/COP	2	2	3,749	3,748	1
	Purchase	EUR/COP	2	2	3,599	3,539	60
	Purchase	EUR/USD	2	2	392	390	2
	Sale	USD/COP	2	3	42,533	42,518	15
	Sale	COP/EUR	2	3	22,398	22,266	132
	Sale	COP/GBP	2	2	28	28	0
	Sale	COP/MXN	2	2	137	135	2
	Sale	USD/EUR	2	2	4	4	0
Total spot on currency					**72,840**	**72,628**	**212**
Spot on securities	Purchase	COP	2	7	86,811	-86,804	7
	Sale	COP	2	9	65,910	-65,890	20
Total spot on securities					**152,721**	**-152,694**	**27**
Total spot					**225,561**	**-80,066**	**239**
Financial options	Purchase - PUT	USD/COP	2	534	9,018	0	9,018
	Purchase - CALL	USD/COP	2	534	22,893	0	22,894
	Sale - PUT	USD/COP	2	534	0	-9,020	-9,020
	Sale - CALL	USD/COP	2	534	0	-22,910	-22,911

			Maturity in Days		Figures in COP millions		
Type of Instrument	**Type of Transaction**	**Currency**	**Minimum**	**Maximum**	**Right value**	**Obligation value**	**Net Result**
Total financial options					**31,911**	**-31,930**	**-19**
Interest rate swap	IRS	COP	2	4,354	27,410,003	-27,540,169	-130,167
	IRS	USD	2	3,628	3,287,122	-3,340,550	-53,429
Total swap on interest rates					**30,697,125**	**-30,880,719**	**-183,596**
Swap currencies	CCS	EUR	0	0	0	0	1
	CCS	USD	3	3,598	21,558,125	-21,456,443	101,683
Total swap on currencies					**21,558,125**	**-21,456,443**	**101,684**
Swap on currencies hedging	CCS	COP	111	111	1,471,887	-1,051,836	420,051
Total swap on currencies hedging					**1,471,887**	**-1,051,836**	**420,051**
Total swap					**53,727,137**	**-53,388,998**	**338,139**
Futures	Purchase	COP			0	0	0
	Sale	COP			327,947	-327,947	0
Total futures					**327,947**	**-327,947**	**0**
Total transactions with derivative financial instruments					**$ 245,254,610**	**$ 137,099,449**	**$ 363,946**

At December 31, 2023, the breakdown of transactions with derivative financial instruments was as follows:

			Maturity in Days		Figures in COP millions		
Type of Instrument	**Type of Transaction**	**Currency**	**Minimum**	**Maximum**	**Value Right**	**Value Obligation**	**Net Result**
Currency forward	Compra	USD/COP	2	3,063	$ 76,193,579	$ -82,048,179	$ -5,854,600
	Compra	EUR/COP	22	79	45,917	-46,134	-217
	Compra	EUR/USD	5	379	274,422	-279,182	-4,760
	Compra	JPY/USD	16	284	43,832	-42,771	1,061
	Compra	MXN/USD	24	204	3,677	-3,020	657
	Compra	SEK/COP	65	65	1,005	-1,019	-14
	Venta	USD/COP	2	1,305	82,310,303	-76,616,880	5,693,423
	Venta	COP/EUR	10	254	105,356	-90,933	14,423
	Venta	USD/JPY	31	239	29,495	-29,876	-381
	Venta	USD/CNH	239	239	3,613	-3,714	-101
	Venta	USD/SEK	65	239	1,960	-2,138	-178
	Venta	USD/CHF	239	239	8,786	-9,090	-304
	Venta	USD/EUR	5	379	157,896	-150,449	7,447
	Venta	USD/GBP	240	240	4,718	-4,749	-31
	Venta	COP/JPY	16	284	28,800	-27,558	1,242
	Venta	USD/CAD	239	239	4,129	-4,228	-99
	Venta	USD/MXN	24	239	11,007	-11,774	-767
Total currency forward					**159,228,495**	**-159,371,694**	**-143,199**
Spot on currency	Compra	USD/COP	2	2	29,999	-29,995	4
	Compra	EUR/COP	2	2	9,343	-9,177	166
	Compra	CHF/COP	3	3	46	-45	1
	Venta	USD/COP	2	4	259,458	-258,992	466

			Vencimiento en días		Cifras en COP millones		
Clase de Instrumento	**Tipo Operación**	**Moneda**	**Mínimo**	**Máximo**	**Vr. Derecho**	**Vr. Obligación**	**Neto Resultado**
Total spot on currency					**298,846**	**-298,209**	**637**
Spot on securities	Compra	COP	2	67	269,829	-269,595	234
	Venta	COP	2	67	35,984	-35,975	9
Total spot on securities					**305,813**	**-305,570**	**243**
Total spot					**604,659**	**-603,779**	**880**
Financial options	PUT Compra	USD/COP	2	549	47,387	0	47,387
	CALL Compra	USD/COP	2	549	5,657	0	5,658
	PUT Venta	USD/COP	2	549	0	-47,387	-47,388
	CALL Venta	USD/COP	2	549	0	-5,673	-5,673
Total financial options					**53,044**	**-53,060**	**-16**
Interest rate swap	IRS	COP	2	4.720	22,802,610	-22,959,806	-157,197
	IRS	USD	8	3.497	1,667,946	-1,735,234	-67,289
Total swap on interest rates					**24,470,556**	**-24,695,040**	**-224,486**
Swap currencies	CCS	EUR	0	0	0	0	1
	CCS	USD	5	3.522	23,008,780	-22,866,026	142,755
Total swap on currencies					**23,008,780**	**-22,866,026**	**142,756**
Swap on currencies hedging	CCS	COP	51	477	1,336,532	-1,131,902	204,630
Total swap on currencies hedging					**1,336,532**	**-1,131,902**	**204,630**
Total swap					**48,815,868**	**-48,692,968**	**122,900**
Futures	Compra	COP			175,828	-175,828	0
	Venta	COP			184,566	-184,566	0
Total futures					**360,394**	**-360,394**	**0**
Total transactions with derivative financial instruments					**$ 209,062,460**	**$ -209,081,895**	**$ -19,435**

The collateral provided in derivative transactions at December 31, 2024 and 2023, were:

Counterparty	DIV	2024	2023
Assets			
Banco Santander S.A. NY	EUR	$ 212,415	$ 212,415
Bbva Bancomer Sa Mexico	USD	1,060,000	0
Bbva Madrid Clearing Broker	USD	256,701,448	0
BBVA Madrid Tesoreria	USD	96,436,000	61,708,000

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 therefor.

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.

Starting in 2016, the DVA (Debit Value Adjustment) calculation was included 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 Group will default on a positive value transaction for a counterparty due to a credit event. This adjustment is used to report for CVA those counterparties whose portfolio value is positive for the Group 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.

Below we show the change in measurement between 2024 and 2023. The reported change in CVA is mainly due to the high volatility of rates in the second half of the year, with a revaluation of 21% in USD/COP, which produced decreases in the MtM in most currency derivatives denominated in USD and EUR and lower level of operations with BBVA Madrid.

	Year	Amount Mill.	Max Mill.	Min Mill.	Avg Mill.
CVA	2024	11,384	13,058	6,439	10,985
	2023	12,672	24,900	12,632	17,363
DVA	2024	18,958	19,043	14,332	16,289
	2023	17,340	31,676	17,085	22,807

In the case of DVA, the reduction is primarily attributable to high volatility of rates during the second half of the year, which led to a reduction in the MtM and fewer transactions specifically with BBVA Madrid, through which hedging of exchange rate derivatives that were settled with customers are made, in an effort to reduce market risk sensitivity.

At December 31, 2024 and 2023, the total CVA (Credit Value Adjustments) was COP 11,384 and COP 12,672, and DVA (Debit Value Adjustments) was COP 18,958 and COP 17,338. Below is a breakdown by product.

	CVA	
Product	**2024**	**2023**
FW Foreign Currencies	$ 8	$ 24
FW Dollars	736	1,405
Futures	33	0
Options	54	31
Swap	$ 10,553	$ 11,212
Total	**$ 11,384**	**$ 12,672**

	DVA	
Product	**2024**	**2023**
FW Foreign Currencies	$ 6	$ 10
FW Dollars	1,297	2,041
Futures	27	0
Options	15	17
Swap	$ 17,613	$ 15,270
Total	**$ 18,958**	**$ 17,338**

9.2 IFINANCIAL INSTRUMENTS - HEDGING DERIVATIVES(ASSETS)

Bond issuances in foreign currency: The Bank issued subordinated notes abroad in the amount of USD 400 million on April 21, 2015, maturing on April 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 Group constituted cash flow and fair value hedges to hedge the exchange risk and interest rate risk in US dollars, as follows:

Cash flow hedge accounting: These financial instruments were designated as cash flow hedges because both their right and obligation are at a fixed rate and the purpose is to hedge future cash flows for the payment of interest and principal in accordance with the nominal value agreed.

Operation	Nominal Value of Right	EA Right Rate	Nominal Value of Obligation	EA Obligation Rate	Right Value 2024	Obligation Value 2024	Other Comprehensive Income 2024
47936511	USD 40	9.98%	$ 129,200	4.88%	$ 178,410	$ 132,071	$ 46,339
47936513	USD 40	10.64%	124,000	4.88%	178,410	127,158	51,252
47936514	USD 40	10.71%	117,600	4.88%	178,410	120,636	57,774
50087279	USD 0	0.00%	0	0.00%	0	0	0
Total					**$ 535,231**	**$ 379,865**	**$ 155,365**

Operation	Nominal Value of Right	EA Right Rate	Nominal Value of Obligation	EA Obligation Rate	Right Value 2023	Obligation Value 2023	Other Comprehensive Income 2023
47936511	USD 40	9.98%	$ 129,200	4.88%	$ 157,106	$ 131,994	$ 25,112
47936513	USD 40	10.64%	124,000	4.88%	157,106	127,825	29,282
47936514	USD 40	10.71%	117,600	4.88%	157,106	121,342	35,763
50087279	USD 10	14.62%	48,550	6.42%	40,400	54,736	(14,336)
Total					**$ 511,718**	**$ 435,897**	**$ 75,821**

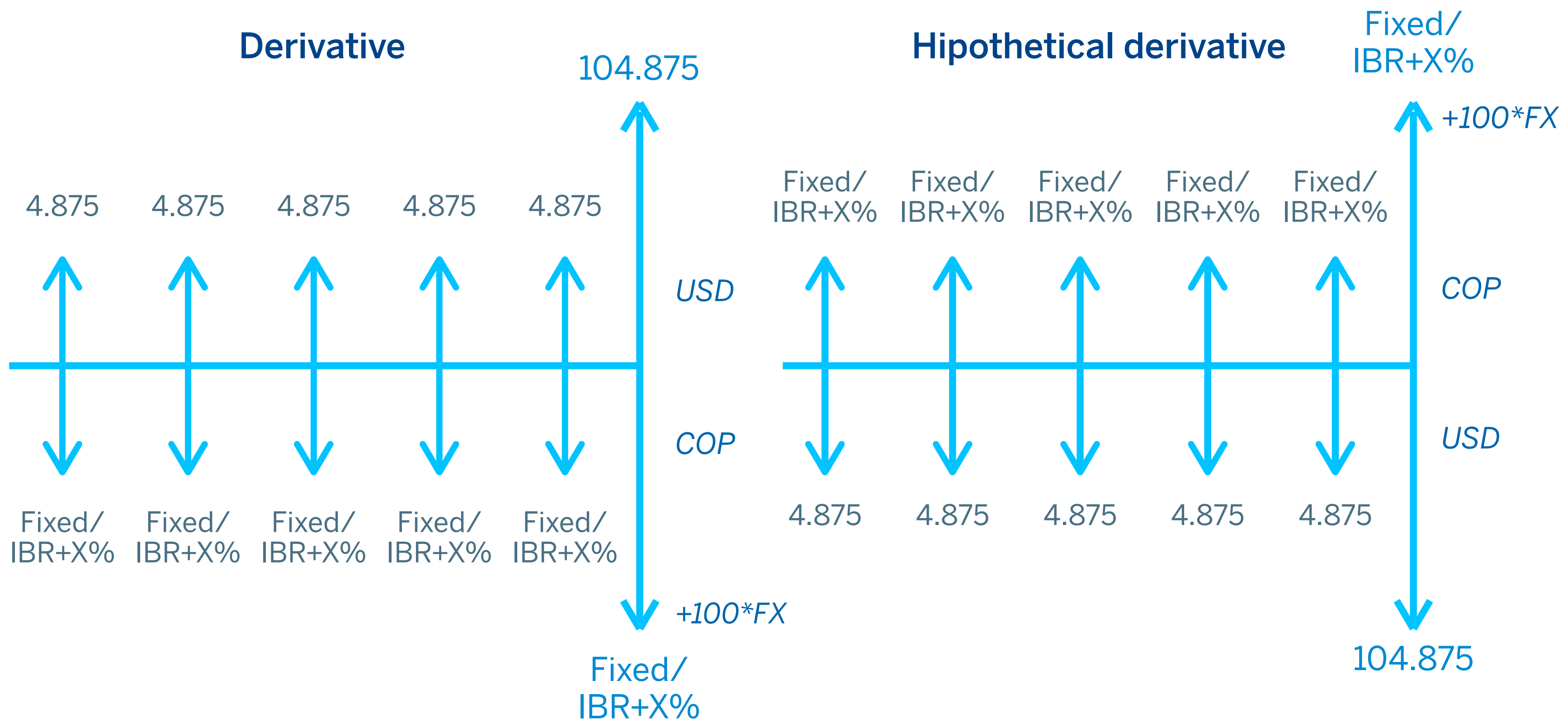
Fair value hedge accounting: It was designated at fair value because the obligation is indexed at the IBR (Reference Bank Indicator), which was developed by the private sector, with the backing of the Central Bank of Colombia and other entities, in order to reflect the liquidity of the Colombian money 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.

Operation	Nominal Value of Right	EA Right Rate	Nominal Value of Obligation	EA Obligation Rate	Right Value 2024	Obligation Value 2024	Income Statement 2024
47936512	USD 70	4.88%	$ 226,100	IBR+ 3.19%	$ 312,218	$ 233,799	$ 78,419
47936885	USD 70	4.88%	217,000	IBR+ 3.57%	312,218	224,795	87,423
47936887	USD 70	4.88%	205,800	IBR+ 3.75%	312,218	213,375	98,843
Total					**$ 936,654**	**$ 671,968**	**$ 264,686**

Operation	Nominal Value of Right	EA Right Rate	Nominal Value of Obligation	EA Obligation Rate	Right Value 2023	Obligation Value 2023	Income Statement 2023
47936512	USD 70	4.88%	$226,100	IBR+ 3.19%	$ 274,936	$ 241,549	$ 33,386
47936885	USD 70	4.88%	217,000	IBR+ 3.57%	274,936	232,980	41,956
47936887	USD 70	4.88%	205,800	IBR+ 3.75%	274,936	221,472	53,463
Total					**$ 824,807**	**$ 696,001**	**$ 128,805**

9.3. MEASUREMENT OF HEDGE EFFECTIVENESS

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 Group to measure the effectiveness of its hedging instruments, concluding that it will be 100% effective over time.



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 Group 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 Group's income statement is expected to be neutral.

At December 31, 2024 and 2023, the items of valuation and accrual of the cash flow hedging swap were recorded in Other Comprehensive Income (OCI) for COP 155,365 and COP 75,821, 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, is as follows:

Asset hedging - CCS swap

Valuation

At December 31, 2024

Hedge Type	Currency	Value of Right	Value of Obligation	Statement of Financial Position 2023	Statement of Comprehensive Income 2023	Statement of Other Comprehensive Income 2023
Fair Value	USD	$ -936,654	$ 671,968	$ 264,686	$ 0	$ 0
Cash flow		-535,231	379,865	0	0	155,365
Total				**$ 264,686**	**$ 0**	**$ 155,365**
Total asset hedging						**$ 420,051**

At December 31, 2023

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	$ -824,807	$ 696,001	$ 128,805	$ 0	$ 0
Cash flow		-471,318	381,161	0	0	90,157
Total				**$ 128,805**	**$ 0**	**$ 90,157**
Total asset hedging						**$ 218,963**

In 2024, the amount equivalent to the restatement of the cash flow hedge was COP 171,396 over USD 120 million.

10. Loan portfolio and financial lease transactions, net

The following is a summary by portfolio type, net:

December 31, 2024

Modalities	Stage 1	Stage 2	Stage 3	Impairment	Total
Commercial Loan Portfolio	$30,444,487	$ 1,356,312	$ 508,442	$ -551,642	**$ 31,757,599**
Consumer Loan Portfolio	22,917,331	3,040,652	3,033,994	-2,844,894	**26,147,083**
Mortgage portfolio	13,021,876	1,567,634	869,108	-539,008	**14,919,610**
Total net loan portfolio and finance lease transactions	**$ 66,383,694**	**$ 5,964,598**	**$ 4,411,544**	**$ -3,935,544**	**$ 72,824,292**

December 31, 2023

Modalidades	Stage 1	Stage 2	Stage 3	Impairment	Total
Commercial Loan Portfolio	$ 29,146,796	$ 1,281,090	$ 668,834	$ -821,917	**$ 30,274,803**
Consumer Loan Portfolio	24,048,773	3,331,923	2,261,742	-2,222,436	**27,420,002**
Mortgage portfolio	12,791,560	1,594,614	775,668	-558,386	**14,603,456**
Total net loan portfolio and finance lease transactions	**$ 65,987,129**	**$ 6,207,627**	**$ 3,706,244**	**$ -3,602,739**	**$ 72,298,261**

Breakdown of loans by currency:

December 31, 2024

Modalities	Local Currency	Foreign Currency	UVR	Impairment	Total
Commercial Loan Portfolio	$ 29,846,473	$ 1,953,449	$ 509,319	$ -551,642	**$ 31,757,599**
Consumer Loan Portfolio	28,991,977	0	0	-2,844,894	**26,147,083**
Mortgage portfolio	14,473,945	0	984,673	-539,008	**14,919,610**
Total net loan portfolio and finance lease transactions	**$ 73,312,395**	**$ 1,953,449**	**$ 1,493,992**	**$ -3,935,544**	**$ 72,824,292**

December 31, 2023

Modalities	Local Currency	Foreign Currency	UVR	Impairment	Total
Commercial Loan Portfolio	$ 29,223,107	$ 1,367,979	$ 505,634	$ -821,917	**$ 30,274,803**
Consumer Loan Portfolio	29,642,438	0	0	-2,222,436	**27,420,002**
Mortgage portfolio	14,723,837	0	438,005	-558,386	**14,603,456**
Total net loan portfolio and finance lease transactions	**$ 73,589,382**	**$ 1,367,979**	**$ 943,639**	**$ -3,602,739**	**$ 72,298,261**

The Group's net portfolio shows a slight increase of 0.73% valued at COP 526,031. The commercial loan portfolio, with COP 1,478,310, consists of corporate loans and loans to territorial entities, showing a variation of 4.9% compared to December 2023. Similarly, the housing portfolio slightly increased by COP 316,276, showing a variation of 2.2%. Conversely, the consumer loan portfolio decreased by -COP 1,268,555, representing a variation of -4.6% compared to December 31, 2023.

The loan portfolio remained aligned with the macroeconomic challenges faced by the country, marked by rising inflation and interest rates at the beginning of the year, which impacted the portfolio's quality as of December 2024. Thus, BBVA seeks to maintain growth aligned with the intention of achieving the inflation objectives set by the Central Bank, generating benefits to customers through healthy financing.

The Group remains focuses on the individual segment, representing 56.6% of the gross portfolio as of the end of December 2024, which is comprised of the consumer and mortgage portfolios, which displayed a decrease of 2.5% compared to 2023.

On the other hand, the consumer loan portfolio, comprising payroll loans, vehicle loans, free investment loans, revolving credits, individual credit cards, and individual overdrafts, showed a decrease of 4.6%.

Finally, the decline in the healthy loan portfolio, combined with a 42-basis-point increase in the non-performing portfolio ratio due to the current market conditions, resulted in total growth of 0.73% in the net loan portfolio for the end of 2024.

December 31, 2024

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Credit losses expected during the lifetime of the asset with impairment	
Commercial Loan Portfolio				
Enterprise	$ 11,035,570	$ 388,839	$ 179,927	$ 11,604,336
Institutional	4,945,006	238,450	7,989	5,191,445
Corporate	8,757,617	210,465	35	8,968,117
Financial entities	1,902,781	222	57	1,903,060
Representative	1,050,939	30,931	90,567	1,172,437
Small Enterprises	2,752,574	487,405	229,867	3,469,846
	30,444,487	1,356,312	508,442	32,309,241
Impairment	-415,099	-52,880	-83,663	-551,642
Net commercial loan portfolio	**30,029,388**	**1,303,432**	**424,779**	**31,757,599**
Consumer Loan Portfolio				
Consumer	3,238,913	752,584	1,376,087	5,367,584
Vehicles	1,403,051	137,017	176,174	1,716,242
Payroll Loan	15,045,169	1,502,419	770,415	17,318,003
Revolving	3,230,198	648,632	711,318	4,590,148

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Credit losses expected during the lifetime of the asset with impairment	
	22,917,331	3,040,652	3,033,994	28,991,977
Impairment	-1,049,518	-469,298	-1,326,078	-2,844,894
Net consumer loan portfolio	**21,867,813**	**2,571,354**	**1,707,916**	**26,147,083**
Mortgage portfolio				
Mortgage	13,021,876	1,567,634	869,108	15,458,618
	13,021,876	1,567,634	869,108	15,458,618
Impairment	-174,732	-52,911	-311,365	-539,008
Net mortgage portfolio	**12,847,144**	**1,514,723**	**557,743**	**14,919,610**
Total gross loan portfolio and finance lease transactions	**66,383,694**	**5,964,598**	**4,411,544**	**76,759,836**
Total impairment	**-1,639,349**	**-575,089**	**-1,721,106**	**-3,935,544**
Total net loan portfolio and finance lease transactions	**$ 64,744,345**	**$ 5,389,509**	**$ 2,690,438**	**$ 72,824,292**

December 31, 2023

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Credit losses expected during the lifetime of the asset with impairment	
Commercial Loan Portfolio				
Enterprise	$ 9,245,838	$ 441,506	$ 337,990	$ 10,025,334
Institutional	5,356,354	165,847	507	5,522,708
Corporate	8,013,752	210,493	0	8,224,245
Financial entities	2,389,529	11,378	75	2,400,982
Representative	991,017	22,208	96,213	1,109,438
Small Enterprises	3,150,306	429,658	234,049	3,814,013
	29,146,796	1,281,090	668,834	31,096,720
Impairment	-297,596	-99,374	-424,947	-821,917
Net commercial loan portfolio	**28,849,200**	**1,181,716**	**243,887**	**30,274,803**
Consumer Loan Portfolio				
Consumer	4,767,848	865,265	1,157,253	6,790,366
Vehicles	1,287,516	184,521	130,280	1,602,317
Payroll Loan	14,433,902	1,870,946	379,488	16,684,336
Revolving	3,559,507	411,191	594,721	4,565,419
	24,048,773	3,331,923	2,261,742	29,642,438
Impairment	-823,406	-272,309	-1,126,721	-2,222,436
Net consumer loan portfolio	**23,225,367**	**3,059,614**	**1,135,021**	**27,420,002**
Mortgage portfolio				
Mortgage	12,791,560	1,594,614	775,668	15,161,842
	12,791,560	1,594,614	775,668	15,161,842
Impairment	-98,137	-51,985	-408,264	-558,386
Net mortgage portfolio	**12,693,423**	**1,542,629**	**367,404**	**14,603,456**
Total gross loan portfolio and finance lease transactions	**65,987,129**	**6,207,627**	**3,706,244**	**75,901,000**
Total impairment	**-1,219,139**	**-423,668**	**-1,959,932**	**-3,602,739**
Total net loan portfolio and finance lease transactions	**$ 64,767,990**	**$ 5,783,959**	**$ 1,746,312**	**$ 72,298,261**

Reconciliation of loan portfolio impairment - provision movements

The following is the reconciliation between the expected loss provision by class of financial instrument:

December 31, 2024

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Credit losses expected during the lifetime of the asset with impairment	
Commercial Loan Portfolio				
Opening Balance as of January 1, 2024	$ -334,588	$ -99,004	$ -383,839	$ -817,431
Transfer from Stage 1 to Stage 2	-3,783	3,783	0	0
Transfer from Stage 1 to Stage 3	-1,080	0	1,080	0
Transfer from Stage 2 to Stage 1	43,971	-43,971	0	0
Transfer from Stage 2 to Stage 3	0	-6,739	6,739	0
Transfer from Stage 3 to Stage 1	3,475	0	-3,475	0
Transfer from Stage 3 to Stage 2	0	19,930	-19,930	0
Impairment	-208,936	-24,709	-345,166	-578,811
Reversal of loan loss provision	286,982	29,032	180,287	496,301
Loans written off	0	0	242,065	242,065
Impairment adjustment as per IFRS 9 in the Consolidated Statement of Other Comprehensive Income	-226,384	67,673	225,135	66,424
Debt forgiveness	0	0	13,019	13,019
Other movements	25,244	1,125	422	26,791
Net reconciliation of the commercial loan portfolio allowance	**-415,099**	**-52,880**	**-83,663**	**-551,642**
Consumer Loan Portfolio				
Opening Balance as of January 1, 2024	-871,080	-367,665	-988,055	-2,226,800

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Credit losses expected during the lifetime of the asset with impairment	
Transfer from Stage 1 to Stage 2	-35,265	35,265	0	0
Transfer from Stage 1 to Stage 3	-49,204	0	49,204	0
Transfer from Stage 2 to Stage 1	39,596	-39,596	0	0
Transfer from Stage 2 to Stage 3	0	-115,406	115,406	0
Transfer from Stage 3 to Stage 1	20,966	0	-20,966	0
Transfer from Stage 3 to Stage 2	0	62,501	-62,501	0
Impairment	-185,493	-35,803	-3,210,792	-3,432,088
Reversal of loan loss provision	-1,270	-470	832,339	830,599
Loans written off	0	0	1,507,934	1,507,934
Impairment adjustment as per IFRS 9 in the Consolidated Statement of Other Comprehensive Income	33,006	-8,021	337,935	362,920
Debt forgiveness	0	0	113,520	113,520
Other movements	-774	-103	-102	-979
Net reconciliation of the consumer loan portfolio allowance	**-1,049,518**	**-469,298**	**-1,326,078**	**-2,844,894**
Mortgage portfolio				
Opening Balance as of January 1, 2024	-150,577	-85,787	-322,144	-558,508
Transfer from Stage 1 to Stage 2	-2,028	2,028	0	0
Transfer from Stage 1 to Stage 3	-1,301	0	1,301	0

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Credit losses expected during the lifetime of the asset with impairment	
Transfer from Stage 2 to Stage 1	23,916	-23,916	0	0
Transfer from Stage 2 to Stage 3	0	-11,560	11,560	0
Transfer from Stage 3 to Stage 1	27,792	0	-27,792	0
Transfer from Stage 3 to Stage 2	0	49,285	-49,285	0
Impairment	-127,447	-15,700	-112,640	-255,787
Reversal of loan loss provision	87,356	534	111,713	199,603
Loans written off	0	0	43,169	43,169
Impairment adjustment as per IFRS 9 in the Consolidated Statement of Other Comprehensive Income	-32,975	32,141	12,925	12,091
Debt forgiveness	0	0	19,793	19,793
Other movements	532	64	35	631
Net reconciliation of the mortgage portfolio allowance	**-174,732**	**-52,911**	**-311,365**	**-539,008**
Amount without deducting from portfolio originated with credit impairment upon initial recognition				
Total balance at December 31, 2024	**$ -1,639,349**	**$ -575,089**	**$ -1,721,106**	**$ -3,935,544**

Al 31 de diciembre de 2023	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Credit losses expected during the lifetime of the asset with impairment	
Commercial Loan Portfolio				
Opening balance at January 1, 2023	$ -134,108	$ -136,110	$ -717,505	$ -987,723
Transfer from Stage 1 to Stage 2	-15,300	-15,300	0	0
Transfer from Stage 1 to Stage 3	-2,670	0	2,670	0
Transfer from Stage 2 to Stage 1	43,577	-43,577	0	0
Transfer from Stage 2 to Stage 3	0	-13,648	13,648	0
Transfer from Stage 3 to Stage 1	9,236	0	-9,236	0
Transfer from Stage 3 to Stage 2	0	41,685	-41,685	0
Impairment	-216,984	-14,972	-499,800	-731,756
Reversal of loan loss provision	220,118	27,994	450,173	698,285
Loans written off	0	0	200,295	200,295
Impairment adjustment as per IFRS 9 in the Consolidated Statement of Other Comprehensive Income	-203,134	23,881	169,255	-9,998
Debt forgiveness	0	0	7,200	7,200
Other movements	1,669	73	38	1,780
Net reconciliation of the commercial loan portfolio allowance	**-297,596**	**-99,374**	**-424,947**	**-821,917**
Consumer Loan Portfolio				
Opening balance at January 1, 2023	-374,017	-311,789	-1,078,837	-1,764,643

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Credit losses expected during the lifetime of the asset with impairment	
Transfer from Stage 1 to Stage 2	-18,972	18,972	0	0
Transfer from Stage 1 to Stage 3	-20,056	0	20,056	0
Transfer from Stage 2 to Stage 1	31,653	-31,653	0	0
Transfer from Stage 2 to Stage 3	0	-36,701	36,701	0
Transfer from Stage 3 to Stage 1	52,321	0	-52,321	0
Transfer from Stage 3 to Stage 2	0	144,159	-144,159	0
Impairment	-200,581	-53,311	-2,418,004	-2,671,896
Reversal of loan loss provision	175,370	-208	875,596	1,050,758
Loans written off	0	0	1,188,190	1,188,190
Impairment adjustment as per IFRS 9 in the Consolidated Statement of Other Comprehensive Income	-470,845	-2,016	408,078	-64,783
Debt forgiveness	0	0	37,817	37,817
Other movements	1,721	238	162	2,121
Net reconciliation of the consumer loan portfolio allowance	**-823,406**	**-272,309**	**-1,126,721**	**-2,222,436**
Mortgage portfolio				
Opening balance at January 1, 2023	-119,876	-150,456	-457,815	-728,147
Transfer from Stage 1 to Stage 2	-956	956	0	0

	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses in the next 12 months	Expected credit losses over the lifetime of the asset	Credit losses expected during the lifetime of the asset with impairment	
Transfer from Stage 1 to Stage 3	-676	0	676	0
Transfer from Stage 2 to Stage 1	27,436	-27,436	0	0
Transfer from Stage 2 to Stage 3	0	-11,565	11,565	0
Transfer from Stage 3 to Stage 1	26,444	0	-26,444	0
Transfer from Stage 3 to Stage 2	0	71,826	-71,826	0
Impairment	-87,320	-12,278	-55,981	-155,579
Reversal of loan loss provision	52,581	446	101,747	154,774
Loans written off	0	0	32,250	32,250
Impairment adjustment as per IFRS 9 in the Consolidated Statement of Other Comprehensive Income	4,098	76,506	36,387	116,991
Debt forgiveness	0	0	21,169	21,169
Other movements	132	16	8	156
Net reconciliation of the mortgage portfolio allowance	**-98,137**	**-51,985**	**-408,264**	**-558,386**
Amount without deducting from portfolio originated with credit impairment upon initial recognition				
Total balance at December 31, 2023	**$ -1,219,139**	**$ -423,668**	**$ -1,959,932**	**$ -3,602,739**

The following is a breakdown of loan portfolio impairment by type of client and product:

December 31, 2024

	Stage 1		Stage 2			Stage 3			
Modality	**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	$ -6,754	$ -31	$ -28,314	$ -2	$ -227	$ 0	$ 0	$ -763	$ 0
Credit institutions	-3	0	0	0	0	-2	0	0	-18
Other financial institutions	-1,730	-55	-6	0	0	-3	0	-30	0
Non-financial corporations	-72,145	-5,621	-55,205	-9,386	-3,555	-34,897	-14,151	-15,505	-177,630
Individuals	-1,523,071	-29,939	-311,478	-38,431	-128,485	-291,676	-152,388	-200,388	-833,655
Total segment	**-1,603,703**	**-35,646**	**-395,003**	**-47,819**	**-132,267**	**-326,578**	**-166,539**	**-216,686**	**-1,011,303**
Loan portfolio by products									
Commercial loan portfolio	-5,541	-202	-2,284	0	-27	-157	-9	-41	-6,726
Short-term loans	0	-16	0	0	0	0	-1	-5	-432
Credit cards	-106,111	-4,797	-69,493	-8,136	-39,051	-37,634	-11,584	-20,449	-363,670
Finance lease	-12,796	-1,641	-9,687	-2,063	-1,833	-9,491	-4,329	-5,288	-15,299
Other credits	-1,479,255	-28,990	-313,539	-37,620	-91,356	-279,296	-150,616	-190,903	-625,176
Total Product	**$ -1,603,703**	**$ -35,646**	**$ -395,003**	**$ -47,819**	**$ -132,267**	**$ -326,578**	**$ -166,539**	**$ -216,686**	**$ -1,011,303**

December 31, 2023

	Stage 1		Stage 2			Stage 3			
Modality	**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	$ -5,493	$ -173	$ -35,936	$ -60	$ 0	$ 0	$ 0	$ 0	$ 0
Credit institutions	-516	0	0	0	0	0	0	-2	0
Other financial institutions	-1,227	-358	-11	0	-2	-9	-22	0	0
Non-financial corporations	-43,603	-8,483	-63,115	-47,494	-10,180	-127,278	-42,042	-21,875	-234,839
Individuals	-1,221,048	-51,193	-179,867	-49,508	-166,283	-243,970	-161,012	-226,942	-660,198
Total segment	**-1,271,887**	**-60,207**	**-278,929**	**-97,062**	**-176,465**	**-371,257**	**-203,076**	**-248,819**	**-895,037**
Loan portfolio by products									
Commercial loan portfolio	-4,122	-158	0	0	-76	0	0	-76	-6,492
Short-term loans	0	-30	0	0	0	0	0	-5	-724
Credit cards	-80,785	-6,827	-34,760	-7,034	-48,337	-27,131	-10,343	-29,744	-319,294
Finance lease	-8,067	-2,042	-11,752	-4,865	-1,356	-11,509	-10,910	-11,996	-14,902
Other credits	-1,178,913	-51,150	-232,417	-85,163	-126,696	-332,617	-181,823	-206,998	-553,625
Total Product	**$ -1,271,887**	**$ -60,207**	**$ -278,929**	**$ -97,062**	**$ -176,465**	**$ -371,257**	**$ -203,076**	**$ -248,819**	**$ -895,037**

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.

The following is a breakdown of the loans by sector:

December 31, 2024

Modality	Total Gross Risk	Total Provision	Net Carrying Value	%
Government agencies	$ 6,309,394	$ -36,091	$ 6,273,303	-1%
Credit institutions	145,427	-23	145,404	0%
Other financial institutions	1,294,165	-1,824	1,292,341	0%
Non-financial corporations	23,908,602	-388,095	23,520,507	
Agriculture, forestry and fishing	858,963	-26,760	832,203	-3%
Extractive industries	170,727	-6,750	163,977	-4%
Manufacturing industry	6,047,688	-72,105	5,975,583	-1%
Supply of electricity, gas, steam and air conditioning	2,165,997	-3,190	2,162,807	0%
Water supply	35,533	-2,029	33,504	-6%
Wholesale and retail trade	6,140,441	-84,567	6,055,874	-1%
Transport and storage	1,197,760	-23,382	1,174,378	-2%
Catering	222,567	-12,269	210,298	-6%
Information and communications	1,200,452	-7,184	1,193,268	-1%
Professional, scientific and technical activities	767,654	-4,586	763,068	-1%
Administrative activities and back-office	622,243	-8,297	613,946	-1%
Education	410,418	-1,193	409,225	0%
Health activities and social work activities	509,945	-9,253	500,692	-2%
Artistic, recreational and entertainment activities	162,371	-3,740	158,631	-2%
Other services	45,745	-768	44,977	-2%
Construction	1,073,979	-61,861	1,012,118	-6%
Real estate activities	237,430	-6,168	231,262	-3%
Financial and insurance-related activities	1,713,116	-53,370	1,659,746	-3%
Individuals	45,102,248	-3,509,511	41,592,737	-8%
Total balance at December 31, 2024	**$ 76,759,836**	**$ -3,935,544**	**$ 72,824,292**	**-5%**

December 31, 2023

Modality	Total Gross Risk	Total Provision	Net Carrying Value	%
Government agencies	$ 6,622,230	$ -41,662	$ 6,580,568	-1%
Credit institutions	134,668	-518	134,150	0%
Other financial institutions	1,166,120	-1,629	1,164,491	0%
Non-financial corporations	22,412,034	-598,909	21,813,125	
Agriculture, forestry and fishing	589,945	-27,919	562,026	-5%
Extractive industries	336,417	-48,157	288,260	-14%
Manufacturing industry	5,924,147	-83,883	5,840,264	-1%
Supply of electricity, gas, steam and air conditioning	2,157,636	-2,427	2,155,209	0%
Water supply	43,580	-3,205	40,375	-7%
Wholesale and retail trade	5,461,982	-99,836	5,362,146	-2%
Transport and storage	1,213,804	-40,541	1,173,263	-3%
Catering	202,110	-18,137	183,973	-9%
Information and communications	422,503	-7,468	415,035	-2%
Professional, scientific and technical activities	673,805	-5,743	668,062	-1%
Administrative activities and back-office	444,300	-8,296	436,004	-2%
Education	417,419	-2,132	415,287	-1%
Health activities and social work activities	611,684	-11,391	600,293	-2%
Artistic, recreational and entertainment activities	163,684	-13,804	149,880	-8%
Other services	35,849	-1,767	34,082	-5%
Construction	1,202,122	-137,623	1,064,499	-11%
Real estate activities	305,189	-14,650	290,539	-5%
Financial and insurance-related activities	1,923,378	-71,671	1,851,707	-4%
Individuals	45,565,948	-2,960,021	42,605,927	-6%
Total balance at December 31, 2023	**$ 75,901,000**	**$ -3,602,739**	**$ -72,298,261**	**-5%**

Loan portfolio assessed individually:

December 31, 2024

Modalities	Gross value	Collateral	Impairment
Commercial Loan Portfolio	$ 916,289	$ 1,176,897	$ -200,246
Consumer Loan Portfolio	269	0	-97
Mortgage portfolio	6,066	5,405	-2,352
Total net loan portfolio and finance lease transactions	**$ 922,624**	**$ 1,182,302**	**$ -202,695**

December 31, 2023

Modalities	Gross value	Collateral	Impairment
Commercial Loan Portfolio	$ 1,186,368	$ 2,014,253	$ -365,570
Consumer Loan Portfolio	374	0	-197
Mortgage portfolio	3,875	3,249	-1,876
Total net loan portfolio and finance lease transactions	**$ 1,190,617**	**$ 2,017,502**	**$ -367,643**

Portfolio sales

Year 2024

During 2024, the Bank conducted portfolio sale transactions for a total of COP 1,489,220, where 98% of said assets had been written-off.

The breakdown of the portfolio transferred by modality was: Mortgage, 0.29%; Commercial, 7.22%; and Consumer, 92.49%; these transactions were conducted in the months listed below:

		Total Debt by Portfolio Type		
Month	**Consumer**	**Mortgage**	**Commercial**	**Total Debt**
January	$ 50	$ 0	$ 0	$ 50
February	412,052	198	1,707	413,957
March	0	0	605	605
April	265,669	247	9,393	275,309
May	362	250	1,511	2,123
June	432,988	482	268	433,738
July	206,529	304	59,574	266,407
August	546	275	9,533	10,354
September	0	0	16,119	16,119
October	57,540	58	6,229	63,827
November	470	215	2,313	2,998
December	1,114	2,327	292	3,733
Total	**$ 1,377,320**	**$ 4,356**	**$ 107,544**	**1,489,220**
% of portfolio share sold	**92.49%**	**0.29%**	**7.22%**	**100,00%**

Year 2023

During 2023, the Bank conducted portfolio sale transactions for a total of COP 991,499, where 98% of said assets had been written-off.

The breakdown of the portfolio transferred by modality was: Mortgage, 7%; Commercial, 6%; and Consumer, 87%; these transactions were conducted in the months listed below:

	Total Debt by Portfolio Type			
Month	**Consumer**	**Mortgage**	**Commercial**	**Total Debt**
January	$ 608	$ 749	$ 0	$ 1,357
February	1,412	2,065	0	3,477
March	72,054	352	248	72,654
April	486	673	317	1,476
May	51	230	1,775	2,056
June	261,085	85	2,653	263,823
July	8	108	1,427	1,543
August	41,652	82	796	42,530
September	11,807	22	2,612	14,441
October	13,289	59,529	386	73,204
November	463,007	362	30,931	494,300
December	152	898	19,588	20,638
Total	**$ 865,611**	**$ 65,155**	**$ 60,733**	**991,499**
% of portfolio share sold	**87.30%**	**6.57%**	**6.13%**	**100,00%**

11. Securitization and Buyback of Securitized Portfolio

In the securitization processes, the Group aims to eliminate the market risk of loans in Colombian pesos, turning the current portfolio into liquid assets by favorably improving the LRI ratio, reducing regulatory capital consumption in the balance sheet, optimizing the solvency ratio and creating opportunities for growth in the placement of a new portfolio at better rates on the market.

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

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

At December 31, 2024 and 2023, an allowance was established on a security (INSC15061232) for a total of COP 91, in accordance with the guidelines established by Chapter I – 1 of the Basic Accounting and Financial Notice (CBCF, for the Spanish original) (Public Notice 100/95) of the SFC, according to the instruction of Section 2.4 of Chapter XV of the CBCF.

Due to the above, at December 2024 there were 7 series in the market, of which the Group holds series B, MZ and C of the N-16 Pesos issuance, and series B1 and B2 of the N23 Pesos issuance.

The details and balance of the securities from securitization processes (TIPS) are shown in the table below:

Series	Initial nominal value	Issue Date	Maturity Date	Term	2024	2023
TIPS Colombian Pesos N-16 B 2032	$ 16,605	07/12/2017	07/12/2032	15	$ 15,573	$ 15,573
TIPS Colombian Pesos N-16 MZ 2032	3,180	07/12/2017	07/12/2032	15	3,206	3,207
TIPS Colombian Pesos N-16 C 2032	830	07/12/2017	07/12/2032	15	838	839
TIPS Colombian Pesos N-23 B 1	3,013	19/07/2024	17/07/2039	15	1,498	0
TIPS Colombian Pesos N-23 B 2	6,027	19/07/2024	17/07/2039	15	6,998	0
Total	**$ 29,655**				**$ 28,113**	**$ 19,619**

Productive portfolio securitization: On July 17, 2024, Non-LIH TIPS Pesos N23 issuance was made for a total of COP 200,880, distributed in the following classes and amounts:

- Series A2039 for COP 182,801
- Series B1-2039 for COP 6,026.
- Series B2-2039 for COP 12,052.

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

	2024		2023	
Issuance	Managed portfolio – total principal	Balances in BBVA TIPS securities	Managed portfolio – total principal	Balances in BBVA TIPS securities
TIPS N-16	$26,140	$ 20,000	$ 34,586	$ 19,618
TIPS N-23	162,713	8,496	0	0
Total	**$ 188,853**	**$ 28,496**	**$ 34,586**	**$ 19,618**

Portfolio buyback: In 2024, 55 credits were bought back from Titularizadora Colombiana S.A. of issuance N16 PESOS and N23 PESOS, for a total of COP 4,020, which includes buybacks due to the request to decrease rates and remodeling. In addition, 1,949 loans were unlinked in the amount of COP 145,239, because securitized loans were linked in the N23 issuance on July 15 in the amount of COP 346,119, and the amount expected in the TIPS issuance by Titularizadora Colombiana S.A. was not completed, where only COP 200,880 were placed, which implied that the difference that was not placed or issued had to be returned to the balance sheet.

Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of credits	0	1	1	2	2	1	1,950	11	4	11	11	10	**2,004**
Total balance of principal	0	5	0	26	56	48	144,979	1,367	343	857	886	692	**$ 149,259**
Total balance of debt	0	5	0	27	56	48	147,935	1,375	345	864	893	697	**$ 152,245**

Portfolio buyback: In 2023, 63 credits were bought back from Titularizadora Colombiana S.A. of issuance N16 PESOS, for a total of COP 1,975, which includes buybacks due to the request to decrease rates, remodeling, and write-offs.

Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
No. of credits	0	0	1	3	0	1	2	2	2	1	51	0	**63**
Total balance of principal	0	0	5	40	0	34	95	74	166	120	1,442	0	**$ 1,976**
Total balance of debt	0	0	5	54	0	34	95	82	167	120	1,580	0	**$ 2,137**

11.1. HISTORY OF PRODUCTIVE PORTFOLIO SECURITIZATION

TIPS E-9 Pesos: In December 2008, TIPS E-9 were issued for a total of COP 401,000, of which BBVA had a share of COP 140,000. The Class A TIPS for COP 369,000, Class B TIPS for COP 30,000 and Class MZ TIPS for COP 2,000 have ratings of AAA, AA- and BBB, respectively, and their maturity is between 2010 and 2023.

In March 2016, the securities of the TIPS E-9 issuance were paid.

The close-out clause was triggered for the issuance due to the full repayment of the securities, and each bank proceeded to wind up the overall fund. This procedure gave rise to payment of the Residual Rights that the Group had on these four issuances, with in-kind payment of loans that were under management by these issuances.

The close-out date of these funds was November 23, 2021.

TIPS E-10 Pesos: In March 2009, TIPS E-10 were issued for a total of COP 498,593, of which BBVA had a share of COP 74,233. The Class A TIPS for COP 458,000, Class B TIPS for COP 37,000 and Class MZ TIPS for COP 10,000 issued have ratings of AAA, AA-, and BBB, respectively, and their maturity is between 2019 and 2024.

In May 2015, the securities of the TIPS E-10 issuance were paid.

The close-out clause was triggered for the issuance due to the full repayment of the securities, and each bank proceeded to wind up the overall fund. This procedure gave rise to payment of the Residual Rights that the Group had on these four issuances, with in-kind payment of loans that were under management by these issuances.

The close-out date of these funds was November 23, 2021.

TIPS E-11 Pesos: In May 2009, TIPS E-11 were issued for a total of COP 431,857, of which BBVA had a share of COP 48,650. The TIPS E-11 in Class A for COP 399,000, Class B for COP 32,000 and Class MZ for COP 11,000 issued have ratings of AAA, AA, and BBB-, respectively, and their maturity is between 2019 and 2024.

In November 2014, the securities of the TIPS E-11 issuance were paid.

The close-out clause was triggered for the issuance due to the full repayment of the securities, and each bank proceeded to wind up the overall fund. This procedure gave rise to payment of the Residual Rights that the Group had on these four issuances, with in-kind payment of loans that were under management by these issuances.

The close-out date of these funds was November 23, 2021.

TIPS E-12 Pesos: In August 2009, TIPS E-12 were issued for a total of COP 376,820, of which BBVA had a share of COP 78,745. The TIPS E-12 in Class A for COP 349,000, Class B for COP 28,000 and MZ for COP 9,000 issued have ratings of AAA, AA, and BBB-, respectively, and their maturity is between 2019 and 2024.

In June 2015, the securities of the TIPS E-12 issue were paid.

The close-out clause was triggered for the issuance due to the full repayment of the securities, and each bank proceeded to wind up the overall fund. This procedure gave rise to payment of the Residual Rights that the Group had on these four issuances, with in-kind payment of loans that were under management by these issuances.

The close-out date of these funds was November 23, 2021.

TIPS N-6 Pesos: In August 2012, mortgage 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 COP 381,882 distributed in the following classes and amounts: Series A2022, for COP 322,872; series B2027 for COP 46,125; series MZ for COP 11,040; and Series C for COP 1,845.

The first lot: Total TIPS purchased by the market (87.5%) corresponded to Series A2022 for COP 322,872; of this first lot, the TIPS sold according to share percentage of the BBVA portfolio were: Series A2022 for COP 186,489.

The second lot: TIPS purchased by the originators (12.5%) from their portfolio + excess NPV cash flow (MZ-C) distributed as follows: B2027 for COP 46,125, MZ 2027 for COP 11,040; and C2027 for COP 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 COP 26,641; TIPS MZ 2027 for COP 6,104; and C2027 for COP 1,066, for a total of COP 33,811.

Class B, MZ and C TIPS issued are rated BBB+, CC and CC, respectively.

This issuance of February 24, 2022, was settled in advance when the cause for early settlement of section 12.3.1 of the Issuance Regulations was fulfilled.

"When the total balance of principal of the mortgage loans on the payment date is less than or equal to 5% of the total balance of principal of all the mortgage loans at the date of issuance (August 23, 2012)."

TIPS N-16 Pesos: In November 2017, TIPS N16 Pesos LIH and Non-LIH were issued, representing mortgage loans originated by BBVA Colombia S.A. for a total of COP 167,252, Bancolombia COP 105,599 and Davivienda S.A. COP 106,359.

On December 6, LIH and Non-LIH TIPS N16 Pesos were issued, for a total of COP 385,473 distributed in the following classes and amounts: Series A2027 for COP 339,124, Series B2032 for COP 37,680, Series MZ for COP 6,785 and Series C for COP 1,884.

The first lot: Total TIPS purchased by the market (90%) corresponded to Series A2027 for COP 339,124; of this first lot TIPS sold according to the share percentage of the BBVA portfolio were Series A2027 for COP 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 COP 46,125, MZ 2027 for COP 11,040; and C2027 for COP 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 COP 16,604, TIPS MZ 2032 for COP 3,180 and C2032 for COP 830, for a total of COP 20,614.

The Class B, MZ and C TIPS issued are rated BBB, BB+ and BB- respectively.

TIPS N-23 Pesos: In July 2024, TIPS N23 Pesos Non-LIH were issued, representing mortgage loans originated by BBVA Colombia S.A. for a total of COP 200,880.

On July 17, Non-LIH TIPS N23 Pesos were issued, for a total of COP 200,880 distributed in the following classes and amounts: Series A2039 amount COP 182,801, series B1-2039 amount COP 6,026, series B2-2039 amount COP 12,052

The first lot: Total TIPS purchased by the market (91%) were of Series A2039 for an amount of COP 182,801.

The second lot: 50% of TIPS B1, B2 were acquired by the originator and the remainder by the market. It was the first time that subordinated securities were placed in the primary market.

The following were the TIPS acquired by BBVA:

- B1, 2039 3,013,200,000
- B2, 2039 6,026,400,000

Class B1 and B1 TIPS issued are rated AA- and BBB, respectively.

12. Fair Value

According to IFRS 13, fair value is the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between participants of the main market on the measurement date, or in the absence thereof, the most advantageous market to which the Group 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 Group 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 the average market prices and methodologies as a basis to establish the fair values of its financial instruments, which are provided by the price vendors (Precia S.A. and PIP Colombia S.A.) for valuation, selected by the entity 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, several degrees of judgment are required, 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.

Valuation techniques

Approach of the internal valuation techniques. BBVA 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 inputs and minimizing the use of non-observable inputs.

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. Listed prices, and in the absence thereof, other relevant information generated by market transactions involving identical or comparable financial instruments, will be used to determine the fair value of financial instruments, when applicable.

Income Approach. Present value techniques and options valuation models (Black & Scholes Model) will be used to measure the fair value of financial instruments, as the case may be. The observable input will be maximized always using discount curves, volatilities and other market variables that are observable and reflect the assumptions that the market participants would use for pricing the financial instrument.

Valuation of financial instruments. BBVA Group Colombia measures fair values using the following hierarchy, according to the importance of the input variables used for measurement:

- **Level 1.** The market price listed (unadjusted) on an active market for an identical instrument.

- **Level 2.** Valuation techniques based on observable factors, whether directly (such as prices) or indirectly (such as price derivatives). This category includes instruments valued using: market prices listed on active markets for similar instruments; listed prices for similar instruments on markets that are not considered very active; or other valuation techniques where all significant input is directly or indirectly observable based on market data.

- **Level 3 Fixed income.** Input for assets or liabilities that is not based on observable market data. This category includes all the instruments where the valuation technique includes factors that are not based on observable data and the non-observable factors can have a significant effect on the valuation of the instrument. This category includes instruments that are valued based on prices listed for similar instruments where significant non-observable assumptions or adjustments are required to reflect the differences between instruments. If a fair value measurement uses observable market data that require significant adjustments based on non-observable data, the measurement is classified as level 3.

- 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 recognized by the equity method and thus are classified at level 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.

Below we summarize the methods and valuation forms for investments in equity instruments:

		Enfoque	
Investments in Equity Instruments	**Levels**	**2024**	**2023**
Credibanco S.A.	3	Income	Income
Redeban Multicolor S.A.	3	Assets	Income
ACH Colombia S.A.	3	Income	Income
Fondo para el Financiamiento del Sector Agropecuario “FINAGRO”	3	Assets	The valuation was performed using an internal model of projected cash flows

* Valued at amortized cost

For the case of the participation in the new Holding Bursátil Chilena S.A, the share price published by the Bolsa de Comercio de Santiago BCS S.A. converted to Colombian Pesos is considered.

Following is a detailed analysis of the sensitivity of changes in the Group's equity instrument investments:

			Present Value Adjusted by Discount Rate			
			2024		2023	
Entity	Variables	Variation	Favorable Impact	Unfavorable Impact	Favorable Impact	Unfavorable Impact
Credibanco S,A,	Income	+/ - 100pb	117,13	109,71	122,76	115,08
	Perpetuity Gradient	+/ - 100pb	116,77	110,34	126,93	112,27
	Discount rate	+/ - 50pb	119,14	108,18	125,37	113,05
Redeban Multicolor S,A,	Income	+/ - 100pb			26,037.89	24,607.43
	Perpetuity Gradient	+/ - 100pb			26,011.78	25,074.79
	Discount rate	+/ - 50pb			25,565.11	25,493.71
ACH Colombia S,A,	Income	+/ - 100pb	185,963.25	177,942.27	171,220.58	163,589.14
	Perpetuity Gradient	+/ - 100pb	191,908.85	173,571.72	177,499.04	159,030.43
	Discount rate	+/ - 50pb	183,082.93	180,836.96	168,219.38	166,600.77

Details are provided on the sensitivity analysis of the investment in equity instruments of the Fund for the Financing of the agricultural sector "FINAGRO".

Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"

Any valuation made using the discounted cash flow methodology has a certain degree of subjectivity. For this reason, PIP Colombia S.A. conducted a sensitivity analysis to define a range for the price of Finagro's share; the analysis takes into account changes in the cost of capital (Ke) and the perpetual growth rate, which can be found in the following table.

Sensitivity Analysis of Share Price					
	Perpetual Growth Rate				
Ke (Cost of Capital)	1.70%	2.20%	2.70%	2.49%	2.99%
14.57%	$3,557.95	$3,588.76	$3,622.16	$ 3,607.92	$3,642.99
15.07%	3,532.65	3,561.28	3,592.22	3,579.04	3,611.47
15.57%	3,509.18	3,535.86	3,564.61	3,552.37	3,582.45
16.07%	3,487.33	3,512.26	3,539.06	3,527.67	3,555.65
16.57%	3,466.96	3,490.31	3,515.35	3,504.71	3,530.82

Redeban Multicolor S.A.

Any valuation made using the discounted cash flow methodology has a certain degree of subjectivity. For this reason, PIP Colombia S.A., performed a sensitivity analysis to define an Equity Value range for Redeban. Our analysis considers the changes in the weighted average cost of capital (WACC) and the growth rate at perpetuity, which are indicated in the following table:

Sensitivity Analysis of Share Price					
	Tasa de crecimiento a perpetuidad				
Ke (Cost of Capital)	1.60%	2.10%	2.60%	3.10%	3.60%
13.22%	$1,290,235	$1,290,235	$1,290,235	$1,290,235	$1,290,235
14.22%	1,240,760	1,240,760	1,240,760	1,240,760	1,240,760
15.22%	1,193,683	1,193,683	1,193,683	1,193,683	1,193,683
16.22%	1,148,868	1,148,868	1,148,868	1,148,868	1,148,868
17.22%	1,106,185	1,106,185	1,106,185	1,106,185	1,106,185

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 BBVA Group measures the market value of investments, based on liquidity and depth of the market in debt securities that are marketable and available for sale by using the "unadjusted" prices published on a daily basis by the price vendor "Precia – Proveedor de Precios Para Valoración", selected by the Group.

The market price bases are provided by the price vendor authorized by the Financial Superintendence of Colombia. 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, but whose price is determined based on other prices that are observable on the market, the entity shall classify these instruments at level 2.

Investments in debt securities at amortized cost in local currency for which there is no price published on a given date are valued 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-pricing of the variable indicator. These securities are assigned a classification depending on when the position is closed out.

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 Financial Superintendence of Colombia 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 (IRR) calculated at the time of the purchase and recalculated on the coupon payment dates or the variable indicator's re-price date as applicable. Securities calculated based on the latter model (IRR) shall be classified as Level 3.

Derivative Financial Instruments

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 market spot price or index. The BBVA Group carries out transactions with commercial purposes or hedging purposes in forwards, options and swaps.

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

For the derivative financial instruments listed below, except for futures, fair value is calculated 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 Condensed Interim Consolidated Statement of Financial Position; therefore, the valuation process is described by product:

FX Forward (Fwd). Discounted cash flow is the valuation model used. The vendor publishes encrypted curves 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 data.

Interest and exchange rate swaps. The valuation model is based on discounted cash flows. These market inputs are taken from the information published by "Precia", the official price vendor, which publishes the encrypted curves in accordance with the underlying asset, base swap curves.

European Options - USD/COP. The valuation model is based on the Black Scholes methodology using the variables provided by the official price vendor.

The Group has determined that derivative assets and liabilities measured at fair value are classified as Level 2 as illustrated below, indicating the fair value hierarchy of the derivatives recorded at fair value.

Fair value of financial assets and liabilities recorded at amortized cost determined only for disclosure purposes

Below are the details of the way in which the financial assets and liabilities, managed in accounting at amortized cost, were measured at fair value solely for the purposes of this disclosure.

Sensitivity of loan portfolio and lease transactions and investments and customer deposits

Due to the unavailability of observable market valuation inputs, the fair value estimation for these assets and liabilities is carried out using the discounted cash flow method with market discount rates at the valuation date, including spreads.

Regarding the loan portfolio, loans to customers are classified as level 3, loans to credit institutions and loans to central banks are level 2. For portfolio, the expected cash flows are projected taking into account balance reductions due to early client payments that are modeled from historical information in addition to the discount, credit spreads are included.

In turn, deposits in customer accounts are segmented into term deposits and demand deposits. For the former, cash flows contractually agreed upon are discounted using current market rates and classified as level 3, while those from credit institutions and central banks are classified as level 2. For demand deposits, they are classified as level 3.

Financial Assets and Liabilities not measured at fair value

December 31, 2024

	2024				
Assets	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Commercial Loan Portfolio	$ 31,757,599	$ 32,818,435	$ 0	$ 0	$ 32,818,435
Consumer portfolio	26,147,083	29,448,891	0	0	29,448,891
Mortgage portfolio	14,919,610	15,702,246	0	0	15,702,246
Loan portfolio	72,824,292	77,969,572	0	0	77,969,572
Agricultural development securities	1,886,083	1,889,321	0	0	1,889,321
Solidarity Securities	1,146,419	1,150,188	0	0	1,150,188
Treasury securities - TES	198,360	200,763	0	0	200,763
Mortgage securities - TIPS	12,531	11,554	0	0	11,554
Investments at amortized cost	3,243,393	3,251,826	0	0	3,251,826
Total loan portfolio and investments	**$ 76,067,685**	**$ 81,221,398**	**$ 0**	**$ 0**	**$ 81,221,398**

	2024				
Liabilities	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Demand deposits	$ 41,168,656	$ 41,168,656	$ 0	$ 0	$ 41,168,656
Checking deposits	7,914,440	7,914,440	0	0	7,914,440
Savings deposits	31,995,930	31,995,930	0	0	31,995,930
Other deposits	1,258,286	1,258,286	0	0	1,258,286
Term deposits	37,674,474	38,131,842	0	397,343	37,734,499
Certificates of deposit and real value savings certificates	37,674,474	38,131,842	0	397,343	37,734,499
Total deposits and current liabilities	$ 78,843,130	$ 79,300,498	$ 0	$ 397,343	$ 78,903,155

December 31, 2023

	2023				
Assets	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Commercial Loan Portfolio	$ 30,300,587	$ 29,911,624	$ 0	$ 0	$ 29,911,624
Consumer portfolio	27,402,510	14,584,024	0	0	14,584,024
Mortgage portfolio	14,595,164	28,512,765	0	0	28,512,765
Loan portfolio	**72,298,261**	**73,008,413**	**0**	**0**	**73,008,413**
Agricultural development securities	2,103,449	2,105,097	0	0	2,105,097
Solidarity Securities	1,151,101	1,157,111	0	0	1,157,111
Mortgage securities - TIPS	4,039	4,044	0	0	4,044
Held-to-maturity investments	**3,258,589**	**3,266,252**	**0**	**0**	**3,266,252**
Total loan portfolio and investments	**$ 75,556,850**	**$ 76,274,665**	**$ 0**	**$ 0**	**$ 76,274,665**

	2023				
Liabilities	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Demand deposits	**$40,430,341**	**$ 40,430,341**	**$ 0**	**$ 0**	**$40,430,341**
Checking deposits	7,926,833	7,926,833	0	0	7,926,833
Savings deposits	31,525,134	31,525,134	0	0	31,525,134
Other deposits	978,374	978,374	0	0	978,374
Term deposits	**36,486,819**	**33,451,258**	**0**	**0**	**33,451,258**
Certificates of deposit and real value savings certificates	36,486,819	33,451,258	0	0	33,451,258
Total deposits and current liabilities	**$ 76,917,160**	**$ 73,881,599**	**$ 0**	**$ 0**	**$ 73,881,599**

The following is a summary of the fair value hierarchy at December 31, 2024:

Assets and Liabilities	2024				
Hierarchies	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets	$ 13.701.782	$ 13.701.782	$ 6.586.304	$ 6.518.825	$ 596.653
Assets at fair value measured on a recurring basis	13.701.782	13.701.782	6.586.304	6.518.825	596.653
Investments	7.616.531	7.616.531	6.586.304	433.574	596.653
Investments at fair value through profit or loss	3.434.032	3.434.032	3.074.277	359.755	0
Bonds	10.938	10.938	0	10.938	0
Certificate of deposit	338.235	338.235	0	338.235	0
Treasury securities - TES	3.084.859	3.084.859	3.074.277	10.582	0
Investments at fair value through OCI	3.601.788	3.601.788	3.512.027	73.819	15.942
Treasury securities - TES	3.326.872	3.326.872	3.289.279	37.593	0
Certificate of deposit	36.226	36.226	0	36.226	0
Mortgage securities - TIPS	15.942	15.942	0	0	15.942
Other securities	222.748	222.748	222.748	0	0
Investments in Equity Instruments	446.913	446.913	0	0	446.913
Holding Bursátil Chilena SA	55.549	55.549	0	0	55.549
Credibanco S.A.	131.806	131.806	0	0	131.806
Redeban Multicolor S.A.	122.144	122.144	0	0	122.144
ACH Colombia S.A.	137.414	137.414	0	0	137.414
Investments in non-controlled entities	133.798	133.798	0	0	133.798
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	133.798	133.798	0	0	133.798

Assets and Liabilities	2024				
Derivative financial instruments and (asset) cash transactions	6.085.251	6.085.251	0	6.085.251	0
Trading	**5.665.200**	**5.665.200**	**0**	**5.665.200**	**0**
Forward contracts	2.106.305	2.106.305	0	2.106.305	0
Cash transactions	271	271	0	271	0
Options	31.908	31.908	0	31.908	0
Swaps	3.526.716	3.526.716	0	3.526.716	0
Hedging	**420.051**	**420.051**	**0**	**420.051**	**0**
Swaps	420.051	420.051	0	420.051	0
Liabilities	**5.721.305**	**5.721.305**	**0**	**5.721.305**	**0**
Liabilities at fair value measured on a recurring basis	**5.721.305**	**5.721.305**	**0**	**5.721.305**	**0**
Derivative Financial Instruments and (Liability) Cash Transactions	**5.721.305**	**5.721.305**	**0**	**5.721.305**	**0**
Trading	**5.721.305**	**5.721.305**	**0**	**5.721.305**	**0**
Forward contracts	2.080.718	2.080.718	0	2.080.718	0
Cash transactions	32	32	0	32	0
Options	31.927	31.927	0	31.927	0
Swaps	3.608.628	3.608.628	0	3.608.628	0
Hedging	**0**	**0**	**0**	**0**	**0**
Swaps	0	0	0	0	0

Assets and Liabilities	2024				
Hierarchies	**Carrying Value**	**Amortized Cost**	**Level 1**	**Level 2**	**Level 3**
Assets	$ 13,255,734	$ 13,255,734	$ 9,864,726	$ 1,090,539	$ 0
Assets measured on a non-recurring basis	13,255,734	13,255,734	9,864,726	1,090,539	0
Cash, cash balances in central banks and other demand deposits	10,955,265	10,955,265	9,864,726	1,090,539	0
Cash and deposits in banks	9,864,726	9,864,726	9,864,726	0	0
Investment funds	31,364	31,364	0	31,364	0
Money market and related transactions	1,059,175	1,059,175	0	1,059,175	0
Others	2,300,469	2,300,469	0	0	0
Advances to contracts and suppliers	152,974	152,974	0	0	0
Accounts receivable (net)	2,147,495	2,147,495	0	0	0
Liabilities	10,502,486	10,502,486	10	3,368,426	5,295,920
Investment securities	3,368,426	3,368,426	0	3,368,426	0
Outstanding Investment Securities	3,368,426	3,368,426	0	3,368,426	0
Financial Obligations	5,295,920	5,295,920	0	0	5,295,920
Bank credits and other financial obligations	5,295,920	5,295,920	0	0	5,295,920
Others	1,838,140	1,838,140	0	0	0
Accounts payable	1,062,997	1,062,997	0	0	0
Other Liabilities	775,143	775,143	0	0	0
Total assets and liabilities at fair value	**$ 43,181,307**	**$ 43,181,307**	**$ 16,451,030**	**$ 16,699,095**	**$ 5,892,573**

At year-end 2024, there was a transfer between hierarchy levels for the investment in Holding Bursátil Chilena S.A., which is now at level 3 and at year-end 2023 was at level 1.

	Levels			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Transfers				
Transfer from Stage 1 to Stage 3	$ (64,544)	$ 0	$55,549	$ (8,995)

The following is a summary of the fair value hierarchy at December 31, 2023:

Assetss y pasivos	2023				
Hierarchies	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Hierarchies	**$ 16,198,543**	**$ 16,198,543**	**$ 4,140,759**	**$ 11,721,457**	**$ 336,327**
Assets	**16,198,543**	**16,198,543**	**4,140,759**	**11,721,457**	**336,327**
Assets at fair value measured on a recurring basis	**6,658,934**	**6,658,934**	**4,140,759**	**2,181,848**	**336,327**
Investments	**3,722,995**	**3,722,995**	**1,561,621**	**2,161,374**	**0**
Investments at fair value through profit or loss	15,843	15,843	0	15,843	0
Bonds	1,286,646	1,286,646	0	1,286,646	0
Certificate of deposit	2,420,506	2,420,506	1,561,621	858,885	0
Treasury securities - TES	**2,550,615**	**2,550,615**	**2,514,594**	**20,474**	**15,547**
Investments at fair value through OCI	2,514,594	2,514,594	2,514,594	0	0
Treasury securities - TES	20,474	20,474	0	20,474	0
Certificate of deposit	15,547	15,547	0	0	15,547
Mortgage securities - TIPS	**344,388**	**344,388**	**64,544**	**0**	**279,844**
Investments in Equity Instruments	64,544	64,544	64,544	0	0
Holding Bursátil Chilena SA	135,909	135,909	0	0	135,909
Credibanco S.A.	25,586	25,586	0	0	25,586
Redeban Multicolor S.A.	118,349	118,349	0	0	118,349
ACH Colombia S.A.	**40,936**	**40,936**	**0**	**0**	**40,936**

Assetss y pasivos	2023				
Investments in non-controlled entities	40,936	40,936	0	0	40,936
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO"	9,539,609	9,539,609	0	9,539,609	0
Derivative financial instruments and (asset) cash transactions	9,320,646	9,320,646	0	9,320,646	0
Trading	5,756,081	5,756,081	0	5,756,081	0
Forward contracts	986	986	0	986	0
Cash transactions	53,042	53,042	0	53,042	0
Options	3,510,537	3,510,537	0	3,510,537	0
Swaps	218,963	218,963	0	218,963	0
Hedging	218,963	218,963	0	218,963	0
Swaps	9,559,047	9,559,047	0	9,559,047	0
Liabilities	9,559,047	9,559,047	0	9,559,047	0
Liabilities at fair value measured on a recurring basis	9,559,047	9,559,047	0	9,559,047	0
Derivative Financial Instruments and (Liability) Cash Transactions	9,544,711	9,544,711	0	9,544,711	0
Trading	5,899,280	5,899,280	0	5,899,280	0
Forward contracts	107	107	0	107	0
Cash transactions	53,056	53,056	0	53,056	0
Options	3,592,268	3,592,268	0	3,592,268	0
Swaps	14,336	14,336	0	14,336	0
Hedging	14,336	14,336	0	14,336	0

Assetss y pasivos	2023				
Hierarchies	**Carrying Value**	**Amortized Cost**	**Level 1**	**Level 2**	**Level 3**
Assets	**11,997,897**	**11,997,897**	**8,580,285**	**2,605,188**	**0**
Assets measured on a non-recurring basis	**11,997,897**	**11,997,897**	**8,580,285**	**2,605,188**	**0**
Cash, cash balances in central banks and other demand deposits	**11,185,473**	**11,185,473**	**8,580,285**	**2,605,188**	**0**
Cash and deposits in banks	8,580,285	8,580,285	8,580,285	0	0
Investment funds	29,057	29,057	0	29,057	0
Money market and related transactions	2,576,131	2,576,131	0	2,576,131	0
Others	**812,424**	**812,424**	**0**	**0**	**0**
Advances to contracts and suppliers	105,939	105,939	0	0	0
Accounts receivable (net)	706,485	706,485	0	0	0
Liabilities	**9,410,916**	**9,410,916**	**0**	**2,519,332**	**5,137,874**
Investment securities	**2,519,332**	**2,519,332**	**0**	**2,519,332**	**0**
Outstanding Investment Securities	2,519,332	**2,519,332**	**0**	**2,519,332**	**0**
Financial Obligations	**5,137,874**	**5,137,874**	**0**	**0**	**5,137,874**
Bank credits and other financial obligations	5,137,874	5,137,874	0	0	5,137,874
Others	**1,753,710**	**1,753,710**	**0**	**0**	**0**
Accounts payable	1,021,094	1,021,094	0	0	0
Other Liabilities	732,616	732,616	0	0	0
Total assets and liabilities at fair value	**$ 47,166,403**	**$ 47,166,403**	**$ 12,721,044**	**$ 26,405,024**	**$ 5,474,201**

No transfers between hierarchy levels were made in 2023

Fair Value measurements classified in level 3

The following are the movements of assets classified in the level 3 hierarchy level:

Level 3 investments disclosure	2024	2023
Balance at the beginning of year	$ 3,281,799	$ 3,015,085
Purchases	2,694,579	3,182,712
Sales / maturities	(3,272,657)	(3,043,327)
Valuation	564,047	126,493
Impairment	0	836
Balance at the end of year	**$ 3.267.768**	**$ 3.281.799**

Throughout 2024, there was a variation in investments classified as level 3, which correspond to maturities of securities carried out by the Group in accordance with the nature and dynamics of the business.

13. Accounts receivable, Net

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

Item	2024	2023
Deposits for executive proceedings, collateral and others (1)	$ 1,718,410	$ 355,183
Accounts transferred to Icetex	155,532	155,145
Other advances to contracts and suppliers (2)	152,974	105,939
Prepaid expenses	57,425	45,488
Inactive National Treasury Department accounts	0	29,577
To parent company, subsidiaries, related parties and associates	693	464
Other tax assets	557	455
To employees	307	263
Fees (3)	21,771	19,887
Other (4)	206,158	112,940
Subtotal	**2,313,827**	**825,341**
Impairment of other accounts receivable (5)	(13,358)	(12,917)
Total accounts receivable, net	**$ 2,300,469**	**$ 812,424**

1. The main change is in temporary deposits, which represent the collateral required by foreign markets for transactions with derivatives, know as the Margin Call. These deposits are recognized as guarantees to cover exposures in these transactions, including Swap coupons.

   The increase in this line is due to rate fluctuations throughout 2024, which impacted margin requirements. As a result, the balance in December was USD 354,197,448 and EUR 212,415.

2. The increase in the advance payments account is mainly due to the formalization of new lease contracts, which include: (a) advance payments of the agro leasing line, and (b) advance payments in commercial leasing contracts. Additionally, advance payments were made for ATM maintenance and corporate software maintenance contracts.

3. The change in the fees line is due to: (i) the increase in credit card handling fees, related to a greater number of customers; and (ii) the increase in sales commissions through the Despegar platform, which increased during December.

4. The overall increase in the other line was COP 93,218, in which the main change was in accounts receivable, due to (a) greater settlement of foreign currency derivatives for COP 90,181, (b) movements with the Central Counterparty Clearing House for COP 28,881, and (c) adjustments in municipal accounts receivable due to change in the municipal tax rate (ICA) for COP 37,826.

5. The movement of the accounts receivable impairment account for the years ended December 31, 2024 and 2023 was as follows:

Movement of impairment account	2024	2023
Balance at the beginning of year	$ (12,917)	$ (22,505)
Impairment charged to expenses in the year (1)	(13,636)	(1,073)
Transfer other items	(358)	(99)
Impairment recoveries (2)	12,844	10,760
Impairment adjustment as per IFRS 9 in the Consolidated Statement of Other Comprehensive Income	709	0
Total at year end	**$ (13.358)**	**$ (12.917)**

1. The provision on accounts receivable associated with leasing contracts increased due to the following factors: (i) long past-due dates on customer payments, and (ii) accumulation of pending interest collection for COP 1,062, and provision related to Deceval seizures for COP 437.

2. During the period, COP 12,844, recoveries were recognized, mainly on losses of personal account write-offs in the amount of COP 1,003.

13.1 PREPAID EXPENSES

Prepaid expenses are summarized as follows:

Item	2024	2023
Corporate software maintenance	$ 31,750	$ 26,455
Insurance	9,598	11,012
Electronics	6,843	284
Others	9,234	7,737
Total prepaid expenses	**$ 57,425**	**$ 45,488**

Prepaid expenses includes major local and corporate software maintenance contracts; the amortization period cannot be longer than the term of the legal and contractual rights, but it can be less than that established by the parties. The time indicated in useful life depends on the period during which the Entity expects to use the asset.

Additions presented in 2024 in Prepaid Expenses correspond to payments made as follows:

- Payments made to acquire global, multi-risk, life and vehicle insurance policies.
- Payments made for renewals of software maintenance and support, transfer prices and technical data storage services.
- Deferred municipal tax generated during 2024.

The removals generated in 2024 correspond to amortizations generated during the year in which the services were received or the costs or expenses were incurred.

The movement of prepaid expenses during the years 2024 and 2023 was as follows:

December 31, 2024

Item	Balance 2023	Additions	Amortization	Reclassifications	Balance 2024
Corporate software maintenance	$ 26,455	$ 135,517	$ (130,205)	$ (17)	$ 31,750
Insurance	11,012	17,009	(18,440)	17	9,598
Electronics	284	11,437	(4,878)	0	6,843
Others	7,737	33,563	(32,066)	0	9,234
Total	**$ 45,488**	**$ 197,526**	**$ (185,589)**	**$ 0**	**$ 57,425**

December 31, 2023

Item	Balance 2023	Additions	Amortization	Balance 2023
Corporate software maintenance	$ 33,232	$ 111,030	$ (117,807)	$ 26,455
Insurance	9,382	26,679	(25,049)	11,012
Electronics	1,039	343	(1,098)	284
Others	3,599	35,677	(31,539)	7,737
Total	**$ 47,252**	**$ 173,729**	**$ (175,493)**	**$ 45,488**

14. Assetss tangibles, neto

The following is a summary of tangible assets, net:

December 31, 2024

Item	Land (8) (12)	Buildings (4) (9) (12)	Vehicles	Fixtures and accessories (2) (7) (10)	Computers (1) (6) (11)	Machinery, plant and equipment in assembly (5)	Improvements to assets under lease	Constructions under course (3)	Right-to-use assets	Properties in joint operations	Total
Cost											
Balance at December 31, 2023	$(143,233)	$(621,809)	$ 965	$ 247,314	$ 329,451	$ 843	$ 17,399	$ 1,077	$259,298	$ 2,150	**$ 1,623,539**
Purchases	0	0	0	26,691	43,415	1,917	0	26,067	0	0	**98,090**
Activations / additions	0	1,971	0	0	1,514	(1,514)	1,168	(3,139)	8,530	0	**8,530**
Removals	0	0	0	(5,296)	(37,084)	(78)	0	0	0	0	**(42,458)**
Transfer to non-current assets held for sale	(9,338)	(45,903)	0	(7,666)	(7,067)	0	0	0	0	0	**(69,974)**
Canceled contracts	0	0	0	0	0	0	0	0	(8,623)	0	**(8,623)**
Opening of accounts prior years	0	0	0	0	0	0	68,194	0	0	153	**68,347**
Cost balance at December 31, 2024	133,895	577,877	965	261,043	330,229	1,168	86,761	24,005	259,205	2,303	1,677,451
Depreciation											
Balance at December 31, 2023	0	(232,506)	(633)	(179,959)	(257,395)	0	(2,023)	0	(131,441)	(983)	**(804,940)**
Depreciation for the fiscal year	0	(6,088)	0	(17,041)	(29,030)	0	(1,856)	0	(32,892)	(262)	**(87,169)**

Item	Land (8) (12)	Buildings (4) (9) (12)	Vehicles	Fixtures and accessories (2) (7) (10)	Computers (1) (6) (11)	Machinery, plant and equipment in assembly (5)	Improvements to assets under lease	Constructions under course (3)	Right-to-use assets	Properties in joint operations	Total
Removals	0	0	0	5,296	36,231	0	0	0	0	0	**41,527**
Transfer to non-current assets held for sale	0	20,431	0	7,666	7,067	0	0	0	0	0	**35,164**
Canceled contracts	0	0	0	0	0	0	0	0	8,623	0	**8,623**
Withdrawal for Operational Risk	0	0	0	0	(465)	0	0	0	0	0	**(465)**
Opening of accounts prior years	0	0	0	0	0	0	(68,194)	0	0	0	**(68,194)**
Impairment balance at December 31, 2024	$ 0	$ (218,163)	$ (633)	$ (184,038)	$ (243,592)	$ 0	$ (72,073)	0	$ (155,710)	$ (1,245)	**$ (875,454)**
Impairment											
Balance at December 31, 2023	(9,169)	(15,425)	0	0	0	0	0	0	0	0	**(24,594)**
Impairment / recoveries on impairment	1,451	3,574	0	0	0	0	0	0	0	0	**5,025**
Impairment balance at December 31, 2024	$ (7,718)	$ (11,851)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	**$ (19,569)**
Carrying value at December 31, 2024	**$ 126,177**	**$ 347,863**	**$ 332**	**$ 77,005**	**$ 86,637**	**$ 1,168**	**$ 14,688**	**$ 24,005**	**$ 103,495**	**$ 1,058**	**$ 782,428**

Throughout 2024, a total purchase of tangible assets amounted to COP 98,090, with the most representative items being:

1. Computer equipment purchases totaled COP 43,415, with the most significant purchases as follows: purchase of 1,451 laptops for a total of COP 5,100; purchase of storage infrastructure and Ha Cabina Teusaquillo for a total of COP 2,635; purchase of BRS SAN storage for a total of COP 6,003; purchase of director switch for COP 937; purchase of 248 bill counters for COP 3,002; purchase of 163 thermal printers for a total of COP 1,187; purchase of 500 pin pads for a total of COP 568; purchase of 77 servers for a total of COP 896; purchase of 222 printers for COP 1,099; purchase of RKL servers to migrate Cryptosec local information security for COP 910.

2. The total purchase of fixtures and fittings was COP 26,691. Significant purchases included: uninterruptible power installation system for COP 1,776; 165 air conditioners for COP 4,859, purchase of 559 chairs for COP 1,130, purchase of 100 physical security devices for COP 708, purchase of 158 straight benches for offices for COP 246, purchase of 18 communications devices (Switches replaced due to obsolescence) for COP 2,344, purchase of 157 office items for COP 204 and payments 1 and 2 of service contract to supply, deliver, install, configure and deploy, support and maintenance of communications infrastructure for COP 4,558.

3. Purchases for constructions in progress totaled COP 26,067, related to office remodeling works for the NOVA project. This project focuses on achieving capital efficiencies by selling own branch offices acquired by the Group over the years and which, based on a business assessment, it was decided to close them and put them up for sale through the non-financial assets area, to either individuals or legal entities.

4. The addition of buildings for COP 1,971 corresponded to works in progress, including the relocation of the General Management main office for COP 997, the replacement of the water system in the main building for COP 613, and remodeling studies of the Nova project for COP 362.

5. Purchases of machinery, plant and equipment for installation totaled COP 1,917, for adaptation and transfer works to relocate ATMs and offices, in accordance with business requirements.

Tangible fixed assets have been derecognized during 2024 for a total cost value of COP 42,458, the great majority of which are direct write-offs. The following are the most significant:

6. Direct write-off of 574 ATMs for COP 20,815 because they are no longer in service or no longer have manufacturer support and it is not possible to update their operating systems to Windows 10; the direct write-off of 19 logical security assets for COP 3,498 related to the NetApp storage system and Appliance service, and the write-off of 154 laptops due to theft derived from the physical custody contract with the supplier Indra for COP 771.

7. The direct write-off of 40 assets associated with the telephone infrastructure for COP 2,159, due to their obsolescence and the change of the communications system; the direct write-off of 217 real estate assets unsuitable for use, including the office at Calle 34 for COP 248, and the direct write-off of 451 physical security devices due to their non-existence according to the audit to normalize inventories.

Throughout 2024, transfers of fixed assets to the non-financial asset management team (Ganf) were made for their commercialization at a total value of COP 69,974.

8. Transfer of properties: for COP 9,338, including 22 retail outlets for sale, as part of the project for renovation of Nova offices, and 2 partial transfers associated with renovation works of the Medellín metro. .

9. Transfer of buildings: 22 buildings were transferred for COP 45,903 as part of the Nova office renovation project..

10. Transfer of communications equipment: this transfer, approved by minutes 1,722 dated November 30, 2023, included the write-off of 907 assets, of which 747 were transferred to GANF for COP 7,666.

11. Transfer of IT equipment: transfers were made for COP 7,067, the most relevant of which were: transfer of 1,582 assets approved by the Board of Directors in November for COP 4,345, transfer of 2 Blades power enhancers approved in minutes 1,732 dated July 31, 2024, for COP 376.

12. Impairment: The following are the movements of impairment in 2024 and 2023.

	2024	2023
Initial balance	$ (24,594)	$ (30,586)
Net effect on profit and loss	1,485	5,974
Transfer to non-current assets held for sale	3,540	18
Closing balance	**$ (19,569)**	**$ (24,594)**

December 31, 2023

Item	Land	Buildings	Vehicles	Fixtures and accessories	Computers	Machinery, plant and equipment in assembly	Improvements to assets under lease	Constructions under course	Right-to-use assets	Properties in joint operations	Total
Cost											
Balance at December 31, 2022	$ 143,297	$619,432	$ 965	$ 247,865	$ 316,737	$ 623	$ 14,367	$ 1,481	$ 203,836	$ 1,942	**$ 1,550,545**
Purchases	0	465	0	11,426	33,401	1,914	0	5,146	66,109	208	**118,669**
Activations / additions	0	2,517	0	0	1,619	0	3,032	0	0	0	**7,168**
Removals	0	0	0	(11,977)	(11,913)	(75)	0	(1)	0	0	**(23,966)**
Transfer to assets not held for sale	(64)	(605)	0	0	(10,393)	0	0	0	0	0	**(11,062)**
Capitalization of equipment being assembled and construction in progress	0	0	0	0	0	(1,619)	0	(5,549)	0	0	**(7,168)**
Canceled contracts	0	0	0	0	0	0	0	0	(10,647)	0	**(10,647)**
Cost balance at December 31, 2023	**$ 143,233**	**$ 621,809**	**$ 965**	**$ 247,314**	**$ 329,451**	**$ 843**	**$ 17,399**	**$ 1,077**	**$ 259,298**	**$ 2,150**	**$ (1,623,539)**
Depreciation											
Balance at December 31, 2022	**0**	**(226,141)**	**(633)**	**(173,262)**	**(252,879)**	**0**	**0**	**0**	**(105,079)**	**(753)**	**(758,747)**
Depreciation for the fiscal year	0	(6,531)	0	(18,674)	(26,330)	0	(2,023)	0	(30,500)	(230)	**(84,288)**

Item	Land	Buildings	Vehicles	Fixtures and accessories	Computers	Machinery, plant and equipment in assembly	Improvements to assets under lease	Constructions under course	Right-to-use assets	Properties in joint operations	Total
Removals	$ 0	$ 0	$ 0	$ 11,977	$ 11,421	$ 0	$ 0	$ 0	$ 0	$ 0	**$ 23,398**
Transfer to assets not held for sale	0	166	0	0	10,393	0	0	0	0	0	**10,559**
Canceled contracts	0	0	0	0	0	0	0	0	4,138	0	**4,138**
Impairment balance at December 31, 2023	**$ 0**	**$ (232,506)**	**$ (633)**	**$ (179,959)**	**$ (257,395)**	**$ 0**	**$ (2,023)**	**$ 0**	**$ (131,441)**	**$ (983)**	**$ (804,940)**
Impairment											
Balance at December 31, 2022	(9,738)	(20,848)	0	0	0	0	0	0	0	0	**(30,586)**
Impairment / recoveries on impairment	569	5,423	0	0	0	0	0	0	0	0	**5,992**
Impairment balance at December 31, 2023	**$ (9,169)**	**$ (15,425)**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ (24,594)**
Carrying value at December 31, 2023	**$ 134,064**	**$ 373,878**	**$ 332**	**$ 67,355**	**$ 72,056**	**$ 843**	**$ 15,376**	**$ 1,077**	**$ 127,857**	**$ 1,167**	**$ 794,005**

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.

All the Group's property and equipment are duly insured against fire, related hazards, damage to electrical and electronic equipment, mechanical breakdown, HAMCCop (malicious acts) and theft, through insurance policies that are in force, and there is no restriction on ownership.

For purposes of constituting provisions or individual valuations of real estate properties, commercial appraisals are carried out with independent firms registered at the Realtors Association ("Lonja de Propiedad Raíz"). The term applied to these appraisals is three (3) years; at December 31, 2024, appraisals were conducted on 3% of the Group's immovable assets.

Appraisal date	Number	Share %
2022	229	2%
2023	237	96%
2024	210	6%

At December 31, 2024, a total of 78,446 assets were fully depreciated.

Item	Cantidad	Valor
Buildings	44	$ 8,147
Fixtures and accessories	54,805	109,232
Computers	22,926	180,416
Improvements to assets under lease	671	65,845
Closing balance	**78,446**	**$ 363,640**

15. Investments in joint arrangements

The balance of the account at December 31, 2024 and 2023 consisted of the following:

December 31, 2024

Item	Domicile	Share Capital	Shareholdings	Shareholdings Percentage %	Carrying Value
RCI Banque Colombia S.A.	Medellín	$ 234,942	$ 115,122	49,00%	$ 169,821
FAP Asobolsa	Bogotá D.C.	1,492	78	5,26%	79
Unión temporal FIA	Bogotá D.C.	0	0	30,21%	264
Total investments in joint arrangements					**$ 170,164**

Item	Rating	Assetss	Liabilitiess	Profits and/or Losses
RCI Banque Colombia S.A.	A	$ 3.572.524	$ 3.225.949	111
FAP Asobolsa	A	1.492	0	(1)
Unión temporal FIA	A	1.432	1.644	0

The Group measures investments in joint arrangements as follows: by changes in equity for FAP Asobolsa, and by the equity method for RCI Banque Colombia SA.

Investments in subsidiaries and joint arrangements - These are investments in equity instruments in controlled entities, consisting of the following at December 31, 2023:

December 31, 2023

Item	Domicile	Share Capital	Shareholdings	Shareholdings Percentage %	Carrying Value
RCI Banque Colombia S.A.	Medellín	$ 234,942	$ 115,122	$ 49,00%	$ 167,494
FAP Asobolsa	Bogotá D,C,	1,526	115,820	5,26%	78
Temporary Union FIA	Bogotá D,C,	0	0	49,00%	4
Total investments in joint arrangements					**$ 167,576**

Item	Rating	Assets	Liabilities	Profits and/or Losses
RCI Banque Colombia SA	A	$ 4,213,192	$ 3,871,386	5,628
FAP Asobolsa	A	1,491	0	(2)
Temporary Union FIA	A	1,496	1,620	0

"RCI Banque Colombia S.A. Compañía de Financiamiento" (hereinafter "RCI" or "the Company"). The purpose of RCI is to enter into or carry out all that 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 active consumer credit, payroll loan, factoring and remittance transactions.
2. Provide retail financing (credit, leasing) for buyers of new Renault vehicles and new vehicles of related brands and used vehicles of all brands.
3. Provide wholesale financing to Renault dealers and distributors and related brands and spare part inventories.
4. Transfer and sell accounts receivable from vehicle loans.
5. Obtain 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. Facilitate the sale of related insurance and other services (including life insurance, payment protection insurance and all-risk vehicle insurance).
7. Remarket the vehicles returned by leasing customers and those recovered from defaulted customers.

16. Intangible Assets

Intangible assets as of December 31, 2024, are summarized as follows:

December 31, 2024

Intangible assets, net	Licenses (1)	Developments (2) (3) (4) (5) (6) (7)	Total
Cost			
Balance at December 31, 2023	48,289	644,556	**692,845**
Purchases	908	149,079	**149,987**
Reactivations	0	3,206	**3,206**
Asset Write-Offs	-1,592	-7,797	**-9,389**
Cost balance at December 31, 2024	47,605	789,044	836,649
Amortization			
Balance at December 31, 2023	-45,062	-412,938	**-458,000**
Depreciation for the fiscal year	-3,096	-62,526	**-65,622**
Amortization for the Year Internal Cost	0	-928	**-928**
Reactivations	0	-1,149	**-1,149**
Reclassification	0	-938	**-938**
Asset Write-Offs	1,592	5,067	**6,659**
Depreciation balance as of December 31, 2024	-46,566	-473,412	-519,978
Impairment			
Balance at December 31, 2023	0	-25	**-25**
Impairment in the fiscal year	0	-3,643	**-3,643**
Asset Write-Offs	0	2,730	**2,730**
Reclassification	0	938	**938**
Impairment balance at December 31, 2024	0	0	0
Total intangible assets, net	**1,039**	**315,632**	**316,671**

December 31, 2023

Intangible assets, net	Licenses	Developments	Total
Cost			
Balance at December 31, 2022	$ 48,239	$ 554,956	**$ 603,195**
Purchases	216	107,113	**107,329**
Activations / additions	0	6,823	**6,823**
Removals	(166)	(24,336)	**(24,502)**
Cost balance at December 31, 2023	**48,289**	**644,556**	**692,845**
Amortization			
Balance at December 31, 2022	(43,557)	(374,720)	**(418,277)**
Depreciation for the fiscal year	(1,561)	(52,577)	**(54,138)**
Removals	56	14,359	**14,415**
Depreciation balance as of December 31, 2023	**(45,062)**	**(412,938)**	**(458,000)**
Impairment			
Balance at December 31, 2022	0	0	**0**
Impairment in the fiscal year	0	(12,123)	**(12,123)**
Removals	0	12,098	**12,098**
Impairment balance at December 31, 2023	**0**	**(25)**	**(25)**
Total intangible assets, net	**$ 3,227**	**$ 231,593**	**$ 234,820**

In 2024, the total acquisitions and developments of intangible assets amount to COP 149,987, with the most significant ones being:

1. Backup license was acquired for COP 68, 1 Softland Erp - Systems Engineering license for COP 32, and 22 Oracle Transparent Data Encryption (TDE) licenses for COP 808.

2. There are 154 software development initiatives in progress, with an accumulated value of COP 51,931. Among the most significant projects are: Brickell Project - Bbva Colombia for COP 6,363, Single Data Model (SMD 2) for COP 4,748, Single Data Model (SMD 1) for COP 2,682, immediate payments system - SPI for: COP 1,876, SREP data quality BCBS239 Colombia 2024 for COP 1,665 and CRM for COP 1,575.

3. There are 135 software development initiatives in progress (internal cost), with an accumulated value of COP 22,008. Brickell Project - Bbva Colombia for COP 2,309, Single Data Model (SMD -1) for COP 1,057, Immediate Payments System SPI for COP 873, Single Data Model (SMD -2) for COP 822, Cronos Collections Diy Refinancing for COP 744 and generation of Qr receptor in Redeban accounts for COP 733.

4. There are 516 corporate software development initiatives in production, with an accumulated value of COP 52,609. Among the most significant projects are: CDD based reporting Colombia for COP 1,996, update Veridas and Biocatch Open Market for COP 1,199, Datio Evolution for COP 1,158, Grm Col Data Processes Transformation Rdt for COP 1,077, digital housing LIH/ Non-LIH for COP 1,005 and digital payroll loans One Click E2e for COP 901.

5. There are 376 software development initiatives in production (internal cost) with a value of COP 21,125. Among the most significant projects are: Horizon Alpha Colombia for COP 749, Datio Evolution for COP 744, digital housing LIH/Non-LIH for COP 613, 2022 operations transformation plan for COP 494, Crm plan: Monitor AI Pipeline for COP 383 and update of Veridas and Biocatch Open Market for: COP 381.

6. Impairment of 54 technical initiatives amounting to COP 7,797 was recorded, with the most representative initiatives as follows: Execution Vulnerability for COP 2,230; Cash Conversion for COP 751; DIY-BBVA Net Cash for COP 569; CV Update (Format 466) for COP 499; Smart Offer Project for COP 438; and Mass Automation of High Payroll Accounts for COP 237.

7. 13 license assets were written off because they are no longer in operation due to changes in applications and obsolescence, for COP 1,592. The most significant assets are: Control Compliant Suit licenses for COP 537, Intellinx licenses for COP 247, Reflection license for COP 220, acquisition of 10,000 Sw Specops Password Policy for COP 193, Wmware Vsphere Enterprise Plus licenses for COP 92 and local software licenses for full disk solution for COP 85.

17. 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:

Non-current assets held for sale, net	2024	2023
Realizable assets		
Real estate	$ 54,777	$ 33,901
Subtotal realizable assets	**54,777**	**33,901**
Assets restituted in lease agreements		
Real estate	19,166	20,454
Vehicles	578	510
Machinery and equipment	176	293
Real estate given under residential leasing	31,553	26,549
Others	34	34
Subtotal assets restituted in lease agreements	**51,507**	**47,840**
Assets not used for the corporate purpose		
Lands	10,504	2,521
Buildings	35,055	15,586
Furniture and fixtures	447	556
Computers	23,673	8,940

Non-current assets held for sale, net	2024	2023
Subtotal assets not used for the corporate purpose	**69,679**	**27,603**
Trusts	84,445	7,175
Subtotal trusts	**84,445**	**7,175**
Subtotal realizable and restituted assets	**260,408**	**116,519**
Impairment of non-current assets held for sale		
Realizable assets	(1,426)	(955)
Assets restituted in lease agreements	(350)	(564)
Trusts	(17,112)	(3,086)
Disaffected real estate properties	0	768
Furniture and fixtures	(428)	(556)
Computers	**(23,673)**	**(2,156)**
Subtotal impairment	**(42,989)**	**(6,549)**
Total Non-current assets held for sale, net	**$ 217,419**	**$ 109,970**

As of December 31, 2024, the Group reviewed all its non-current assets held for sale, in compliance with paragraph 91 (B) Disclosures, of IFRS 13 - Fair Value Measurement.

At December 31, 2024, the Group had 561 non-current assets held for sale amounting to COP 260,408 and impairment of COP 42,989. At December 31, 2023, the Group had 444 non-current assets held for sale amounting to COP 116,519 and impairment of COP 6,549.

Non-current assets held for sale older than two years as of 2024 and 2023 totaled COP 83,103 and COP 78,453, respectively.

During 2024, the Group sold 127 non-current assets held for sale for a total of COP 16,921, recording a loss of COP 788.

Trust funds increased by COP 77,270, mainly due to recognition of Fondo de Capital Privado PACTIA for COP 73,700, and three trust fund rights on a warehouse located in the city of Cartagena.

Regarding transfer adjustments, during 2024 plots of land were included at a total cost of COP 8,178, offices for a total cost of COP 45,903 and computer equipment at a total cost of COP 14,733, in connection with the implementation of the NOVA project.

The payment methods received for the sales of non-current assets held for sale are as follows:

	2024			2023		
Type	**Sale Amount**	**Cash Sale**	**Sale Financed by BBVA**	**Sale Amount**	**Cash Sale**	**Sale Financed by BBVA**
Realizable assets	$ 6,505	$ 6,190	$ 315	$ 6,960	$ 6,960	$0
Assets restituted in lease agreements	8,189	7,639	550	13,447	13,447	0
Assets not used for the corporate purpose	2,227	2,227	0	7,184	7,184	0
Total	**$ 16,921**	**$ 16,056**	**$ 865**	**$ 27,591**	**$ 27,591**	**$ 0**

The change in the provision for protection of non-current assets held for sale during the years ended on December 31, 2024 and December 31, 2023, was as follows:

Item	2024	2023
Balance at the beginning of year	$ (6,549)	$ (5,969)
Impairment charged to expenses in the year	(24,567)	(941)
Transfers of fully depreciated assets	(14,647)	(209)
Less – Withdrawal for sales and recoveries	2,775	570
Impairment Balance	**$ (42,989)**	**$ (6,549)**

18. Other assets, net

The balance of the account at December 31 consisted of the following:

Other assets, net	2024	2023
Art and cultural assets (1)	$ 1,377	$ 1,286
Miscellaneous (2)	23,795	16,496
Subtotal	**25,172**	**17,782**
Impairment of other assets	(2,515)	(2,380)
Total other assets, net	**$ 22,657**	**$ 15,402**

1. The change in art and cultural assets for COP 91 reflects the updating of the commercial appraisal of the collection of works of art held by BBVA in Colombia.

2. Notable changes can be seen in miscellaneous accounts due to the following increases in different transactions:

   - Collections transactions for settlement of customer networks Redeban Multicolor for an amount of COP 1,708.

   - It represents the reclassification of linking and automatic settlement accounts that display differences due to incidents that have not yet been reconciled in the stock with active failures at December 9, 2024, for an amount of COP 1,401.

   - National taxes collected through PSE, which include tax payments made after 17:30 until 23:00, in the amount of COP 1,103, which are settled the next business day.

The changes in the impairment of other assets account for the years ended December 31, 2024, and December 31, 2023 are detailed below:

Movements of impairment accounts	2024	2023
Balance at the beginning of year	$ (2.380)	$ (1.142)
Impairment during the year (3)	(1.373)	(1.760)
Impairment recoveries	1.238	522
Balance at year end	**$ (2.515)**	**$ (2.380)**

3. The other assets impairment account for the year ended on December 31, 2024 compared to December 31, 2023, increased by COP 135 due to provisions made on four cost centers (Tunal, Country, Premium and San Andrés), due to rejection of acquisitions. However, provisions were released for COP 645 of Office 370, and was broken by acquisition transactions of the customer Evolution Renting.

19. Current tax

The following is a breakdown of balances by current taxes:

Current taxes, net	2024	2023
Current tax assets		
Current tax credit balance	$ 1,473,190	$ 828,294
VAT on physical and productive assets	8,840	6,776
Self-Withholding and Withholding at Source	0	0
Total Current Tax Assets	**1,482,030**	**835,070**
Current tax liabilities		
Income tax payable	**(21,747)**	**(8,490)**
Total Current Tax Liabilities	**(21,747)**	**(8,490)**
Total current taxes, net	**$ 2,942,313**	**$ 1,661,650**

For the period from December 2024 to December 2023, variations are observed due to:

- For the Bank, a higher balance in favor resulting from the regularization in the filing of the income tax and complementary taxes declaration for the 2023 taxable year, filed in April 2024. Both the Securities Company and the Fiduciary reported taxes payable.
- For the year 2024, an increase was observed in the amounts generated and paid for self-withholdings on income.
- As of December 2024, the accrual of the VAT tax discount on real productive fixed assets is presented, noting that this benefit could not be utilized due to the tax loss.
- As of December 2024, an income tax liability is recorded for both the Fiduciary and the Securities Company.

20. Customer deposits

The Group's liabilities portfolio as of December 31, 2024 and 2023 consisted of the following:

Customer deposits	2024	2023
Savings deposits	$ 31,751,009	$ 31,248,590
Deposits in checking accounts	7,914,440	7,926,833
Current liabilities for services	499,637	522,286
Special deposits	528,695	447,077
Special savings accounts	244,175	275,223
Single deposits	746	1,321
Canceled accounts	811	762
Banks and correspondents	222,345	1,439
Electronic deposits	6,798	6,810
Subtotal customer on-demand deposits	**41,168,656**	**40,430,341**
Certificates of deposit	37,661,111	36,473,868
Real value savings certificates	13,363	12,951
Subtotal customer term deposits	**37,674,474**	**36,486,819**
Subtotal customer deposits	**$ 78,843,130**	**$ 76,917,160**

Below is a breakdown of customer deposits as of December 31, 2024:

Item	Local Currency	Foreign Currency	Total Currency
Checking account			
Public sector	$ 1,483,412	$ 0	$ 1,483,412
Private sector	6,420,900	10,128	6,431,028
Subtotal checking accounts	**7,904,312**	**10,128**	7,914,440
Single deposit			
Private sector	746	0	746
Subtotal single deposits	**746**	**0**	746
CDs - COP			
Public sector	4,311,059	0	4,311,059
Private sector	33,350,053	0	33,350,053
Subtotal CDs - Pesos	**37,661,112**	**0**	37,661,112
Savings deposits			
Deposits:			
Public sector	9,786,191	0	9,786,191
Private sector	21,964,817	0	21,964,817

Item	Local Currency	Foreign Currency	Total Currency
Special savings:			
Private sector	244,175	0	244,175
Subtotal savings deposits	**31,995,183**	**0**	31,995,183
CDs - RVU			
Private sector	13,363	0	13,363
Subtotal CDs-RVU	**13,363**	**0**	13,363
Other deposits			
Banks and correspondents	7,276	215,069	222,345
Special deposits	117,643	417,850	535,493
Tax collections	0	0	0
Banking services	383,013	116,624	499,637
Others			
Canceled accounts	811	0	811
Subtotal customer deposits	**$ 78,083,459**	**$ 759,671**	**$ 78,843,130**

Below is a breakdown of customer deposits as of December 31, 2023:

Item	Local Currency	Foreign Currency	Total Currency
Checking account			
Public sector	$ 1,524,834	$ 0	$ 1,524,834
Private sector	6,394,903	7,096	6,401,999
Subtotal checking accounts	**7,919,737**	**7,096**	**7,926,833**
Single deposit			
Private sector	1,321	0	1,321
Subtotal single deposits	**1,321**	**0**	**1,321**
CDs - COP			
Public sector	3,574,259	0	3,574,259
Private sector	32,899,609	0	32,899,609
Subtotal CDs - Pesos	**36,473,868**	**0**	**36,473,868**
Savings deposits			
Deposits:			
Public sector	10,520,763	0	10,520,763
Private sector	20,727,827	0	20,727,827

Item	Local Currency	Foreign Currency	Total Currency
Special savings:			
Private sector	275,223	0	275,223
Subtotal savings deposits	**31,523,813**	**0**	**31,523,813**
CDs - RVU			
Private sector	12,951	0	12,951
Subtotal CDs-RVU	**12,951**	**0**	**12,951**
Other deposits			
Banks and correspondents	1,439	0	1,439
Special deposits	58,198	395,679	453,877
Tax collections	10	0	10
Banking services	365,343	156,943	522,286
Others			
Canceled accounts	762	0	762
Subtotal customer deposits	**$ 76,357,442**	**$ 559,718**	**$ 76,917,160**

- They increased by 2.50% compared to the previous year, mainly attributable to the increase in term deposit certificates (CDT) by 3.26%, due to greater deposits from the official sector in peso-denominated CDTs and the positive impact of the interest item. There was also an increase in the individuals sector in CDT IBR, and special deposits by 18.26% compared to the previous year. There was a significant decrease of 43.53% in the simple deposits items in the private sector compared to the previous year.

- The increase in special deposits is due to the collateral required in USD, which increased by 18.26% compared to the previous year. The increase is also the result of additional factors such as national and customs taxes, and payments through offices, which depend on the taxpayers' flows.

- Savings deposits increased by COP 502,419 compared to the previous year, mainly driven by the private sector and the individuals segment. There was also an increase in balances deposited in inactive accounts.

- There was an increase in Banks and Correspondents in foreign currency, related to overdrafts of the banks BBVA New York and BBVA Madrid.

Regarding each type of deposit, the annual effective interest rates (EIR) on customer deposits were as follows:

Rates for Term Certificates of Deposit and Checking Accounts:

	2024		2023	
	Minimum rate	Maximum rate	Minimum rate	Maximum rate
Checking Account	0.01%	0.05%	0.01%	0.60%
CDT	7.50%	9.05%	9.80%	12.36%

Savings account rates are reported in general terms, as they depend on the conditions of the sub-products.

	2024		2023	
	Minimum rate	Maximum rate	Minimum rate	Maximum rate
Savings account	0.01%	9.10%	0.01%	11.80%
	Average		Average	
	4.56%		5.91%	

21. Derivative financial instruments and cash transactions (liability)

The financial instruments traded by BBVA are classified as assets (see Note 9) or liabilities according to their results.

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

Derivative Financial Instruments and Cash Operations	2024	2023
Trading (1)	$ 5,721,305	$ 9,544,711
Hedging (2)	0	14,336
Money market and simultaneous transactions	(3)	2,718,258
Total derivative financial instruments and (liabilities) cash transactions	**$ 8,213,706**	**$ 12,277,305**

21.1 FINANCIAL INSTRUMENTS - TRADING DERIVATIVES (LIABILITIES)

At December 31, 2024, the balance of this account classified as liabilities is summarized as follows:

Item	Valor nocional		Fair Value	
Forward Contracts	2024	2023	2024	2023
Purchase on foreign currency				
Rights	$ 10,453,178	$ 65,226,464	$ (9,978,462)	$ (57,143,437)
Obligations	0	0	10,138,346	63,037,829
Sale on foreign currency				
Rights	51,616,701	696,150	(49,832,066)	(631,457)
Obligations	0	0	51,750,838	638,398
Purchase on securities				
Rights	144,000	0	(121,595)	0
Obligations	0	0	124,987	0
Sale on securities				
Less credit risk	0	0	(1,330)	(2,053)
Total forward contracts	**$ 62,213,879**	**$ 65,922,614**	**$ 2,080,718**	**$ 5,899,280**

Item	Valor nocional		Valor contable	
Cash transactions	2024	2023	2024	2023
Purchase on foreign currency				
Rights	$ 2,208	$ 4,534	$ (2,204)	$ (4,515)
Obligations	0	0	2,207	4,535
Sales on foreign currency				
Rights	1,948	76,081	(1,945)	(76,024)
Obligations	0	0	1,948	76,082
Purchase on securities				
Rights	63,220	76,646	(65,143)	(77,714)
Obligations	0	0	65,158	77,734
Sales on securities				
Rights	36,140	22,851	(32,466)	(19,930)
Obligations	0	0	32,477	19,939
Total cash transactions	**$ 103,516**	**$ 180,112**	**$ 32**	**$ 107**

Item	Valor nocional		Valor contable	
Options	2024	2023	2024	2023
Sales - Put	$ 959,359	$ 544,773	$ 9,024	$ 47,402
Sales - Call	1,187,353	796,623	22,919	5,671
Less DVA credit risk	0	0	(16)	(16)
Total fair exchange price	**$ 2,146,712**	**$ 1,341,396**	**$ 31,927**	**$ 53,057**

Item	Valor nocional		Valor contable	
Swaps	2024	2023	2024	2023
On interest rates:				
Rights	$ 78,060,270	$ 64,478,838	$ (14,705,076)	$ (10,397,913)
Obligations	0	0	16,862,958	12,853,579
On currencies				
Rights	10,233,872	9,701,942	(10,221,189)	(9,345,038)
Obligations	0	0	11,689,548	10,496,910
Less CVA credit risk	0	0	(17,613)	(15,271)
Total swaps	**88,294,142**	**74,180,780**	**3,608,628**	**3,592,267**
Total cash transactions and derivatives	**$ 152,758,249**	**$ 141,624,902**	**$ 5,721,305**	**$ 9,544,711**

The Bank is one of the main participants in the public debt market makers arrangement, which requires it to have a structurally high balance 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.

The collateral received in derivative transactions at December 31, 2024 and 2023, were:

Counterparty	DIV	2024	2023
Liabilities			
Bbva Bancomer S.A. México	USD	0	(1,630,000)
Bbva Madrid Clearing Broker	USD	0	(43,286,425)
Morgan Stanley and Co International	USD	(94,768,850)	(58,608,850)

21.2 HEDGING FINANCIAL DERIVATIVES (LIABILITY)

Fair value hedge accounting

It was designated at fair value because the obligation is indexed at the Reference Bank Indicator (IBR, for the Spanish original), 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 would be estimated at a rate similar to the reference rate.

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

Passive hedging - CCS swap 2024

Accrued Interest

Hedge Type	Currency	Value of Right	Value of Obligation	Statement of Financial Position	Statement of Income	Statement of Other Comprehensive Income
Fair Value	USD	$ 0	$ 0	$ 0	$ 0	$ 0
Cash flow		0	0	0	2.598	(2.598)
Total				**$ 0**	**$ 2.598**	**$ (2.598)**
Total passive hedging						**$ 0**

Passive hedging - CCS swap 2023

Accrued Interest

Hedge Type	Currency	Value of Right	Value of Obligation	Statement of Financial Position	Statement of Income	Statement of Other Comprehensive Income
Fair Value	USD	0	$ 0	$ 0	$ 0	$ 0
Cash flow		(40.400)	54.736	0	3.242	11.094
Total				**0**	**3.242**	**11.094**
Total passive hedging						**$ 14.336**

21.3. MONEY MARKET AND SIMULTANEOUS OPERATIONS

At December 31, 2024, the balance of this account is summarized as follows:

Description	Interest rate	2024	Interest rate	2023
Ordinary interbank funds purchased:				
Public sector entity (1)	8.95%	$ 150,075	0	$ 0
Subtotal interbank funds purchased		150,075		0
Transfer commitments in closed repo transactions:				
Central Bank of Colombia (2)	6.95%	1,917,168	12,23%	1,649,847
Counterparty Clearing House (3)	7.03%	47,677	12,06%	113,753
Subtotal closed repo transactions		1,964,845		1,763,600
Commitments originated in short positions for simultaneous transactions				
Central Bank of Colombia	0	195,859	0	567,881
Banks	0	0	0	32,191
Insurance companies	0	35,095	0	0
Brokerage Firms	0	0	0	1,823
Trust companies	0	41,167	0	6,966
Fund management companies	0	15,833	0	0
Foreign residents	0	89,527	0	345,797
Subtotal commitments for simultaneous transactions		377,481		954,658
Total passive positions in money market transactions		**$ 2.492.401**		**$ 2.718.258**

1. In December 2024, ordinary interbank funds purchases were agreed with public sector entities at a rate of 8.95% with a maturity of 8 days, whereas at the end of December 2023, no interbank funds were agreed on.

2. In turn, at December 31, 2024, repo transactions were agreed with the Central Bank of Colombia at an average rate of 6.95%, with maturities between 3 and 6 calendar days, while at the end of December 2023, repo transactions were agreed with the Central Bank of Colombia at an average rate of 12.23% and a maturity of 5 calendar days.

   Additionally, at December 31, 2024, there was a slight reduction with the Counterparty Clearing House at an average rate of 7.03%, with maturities of 5 calendar days, whereas in December 2023, closed repo transactions were negotiated with the Counterparty Clearing House at an average rate of 12.06%, with maturities between 4 and 7 calendar days. No repo transactions were entered into with the insurance and reinsurance companies in either period.

3. Total passive positions in money market transactions decreased by 9.06%, equivalent to COP 226, mainly due to commitments in simultaneous transactions, which decreased by 152.90% in December 2024 compared to December 2023.

22. Financial obligations

The following is a summary of loans and other financial obligations:

Financial obligations	2024	2023
Foreign Currency		
BBVA Madrid	$ 689,856	$ 598,288
Corporación Andina De Fomento	221,405	0
Bancoldex S.A	4,794	33,736
International Finance Corporation IFC	1,325,019	1,142,973
Bladex - Panama	44,340	38,463
Official Credit Institute	128,253	0
Caixabank S.A.	0	40,339
Total foreign currency	**2,413,667**	**1,853,799**
Local Currency		
Financiera de Desarrollo Territorial - FINDETER	777,705	688,845
Banco de Comercio Exterior S.A. - BANCOLDEX	264,553	488,029
Fondo para el Fomento del Sector Agropecuario - FINAGRO	607,907	780,016
International Finance Corporation IFC	407,433	406,736
AT1 BBVA Madrid	824,655	920,449
Total local currency	**2,882,253**	**3,284,075**
Total Bank credits and other financial obligations	**$ 5,295,920**	**$5,137,874**

The change between 2024 and 2023 in financing raised in foreign currency is derived from an increase in financing from BBVA Madrid, International Finance Corporation (IFC), Bladex - Panamá and the inclusion of new obligations from Corporación Andina de Fomento and Instituto de Crédito Oficial. On the other hand, obligations were settled with CaixaBank, S.A. and financing from Bancoldex S.A. decreased.

The most significant financing was acquired from IFC for USD 300 million and BBVA Madrid for USD 150 million, which together account for 83% of total current financing in foreign currency.

The average rate for foreign currency obligations was Sofr + 0.60% for short-term obligations maturing within 1 year from December 31, 2024.

The financial costs are calculated daily based on 360 days, on the principal, periodicity and interest rate of each obligation.

The terms of the loans vary depending on the program, usually between one and ten years. The funds provided directly by the Bank are between 0% and 40% of the total loan, with the balance financed by government entities. The obligations are guaranteed by the corresponding loans made to customers.

In 2023, the Bank acquired a new AT1 loan from BBVA Madrid, which in 2024 was recognized for an amount of COP 824,655.

Foreign Currency			Local Currency		
No.	Category	Time	No.	Category	Time
1	**Short term**	<365	1	**Short term**	<364
2	**Medium-term**	>365<1825	2	**Medium-term**	>365<1095
3	**Long-term**	>1825	3	**Long-term**	>1096

The breakdown by term in foreign currency is as follows:

2024	Interest	Share Capital			Total
		Short-term	Medium-term	Long-term	
BBVA Madrid	$ 28,483	$ 0	$ 0	$ 661,373	**$ 689,856**
Corporación Andina De Fomento - CAF	948	0	220,457	0	**221,405**
Bancoldex S.A.	8	4,707	79	0	**4,794**
International Finance Corporation - IFC	3,435	440,915	880,669	0	**1,325,019**
Bladex - Panamá	248	0	44,092	0	**44,340**
Instituto De Crédito Oficial	1,489	0	0	126,764	**128,253**
Total	**$ 34,611**	**$ 445,622**	**$ 1,145,297**	**$ 788,137**	**$ 2,413,667**

2023	Interest	Share Capital			Total
		Short-term	Medium-term	Long-term	
BBVA Madrid	$ 24,981	$ 0	$ 0	$ 573,308	**$ 598,289**
Bancoldex S,A,	219	1,418	9,167	22,932	**33,736**
International Finance Corporation - IFC	3,744	0	1,139,230	0	**1,142,974**
Bladex - Panamá	242	0	38,221	0	**38,463**
CaixaBank S,A,	2,118	38,221	0	0	**40,339**
Total	**$ 31,304**	**$ 39,639**	**$ 1,186,618**	**$ 596,240**	**$ 1,853,799**

The breakdown by term in local currency is as follows:

2024	Interest	Capital			Total
		Short-term	Medium-term	Long-term	
Financiera de Desarrollo Territorial - Findeter	$ 6,587	$ 20,193	$ 93,692	$ 657,234	**$ 777,705**
Banco de Comercio Exterior S.A. - Bancoldex	1,340	37,430	142,268	83,515	**264,553**
Fondo para el Fomento del Sector Agropecuario - Finagro	7,139	55,429	143,946	401,392	**607,907**
International Finance Corporation - IFC	1,176	0	0	406,257	**407,433**
BBVA Madrid - AT1	1,777	0	0	822,878	**824,655**
Total	**$ 18,019**	**$ 113,052**	**$ 379,906**	**$ 2,371,276**	**$ 2,882,253**

2023	Interest	Capital			Total
		Short-term	Medium-term	Long-term	
Financiera de Desarrollo Territorial - Findeter	$ 10,298	$ 21,819	$ 78,862	$ 577,866	**$ 688,845**
Banco de Comercio Exterior S,A, - Bancoldex	3,761	60,162	307,676	116,430	**488,029**
Fondo para el Fomento del Sector Agropecuario - Finagro	12,827	81,295	263,394	422,500	**780,016**
International Finance Corporation - IFC	1,304	0	0	405,432	**406,736**
BBVA Madrid - AT1	97,571	0	0	822,878	**920,449**
Total	**$ 125,761**	**$ 163,276**	**$ 649,932**	**$ 2,345,106**	**$ 3,284,075**

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

	Bank Credits and Other Financial Obligations	Outstanding Investment Securities	Subscribed and Paid-in Capital	Share issue premium	Other Comprehensive Income (OCI)	Retained Earnings	Reserves	Article 6 Law 4/80
Updated balance at January 1, 2024	$ 5,137,874	$ 2,519,332	$ 89,779	$ 651,950	$ 815,570	$ 447,240	$ 4,559,354	$ 506
Payment of loans and other financial liabilities	(1,463,793)	(220,458)	0	0	0	0	0	0
Collection of loans and other financial liabilities	1,399,477	749,556	0	0	0	0	0	0
Other cash inflows (outflows)	6,225	(11,652)	21,223	897,057	387,654	(482,064)	191,596	0
Total changes in cash flow from financing	**$ (58,091)**	**$ 517,446**	**$ 21,223**	**$ 897,057**	**$ 387,654**	**$ (482,064)**	**$ 191,596**	**$ 0**
Effect of changes in foreign currency exchange rates	217,638	309,169	0	0	0	0	0	0
Interest expenses	168,620	216,158	0	0	0	0	0	0
Interest payment	(170,122)	(193,682)	0	0	0	0	0	0
Total other changes related to liabilities	**$ 216,136**	**$ 331,646**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**
Balances at December 31, 2024	**$ 5,295,920**	**$ 3,368,424**	**$ 111,002**	**$ 1,549,007**	**$ 1,203,224**	**$ (34,824)**	**$ 4,750,950**	**$ 506**

23. Outstanding investment securities

At December 31, 2024, the balance of this account is summarized as follows:

	2024			2023		
Item	**Subordinated Bonds**	**Ordinary Bonds**	**Total**	**Subordinated Bonds**	**Ordinary Bonds**	**Total**
Share Capital	$ 2,555,118	$ 824,511	$ 3,379,629	$ 2,099,820	$ 447,180	$ 2,547,000
Interest	21,024	13,896	34,920	19,737	6,520	26,257
Costs and valuation	(37,596)	(8,527)	(46,123)	(48,684)	(5,241)	(53,925)
Total	**$ 2,538,546**	**$ 829,880**	**$ 3,368,426**	**$ 2,070,873**	**$ 448,459**	**$ 2,519,332**

The first issuance of Series G subordinated bonds from 2009 for COP 156,000 was made on September 19, 2011, with a term of 15 years and a yield of CPI + 4.70%.

The second issuance of Series G - 2009 subordinated bonds amounting to COP 365,000 was made on February 19, 2013 with a redemption term between 10 and 15 years, with yield of maximum variable rate of CPI + 3.60% for 10 years, and of CPI + 3.89% for 15 years. Of these issuances, those that remain outstanding are COP 165,000 at a rate of CPI + 3.89% maturing in 2028.

The third issuance of Series G - 2014 subordinated bonds amounting to COP 250,000 was made on November 26, 2014 with a redemption term between 15 and 20 years, with yield of maximum variable rate of CPI + 4.38% for 15 years, and of CPI + 4.50% for 20 years.

The first issuance of subordinated bonds in USD 400 was carried out on April 21, 2015, with a redemption period of 10 years, offering fixed-rate yields of 4.875%.

The second issuance of subordinated bonds in USD 50 was carried out on November 27, 2024 with a redemption term of 10 years and a yield of SOFR rate 6 months 3.75%.

The first ordinary theme bond issuance (Blue Bond) in USD for COP 117 was made on September 22, 2023 and October 27, 2023, with a term of 5 years, and divided into 3 tranches with 3 investors.

The second ordinary theme bond issuance (Biodiversity Bond) in USD for COP 70 was made on July 11, 2024, September 18, 2024 and October 25, 2024, with a term of 3 years divided into 3 tranches and 2 investors.

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 case of the issuer's settlement, the redemption of the subscribed capital is subordinated to the prior payment of the external liabilities; which constitutes an irrevocable obligation.

- Capital 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 case of the issuer's settlement, the redemption of the subscribed capital is subordinated to the prior payment of the external liabilities; which constitutes an irrevocable obligation.
- Capital 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:

Bond Issuance	Authorized Amount	Term in Years	Face Rate	Coupon	Nominal Value	Issuance Date	Maturity Date
Subordinated 2011	$ 3,000,000	15	IPC+4,70%	TV	$ 156,000	19/09/2011	19/09/2026
Subordinated 2011		15	IPC+3,89%	TV	165,000	19/02/2013	19/02/2028
Subordinated 2011		15	IPC+4,38%	TV	90,000	26/11/2014	26/11/2029
Subordinated 2014		20	IPC+4,50%	TV	160,000	26/11/2014	26/11/2034
Subordinated in USD 2015	500	10	4,88%	SV	USD 400	21/4/2015	21/4/2025
Subordinated in USD 2024	95	10	SOFR 6m + 3,75%	SV	USD 50	27/11/2024	27/11/2034
Ordinary 2023		5	SOFR 6m + 1,85%	SV	USD 50	22/9/2023	22/9/2028
Ordinary 2023		5	SOFR 6m + 1,85%	SV	USD 17	25/09/2023	25/09/2028
Ordinary 2023		5	SOFR 6m + 1,85%	SV	USD 50	27/9/2023	27/9/2028
Ordinary 2024		3	SOFR 6m + 1,25%	SV	USD 15	11/07/2024	11/07/2027
Ordinary 2024		3	SOFR 6m + 1,25%	SV	USD 20	18/9/2024	18/9/2027
Ordinary 2024		3	SOFR 6m + 1,25%	SV	USD 35	25/10/2024	25/10/2027
Total bonds COP	**$ 3,000,000**				**$ 571,000**		
Total bonds millions of USD	**USD 595**				**USD 637**		

24. Accounts Payable

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

Item	2024	2023
Suppliers (1)	$ 181.436	$ 129.063
FOGAFIN deposit insurance (2)	134.664	123.650
Dividends and surplus (3)	74.274	81.998
Settlement and offsetting of POS Counterparty Clearing House (4)	30.994	66.119
Loan transaction surplus and others (5)	36.955	65.668
National Law 546/1999	64.658	58.334
Uncashed Checks Drawn (6)	18.943	56.483
Intended purchasers	21.295	18.499
Labor contributions	7.708	7.364
Collection of fees and VAT payable to the Fondo Nacional de Garantías	4.574	7.090
Transfer of check disbursements from other markets	9.610	4.941
Commissions and fees	3.385	4.088
Seizure management	5.685	2.575
Visa and MasterCard advertising campaigns	1.197	1.388
Costs and expenses payable	499	414
Customer loyalty points (7)	27.129	0
Other taxes	263.406	270.706
Other accounts payable (8)	176.585	122.714
Total accounts payable	**$ 1.062.997**	**$ 1.021.094**

1. Accounts payable increased by COP 52,373 compared to the previous year, which represent pending payments to suppliers, equivalent to a 40% increase in the various leasing lines. This increase is due to the low level of placements of the product in the market.

2. The COP 11,014 increase in the Fogafín deposit insurance line is due to an increase of 8% in funds pending provision, which represents the payment that must be made each quarter for the deposit insurance premium.

3. The dividends line decreased by 10.40%, or COP 7,724, which represents funds not yet collected by the shareholders at December 31, 2024.

4. The COP 35,125 reduction in the settlement and clearing line of the Central Counterparty Clearing House is due to the settlement of contracts in significant operations with the CRCC at December 31 2024.

5. The change of COP 28,713 arises from the expiration of CDT accounts payable liabilities, which produces a significant reduction of 44%, in line with the trend of deposits.

6. The change of COP 37,540 compared to the previous year, equivalent to a 66% decrease, represents checks that have not been collected after 6 months from being drafted.

7. An increase of COP 27,129 in the provision of the customer loyalty program implemented in 2024 through points handled in the business administration line.

8. There was a COP 53,871 change in the other accounts payable line, mainly due to:

   - Settlement of transactions with BBVA Madrid in USD which expired on 12/27/2024, and payment was made on 01/02/2025, producing a 51% increase in the derivatives settlement line at December 31, 2024.
   - During 2024, there was an increase in maintenance in the first and second line of ATMs and sale of ATMs for COP 7,693.
   - Increase in funds pending payment for unclaimed life insurance indemnities, which arise because the heirs are unaware and the funds are not claimed.
   - Increase in transactions redeeming Despegar points, generated by credit card purchases, which are traded in for airline tickets, producing an increase in the value of accounts payable to the company Despegar.

25. Other Liabilities

The balance of the account at December 31 consisted of the following:

Item	2024	2023
Overdue principal and interest CD (1)	$ 160,624	$ 149,370
Customer installment payments pending recording (2)	37,180	22,872
Deferred partial payments	2,873	3,638
Balances to apply to obligations (3)	317,021	251,561
Network clearance	12,008	11,900
Anticipated income	17,498	20,974
Interest arising from restructuring processes	815	1,151
Network transaction surplus	71,944	80,197
Letters of credit of deferred payment	2,743	0
Ascredibanco international purchases	10,472	15,135
Credit balances in foreign currency	5,885	5,248
Other liabilities (4)	27,297	39,441
Lease liabilities (5)	108,783	131,129
Total other liabilities	**$ 775,143**	**$ 732,616**

1. The increase of COP 11,254 is mainly because some CDs have instructions upon maturity or to "Pay at Office." They are held as liabilities awaiting for the customer to appear to collect them. The balance increases depending on the customers of this type, and especially the securities that are traded in Deceval.

2. Amounts received on customer obligations with the Bank that are made in checks from other financial entities, with an increase of COP 14,308. It effect is merely transitory while the checks clear (2 days), confirming that the funds were successfully received and applied to the customer's obligation, and the balance is circumstantial, depending on the number of checks in this status as of the closing date.

3. The following are the main changes reported:

   - The payroll loan line increased by COP 18,397, arising from funds received from agreements to pay the loans of customers who have this credit line.

   - The Espera Factoring account increased by COP 53,324, representing payments made by customers in factoring operations. The process of applying the funds is manual, and the balances reported as pending in this account represent processes that were not identified on the same day, but that will be applied on the next day.

   - Payments to be applied to lease obligations decreased by COP 4,810, representing balances in favor of leasing customers that arise because the customer pays a greater amount than the monthly installment. The reduction of balances compared to 2023 is because the year-end in 2023 was on 12/28/2023, and consequently the payments due on December 29 and 30 were moved to January 2, 2024. This situation did not occur in 2024, because the last business day was 12/30/2024.

4. The most significant variation in other liabilities was a COP 12,072 reduction in the centralized balances of payroll loan non-settled amounts, fees of the National Guarantee Fund, and drafts canceled after 90 days, which involves several items such as expiration of liabilities and recovery of fees from previous years, in addition to payments on loans of the same customer that had an excess amount of FNG fees.

(5) Lease liabilities

The following is a summary of lease liabilities:

Lease liabilities (5)	2024	2023
Lease liabilities (Premises and ATMs)	$ 108,783	$ 131,129
Total lease liabilities	**$ 108,783**	**$ 131,129**

Lease Liabilities	2024	Movimiento año 2024	2023
Lease liabilities premises	$ 56,066	$ (20,233)	$ 76,299
Lease liabilities ATMs	52,717	(2,113)	54,830
Total lease liabilities	**$ 108,783**	**$ (22,346)**	**$ 131,129**

The chart below list the expirations of short and long-term lease contracts for offices and ATMs:

Lease liabilities for premises	2024	2023
No more than one year	$ 22,456	$ 26,367
More than one year and less than three years	28,051	40,258
More than three years and less than five years	13,147	20,031
More than five years	1,323	4,288
Total undiscounted lease liabilities	**$ 64,977**	**$ 90,944**

Lease liabilities for ATMs	2024	2023
No more than one year	$ 12,631	$ 11,545
More than one year and less than three years	25,061	21,993
More than three years and less than five years	21,538	21,518
More than five years	6,627	14,469
Total undiscounted ATM lease liabilities	**$ 65,857**	**$ 69,525**

Amounts recognized in the consolidated statement of income:

Item	2024	2023
Interest on lease liabilities	$ (10,898)	$ (7,878)
Real estate rental expenses	(2,957)	(2,719)
Depreciation right-of-use ATMs	(23,879)	(22,403)
Depreciation right-of-use premises	(9,013)	(8,097)
Total	**$ (46,747)**	**$ (41,097)**

There is a difference between the change in depreciation in asset accounts and the amounts carried to profit or loss, due to contracts that were canceled during the year, including 6 ATM and 17 office contracts at December 2024, compared to 10 ATM and 14 office contracts during 2023.

26. Employee benefits

The details of the component of short-term labor liabilities at December 31, 2024 and 2023 are as follows:

Employee benefits	2024	2023
Severance pay	$ 25,257	$ 25,657
Interest on severance	2,983	72
Vacations	52,850	37,807
Mandatory and extra-legal bonuses	1,956	0
Current provisions for employee benefits (1)	101,294	105,505
Other Benefits (2)	93,773	65,853
Subtotal short-term benefits	**278,113**	**234,894**
Seniority bonus	68,560	62,830
Seniority-based vacation bonus	6,805	2,335
Retirement pension actuarial calculation	41,563	43,056
Retirement plan bonus	1,697	1,787
Subtotal long-term benefits	**118,625**	**110,008**
Total employee benefits	**$ 396,738**	**$ 344,902**

1. In 2024, the current provisions for employee benefits represents the variable remuneration incentive based on individual performance evaluations (EDI, for the Spanish original) and CIB (Corporate and Investment Banking), which is linked to the fulfillment of goals.

2. The COP 27,920 increase in 2024 compared to 2023 mainly reflects indemnities, equivalent to 53%, and balances pending payment in December 2024 for social security, accounting for 47%.

Actuarial calculation. As part of the long-term benefits, the Group pays its employees a seniority bonus for every five years they work with the Group. 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.

Upon reaching milestones of 30, 35, or 40 years of service with the Group, employees will be granted an additional vacation period of 15 days in recognition for their stability for those who legally reach the above milestones. The additional vacation period created herein may be paid in cash at 100%. Likewise, the Group 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 extralegal 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 2024, the fixed amount is equivalent to COP 2,845,444:

Item	2024	2023
Benefits liabilities at the beginning of the period	$ 62,830	$ 51,120
1- Cost of services	9,390	6,763
2- Cost of interest	6,169	5,950
3- Cash flow	(10,745)	(10,783)
Adjustment for experience	3,873	7,544
Adjustment for change in financial assumptions	(2,310)	2,236
Adjustment for change in demographic assumptions	(647)	0
Liabilities at the end of the 2024 and 2023 period	**$ 68,560**	**$ 62,830**

Reconciliation:

Item	2024	2023
Balance at December 31, 2024 and 2023	$ 62,830	$ 51,120
Payment of seniority bonus	(10,745)	(10,783)
Expense for seniority bonus benefit	9,390	6,763
Financial cost of seniority bonus	6,169	5,950
Change in demographic variables	916	9,780
Liabilities at the end of the 2024 and 2023 period	**$ 68,560**	**$ 62,830**

Actuarial calculation of retirement plan bonus:

The Group has carried out the actuarial valuation at December 31, 2024 and 2023 for the retirement plan premium commitment made by BBVA with its pensioned and active participants.

Item	2024	2023
Benefits liabilities at the beginning of the period	$ 1,787	$ 1,511
1- Cost of services	106	80
2- Cost of interest	180	184
3- Cash flow	(56)	(58)
Adjustment for experience	(391)	(139)
Adjustment for change in financial assumptions	78	209
Adjustment for change in demographic assumptions	(8)	0
Liabilities at the end of the 2024 and 2023 period	**$ 1,696**	**$ 1,787**

Reconciliation:

Item	2024	2023
Balance at December 31, 2024 and 2023	$ 1,787	$ 1,511
Actuarial calculation adjustment by hypothesis	(322)	70
Actuarial calculation adjustment debited to expenses	287	264
Transfer (1)	(56)	(58)
Liabilities at the end of the 2024 and 2023 period	**$ 1,696**	**$ 1,787**

(1) Pension transfer due to individual retirement plan premium entry

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 whose pension benefits are managed through pension funds, in which BBVA is not responsible for the final pension, only the contribution equivalent to 14 monthly payments per year is recognized.

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 monthly payment is granted as extra-legal bonus, payable on June 15 and December 15.
- One funeral benefit for a total of COP 4,447,819 upon the death of the retiree and COP 1,034,653 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 COP 84,800 per year in the case of natural death and COP 133,000 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, the maximum amount of this premium is COP 178,645.

Types of pensions and/or contingencies to be assessed

Retirees to be paid by the Group. 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.

Pension Substitutes. Survivors' pensions or substitutions payable by the Group are recognized to surviving beneficiaries of retirees to be paid by the Group, 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 after 10 to 15 years of service. Determined in accordance with Article 8 of Law 171/1961, which establishes that a person dismissed without just cause who has accrued more than ten (10) and less than fifteen (15) years of service, 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 Group expected to receive a pension from the. 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 Group for more than 10 years at the time of enrollment in the General Pension System. The Group 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 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.

Retirees to be paid by the Group 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 Group. 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 Group with a pension fund. These pensions are paid to surviving beneficiaries of retirees to be paid by the Group, 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 Group. 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 Group with an expected pension from 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 compatibility, 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 Group 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	2024	2023
Balance at December 31, 2024 and 2023	$ 43.056	$ 34.924
Pension payments	(5.050)	(4.810)
Pension expenses	4.372	4.256
Adjustment against equity	(815)	8.686
Liabilities at the end of the 2024 and 2023 period	**$ 41.563**	**$ 43.056**

Sensitivity of the actuarial calculation

2024 Disclosure and 2025 Expense	Pensions	Additional Benefits	Retirement bonus	Seniority bonus	Vacation bonus	2024 Disclosure and 2025 Expense	Comments
Refund obligation at year end						P.V. Defined Benefit Obligation (DBO) at EOY	
Ref. Refund at year end due to a 50 bp increase	39,449	748	1,647	67,238	6,633	DBO at year end from a 50 bps increase	This is the sensitivity to the discount rate: if the discount rate decreases or increases by 25 points.
Ref. Refund at year end due to a 50 bp decrease	42,222	798	1,750	69,939	6,988	DBO at year end from a 50 bps decrease	
Long-term inflation rate (CPI)						Long term inflation rate	
Ref. Refund at year end due to a 50 bp increase	39,270	743	N/A	N/A	N/A	DBO at year end from a 50 bps increase	This is the sensitivity to CPI: if the CPI increases or decreases by 25 points using the same discount rate.
Ref. Refund at year end due to a 50 bp decrease	42,405	803	N/A	N/A	N/A	DBO at year end from a 50 bps decrease	

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 Group's accounting policies.

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, 2023 and the determination of cost for the 2024 fiscal year
Discount rate	Retirement pensions and additional benefits: 10.50%
	Seniority bonus: 9.98%
	Retirement premium: 10.42%
	Vacation bonus: 10.31%
Inflation	2025: 5.10%
	2026: 3.86%
	2027 onwards: 3.00%
Salary increase rate	2025: 2.00%
	2026: 4.86%
	2027 onwards: 4.00%

Economic and Demographic Hypotheses	For the financing situation at December 31, 2023 and the determination of cost for the 2024 fiscal year
Pension increase rate	2025: 5.10%
	2026: 3.86%
	2027 onwards: 3.00%
Minimum salary increase rate	2025: 7.10%
	2026: 5.86%
	2027 onwards: 5.00%
Increase rate for the benefits granted by the Group	2025: 7.10%
	2026: 5.86%
	2027 onwards: 5.00%
Growth rate of the retirement and disability bonus	2025: 5.10%
	2026: 3.86%
	2027 onwards: 3.00%
Medical expense increase rate	The medical benefit to which retirees are entitled is a Hospitalization and Surgery policy. According to the experience of PwC, the increase in healthcare for these plans in normal conditions is 2 points above inflation.
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 95%

Technical bases and hypothesis for the actuarial calculation based on the application of Decree 1625/2016:

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 employed explicitly includes the future increases in salaries and pensions using a rate equal to the average resulting from adding three (3) times the inflation of the year k-1, plus two (2) times the inflation of year k-2, plus one (1) time the inflation of the year k-3 according to Article 1 of Decree 2984/2009 and Article 1 of Decree 2783/2001. This is a nominal annual 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		
	Local regulation	IFRS
Retirees	45.816	40.791
Additional Benefits	874	772

27. Estimated liabilities and provisions

The Group recognizes provisions on liabilities based on the assessment of experts from the Legal, Labor Relations and Tax Advisory areas. These experts, based on the current status of each legal proceedings, rate and categorize each case. In addition, decision trees are developed in accordance with the type of contingency, either legal, labor or tax, for classification according to the following criteria to create the provision:

- Probable obligation: recognized and disclosed.
- Possible obligation: disclosed.
- Remote obligation: Neither recognized nor disclosed.

At December 31, 2024, the balance of this account is summarized as follows:

Estimated Liabilities and Provisions	2024	2023
Expenses for invoices pending payment (1)	$ 91,663	$ 91,372
Lawsuits due to breach of contracts (2)	49,501	47,837
Labor lawsuits (3)	4,944	10,710
Fines and penalties other administrative authorities(4)	202	200
Commission sales force (CF, for the Spanish original)	1,494	1,300
IFRS 16 disassembly costs (5)	17,207	15,044
Other (6)	108,083	92,952
Other personnel expenses	4	4
Total accrued liabilities and provisions	**$ 273,098**	**$ 259,419**

Between December 2024 and December 2023, there was a COP 13,679 increase, specifically in the other provisions item in the estimated expenses payable account for general expenses, personal expenses and fees.

1. Estimated provisions for unpaid invoices at the end of each period increased by COP 291. These include several items, such as correspondent banking services, ANCMV maintenance, electricity and cleaning, among others.

2. Civil processes total 1,566 cases, with estimated claims valued at COP 417,601. At the end of December 2024, provisions have been established for COP 49,501 corresponding to 15 processes considered probable. Likewise, the variation of COP 1,664 corresponds to income and increases in provisions by COP 2,651, payments for processes by COP 709, and processes concluded in favor of the Group by COP 278.

   Additionally, the Group reports 3 criminal cases with total claims of COP 284, which, classified as remote, have not necessitated a provision.

3. Regarding labor processes, the Group reports a total of 141 cases, with a total claim value of COP 14,021, of which 22 lawsuits are provisioned for COP 4,944, classified as probable. Additionally, the reduction of COP 5,766 in the provision for these lawsuits corresponds to the following: (a) Income and increases in provisions for COP 1,165; (b) Payments for cases amounting to COP 1,884; (c) Updates in case classifications for COP 4,157; (d) Cases concluded in favor of the Group for COP 890.

   Claims mainly pertain to payment of pension contributions, reinstatement, salaries, and compensation for alleged unfair dismissals, among others. According to the Group's legal advisors, it is considered that the result will be in favor of the Group and that there will be no significant losses.

4. The Group is addressing through administrative channels, before the contentious administrative jurisdiction, 20 tax proceedings with estimated claims worth COP 1,661, and provisions recognized at December 31, 2024 in the amount of COP 202, associated with 6 proceedings rated as probable. The provisions correspond to the class action proceedings for withholding tax on financial transactions, regional taxes, public lighting, untimely provision of information and tax collection proceedings.

5. Increase in the dismantling provision, in view of the contractual clauses of each contract in which the Group is committed to restore the property in the conditions in which it was received. Since each contract is different, the real estate properties area seeks the expert opinion of an architect to estimate the provision, in accordance with the implementation of IFRS16 and the associated regulations (Decree 2170/2017, amended by Single Decree 2420/2015 and Resolution 033/2018 of the National General Accounting Office – CGN, for the Spanish original).

6. At year-end 2024 and 2023, there is an increase of COP 15,131 in the item of other provisions related to overhead expenses, personal expenses and fees, the most significant of which are:

   - Increase in provisions for payment to suppliers for COP 8,368.
   - Decrease in the provisions for fees for cardholders' electronic services and credit cards (ACH, CENIT, SOI, and PSE, Banking support) and SLA BANKING invoicing for COP 411.

The movements of estimated liabilities were as follows:

December 31, 2024

Item	Legal proceedings	Others	Total
Opening balance at January 1, 2024	$ 58,747	$ 200,672	**$ 259,419**
Increase	2,234	8,596	**10,830**
Income	1,197	0	**1,197**
Payment	(2,593)	9,183	**6,590**
Removal	(4,938)	0	**(4,938)**
Closing balance at December 31, 2024	**$ 54,647**	**$ 218,451**	**$ 273,098**

December 31, 2023

Item	Legal proceedings	Others	Total
Opening balance at January 1, 2023	$ 69,433	$ 260,568	**$ 330,001**
Increase	7,536	7,829	**15,365**
Income	5,691	0	**5,691**
Payment	(3,792)	(67,725)	**(71,517)**
Removal	(20,121)	0	**(20,121)**
Closing balance at December 31, 2023	**$ 58,747**	**$ 200,672**	**$ 259,419**

28. Subscribed and Paid-in Capital

The Group'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, 2024, 17,308,966,108 ordinary shares and 479,760,000 preferred shares were subscribed and paid-in, at a nominal value of COP 6.24, for total subscribed and paid-in capital of COP 111,002.

The Board of Directors of BBVA Colombia approved, in minutes 1729 dated April 24, 2024, the issuance of 3,401,037,037 ordinary shares subject to preemptive rights and their placement through a public offering in the amount and terms of the regulations.

- **Public Offering.** On August 2, notice of the first stage for the exercise of preemptive rights for the issuance of 3,401,037,037 ordinary shares of the Bank for 2024 was published.
- **Maximum Issuance Amount.** The issuance was up to COP 918,280
- **Subscription Price.** The subscription price of the common shares was COP 270.
- **Stages of the Offering.** The offering was made in three stages, namely: stage one – preemptive right, stage two – growth, and stage three – remainder.

BBVA Colombia					
MAJOR SHAREHOLDERS					
Name	ID No.	No. of Ordinary shares	No. of Preferred shares	Total shares	Share %
BBV AMERICA SL	900.504.684-6	3,154,061,835	256,150,000	3,410,211,835	19.17064%
BANCO BILBAO VIZCAYA ARGENTARIA S.A.	830.070.454-0	13,522,601,422	196,857,652	13,719,459,074	77.12446%
Others		632,302,851	26,752,348	659,055,199	3.70490%
Total		**17,308,966,108**	**479,760,000**	**17,788,726,108**	**100.00%**

29. Reserves

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

Reserves	2024	2023
Legal reserve	$ 4,559,327	$ 4,559,327
Occasional reserves:		
Non-taxed Available to the Board of Directors	0	1
To protect investments	191,623	532
Total reserves	**$ 4,750,950**	**$ 4,559,860**

Legal reserve. In accordance with legal provisions, 10% of the Bank's net profit each year must be credited to a "reserve fund" until its balance reaches at least 50.01% of 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: Reserves that may be used for future distributions, which include:

- Non-taxed available to the Board of Directors, with a balance of COP 1.
- For investment protection, the balance of COP 532.

Dividends declared. The breakdown of the declared dividends in disclosed:

Item	2024	2023
Net income from previous year, 2023 and 2022	195,221	933,513
Outstanding preferred shares (units)	479,760,000	479,760,000
Dividends per preferred share (Colombian pesos)	7,50 per share	32,44 per share
Total dividends declared for preferred shares	3,598	15,563
Ordinary shares outstanding (units)	17,308,966,108	13,907,929,071
Dividends per ordinary share (Colombian pesos)	0 per share	32,44 per share
Total dividends declared for ordinary shares	0	451,173
Dividends declared at December 31, 2024, and 2023	3,598	466,737
Dividends payable at December 31, 2024 and 2023	74,266	81,991

Dividends on preferred shares of the 2023 period were paid in cash in a single installment on June 12, 2024.

Preferred and ordinary dividends of the 2022 period were paid in cash in a single installment on June 15, 2023.

Restrictions on dividend payments

According to Decree 4766/December 14, 2011, shareholders who have acquired shares during an ex-dividend period, which is equivalent to four (4) stock market trading days prior to a dividend payment, shall be exempt from dividend.

Regarding dividend payments, the Shareholders Office publishes in the Official Journal and on the Bank's website the dates on which the dividends declared in each period will be paid to shareholders. It has also worked on updating mandatory information on remaining legacy customers from Banco Ganadero that it had not been able to update.

30. Share issue premium

The balances of additional paid-in capital are presented below:

Share issue premium	2024	2023
Placement of Shares:	$ 1,549,007	$ 651,950
Total premium on share placement	**$ 1,549,007**	**$ 651,950**

For the period from December 31, 2024 to December 31, 2023, there is a variation of COP 897,057 in additional paid-in capital due to the issuance of common shares.

Item	2024
Number of shares issued	3,401,037,037
Sale Value per Share	$ 270
Nominal Value per Share	$ 6,24
Higher Payment Value per Share	$ 263,76
Increase in the premium on share placement	$ 897,057

31. (Loss) Basic earnings per ordinary and preferred share

Basic and diluted earnings per share are calculated in accordance with the criteria set forth in IAS 33 – Earnings per Share.

(Loss) Basic earnings per ordinary and preferred share	2024	2023
Net earnings attributable to shareholders	$ (288,588)	$ 246,428
Average number of shares outstanding	17,788,726,108	14,387,689,071
Basic earnings per share (*)	(16)	17
Total (Loss) Basic earnings per ordinary and preferred share (in Colombian pesos) (*)	**$ (16)**	**$ 17**

(*) Values in Colombian pesos

During the years ended December 31, 2024 and 2023, no other financial instruments or commitments to employees based on shares have been identified that may affect the calculation of the diluted earnings per share for those years. Consequently, earnings per share, both basic and diluted, is the same and there are no significant variations between the two calculations.

32. Other Comprehensive Income

The details on the movements in Other Comprehensive Income for the years ended on December 31 December 2024 and 2023, respectively.

Item	Item	Movements During the Fiscal Year	2023
Gains from other equity items in joint arrangements and trust rights(1)	$ 848	$ (23)	$ 871
Actuarial losses on defined benefit plans, before taxes	1,205	1,137	68
Share in other comprehensive income of non-controlled entities (2)	332,285	195,648	136,637
Income tax related to investments in equity instruments in Other Comprehensive Income	(55,151)	(32,273)	(22,878)
Impairment adjustment and allowances for implementation of IFRS 9 in consolidated financial statements (3)	1,073,428	435,111	638,317
Income tax on loan portfolio and finance leasing impairment measurements according to IFRS 9	(566,747)	(170,145)	(396,602)
Total other comprehensive income that will not be reclassified to the statement of income, before taxes	**$ 785,868**	**$ 429,455**	**$ 356,413**
Loss on remeasurement of financial assets available for sale (4)	(18,487)	(66,600)	48,113
Reclassification adjustments, financial assets available-for-sale, before taxes (5)	(18,510)	(459)	(18,051)
Income tax on remeasurement of financial assets	14,464	26,418	(11,954)
Gain from application of IFRS 9	447,949	0	447,949
Gain on cash flow hedging (6)	(13,433)	(1,933)	(11,500)
Income tax related to cash flow hedges of other comprehensive income	5,373	773	4,600
Total OCI that is not reclassified to the Statement of Income, before taxes	**$ 417,356**	**$ (41,801)**	**$ 459,157**
TOTAL OTHER COMPREHENSIVE INCOME	**$ 1,203,224**	**$ 387,654**	**$ 815,570**

1. The following were the changes in investments in equity securities before taxes at December 31, 2024:

Entity	2024	2023	Variation
BBVA Asset Management Fiduciaria S.A. (OCI valuation)	$ 1,285	$ 1,228	$ 57
BBVA Valores Comisionista de Bolsa S.A. (OCI valuation)	(1,063)	(1,093)	30
RCI Banque Colombia	626	736	(110)
Total	**$ 848**	**$ 871**	**$ (23)**

2. Movement of valuation of equity instruments carried under OCI:

Name	2024	2023	Variation
Credibanco S.A.	$ 32,972	$ 37,074	$ (4,102)
Holding Bursátil Chilena S.A. (previously Bolsa de Valores de Colombia S.A.)	(3,464)	5,272	(8,736)
Fondo para el Financiamiento del Sector Agropecuario “FINAGRO”	47,623	23,394	24,229
Redeban Multicolor S.A.	118,445	21,887	96,558
ACH Colombia S.A.	136,702	49,005	87,697
Cámara de Riesgo Central de Contraparte de Colombia S.A.	6	4	2
Total	**$ 332,284**	**$ 136,636**	**$ 195,648**

3. The adjustment movements to the impairment and provision item, in accordance with IFRS 9 provisions, mainly arises from the increase in Stage 3 exposure, for an amount of COP 319,000, reflecting a higher level of credit risk of the portfolio. Additionally, the calculation models were updated, which had an impact of COP 74,000, mainly affecting revolving credit lines and payroll loans. These adjustments are in response to the evolution of the risk profile of the portfolio and the adoption of updated methodologies to better estimate expected impairment.

4. The variation of COP 66,600 from the measurement of financial assets available-for-sale, before taxes, shows a decrease due to the maturity of fixed rate and UVR treasury securities (TES) and TIPs recognized in 2024.

5. The COP 459 reduction before taxes for adjustment from reclassifications of financial assets available-for-sale reflects the sale of the securities TFIT16240724 and CB07FV270124, which were held at December 2023.

6. The following were the movements of cash flow hedges:

Date	Valuation	Accrued Interest	Exchange Difference	Variation
December 2024	$ 155,365	$ 2,598	$ (171,396)	$ (13,433)
December 2023	75,821	3,242	(90,563)	(11,500)
Total	**$ 79,544**	**$ (644)**	**$ (80,833)**	**$ (1,933)**

33. Legal controls

During 2024, the Group complied with all regulations related to legal controls established by the Financial Superintendence of Colombia, as follows:

- As regards the limit on proprietary position in foreign currency, the minimum legal reserve required on deposits in local currency, the standard liquidity risk indicator (IRL, for the Spanish original) and mandatory investments in agricultural investment securities (TDA, 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 housing: Up to 80% financing on the value of the housing unit.
- Non-Social Interest housing: Up to 70% financing on the value of the housing 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 2021. This process was completed with submission as of June 2020 to the SFC of the Solvency Ratio indicator in accordance with the above decrees.

At December 2023, the regulatory limit for total solvency was 11.5%, thereby consolidating the transition to the Solvency regulation, maintaining this limit for future years.

At December 31, 2024 and 2023, the total consolidated solvency ratio of the entity was 13.09% and 12.37%, respectively.

34. Commitments and Contingencies

During the normal course of business, the Group issues financial instruments, which are recorded in contingent accounts. Bank management does not expect any material losses as a result of these transactions.

The Group issues endorsements, guarantees and letters of credit to guarantee contracts and obligations of special customers. These guarantees expire in 1 to 15 years, and Bank correspondents are charged for this service, whether or not they belong to the Group.

At December 31, 2024, the Group recorded the following balances:

34.1 IN LOCAL CURRENCY

Item	2024	2023
Endorsements	$ 0	$ 4,514
Bank guarantees	1,387,995	1,452,902
Total Bank Guarantees and Collateral in local currency	**$ 1,387,995**	**$ 1,457,416**

34.2 IN FOREIGN CURRENCY

December 31, 2024

Item	USD	EUR
Bank guarantees	428	41
Letters of Credit (LC)	78	16
Total in foreign currency	**506**	**57**
Exchange rates (applied on cutoff date)	$ 4,409	$ 4,577
Total in COP	**$ 2,228,247**	**$ 256,388**

December 31, 2023

Item	USD	EUR
Bank guarantees	440	38
Letters of Credit (LC)	75	15
Total in foreign currency	**515**	**53**
Exchange rates (applied on cutoff date)	$ 3,822	$ 4,245
Total in COP	**$ 1,966,492**	**$ 220,799**

Historically, there has been no default on Bank Guarantees in local or foreign currency at Banco BBVA.

34.3 BANK GUARANTEES IN LOCAL CURRENCY (STATED IN COP MILLIONS)

The rating of the information at December 31, 2024 and 2023 is as follows

	2024		2023	
Stage	COP	Percentage	COP	Percentage
1	$ 0	0%	$ 4,513	100%
Total in Colombian pesos	**$ 0**	**0%**	**$ 4,513**	**100%**

34.4 BANK GUARANTEES IN LOCAL CURRENCY (STATED IN COP MILLIONS)

La The rating of the information at December 31, 2024 and 2023 is as follows:

	2024		2023	
Stage	COP	Percentage	COP	Percentage
1	$ 0	0%	$ 4,513	100%
Total in Colombian pesos	**$ 0**	**0%**	**$ 4,513**	**100%**

Bank guarantees in foreign currency (stated in millions of foreign currency)

The rating of the information at December 31, 2024 is as follows:

Stage 2024	USD	EUR	Percentage
1	427.00	40,00	100%
Total in foreign currency	**427.00**	**40.00**	
Exchange rates (applied on cutoff date)	$ 4,409.15	$ 4,576.92	
Total in COP	**$ 1,884,812**	**$ 184,653**	**100%**

The rating of the information at December 31, 2023 is as follows

Stage 2024	USD	EUR	Percentage
1	160.00	22.00	100%
Total in foreign currency	**160.00**	**22.00**	
Exchange rates (applied on cutoff date)	$ 3,822.05	$ 4,244.58	
Total in COP	**$ 1,681,619**	**$ 159,184**	**100%**

34.5 LETTERS OF CREDIT IN FOREIGN CURRENCY (STATED IN MILLIONS OF FOREIGN CURRENCY)

The rating of the information at December 31, 2024 is as follows:

Stage 2024	USD	EUR	Percentage
1	78.00	8.00	100%
Total in foreign currency	**78.00**	**8.00**	
Exchange rates (applied on cutoff date)	$ 4,409.15	$ 4,576.92	
Total in COP	**$ 343.435**	**$ 71,734**	**100%**

The rating of the information at December 31, 2023 is as follows:

Stage 2023	USD	EUR	Percentage
1	73.00	14.00	100%
Total in foreign currency	**73.00**	**14.00**	
Exchange rates (applied on cutoff date)	$ 3,822.05	$ 4,244.58	
Total in COP	**$ 284,873**	**$ 61,615**	**100%**

As a result of the work carried out to evaluate the current status of the Endorsements, Bank Guarantees and Letters of Credit in force at the end of December 2024, the facts that caught our attention are highlighted below:

- 100% of the customers with transactions (Bank Guarantees) in local currency do not pose any level of risk, as their economic Group is classified as stage 1.
- Of the letters of credit issued in foreign currency during the reported quarter, 100% have an economic group classified as Stage 1.
- Of the total guarantees issued in foreign currency, 100% are for customers rated as Stage 1.

In accordance with the revised bases, at the end of 2024, it is considered that BBVA Colombia does not need to make any allowances for the products of Endorsements, Bank Guarantees and Letters of Credit in Local and Foreign Currencies.

35. Interest and valuation income

Revenues from interest and revaluations in ordinary activities for the years ended December 31, 2024 and 2023 consist of the following:

Loan portfolio and financial lease transactions	2024	2023
Commercial loan portfolio		
Commercial loans	$ 3,151,859	$ 3,271,195
Overdrafts commercial loans	17,710	21,010
Commercial loan portfolio discount operations	33,969	25,430
Commercial loan portfolio rediscount operations	199,471	279,356
Commercial portfolio late payment interest	25,870	27,379
Micro-credit	0	(6)
Subtotal commercial loan portfolio (1)	3,428,879	3,624,364
Consumer loan portfolio		
Consumer loans	3,274,413	3,096,330
Consumer loan portfolio late charge interest	154,825	67,120
Subtotal consumer loan portfolio (2)	3,429,238	3,163,450
Credit card loan portfolio		
Commercial credit card loan portfolio	8,787	9,744
Consumer credit card portfolio	927,196	979,230
Subtotal credit card loan portfolio	935,983	988,974
Mortgage portfolio		
Mortgage loans and residential leases	990,527	1,004,593
Readjustment of the real value unit (UVR)	62,697	56,594
Subtotal mortgage loan portfolio	1,053,224	1,061,187
Factoring transactions loan portfolio		
Factoring transactions	174,500	188,124
Subtotal factoring transactions loan portfolio (3)	174,500	188,124
Finance lease portfolio		
Penalties for breach of finance lease agreements	2,695	4,554
Financial component of finance leases - consumer	749	529
Financial component of finance leases - commercial	280,902	299,400
Subtotal finance lease portfolio (4)	284,346	304,483
Residential lease portfolio		
Financial component of residential lease	411,252	397,140
Subtotal residential lease portfolio (4)	411,252	397,140
Total loan portfolio and finance lease transactions	$ 9,717,422	$ 9,727,722

Valuation of financial instruments, net	2024	2023
Securities		
Money market transactions		
Financial revenue money market transactions and other interests (5)	$ 55,269	$ (195,237)
Valuation of short positions for open repo and simultaneous transactions and temporary security transfers (6)	(12,018)	(173,679)
Valuation of spot transactions	(642)	1,200
Investments at fair value		
Valuation of debt instruments at fair value (7)	286,216	665,910
Investments at amortized cost		
Valuation of investments at amortized cost	577,868	614,945
Subtotal securities	906,693	913,139
Derivatives		
Trading Derivatives (8)	(154,548)	801,156
Hedging Derivatives	(80,430)	(77,424)
Subtotal derivatives	$ (234,978)	$ 723,732
Total valuation of financial instruments, net	**$ 671,715**	**$ 1,636,871**
Total interest and valuation income	**$ 10,389,137**	**$ 11,364,593**

During the year ended on December 31, 2024, the interest margin on interest income decreased by 9.62%, related to the volatility of the fixed rates granted by the Bank in its loan portfolio.

1. Interest income from the commercial loan portfolio decreased by COP 195,485, where the main changes are in interest on the commercial loan portfolio by COP 119,336 and commercial loan portfolio rediscount operations for COP 79,885, due to the 258 bps weighted reduction of long-term fixed rates in the portfolio

2. Income from the consumer loan portfolio increased by COP 265,788, of which COP 178,083 are from an increase in the mid-term payroll loan product, as a result of the Bank's strategy of continuing to improve loan rates in the market.

3. Discount and factoring/confirming operations decreased by COP 13,624, due to a weighted 400 bps reduction in long-term fixed rates in the portfolio.

4. Finance lease transaction revenues decreased by COP 20,137, mainly in the commercial financial lease category, which increased by COP 18,498, combined with an increase of COP 14,112 in residential leases.

   Additionally, the reduction of the monetary policy rate by the Colombian Central Bank had a significant impact, with a rate of 9.50% at December 31, 2024, compared to 13% at the end of the same period the previous year. This rate behavior influenced the financial margins, reflected in lower profitability of productive assets.

5. At year-end 2024, the money market transactions and other interest line decreased compared to the previous year by COP 250,506, due to a decrease in the number of transactions made, as well as the fluctuation of Central Bank rates on the yields on commitments for simultaneous operations for COP 9,878 and Repo transfer operations for COP 143,256.

6. Short operations in the money market for repo, simultaneous and temporary securities transfer transactions decreased compared to the previous year by COP 161,661, due to the reduction of securities market sales positions in repo, simultaneous, and temporary securities transfer transactions.

7. The valuation of debt instruments at fair value decreased significantly, mainly explained by the drop in value of Treasury Securities (TES) issued in guarantee by the Nation, which decreased by COP 224,517, as well as the reduction in the valuation of Term deposit certificates (CDT), which decreased by COP 154,598.

8. The change in trading derivatives is mainly explained by the impact of the settlement and valuation of peso/dollar currency forwards, whose effect on the financial statements was an adjustment of COP 955,704. This change is due to market conditions and hedging and exchange risk management strategies used for the investment portfolio.

36. Interest and valuation expenses

For the years ended December 31, 2024 and 2023, the balances of these accounts are summarized as follows:

Item	2024	2023
Customer deposits		
Savings accounts	$ (1,616,403)	$ (1,842,453)
Checking Account	(213,197)	(310,583)
Certificates of deposit	(4,144,112)	(4,329,021)
Other interest expenses	(680)	(1,144)
Total customer deposits (1)	**(5,974,392)**	**(6,483,201)**
Financial obligations		
Bank credits and financial obligations	(575,339)	(562,721)
Total financial obligations (2)	**(575,339)**	**(562,721)**
Other interest	(96)	(101)
Total interest and valuation expenses	**$ (6,549,827)**	**$ (7,046,023)**

1. At year-end 2024, customer deposits show a decrease of 7.85% compared to September 2023, totaling COP 508,809, consisting of:

a) Accumulated interest as of December 2024:

- Savings accounts showed a variation of COP 226,050, primarily in the Ganadiario product.
- Checking accounts registered a decrease of COP 95,386, resulting from effective resource capture management through successful digital offering strategies.

b) In the category of term deposit certificates (CDTs), there is a decrease of COP 184,909 in the issuance of deposits with a term longer than 12 months. This is due to the intervention rate of the Central Bank of Colombia, which closed at 9.50%, compared to 13% for the same period in the previous year.

Even though interest rates on deposits have been falling during 2024, customers have continued to save and invest, as reflected in the increase of this item in Note 20.

2. The expenses related to financial obligations of interest show an increase compared to the previous year, mainly due to:

a) with a 32% share of total interest. This obligation was created in 2023 and accrued interest for COP 97,571.

b) Accrual of interest on financing with foreign banks and costs of bank loans with the International Finance Corporation (IFC), BBVA Madrid, other foreign obligations and rediscounts for COP 382,791.

37. Fee revenues, net

The following is a summary of fee revenues, net:

Fee revenues, net	2024	2023
Letters of credit	$ 5,063	$ 3,215
Endorsements	8	23
Bank guarantees	29,972	30,301
Banking services	72,956	71,124
Card affiliated establishments	234,332	213,888
Office network service	165,013	148,085
For fund transfers	6,546	6,243
Credit card handling fees	120,965	115,532
Debit card handling fees	42,125	44,538
Derivative products	114	249
Others	474,670	385,046
Subtotal fee income (1)	**1,151,764**	**1,018,244**
Data processing	(128,349)	(98,326)
External loan placement	(233,272)	(208,519)
Network services	(27,764)	(19,075)
Banking services	(23,217)	(19,029)
Franchises	(54,766)	(44,710)
Others	(242,562)	(156,224)
Subtotal fee expenses (2)	**(709,930)**	**(545,883)**
Total fee revenues, net	**$ 441,834**	**$ 472,361**

1. Fee revenues changed by COP 133,520, for the following:

a. An increase in establishments affiliated to credit cards for an amount of COP 20,444, mainly fees for acquisition of Visa Master. Credit card handling fees increased by COP 5,433 and office network services by COP 16,928.

b. The “others” item increased by COP 89,624, mainly for services such as manual reimbursement of fees, ACH transactions, PSE fees, in-house commissions and loan disbursement fees.

2. Fee expenses increased by COP 164,047, mainly arising from:

a. Data processing for COP 30,023, franchises for COP 10,056, and fee expenses for COP 86,338, such as placement of payroll and consumer loans.

b. Network services increased by COP 8,689, mainly for usage fees of the Redeban and Credibanco network.

38. Non-interest Revenues

For the years ended December 31, 2024 and 2023, the balances of these accounts are summarized as follows:

Non-interest Revenues	2024	2023
Sale of non-current assets held-for-sale	$ 1,791	$ 3,915
Sale of financial investment assets (1)	288,414	324,498
Subtotal sales	**290,205**	**328,413**
Dividends	16,906	21,572
Leases	4,273	3,450
Other - Miscellaneous (2)	228,975	192,655
Recovery of operational risk	13,306	22,116
Activities in joint operations	7,848	5,094
Net exchange difference (3)	699,469	(476,927)
Subtotal other operating revenues	**970,777**	**(232,040)**
Non-interest Revenues	**$ 1,260,982**	**$ 96,373**

In 2024 other operating revenues increased by COP 1,164,609 compared to 2023. The following are the main items:

1. The change in sales of financial investment assets of COP 35,533 is mainly due to the reduction in profits on the sale of fixed rate TES and TES UVR securities.

2. Other sundry items increased by COP 36,320, mainly due to exploitations, extraordinary reimbursements, advertising agency rebates and insurance refunds.

3. Exchange differences increased by COP 1,176,396, influenced by the change in the market representative exchange rate (TRM), which increased to COP 4,409.15 at year-end 2024 from COP 3,822.05 at year-end 2023. This line represents adjustments on balances denominated in foreign currency arising from exchange rate fluctuations.

39. Other operating expenses

Other operating expenses for the years ended December 31, 2024 and 2023 consist of the following:

Other operating expenses	2024	2023
Loss on sale of assets received in payment and repossessed assets	$ (870)	$ (234
Employee benefits (1)	(1,035,527)	(930,107)
Sale of investments (2)	(221,681)	(318,844)
Non-current assets held for sale	(7,303)	(5,502)
Loss on sale of accounts receivable	(17,741)	(10,936)
Fees	(53,167)	(41,139)
Legal expenses	(12)	(12)
Taxes and duties (3)	(294,096)	(281,738)
Net leases	(8,019)	(7,440)
Contributions, affiliations and transfers	(30,223)	(25,901)
Insurance (4)	(297,697)	(271,157)
Maintenance and repairs (5)	(145,192)	(123,959)
Adaptations and installations	(21,377)	(14,155)
Fines and penalties, litigation, indemnities, and lawsuits	(10,620)	(10,360)
Depreciation of property, plant and equipment	(54,277)	(51,769)
Impairment of right-of-use property, plant and equipment	(32,892)	(30,499)
Amortization of intangible assets	(66,550)	(56,162)
Miscellaneous (6)	(951,341)	(762,236
Loss events	(31,476)	(46,785)
Management and brokerage services and systems	(2,316)	(2,356)
Activities in joint operations	(7,826)	(5,055)
Total other operating expenses	$ (3,290,2030)	$ (2,996,346)

In 2024, other expenses increased by COP 293,857, equivalent to 9.8% over the previous year. The following are the main items that contributed to this increase:

1. During 2024, substantial increases were made in employee benefits, for a total increase of COP 105,420. The following is a breakdown of the changes:

   - Regarding the payroll, comprehensive salaries increased by COP 10,664. Mandatory benefits increased to COP 15,501, which is tied to increases in severance fund and interest on severance fund for COP 3,777, and in paid vacations and vacations bonus for COP 7,331. These increases highlight the approach of strengthening employee salary and benefit structures.
   - In the actuarial calculations, there was a substantial decrease in the seniority bonus, up by COP 6,017.
   - The pensions item had an increase of COP 117, which demonstrate a commitment to the long-term financial well-being of employees.

   Lastly, there was a considerable increase in indemnities for COP 50,930, and an increase in bonuses granted as part of the incentives packages for COP 15,813.

2. Sales of investments increased by COP 97,163, equivalent to 30.5%, which mainly reflects higher expenditures on the sale of financial instruments: treasury securities (TES) financial assets, debt instruments with maturities measured at fair value and which consequently affect the period's profit of loss.

3. There was an increase in the taxes and fees item by COP 12,358, within which the expenses for Industry and Commerce Tax, and GMF (Levy on Financial Transactions) stood out.

4. Insurance increased by COP 26,540, equivalent to 9.8%, mainly due to higher expenses on deposit insurance.

5. Maintenance and repairs increased by COP 21,233, which reflects adequate management of repairs to security, technological and communications equipment, to ensure the effectiveness and efficiency of the tasks involved in the Group's operations.

6. In the category of other miscellaneous expenses, there was an increase of COP 189,105, where expenses for rental, support, and call center services for applications, tools, and software projects of the Bank stood out, incurred to improve internal operational processes and customer service.

40. Total Income Tax Expense

40.1. COMPONENTS OF THE INCOME TAX EXPENSE

The income tax expense for the years 2024 and 2023 is made up of the following:

	2024	2023
Current income tax	$ 47,698	$ 136,724
Capital gains tax	155	435
Deferred Tax	(119,190)	935
Income tax of previous years	29,821	31,676
Total income tax	**$ (41,516)**	**$ 169,770**

40.2 RECONCILIATION OF THE TAX RATE IN ACCORDANCE WITH THE TAX PROVISIONS AND THE EFFECTIVE RATE:

The current tax provisions applicable to the Bank stipulate that in Colombia:

- DeAccording to Equality and Social Justice Law 2277/2022, the income tax rate for legal entities from 2023 to 2027 will be 35%. Additionally, financial institutions, insurers and reinsurers, whose taxable income in the period is equal to or greater than 120,000 UVTs must add 5 additional percentage points to the income tax, for an overall rate of 40%.

- At year-end 2023 and 2024, the Brokerage and Trust companies reported ordinary taxable income of more than 120,000 UVTs, which implied that their current tax was assessed at a rate of 40%.

- At year-end 2024, the Bank reported both financial and tax losses. In 2023, a financial profit was reported, but due to the application of tax treatments that reduce taxable income, a tax loss was reported. In both years, the tax losses are calculated and recognized as deferred tax assets at a tax rate of 40%. Said loss may be offset against ordinary taxable income reported within the following twelve (12) tax years, pursuant to the provisions of article 147 of the Tax Statute.

- For 2024 and 2023, no presumed income was determined, as it was applicable only until tax year 2020, the final year, when it was calculated at a rate of 0.5% in accordance with Article 188 of the Tax Statute.

- Article 69 of Law 2294/2023 extended the audit benefit established in article 689-3 of the Tax Statute for tax years 2024, 2025 and 2026. This benefits consists of a reduction of the term for the tax return to become final for taxpayers whose net income tax increased compared to the previous year, by a percentage of 25% (final in 12 months) or 35% (final in 6 months) and who fulfill certain additional requirements established in the regulation. The Trust and Securities companies verified their compliance with the requirements established in the regulation, finding that they were in full compliance in reference to the tax returns for tax year 2023, which consequently became final in October 2024.

- The capital gains tax rate is 15%.

- Social Investment Law 2155/2021 established a new audit benefit. In tax years 2022 and 2023, taxpayers whose net income tax for the current tax year increases by 35% compared to the preceding year, the tax return will become final in 6 months, and when the increase is 25%, the return will become final in 12 months. The Bank applied this benefit on its income tax return for tax year 2022, which became final in December 2023, after 6 months had elapsed from the tax filing.

- Law 2277/2022 added paragraph 6 to article 240 of the Tax Statute, which requires calculate in the explicit manner established the Minimum Tax Rate (TTD, for the Spanish original), which must not be less than 15%. Otherwise, an Additional Tax (IA, for the Spanish original) must be added until reaching said rate. At year-end 2023, the Bank did not recognize any Additional Tax based on the assessments performed and the lawsuits in progress. However, in November 2024, the Constitutional Court, through Ruling C-488, declared that said article was justifiable, based on which the consolidated TTD was calculated for the Bank, which was filed and offset against a portion of the balance in favor, by means of an amended tax return for tax year 2023. In 2024, the Bank and its subsidiaries calculated the TTD separately, and subsequently on a consolidated basis, concluding that in view of the Bank's losses, there is no grounds for the TTD nor for the calculation of any Additional Tax

Below are the details of the reconciliation between the total income tax expense calculated at the tax rates in force for 2024 and 2023 and the tax expense actually recognized in the Statement of Income.

Item	2024		2023	
Profit before Taxes from Continuing Operations	**Relación %**	**(333.756)**	**Relación %**	**416.198**
Income tax expense calculated at 35% plus 5% for the year 2024 and 35% plus 3% for the year 2023	40.00%	$ (133.502)	40.00%	$ 166.479
Dividends received that are not taxable income	1.43%	(94.758)	(1.74%)	(7.254)
Gain from valuation using the equity method	6.12%	(20.425)	(3.28%)	(13.663)
Other non-taxable income	2.11%	(7.044)	(6.09%0	(25.338)
Other non-deductible expenses	(11.47%)	38.291	6.98%	29.044
Non-deductible taxes	(6.69%)	22.330	4.52%	18.806
Rate difference effect of deferred tax vs. nominal rate	27.45%	(91.630)	(91.01%)	(378.788)
Fines, penalties and other non-deductible expenses	(0.85%)	2.853	0.83%	3.436
Income tax of previous years	(8.93%)	29.820	7.47%	31.083
Tax loss credit	(19.93%)	66.532	69.94%	291.086
Others	(16.78%)	56.017	13.19%	54.879
Income tax expense recognized in the statement of income (related to continuing operations)	**12.44%**	**$ (41.516)**	**40.79%**	**$ 169.770**

40.3. DEFERRED TAXES BY TYPE OF TEMPORARY DIFFERENCE

The differences between the asset and liability bases for IFRS purposes and the tax bases of the same assets and liabilities for tax purposes give rise to temporary differences that generate deferred taxes that were measured and recognized at December 31, 2024 and 2023 based on the tax rates currently in force for the years in which said temporary differences will be reversed.

The following is the net result of the deferred tax assets and liabilities presented in the Statements of Financial Position at December 31, 2024 and 2023:

Deferred tax assets and liabilities	2024	2023
Deferred tax asset	$ 726,277	$ 574,036
Deferred tax liability	(901,665)	(692,060)
Total deferred tax assets and liabilities	**$ (175,388)**	**$ (118,024)**

Year December 31, 2024

2024	Opening balance (restated)	Recognized in the Income Statement	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Closing Balance
Deferred tax asset related to:					
Cash flow hedges	$ 6,547	$ 0	$ (1,173)	$ 0	$ 5,374
Net investment hedges	95,761	(70,447)	0	0	25,314
Repos, simultaneous transactions and temporary security transfers	0	1,262	0	0	1,262
Property, plant and equipment	33,230	2,095	0	1,237	36,562
Financial assets at fair value through profit or loss and amortized cost	0	18,096	14,463	0	32,559
Financial assets available-for-sale	0	0	166	0	166
Deferred income	7,566	(2,798)	0	0	4,768
Provisions	62,439	8,331	0	0	70,770
Non-offset tax credits	0	1,587	0	0	1,587
Defined benefit liabilities	28,717	23,826	0	0	52,543
Restatement of assets and liabilities in FC	128	67,671	0	0	67,799
Leases	7,326	953	0	0	8,279
Tax loss	332,669	76,290	0	0	408,959
Others	(345)	10,682	0	0	10,337
Subtotal deferred tax assets	574,036	137,548	13,456	1,237	726,277

2024	Opening balance (restated)	Recognized in the Income Statement	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Closing Balance
Deferred tax liability related to:					
Cash flow hedges	(1,947)	0	1,947	0	0
Associates	(45,362)	(8,818)	(18,610)	0	(72,790)
Property, plant and equipment	(138,776)	(4,909)	0	0	(143,685
Repos, simultaneous transactions and temporary security transfers	(1,563)	1,457	0	0	(106)
Intangible Assets	(11,773)	3,938	0	0	(7,835)
Financial assets at fair value through profit or loss and amortized cost	(30,432)	11,326	11,955	0	(7,151)
Portfolio	(48,028)	(7,513)	0	(24,442)	(79,983)
Portfolio provisions	(317,990)	0	(170,193)	0	(488,183)
Financial assets available-for-sale	0	157	0	0	157
Convertible instruments	(4,834)	0	0	0	(4,834)
Provisions	(5,667)	(6,014)	0	0	(11,681)
Defined benefit liabilities	375	0	0	0	375
Unclaimed issuance and buyback costs	(873)	(479)	0	0	(1,352)
Investment hedges	(4,376)	0	0	0	(4,376)
Others	(64,024)	(36)	0	(16,288)	(80,348)
Restatement of assets and liabilities in FC	(16,790)	16,917	0	0	127
Subtotal deferred tax liabilities	(692,060)	6,026	(174,901)	(40,730)	(901,665)
Total deferred tax, net	**$ (118,024)**	**$ 143,574**	**$ (161,445)**	**$ (39,493)**	**$ (175,388)**

Year ended December 31, 2023

2023	Opening balance (restated)	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	$ 0	$ 4,600	$ 0	$ 6,547
Net investment hedges	286,579	(190,680)	(138)	0	95,761
Property, plant and equipment	45,424	(10,211)	0	(1,983)	33,230
Intangible Assets	0	(2)	0	0	(2)
Financial assets at fair value through profit or loss and amortized cost	19,582	(19,582)	0	0	0
Deferred income	7,566	0	0	0	7,566
Provisions	84,201	(21,762)	0	0	62,439
Defined benefit liabilities	39,576	(10,859)	0	0	28,717
Restatement of assets and liabilities in FC	116,889	(116,761)	0	0	128
Leases	6,946	380	0	0	7,326
Tax loss	0	332,669	0	0	332,669
Others	(766)	421	0	0	(345)
Subtotal deferred tax assets	607,944	(36,387)	4,462	(1,983)	574,036

2023	Opening balance (restated)	Recognized in the Income Statement	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Closing Balance
Deferred tax liability related to:					
Cash flow hedges	(6,404)	0	4,457	0	(1,947)
Associates	(57,663)	5,022	7,279	0	(45,362)
Property, plant and equipment	(142,257)	3,481	0	0	(138,776)
Repos, simultaneous transactions and temporary security transfers	(570)	(1,561)	0	568	(1,563)
Intangible Assets	(6,851)	(4,922)	0	0	(11,773)
Financial assets at fair value through profit or loss and amortized cost	(809)	(16,981)	(12,642)	0	(30,432)
Portfolio	(17,921)	(24,383)	0	(5,724)	(48,028)
Portfolio provisions	(295,244)	0	(31,202)	8,456	(317,990)
Convertible instruments	(4,834)	0	0	0	(4,834)
Provisions	(7,178)	1,511	0	0	(5,667)
Defined benefit liabilities	375	0	0	0	375
Unclaimed issuance and buyback costs	(1,548)	675	0	0	(873)
Investment hedges	(4,376)	0	0	0	(4,376)
Others	(41,237)	23,958	0	(46,745)	(64,024)
Restatement of assets and liabilities in FC	0	(16,790)	0	0	(16,790)
Subtotal deferred tax liabilities	**(586,517)**	**(29,990)**	**(32,108)**	**(43,445)**	**(692,060)**
Total deferred tax, net	**$ 21,427**	**$ (66,377)**	**$ (27,646)**	**$ (45,428)**	**$ (118,024)**

For the purposes of disclosure in the statement of financial position, the Bank and its subsidiaries offset the active and passive deferred taxes 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.

40.3.1. Deferred Taxes of Subsidiaries and Joint Operations

At December 31, 2024 and 2023, the Bank has not recorded passive deferred taxes 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 COP 49,392 and COP 40,634 at December 31, 2024 and 2023, respectively.

40.3.2. Effect of Current and Deferred Taxes on each Component of Other Comprehensive Income under Equity

The effects of current and deferred taxes on each component of other comprehensive income are detailed below:

Item	Movement at December 31, 2024			Movement at December 31, 2023		
	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						
Gains (losses) on investments by the equity method	$ (23)	$ 0	$ (23)	$ (215)	$ 0	$ (215)
Share in other comprehensive income of non-controlled entities	195,648	(32,272)	163,376	52,845	7,280	60,125
Loan portfolio	435,111	(170,145)	264,966	45,458	(31,202)	14,256
Defined benefit liabilities	1,137	0	1,137	(8,756)	0	(8,756)
Items that may be subsequently reclassified to the statement of income for the period						
Financial assets available-for-sale	(67,059)	26,418	(40,641)	33,928	(12,798)	21,130
Cash flow hedges	(1,934)	773	(1,161)	(22,642)	9,057	(13,585)
TOTAL	**$ 562,880**	**$ (175,226)**	**$ 387,654**	**$ 100,618**	**$ (27,663)**	**$ 72,955**

40.4. TRANSFER PRICES

Pursuant to the provisions of Laws 788/2002, 863/2003, 1607/2012 and 1819/2016, regulated by Decree 2120/2017, the Bank has prepared a transfer price study on the transactions carried out with related parties abroad during the 2023 tax year. The study did not give rise to adjustments affecting the Bank's revenues, costs and tax expense.

Although the transfer price study for the year 2024 is currently in progress, no significant changes are expected in relation to the preceding year.

40.5. UNCERTAINTY IN TAX POSITIONS

As of January 1, 2020 and through Decree 2270/2019, which was adopted for the purposes of the local financial statements of Group 1, the interpretation 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.

41. Related Parties

For comparative purposes, BBVA Banco Bilbao Vizcaya Argentaria, S.A. is acknowledged as a shareholder with more than a 10% stake. Domestic entities such as Comercializadora de Servicios Financieros, Fideicomiso Lote 6.1 Zaragoza, Fideicomiso Horizontes Villa Campestre, Comercializadora de Servicios Financieros, and Open Pay Colombia, along with foreign entities like Banco BBVA Argentina S.A., Banco BBVA Perú S.A., BBVA (Suiza) S.A., BBVA Axial Tech S.A. de C.V., BBVA México S.A., and BBVA Securities Inc., are recognized as other related companies.

As of December 31, 2024, payments amounting to COP 29,771 were made for key management personnel remuneration: COP 14,352 for short-term employee benefits, COP 3,397 for share-based payments, COP 49 for post-employment benefits, and COP 11,913 for other items, including integral salary, bonuses, vacations, and vacation premiums.

BBVA Valores Colombia S.A. Comisionista de Bolsa carried out a joint operation with BBVA Asset Management S.A. Sociedad Fiduciaria, in which revenues of COP 7,815 have been earned at December 2024.

Related party details as of December 31, 2024

		Joint Ventures			Other companies of the BBVA Group that are not subsidiaries of BBVA Colombia			
Item	**Shareholders with Over 10% of Shares** (a)	**RCI Colombia**	**Board Members**	**Registered Agents and Key Management Personnel**	**BBVA Seguros**	**BBVA Seguros de Vida**	**Other Domestic Related Parties(b)**	**Other Related Parties Abroad(b)**
Assets								
Cash (Banks and other financial entities)	195,233	0	0	0	0	0	0	16,300
Investments	0	177,311	0	0	0	0	0	0
Derivatives and spot transactions	4,994,729	0	0	0	0	0	0	11,853
Loan portfolio and financial lease transactions, net (1)	0	747,679	41	3,110	5	3	11	0
Accounts receivable, Net	1,646,550	34	0	0	0	0	68	4,839
Deposits as collateral	2,568	0	0	0	4,738	220	0	0
Prepaid expenses	0	0	0	0	0	0	14,349	0

		Joint Ventures			Other companies of the BBVA Group that are not subsidiaries of BBVA Colombia			
Item	**Shareholders with Over 10% of Shares** (a)	**RCI Colombia**	**Board Members**	**Registered Agents and Key Management Personnel**	**BBVA Seguros**	**BBVA Seguros de Vida**	**Other Domestic Related Parties(b)**	**Other Related Parties Abroad(b)**
Other assets	2,286	0	0	0	155	0	0	0
Total	**$ 6,841,366**	**$ 925,024**	**$ 41**	**$ 3,110**	**$ 4,898**	**$ 223**	**$ 14,428**	**32,992**
Liabilities:								
Deposits (savings and checking accounts)	0	57,659	36	3,266	36,067	63,051	20,108	0
Derivatives and spot transactions	5,344,054	0	0	0	0	0	0	13,860
Financial obligations (3)	1,514,511	0	0	0	0	0	0	0
Outstanding investment securities	0	0	0	0	0	35,288	0	0
Accounts payable (2)	6,176	0	0	0	0	5	147	12
Total	**$ 6,864,741**	**$ 57,659**	**$ 36**	**$ 3,266**	**$ 36,067**	**$ 98,344**	**$ 20,255**	**$ 13,872**
Revenue:								
Interest and valuation income (3)	16,272,758	25,093	15	530	0	0	414	124,391
Fee revenues	6,662	613	3	19	35,070	122,352	16	1,926
Income by the equity method	0	501	0	0	0	0	0	324
Leases	0	0	0	0	20	82	1,316	0

		Joint Ventures			Other companies of the BBVA Group that are not subsidiaries of BBVA Colombia			
Item	**Shareholders with Over 10% of Shares** (a)	**RCI Colombia**	**Board Members**	**Registered Agents and Key Management Personnel**	**BBVA Seguros**	**BBVA Seguros de Vida**	**Other Domestic Related Parties(b)**	**Other Related Parties Abroad(b)**
Other Income	0	1,822	0	0	0	0	14	0
Total	**$ 16,279,420**	**$ 28,029**	**$ 18**	**$ 549**	**$ 35,090**	**$ 122,434**	**$ 1,760**	**$ 126,641**
Expenses:								
Interest	16,939	12,364	4	377	5,663	13,946	71	0
Valuation of derivatives (4)	16,829,800	0	0	0	0	0	0	74,662
Fees	5,518	0	5	68	0	0	181,203	13,377
Bank credits and financial obligations	238,606	0	0	0	0	0	0	0
Employee benefits	0	0	0	3	0	0	0	0
Fees	0	0	458	0	0	0	633	0
Insurance	0	0	0	0	7,553	2,138	0	0
Other expenses	5,134	23	78	649	37	0	1,909	131,474
Total	**$ 17,095,997**	**$ 12,387**	**$ 545**	**$ 1,097**	**$ 13,253**	**$ 16,084**	**$ 183,816**	**$ 219,513**
Contingent commitments and obligations	68,738	104	0	0	55	82	150	36,496
Call and put purchase commitments	1,867,806	0	0	0	0	0	0	278,907
Total	**$ 1,936,544**	**$ 104**	**$ 0**	**$ 0**	**$ 55**	**$ 82**	**$ 150**	**$ 315,403**

The main transactions carried out are outlined below:

1. As of December 31, 2024, the impairment of the Loan Portfolio, financial leasing operations, and accounts receivable was recorded at -COP 6,345, primarily attributable to the portfolio with RCI Colombia S.A.

2. As of December 31, 2024, the Bank reports financial obligations with BBVA Madrid amounting to COP 1,520,687. In June 2023, the Bank acquired an AT1 credit with BBVA Madrid for an amount of COP 822,878.

3. A positive MtM (Mark to Market) valuation of derivatives was recognized for COP 16,272,732 with BBVA Madrid and COP 124,391 with BBVA México S.A.

4. A negative MtM (Mark to Market) valuation of derivatives was recognized at December 31, 2024, for COP 16,829,800 with BBVA Madrid and COP 74,662 with BBVA México S.A.

Related party details as of December 31, 2023

		Subsidiary Companies		Joint Ventures			Other companies of the BBVA Group that are not subsidiaries of BBVA Colombia			
Item	**Shareholders with Over 10% of Shares**	**BBVA Valores**	**BBVA Fiduciaria**	**RCI Colombia**	**Board Members**	**Registered Agents and Key Management Personnel**	**BBVA Seguros**	**BBVA Seguros de Vida**	**Other Domestic Related Parties**	**Other Related Parties Abroad**
Assets										
Cash (Banks and other financial entities)	92,004	0	0	0	0	0	0	0	0	6,898
Investments	0	51,758	111,624	182,633	0	0	0	0	0	0
Derivatives and spot transactions	8,357,605	0	0	0	0	0	0	0	0	86,645
Loan portfolio and financial lease transactions, net	0	0	0	893,001	233	3,927	3	23	63	0
Accounts receivable, Net	14,306	1	34	5,910	0	0	0	0	0	521
Deposits as collateral	235,851	0	0	0	0	0	0	0	0	0

		Subsidiary Companies		Joint Ventures			Other companies of the BBVA Group that are not subsidiaries of BBVA Colombia			
Item	**Shareholders with Over 10% of Shares**	**BBVA Valores**	**BBVA Fiduciaria**	**RCI Colombia**	**Board Members**	**Registered Agents and Key Management Personnel**	**BBVA Seguros**	**BBVA Seguros de Vida**	**Other Domestic Related Parties**	**Other Related Parties Abroad**
Prepaid expenses	0	0	0	0	0	0	3,247	0	0	0
Non-current assets held for sale	0	0	0	0	0	0	0	0	14,349	0
Total	**$ 8,699,766**	**$ 51,759**	**$ 111,658**	**$ 1,081,544**	**$ 233**	**$ 3,927**	**$ 3,250**	**$ 23**	**$ 14,412**	**$ 94,064**
Liabilitiess										
Deposits (savings and checking accounts)	0	6,434	65,887	127,979	200	2,563	80,750	167,052	20,000	0
Derivatives and spot transactions	8,503,207	0	0	0	0	0	0	0	0	82,738
Outstanding Investment Securities	0	0	0	0	0	0	0	39,580	0	0
Margin call	165,443	0	0	0	0	0	0	0	0	6,230
Accounts Payable	744,595	11	14	0	0	0	906	0	6,576	981
Total	**$ 9,413,245**	**$ 6,445**	**$ 65,901**	**$ 127,979**	**$ 200**	**$ 2,563**	**$ 81,656**	**$ 206,632**	**$ 26,576**	**$ 89,949**
Revenue:										
Interest and valuation income	31,305	0	0	121,727	71	467	0	0	3	1,485
Fees	618	8	354	718	2	24	33,771	105,711	23	2,829

		Subsidiary Companies		Joint Ventures			Other companies of the BBVA Group that are not subsidiaries of BBVA Colombia			
Item	**Shareholders with Over 10% of Shares**	**BBVA Valores**	**BBVA Fiduciaria**	**RCI Colombia**	**Board Members**	**Registered Agents and Key Management Personnel**	**BBVA Seguros**	**BBVA Seguros de Vida**	**Other Domestic Related Parties**	**Other Related Parties Abroad**
Income by the equity method	0	10,946	33,352	2,748	0	0	0	0	0	0
Leases	0	0	155	0	0	0	19	0	1,223	0
Total	**$ 31,923**	**$ 10,954**	**$ 33,861**	**$ 125,193**	**$ 73**	**$ 491**	**$ 33,790**	**$ 105,711**	**$ 1,249**	**$ 4,314**
Expenses:										
Interest	5,574	141	7,641	14,657	38	346	6,015	14,905	138	0
Fees	154,355	0	40	0	0	32	0	0	158,995	13,152
Employee benefits	0	0	0	0	0	13	0	0	0	0
Insurance	0	0	0	0	0	0	7,393	5,627	0	0
Advisory and consultancy fees	0	0	0	0	0	1	0	0	0	0
Other operating expenses	4,445	11	0	0	0	0	0	0	3,989	94,765
Other expenses	0	0	0	0	35	670	0	0	0	0
Total	**$ 164,374**	**$ 152**	**$ 7,681**	**$ 14,657**	**$ 73**	**$ 1,062**	**$ 13,408**	**$ 20,532**	**$ 163,122**	**$ 107,917**
Contingent commitments and obligations	232,318	0	0	0	0	0	0	0	0	102,481
Call and put purchase commitments	0	0	0	0	0	0	0	0	0	1,341,396

42. Market, Interest and Structural Risk Report

The Risk Management principles and policies, as well as the tools and procedures meet the criteria for recognition, pursuant to IFRS 7 - Financial Instruments: Disclosures. Below is the distribution of the credit risk exposure of Grupo BBVA Colombia by heading of Consolidated Financial Statement at December 31, 2024 and December 31, 2023, in gross terms excluding provisions.

As for financial assets held for trading, the nominal value stated in Colombian pesos of the fixed-income trading position held by treasury was used as a methodology to assess the risk. As for financial assets available for sale and investments held to maturity, the nominal value stated in Colombian pesos of the Available for Sale and Held to Maturity investments held by the COAP was considered as a methodology to assess the risk. As regards the derivatives portfolio and hedge accounting, the methodology of the Financial Superintendence of Colombia was used.

In order to determine the risk of credit investments, it is calculated using the original gross exposure, excluding active current provisions and guarantees, listed by portfolio type.

The Bank's maximum exposure to credit risk is reflected in the carrying amounts of the financial assets in the condensed consolidated statement of financial position, as indicated below:

The exposure and management of the risk at December 2024 and 2023 was as follows:

Item	2024	2023
Cash and cash equivalents	$ 9,470,176	$ 7,069,345
Financial assets held for trading	3,514,875	3,786,124
Financial assets available-for-sale	3,678,517	2,502,041
Investments held to maturity	3,166,345	3,157,408
Derivatives and hedge accounting	3,437,510	3,886,233
Consumer portfolio	28,991,977	29,642,438
Commercial loan portfolio	32,309,241	31,096,720
Mortgage portfolio	15,458,618	15,161,842
Credit investment	**76,759,836**	**75,901,000**
Loans approved but not disbursed	1,500,955	1,467,540
Credit limits	7,066,462	6,443,999
Bank guarantees	3,470,765	3,298,685
Letters of credit	1,932,605	1,367,816
Total net maximum risk exposure	**$ 13,970,787**	**$ 12,578,040**

With respect to cash equivalents for risk exposure, deposits in the Central Bank of Colombia are not considered since it is the country's Central Bank.

42.1. 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 have the maximum guarantees for this management, 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.

Segregation of duties

Responsibilities were assigned to the following units based on their role in contracting, accounting, compliance, or risk monitoring:

- **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 floor's daily transactions, as well as for confirming, settling and clearing the transactions of the Treasury. In turn, it is responsible for the custody of the contracts and the management of securities deposits, reporting to the Media Vice-Presidency.ósitos de valores. Esta área depende de la Vicepresidencia de Mediums.

- **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, dependent of 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 (SARO, for the Spanish original).

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 the operation of own 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. To this end, it has an organizational structure comprised of a trading desk (interest rates and foreign 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.

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 trading 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.

Measurement and monitoring tools. The 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 2024	$ 8,886	$ 7,235	$ 30,963	$ 13,768
Year 2023	7,113	5,115	30,847	12,478

- **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 2024 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 COP MILLION			
	December	**Minimum**	**Maximum**	**Average**
Year 2024	$ 9.285	$ 8.998	$ 37.493	$ 15.001
Year 2023	8.299	5.690	36.797	14.775

- **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 sub-limits are established by products.

Market risk profile and positions

Positions of global markets for the years 2024 and 2023 (in billions)

Below is a comparative table of the Bank's portfolio positions.

Classification	Dec-2024	Local Currency		Other Currencies		Dec-2023	Local Currency		Other Currencies	
	Amount	Medium	Maximum	Medium	Maximum	Amount	Medium	Maximum	Medium	Maximum
Public debt	$ 3,122	$ 2,683	$ 4,726	$ 0	$ 0	$ 2,518	$ 2,162	$ 2,823	$ 31	$ 152
Corporate securities	385	562	1.326	0	0	1.176	1.174	1.641	0	0
Cash FX	0	0	1	0	1	1	0	0	0	0
Forward	13	(143)	111	0	20	(169)	(46)	643	9	18
Shares without subsidiaries*	736	696	808	0	0	609	620	714	0	0

*These are strategic investments made by Banco BBVA Colombia. As a result, they are not included in market risk metrics

Bank’s 2024 and 2023 market risk profile (in COP billion)

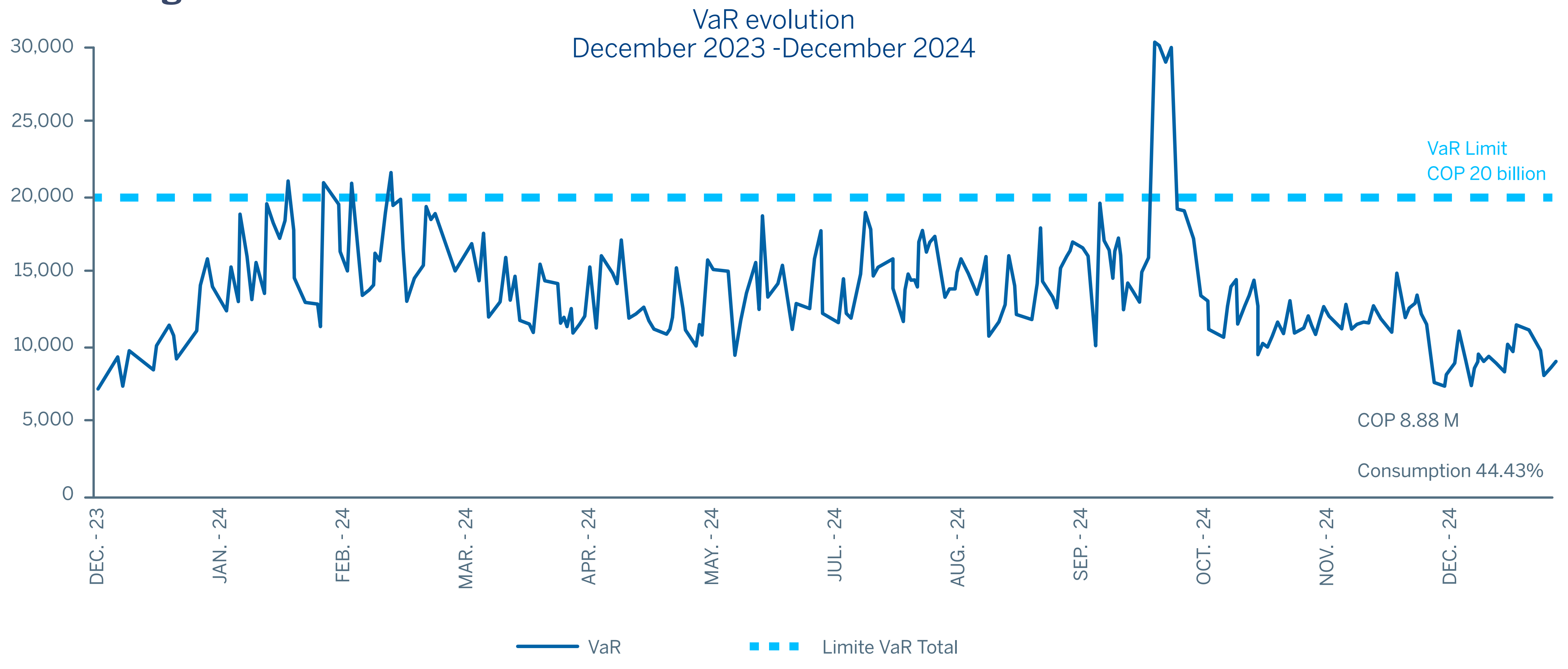
Global Market Risks	Dec-2024	Average	Maximum	Minimum	Dec-2023	Average	Maximum	Minimum
VaR - Interest rates	$ 9,112	$ 13,986	$ 29,357	$ 7,290	$ 7,366	$ 11,934	$ 27,693	$ 4,908
VaR - Exchange rates	772	2,237	8,153	213	891	2,964	15,781	125
Total VaR	8,886	13,768	30,963	7,235	7,113	12,478	30,847	5,115
Economic capital consumption limit	43%	51%	55%	44%	55%	60%	75%	41%
Total Delta to 1 bp	128	(257)	128	(682)	(65)	(190)	205	(655)
Delta consumption sublimit	19%	39%	102%	0.90%	10%	31%	98%	0.12%

In 2024, the average market risk consumption (VaR) of trading operations was COP 13,768, with a consumption exceeding the internal limit for authorized economic capital by 51%. The average sensitivity of the interest rate to one basis point (Delta) was COP 257 with 39% consumption over the authorized internal limit.

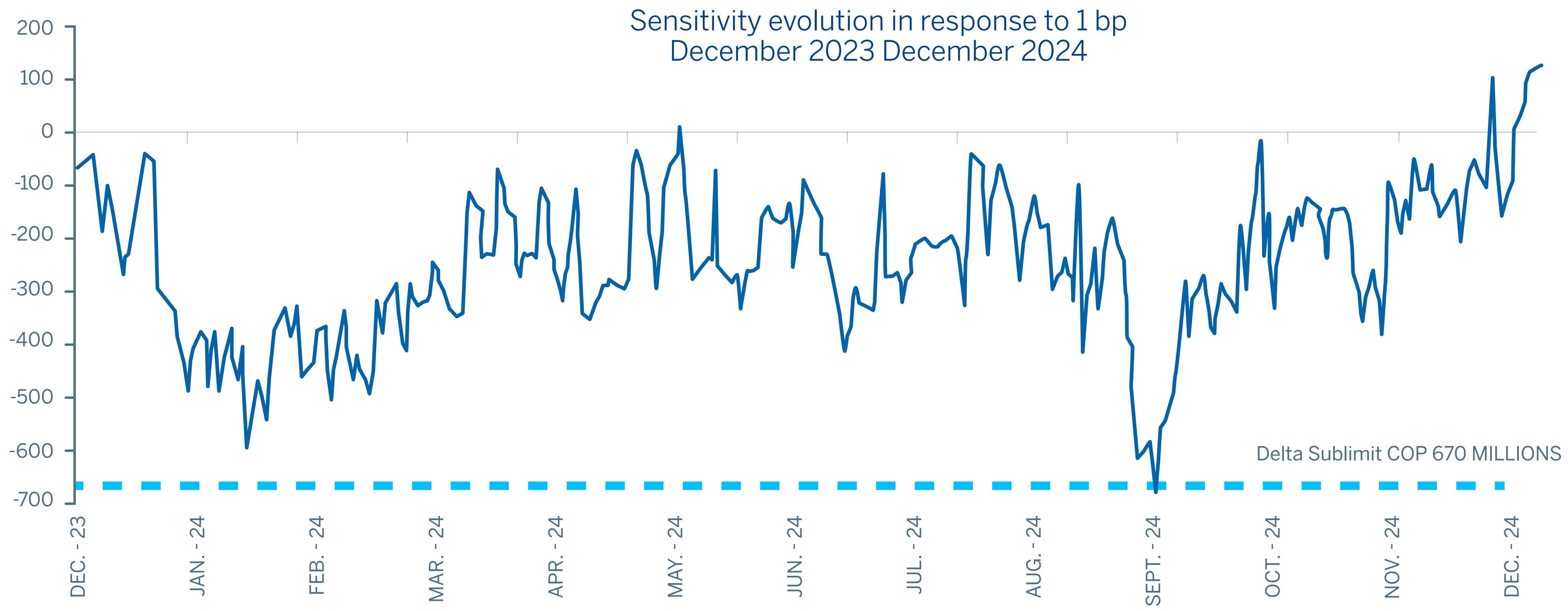
Evolution of the trading market risk. Daily measurements and controls were carried out in 2024 on the consumption levels of the authorized internal limits, regularly reporting their compliance to Senior Management.

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 a concentration of the position in the medium and long term, holding mainly TES with short-term maturity as well as Certificates of Deposit (CDs). While traditional financial instruments continue to be our mainstay, in 2024 we also maintained investments in so-called GREEN TES, which are sovereign green bonds issued by the Ministry of Finance. The objective of these bonds is to align with international best practices concerning environmental benefits, sustainable financing, transparency, and accountability to investors. Green bond issues 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-COP forwards and IRS in IBR. The sensitivities are concentrated by type in COP and USD, consistently with portfolio composition.

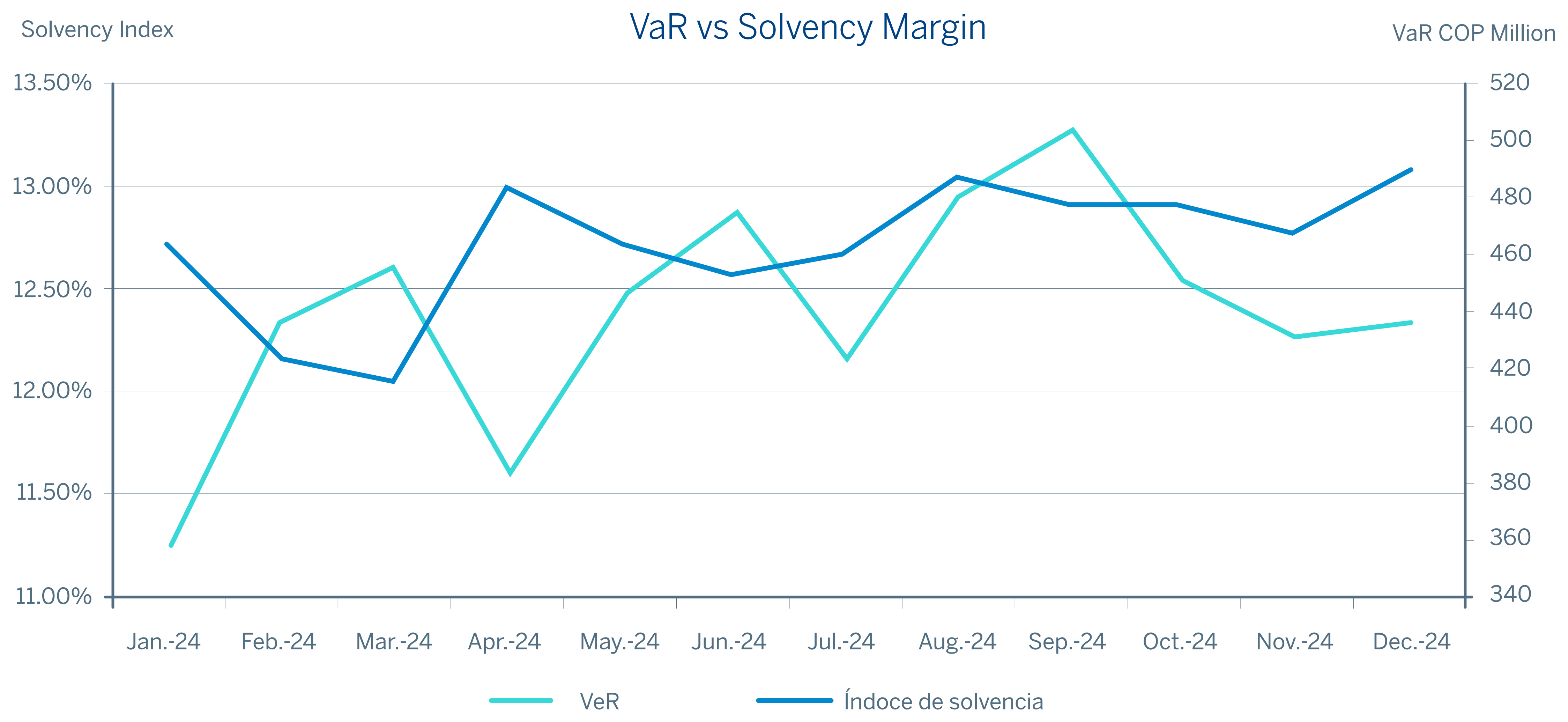
The market risk monitoring process is complemented with stress-testing scenarios, which aim to estimate the losses that the Bank would incur in the event that extreme situations occur on the markets.

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 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:



VaR Bank

Var (Figures in millions)	Dec-2024	Dec-2023
Interest rate	$ 408,163	$ 463,149
Exchange rate	29,576	5,818
Share price	1,218	1,338
Mutual funds	4,610	4,325
Total Value at Risk	**$ 443,567**	**$ 474,630**

Consolidated market risk profile

The Bank performs the risk exposure under the methodology published in Annex 1 of Chapter XXI of Notice 100/1995 issued by the Financial Superintendence of Colombia, which shows a decrease of 6.62% between 2023 and 2024. This decrease is reflected in the interest rate exposure. This module decreased by 11.84% because the exposure in TES UVR25 was reduced by more than COP 1,500,000, and additionally the asset position in derivatives was reduced by more than COP 326,000, with durations between 2.8 and 3.6.

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

In 2024, there were no changes in the metrics of the internal model to measure the financing structure liquidity in comparison with 2023; these calculations were made on a daily basis using 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 resources, and has an upper limit set at 120%. The objective is to preserve a stable financing structure in the medium term, considering that maintaining an adequate volume of stable 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 2024 is set at 150% 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 2024, the limit was set at COP 13,500,000.

The Liquidity Committee and Senior Management are informed on a monthly basis of the evolution of these indicators for timely decision-making.

During 2024, BBVA Colombia maintained a solid liquidity position in order to hold an adequate GAP. Customer funds increased more than net credit investments, as well as bond issuances and credits from multilateral banks with specific allocations. 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 2024 and 2023:

Month	2024			2023		
	LtSCD (%)	CB 30 D (%)	FNCP (blln)	LtSCD (%)	CB 30 D (%)	FNCP (blln)
January	111%	1082%	11,024	117%	N,C	9,036
February	111%	308%	13,018	118%	N,C	8,621
March	111%	307%	11,789	118%	N,C	9,519
April	109%	2558%	9,636	119%	771%	10,877
May	110%	1050%	10,679	118%	20627%	10,592
June	109%	1118%	11,200	119%	281%	12,794
July	110%	900%	10,808	118%	327%	12,510
August	110%	511%	11,886	116%	972%	10,679
September	109%	503%	12,225	114%	1019%	11,030
October	109%	386%	10,799	111%	N,C	8,164
November	107%	1388%	10,121	111%	N,C	8,541
December	106%	N.C	9,773	111%	2398%	10,217
Limit	**120%**	**150%**	**13,500**	**120%**	**150%**	**13,500**

Details of Basic Capacity by time frames

2024			2023		
1 month	3 months	12 months	1 month	3 months	12 months
N.C	225%	84%	2398%	179%	96%

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 IRL must be at a level above 100% (regulatory limit). In 2024, the Liquidity Risk Indicator (LRI) with a 7-day time frame stood at average levels (712%), while the 30-day IRL stood at an average of (184%), which indicates that for a short-term horizon, BBVA Colombia has more than enough liquidity to fulfill its short-term financing commitments.

	2024		2023	
IRL	7 days (%)	30 days (%)	7 days (%)	30 days (%)
January	918.6%	230.8%	640.3%	188.4%
February	705.2%	178.2%	371.9%	185.7%
March	735.5%	172.8%	826.4%	168.5%
April	786.5%	170.6%	641.6%	176.6%
May	781.1%	177.5%	723.8%	165.2%
June	696.9%	171.6%	486.1%	159.3%
July	733.5%	156.6%	770.4%	178.4%
August	584.2%	198.4%	586.1%	194.7%
September	926.2%	180.6%	883.9%	194.9%
October	722.9%	187.3%	899.1%	198.0%
November	643.5%	167.0%	812.7%	207.9%
December	879.2%	169.7%	905.2%	191.3%
Limit	**100%**	**100%**	**100%**	**100%**
Management Limit	**158%**	**158%**	**140%**	**140%**

In all cases, the indicators remain above the internal and regulatory thresholds.

At the end of 2024 and 2023, the 30-day IRL is summarized as follows:

	Contractual Maturities in 2024 in COP millions			
LRI	Days 1 A 7 - total	Days 8 A 15 - total	Days 16 A 30 - total	Days 31 A 30 - total
CDs	$ 789,723	$ 1,696,877	$ 1,971,075	$ 4,457,675
Interbank funds	150,298	0	0	150,298
Repos, simultaneous and temporary transfer of securities.	1,965,830	0	0	1,965,830
Transactions with derivative financial instruments	166,213	516,971	711,459	1,394,643
Bank credits and other financial obligations	0	0	514	514
Accounts payable not associated with CDs and savings certificates (CDATs)	122,936	140,498	263,435	526,869
Other liabilities and credit contingencies	793,453	237,127	110,206	1,140,786

	Contractual Maturities in 2023 in COP millions			
LRI	Days 1 A 7 -total	Days 8 A 15 - total	Days 16 A 30 - total	Days 31 A 30 - total
CDs	$ 788,995	$ 1,133,843	$ 1,417,675	$ 3,340,513
Repos, simultaneous and temporary transfer of securities.	1,727,897	0	0	1,727,897
Transactions with derivative financial instruments	181,189	1,040,699	1,054,000	2,275,888
Bank credits and other financial obligations	219	0	478	697
Accounts payable not associated with CDs and savings certificates (CDATs)	114,103	130,403	244,506	489,012
Other liabilities and credit contingencies	2,139,564	129,438	378,809	2,647,811

Note: They are contractual maturities of principal and interest for time frames of no more than 90 days..

Structural Risk

Structural interest rate 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: income (the interest margin and MtM Fixed Rate Portfolios) (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 2024 fiscal year:

	Limit	2024	2023
Aggregate margin sensitivity warning	5.00%	0.89%	0.63%
Margin at risk limit (*)	4.00%	1.66%	2.11%
Economic value sensitivity warning	450,000	628,083	405.801
Economic capital limit	600,000	737,275	600.863

(*) Percentage in relation to the projected "1 year" interest margin of each unit.
Values presented in the balance

Structural exchange rate risk. Its purpose is to assess and control potential impacts caused by fluctuations in exchange rates by positions in foreign currency, on the solvency and income of BBVA Colombia. In 2024, an exposure limit was set at 4.5% of the solvency ratio in the event of movements of 30% of the TRM:

Sensitivity to solvency to variations in exchange rates for December 2024 and 2023:

Impact in the event of a 20% / 30% change in the TRM			
2024		2023	
Impact on Solvency Ratio	Real Solvency Ratio	Impact on Solvency Ratio	Real Solvency Ratio
2.45%	13.09%	2.60%	12.50%

Credit risk

Evolution of Credit Risk Quality and Exposure

The comprehensive management of risks (credit, market, and operational) is conducted according to BBVA Colombia's internal Risk Policy and current Colombian regulations, and is implemented through the development of models and tools that facilitate the coordination of monitoring and control activities, aiming to identify and mitigate the various risks faced by the loan portfolio.

In 2024, BBVA Colombia reported a decrease of -COP 316,607. The quarterly variations are as follows: 1Q24 → 0,15%, 2Q24 → 1,83%, 3Q24 → (0,57%) y 4Q24 →(0,41%). The decrease is present in the commercial and consumer portfolios. Commercial (-COP 138,809; -0.43%), with a decrease mainly in CIB (-COP 450,343; -4.04%) and growth in companies (+COP 204,352; +1.6%). In consumer loans, a decrease of (-COP 286,271; -1.19%) due to the drop in free investment (-COP 203,838; -3.63%), with a decrease in payroll loans during the quarter (-COP 116,662;

-1.17%). In Mortgage (+COP 56,073; +0.38%), in Credit Cards (+COP 40,139; +0.92%).

Non-performing loan portfolio as of December 2024 had a quarterly variation of 1.16% (COP 37,353), concentrated in consumer loans (+COP 72,166; +3.91%). The doubtful ratio for the fourth quarter stands at 4.30%, an increase of +7bps compared to 3Q24.

Portfolio Management, Risk Reporting & Sustainability

Risk Planning & Reporting

During 2024, in conjunction with the Management and Recoveries areas, monitoring and updating of the projections of the portfolio's behavior and its effect on provision expenses were carried out. These forecasts allowed the Bank to act promptly in the face of customer difficulties, with the purpose of reducing impacts on the deterioration of the local and consolidated portfolio.

The de-accumulation of the countercyclical phase for commercial loans ended in November 2024, and in accordance with the transitory instructions set out in Public Notice 17/2023, the reestablishment of said component was submitted to the Financial Superintendence of Colombia.

Data&AA

Progress has been made in the NGA initiative across two execution lines, EMC1 and EMC2. These focus on developing and implementing risk models with faster turnaround times and incorporating non-traditional estimation algorithms (machine learning), resulting in more robust and stable long-term estimations.

In line with the work plan set out for 2024, the technical developments were completed for the new models for the SME segment, with a granting model of a 360° perimeter, covering the reactive and behavioral environments; the collections model for the individual and independent customers segments for the early past-due and late past-due sections, and the Digital Footprint model that takes into consideration non-traditional information. Having completed the technical developments, the process of integrating them into management and implementation in the corporate drivers and tools begins. In-production deployment of the models is scheduled for 3Q25.

Within the Data area, the implementation of the RdT and BCBS initiatives continues to progress, aiming to ensure regulatory compliance and align risk management practices with international standards set by the Basel Committee.

Lastly, the annual calibration of expected loss parameters under IFRS 9 international methodologies was completed. It was submitted to committees in November 2024 and deployed in production in the same month.

Risk Solutions Group

It is responsible for managing and implementing projects to meet the needs of different risk areas, according to the 2024 strategic plan.

Within the 2024 strategic plan, highly relevant projects were implemented such as the Cronos collections strategy, a predictive model that enables knowing the indebtedness level of new and registered customers, such as: individual mortgages, individual history, EWS companies, EWS SMEs and individual limits. Additionally, for SMEs a Transformation project was launched for the admissions circuit, and for wholesalers the ARCE Empresas tool.

The following regulatory projects were implemented: alignment of threshold rating, plan for the reestablishment of provisions in the de-accumulation phase, and implementation of local regulatory projects NDoD, CFEN, and global regulations such as LIFE: EBA regulatory compliance and holding company reports.

Retail Credit

The Retail Credit Department includes the following areas:

- **Individuals Admission Management**

This department oversees the analysis and decision-making process for loan operations originating from individuals (excluding self-employed persons) through various channels. The analysis process will assure two key aspects of regulatory compliance: Risk profile and assessment of payment capacity.

During the fourth quarter of 2024, housing and payroll operations were mainly evaluated, with an average approval rate of 67%. Other lines such as free consumption displayed lower activity levels.

The Admission department maintains specialized teams to handle credit lines requiring priority responses, such as Automobiles and customer segments from Personal, Premium, and Wealth Banking, as well as housing loans from selected construction companies.

We continue supporting commercial teams to ensure proper implementation and assistance with loan applications, focusing on the Bank's target market.

- **Retail Monitoring Department**

Responsible for monitoring exposures with early warning alerts that allow assuming credit risk according to the defined risk appetite strategy, within the management limits established according to the Asset Allocation process, and the thresholds set in the frameworks of action.

It conducts continuous monitoring of the quality of the placements made under the attribution of the office network while the portfolio matures in order to ensure the performance of the risk indicators.

In addition, support is provided in the preventive management of portfolio customers in order to anticipate portfolio impairment based on statistical information in accordance with the risk group associated with each customer's profile. For the year 2024, an average of 876,000 operations were managed, with an approximate monthly value of COP 12,000,000.

- **Policies, Campaigns, Products, Guarantees and Appraisals for Individuals Department.**

Responsible for updating regulations according to corporate and local regulatory guidelines, it also defines new policies and admission adjustments based on periodic reviews of portfolio behavior and economic development. Manage the processes and workflows for bulk approvals of portfolios, establish controls over the offered quotas.

In Policies, for 4Q 2024 in accordance with the current economic situation and impairment indicators, adjustments were made to the effort rate applied to free investment and vehicles, switching to a methodology that calculates credit card availability. In consumer loans, COP 2,369,988 was invoiced during 4Q2024, highlighting COP 1,481,931 in payroll loans, followed by COP 637,851 in free investment, driven mainly by pre-approved customers, and COP 250,205 in vehicle loans.

In credit cards, the pre-approved strategy and D+0 continue to be the pillars, with placement of 40,300 cards on average per month during the fourth quarter.

In Housing, product placement increased with billings of COP 827,520, equivalent to a 14% increase compared to 3Q2024. LIH housing continues to be driven in UVR amortization and growth in the loan portfolio through the digital housing tool.

For Preapproved, for the November-December campaign (6B), 332m consumptions, 570m cards, and 234m payroll loans were offered.

SME Risks

During 2024, the admission policies remained unchanged due to the stability of credit demand from the business sector and the financial performance of individuals and legal entities with businesses that have filed their 2023 tax returns. Main outcomes:

1. Seven out of ten customers were eligible for financing during the last quarter, with the agricultural sector achieving better results (seven out of ten). Tailored loan proposals aligned with their working capital and investment needs, collateralized by guarantees suited to their experience and financial progression, and enhanced mobility in FNG-backed guarantees contributed to this success.

2. Thirty-five percent of our SME customers have a pre-approved offer, with 28% of total billing completed through this channel, demonstrating stability in financing uptake via digital channels.

3. One hundred percent of SME executives continue to assist key customers experiencing financial challenges by providing preventive solutions.

The transformation lines enhance our customers' experiences, maintaining the Net Promoter Score (NPS) in top positions, while the portfolio quality plan evolves in alignment with budgetary expectations.

Recovery

favorable trend in recoveries, with efforts mainly focused on contention. These strategies continued to produce favorable outcomes, mainly:

- Return of early stage impairment to levels below 11%.
- Free investment and TDC loans with lower susceptibility at the start of 2025 and with the best efficiency ratios of the year in the last quarter.
- The self-management development for past-due re-deferrals of clients with TDC through an app was completed.

The collections crash plan ended in December 2024, but monitoring of all indicators remains through the NPL plan, to enable us to continue viewing improvements in efficiency ratios.

Wholesale Credit

Wholesale investment experienced a 1.4% decrease in the fourth quarter of 2024, maintaining credit activity compared to the same period in 2023 when it reached a variation of 1%. The reduction in 4Q-2024 was driven by CIB Banking. The clients with greatest reductions were (GM Financial Colombia SA COP 199,471, Holcol COP 73,255, Empresa Colombiana de Petroleos SA COP 84,970), Business Banking (Promigas COP 100,263), Government Banking (Department of Cundinamarca COP 98,302)

The share of the wholesale non-performing loans portfolio stood at 0.12%, closing December 2024 at COP 35,748, with a YTD variation of (18.5%).

Measures to contain overdue loans in the wholesale segment continue, including constant monitoring of customers with arrears of five days or more in any of their obligations. Preventive actions include suspending active credit lines and structuring tailored solutions to strengthen guarantees. Concurrently, action plans are being implemented in the management for the customers alerted in Hat 1 and 2 by the Early Warning System (EWS) model, initiated in 1Q-2024.

Finally, we would like to mention that we are continuing with the 2023 rating update and validation campaign, which as of December 31 had reached a 99% progress in amount.

42.2. BBVA VALORES COLOMBIA S.A.

Risk management at BBVA Valores Colombia S.A. is carried out based on guidelines established by the Group, which have been approved by the Board of Directors and are consistent with local regulations. The Securities Broker has a Risk Committee, which periodically meets to discuss, measure, control and manage the Comprehensive Risk Management System, which covers market risk, liquidity risk, and counterparty risk factors.

Market Risk

Market risk is the potential loss faced by the Broker as a result of adverse movements in market rates or prices, such as interest rates, exchange rates, share prices and other factors that affect the value of the portfolio. The market risk management system (SARM) has stages and elements that enable the Broker to identify, measure, control and monitor the market risk to which it is exposed, based on the positions taken in conducting its business.

Interest rate risk. It is the risk that changes in interest rates will affect the value of the financial instruments. It indicates the maximum loss that would be suffered for positions denominated in local currency, depending on volatility and the duration of the change.

Share price risk. It is the risk arising from fluctuations in share prices, producing losses. In accordance with the regulatory model and based on the daily position in shares, volatility of 14.7% is assumed for the VaR of shares.

Currently, BBVA Valores is not exposed to exchange rate and investment fund factors, because it does not engage in foreign currency transactions and does not have interests in collective investment funds.

The Broker manages market risk with the basic objectives of limiting potential losses, optimizing the ratio between the level of exposure assumed and the target results, and by managing the mechanisms and tools necessary to hedge interest rate and equity risks.

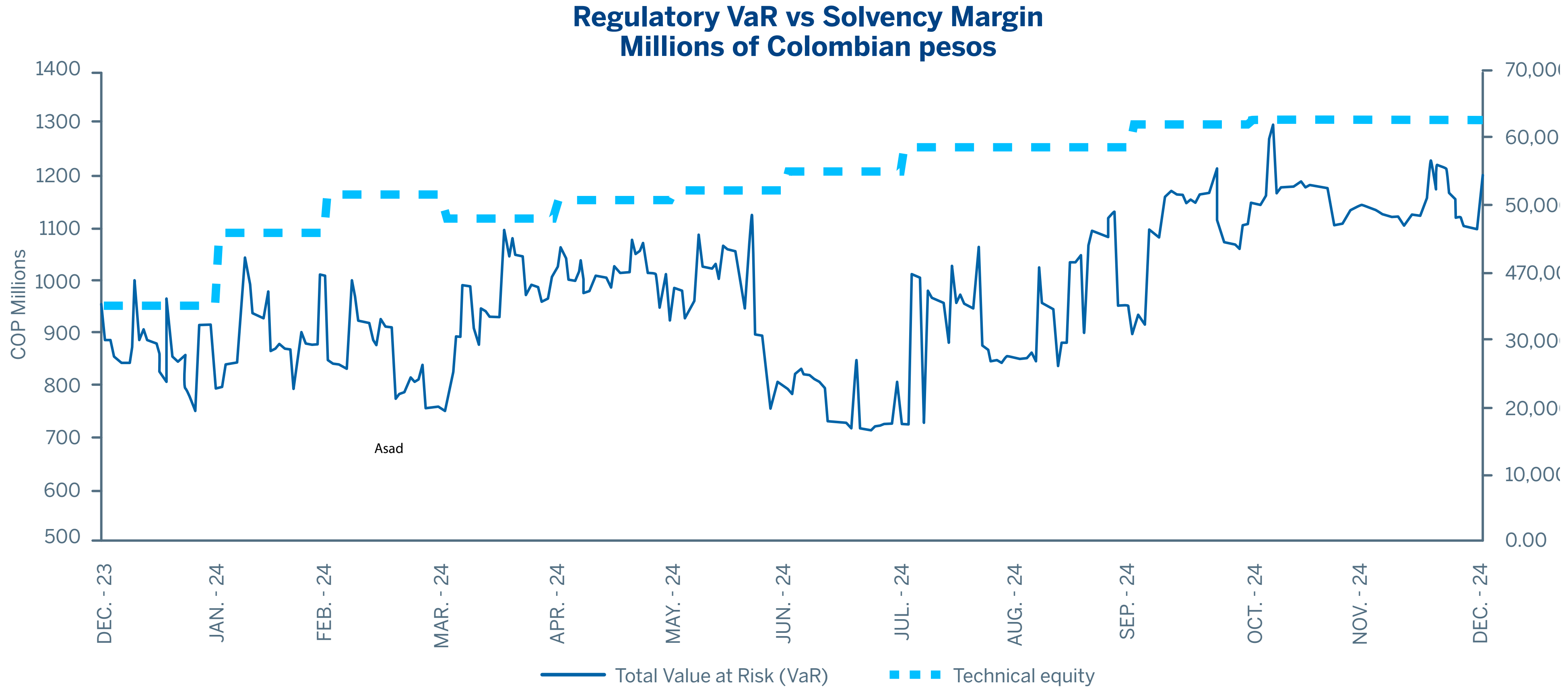
To have the maximum guarantees for this management, the Broker has developed a series of organizational systems and policies for the identification, measurement, control and monitoring of the risks inherent to transactions. Therefore, the Front Office carries out procedures on its own account to meet its liquidity needs and those of external customers.

Taking into account these objectives and with the aim of optimizing, managing and administrating inherent risks, Management establishes the following risk measurement tools:

Value at Risk (VaR) - Regulatory Model

According to Annex 6 of Chapter XXXI of the Basic Accounting and Financial Notice (Public Notice No. 100/1995) of the Financial Superintendence of Colombia, the Broker measures its exposure to market risk (interest rate and equity), which incorporates the measurement for the positions held with proprietary resources in order to establish 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 ratio, measured on a monthly basis.

The following figure shows the evolution of the value at risk and the solvency margin:



Below is a report on the market risk at the end of December 2024 in accordance with the regulatory parameters set out by the Financial Superintendence of Colombia:

	2024				
Factor	**VPN**	**End of year**	**Average**	**Maximum**	**Minimum**
Interest rate	$ 19,432	$ 256	$ 339	$ 1,061	$ 80
Share price	5,705	827	801	934	694
Total Value at Risk		**$ 1,083**	**$ 1,140**	**$ 1,995**	**$ 774**

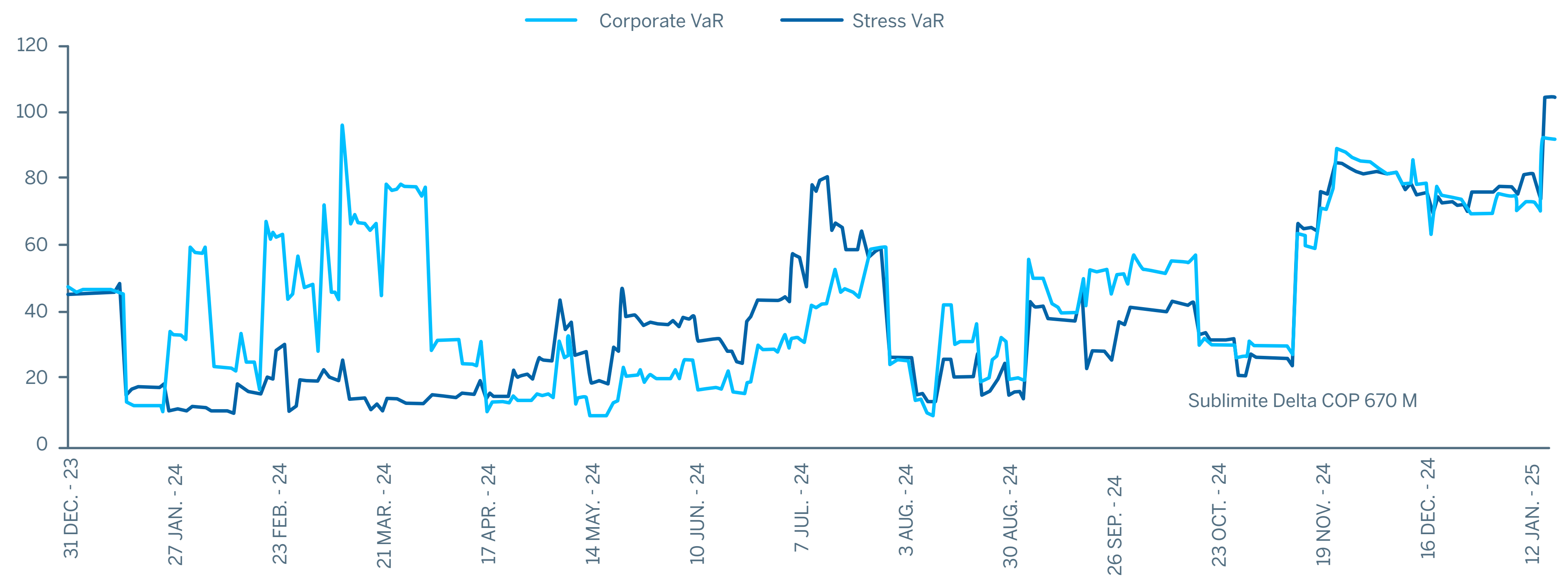
The total exposure of the Brokerage to market risk is calculated as the arithmetic sum of each risk factor involved and to which it is exposed in its operations. A risk factor is any market variable that may produce values in the portfolio of instruments.

Value at Risk (VaR) - Internal Model

The VaR measurement methodology used by the Broker is based on historical simulation, which uses the past values of the risk factors during a two-year time frame, so it naturally includes the correlation existing between them and their distributions of occurrence, and the sensitivities of the portfolio on the measurement date. The model has a confidence level of 99%.

To monitor and control limits, a measurement is carried out based on the "VaR without exponential smoothing" methodology using two years of information on the financial markets.

During 2024, daily measurements and controls were carried out in year 2023 on the consumption levels of the authorized internal limits, regularly reporting their compliance to Senior Management. The figures below show their evolution:



At the end of Q4 and year-end 2024, consumption of VaR totaled COP 70, equivalent to 31.77% of the internal limit.

Stop loss

This is a monitoring measure of the accumulated losses in the portfolio with the aim of limiting the negative impact on the income account.

The stop loss was monitored in 2024 through a double control mechanism; an annual limit with the aim of controlling possible accumulated losses in the profit and loss account, accompanied by a monthly loss limit. These limits aim to minimize the impact on the income statement.

Backtesting

The risk measurement model is regularly contrasted with the real results in terms of profits and losses. The purpose of this test is to confirm the quality and accuracy of the internal model. Backtesting is carried out on a daily basis and it compares the VaR to clean results.

Stress testing

In addition to the risk measurements in terms of VaR, Stress Testing scenarios are analyzed on a daily basis to estimate the losses in which the Broker would incur, if extreme situations occurred on the markets, taking into account historical and simulated scenarios.

Liquidity Risk

It is the risk that the Brokerage will be unable to totally fulfill its payment obligations in a timely manner on the defined dates due to insufficient liquid funds or the need to take on unusual funding costs.

The Liquidity Risk Management System (SARL, for the Spanish original) enables to Broker to maintain sufficient liquidity to address possible scenarios of own or systemic stress. To this effect, the Broker has liquidity warning indicators to establish and determine its current scenario, as well as the strategies to be followed in each case.

According to Annex 10 of Chapter XXXI of the Basic Accounting and Financial Notice (Public Notice No. 100/1995) of the Financial Superintendence of Colombia, the Broker measures the Liquidity Risk Indicator to quantify the adequate level of liquid assets that must be maintained daily and to prevent or mitigate liquidity risk during high-risk periods.

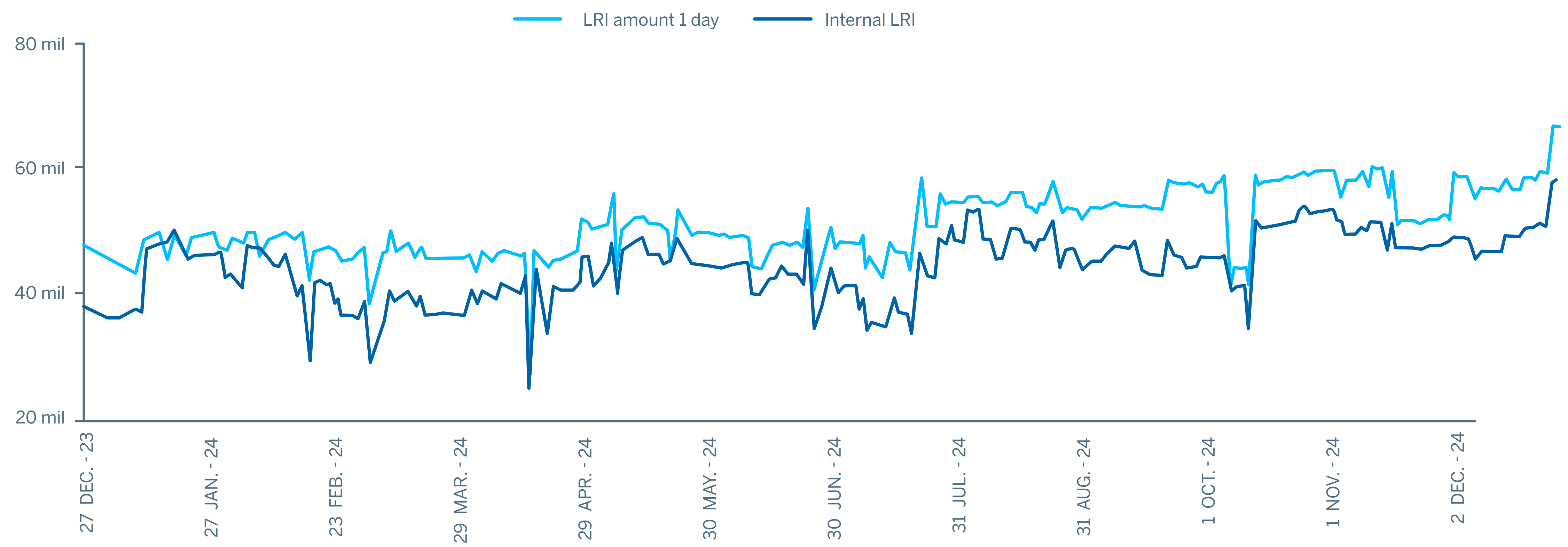
The limits are approved by the Board of Directors, while measurement, monitoring and control are carried out daily by the Market Risk Department, issuing regular reports to senior management and monthly reports to the Board of Directors.

To estimate liquidity risk, a liquidity risk indicator (LRI) is calculated, which corresponds to the ratio between liquid assets, Own Net Liquidity Requirement and Third-party Net Liquidity Requirement for time frames of one business day and between the second business day and seven calendar days. This indicator shows the liquidity coverage for the different time frames. During 2024, the indicator did not exceed the regulatory limits.

	2024			
	End of year	Average	Maximum	Minimum
ALAC	$ 50,979	$ 41,763	$ 25,355	$ 50,979
Liquidity Requirement	0	853	0	118,573
LRI amount 1 day	50,979	52,157	35,509	66,693

LRI amount at 1 day at year-end 2024 was COP 51. The maximum was COP 67. In the stressed scenarios the indicator did not displays signs for review. The minimum was a mixed stress scenario with coverage of 635.50%; backtesting of the model did not display signs for review.

The evolution of the indicator during 2024 is presented below:



In addition to the Regulatory Liquidity Measurement, the Broker monitors other metrics and limits on trading positions to quickly review positions and strategies as market conditions change. This way, limits and controls are set for the maximum amount per transaction, transaction volumes per counterparty and accrued defaults per counterparty.

The Liquidity Committee and Board of Directors are periodically informed of the evolution of these indicators for timely decision-making.

Counterparty Risk

It is the contingency to which the Broker is subjected in the event of default of one or more transactions by the counterparties, in which case it must cover said default with its own resources or recognize a loss in the balance sheets.

The Market Risk Department is responsible for the daily control and monitoring of issuer and counterparty risk limits and the settlement of transactions according to the current authorizations provided by the Board of Directors.

The counterparty risk measurement process comprises all the transactions and starts with the initial process of identifying the type of customer with which the transaction is closed for each type of risk.

The management procedures include the authorization processes of the counterparty limits and an internal monitoring model, using tools to control and measure counterparty limits, compared to the transactions pending completion. BBVA Valores Colombia S.A. applies clear policies in the event that limits are transferred and for the procedure in the case of exceeded limits.

Allocation of Limits

The limits for the operation of the firm's proprietary position are allocated as follows:

- Front Office proposes the credit limits that it considers appropriate for the development of the operations of the business. This proposal is prepared with the support of the Market Risk Department of BBVA Valores Colombia S.A.

- The Market Risk Department of BBVA Valores Colombia S.A. sends a proposal to the Credit Risk Area of BBVA Colombia S.A. for study. The Credit Risk Department of the bank BBVA Colombia S.A. studies the proposal and issues an opinion thereon, making recommendations regarding the limits. The recommendations of the Credit Risk department of BBVA Colombia S.A. are taken into account by BBVA Valores Colombia S.A. and are submitted for authorization by Risk Committee, for subsequent approval by the Board of Directors.

The approved issuer, settlement, counterparty and concentration risk limits are monitored on a daily basis.

Credit risk

BBVA Valores Colombia S.A., in accordance with its investment policy for proprietary resources, limits its exposure to credit risk by investing in liquid debt instruments and with issuers that have a long-term credit rating of at least AA+ (international BB+). Management actively monitors credit ratings and given that the Broker, at the end of December 2024, had only investments in instruments with investment grade ratings, Management does not expect any of its counterparties to fail to fulfill their obligations.

Below is the position by issuer at December 31, 2024 and 2023, with their respective ratings:

	Proprietary Position Portfolio					
	2024			2023		
Issuer	NPV	% of the portfolio	Long-term Rating	NPV	% of the portfolio	Long-term Rating
Banco Davivienda S.A.	$ 1,987	7.90%	AAA	$ 2,085	7.68%	AAA
Banco de Bogotá S.A.	970	3.86%	AAA	4,456	16.42%	AAA
Banco de Comercio Exterior de Colombia S.A. - Bancoldex	1,075	4.28%	AAA	0	0.00%	AAA
Banco de Occidente S.A.	1,876	7.46%	AAA	0	0.00%	AAA
Bancolombia S.A.	3,640	14.48%	AAA	3,209	11.83%	AAA
Bolsa de Valores de Colombia S.A.	0	0.00%	-	0	0.00%	-
FAP Asobolsa	79	0.31%	-	78	0.29%	-
Financiera de Desarrollo Territorial S.A. - Findeter	486	1.93%	AAA	0	0.00%	AAA
Corporación Financiera Colombiana S.A.	0	0.00%	AAA	547	2.02%	AAA
Banco Popular S.A.	0	0.00%	AAA	1,042	3.84%	AAA
Holding Bursatil Chilena S.A.	5,626	22.38%	-	6,179	22.77%	-
Ministerio de Hacienda y Crédito Público	9,398	37.39%	BB+	9,537	35.15%	BB+
Total	**$ 25,137**	**100%**		**$ 27,133**	**100%**	

Cash

The Broker held cash at December 31, 2024 and 2023 in the amount of COP 50,979 and COP 29,745, respectively, representing its maximum credit risk exposure for these assets. Cash is held in banks rated AAA by Fitch Ratings.

Cash is mainly held in deposits of the Central Bank of Colombia. The following are the balances at year-end 2024:

	Rating				
Issuer	Deuda Long-term	Deuda Short-term	Agente calificador	2024	2023
Banco de la República	Nation	Nation	-	$ 43,170	$ 23,400

42.3. BBVA ASSET MANAGEMENT S.A. SOCIEDAD FIDUCIARIA

The Colombian economy has displayed progress in its recovery during 2024, with estimated GDP growth of 2.0%, driven mainly by domestic demand and the resilience of exports. The service sectors, such as education and health, and agriculture, led by coffee, other exportable crops and livestock, have been the main drivers of this growth. However, challenges remain, such as the lag in residential construction and the challenges faced by the manufacturing industry due to the slowdown of domestic and external demand.

In terms of demand, private consumption has shown resilience, favored by an improvement in real incomes, lower inflation in non-food goods and better credit conditions following the reduction of interest rates. Although spending on durable and semi-durable goods has grown, consumption of services has progressively slowed down after a period of strong expansion in sectors such as entertainment, art and tourism.

Inflation, which closed at 5.1% in 2024, is gradually approaching the target range established by the Colombian Central Bank. This decline has been helped by moderation in the prices of non-food goods and a gradual reduction in service costs, although challenges remain in areas such as housing and energy. Inflation rates of 3.6% and 3.1% are forecast for 2025 and 2026, respectively, driven by greater stability in energy and food prices, in addition to less pressure in regulated sectors. However, risks such as the increase in diesel and restrictions on the supply of natural gas could generate additional pressures in some specific areas.

The Colombian Central Bank has adopted a gradual approach in reducing interest rates, projecting a level of 9.25% by the end of 2024. A further decrease is anticipated in 2025, placing the policy rate at 6.50%, a level that would be maintained during 2026. This approach aims to stimulate investment and consumption, easing financial conditions for both households and businesses, without compromising price stability. However, the Central Bank's decisions will be subject to the evolution of external factors, such as international energy prices and the rate differential with the United States.

Fixed investment has shown a moderate recovery in 2024, led by spending on civil works and an increase in investment in machinery and equipment, especially in sectors with production expansion needs. However, residential construction continues to lag due to low activity in the housing sector. Imports have grown significantly, driven by the recovery of domestic demand, private consumption and a dynamism in fixed investment, highlighting purchases of capital goods, machinery and raw materials. Exports of services have reached record highs, with significant growth in tourism, transport and professional services, partially offsetting declines in traditional sectors such as oil and coal.

In the labor market, the recovery has been moderate, with an unemployment rate projected at 10.2% at the end of 2024, reflecting a gradual economic improvement, but insufficient to solve structural problems. Labor participation gaps, especially among women and youth, persist as significant challenges. The service sector has led the generation of employment, with important contributions from education and health, while the agricultural and rural sectors have also contributed in a stable way, particularly from the coffee subsector. On the other hand, construction and manufacturing have had a limited recovery, influenced by the slowdown of demand.

By 2025 and 2026, private consumption, which accounts for 75% of GDP, is expected to continue to be the main driver of growth, driven by better credit conditions, greater purchasing power, and moderating inflation. Fixed investment will be key in this period, with a projected rebound in residential and non-residential building, as well as in infrastructure, supported by lower mortgage rates and greater execution of public and private projects.

In terms of foreign trade, imports will continue to grow in line with the economic reactivation, while exports could face challenges due to the global energy transition and limitations in domestic hydrocarbon production. However, the boom in service exports will continue to be a strategic pillar to diversify the economy and stabilize the external accounts, although the current account deficit could widen, financed mainly by robust flows of foreign direct investment in strategic sectors such as mining, energy, and manufacturing.

Global growth in 2024 has displayed resilience, with an increase of 3.2%, driven by consumption in the United States, fiscal stimulus in China and a slight recovery in Europe. However, projections for 2025 indicate a moderation to 3.1%, reflecting geopolitical tensions and structural adjustments, while 2026 could close with a rebound of 3.3% thanks to financial stabilization and improved supply chains.

In the United States, the economy will close 2024 with solid growth of 2.7%, led by the dynamism of private consumption and the labor market. However, inflationary pressures in services will limit growth to 2.0% in 2025, with a slight rebound to 2.1% by 2026. Inflation, which will close 2024 at 2.6%, could rise to 3.4% in 2025, before returning to 2.5% in 2026, thanks to the moderation of energy prices and the Federal Reserve's policy, which will reduce rates to 4.0% by 2025.

Europe, meanwhile, faces limited growth of 0.8% in 2024 due to weak domestic demand and challenges in manufacturing. A slight improvement to 1.0% is expected in 2025 supported by ECB rate cuts, but high labor costs and fiscal constraints will continue to weigh down growth. European inflation will close 2024 at low levels and could reach 1.8% in 2025, thanks to lower energy costs and moderate demand.

In China, growth will be 4.8% in 2024, supported by fiscal and monetary stimulus, although limited by structural problems such as low domestic demand and a weakened real estate sector. Growth is projected to moderate to 4.1% in 2025 and 4.0% in 2026, while inflation will remain historically low, closing at 0.3% in 2024 and rebounding to 0.7% in 2025, reflecting weak domestic demand and the impact of the stimulus measures.

The exchange rate (TRM) closed the fourth quarter of 2024 at COP 4,401.98 per US dollar, which is COP 342.16 pesos per US dollar higher than at year-end 2023 (3,822.05).

In this context, the following is a summary of exposure to credit risk, market risk and liquidity risk of the portfolio at December 31, 2024, compared to December 31, 2023.

Credit Risk

Credit risk is the probability of incurring in losses associated with default of the contractual obligations by an issuer of a financial instruments, and mainly arises in instruments held in the investment portfolio.

BBVA Asset Management S.A. Sociedad Fiduciaria entered into an service agreement with the area that specialized in credit risk at BBVA Group in Colombia; this area is in charge of performing financial analysis based on profitability, quality, stability, liquidity and management indicators of each entity in which risk positions are to be taken. To this effect, the Risk Department is supported by the financial analysis performed by the Credit Risk Corporate Unit (UCRC, for the Spanish original); information from credit rating agencies for entities with risk exposure, and the CAMEL financial analysis model, to generate information as input to establish limits and credit lines. Information on local and international watch lists is also used, which display which entities face financial difficulties that may cause them to default on their obligations, as well as information from the internal credit ratings assigned by the UCRC unit and which are taken into consideration for the analysis of counterparties and issuers of the Trust company.

Updates to the credit ratings assigned by the authorized entities are periodically monitored, and in the event of any downgrades, the Entity proceeds to mitigate its exposure to the assessed counterparty or issuer.

Method of analysis of issuers and counterparties

In order to establish limits for issuers and counterparties, BBVA Asset Management has designed a credit risk assessment structure for issuers and counterparties, based on information from different reliable sources. This structure unifies and defined a probable credit limit for the assessed entities based on different internal and external variables for each company.

The following are the information sources on the different issuers and counterparties under assessment, used in the methodology:

- **CAMEL.** It consists in the calculation of various financial indicators that show the efficiency of the assessed companies in connection with the quality of their assets, expense management, stability, profitability and liquidity. The indicators used for this assessment are calculated based on the financial statements published by the regulatory agency, which in the case of Colombia is the Financial Superintendence of Colombia. The base information for running the CAMEL model are the financial statements of the latest twelve months for financial sector issuers and the latest cut-off date for all other sectors. In order to assign specific credit lines, the investment policies of the portfolio and existing regulations on conflicts of interest applicable to each portfolio are taken into consideration.

- **External ratings.** Based on the information published by the various local and international credit rating agencies that publish rating for capital market issuers, the published ratings are consolidated in order to assign risk levels and their corresponding credit limits in terms of credit risk.

- **BBVA Group Relations.** BBVA Asset Management S.A. Sociedad Fiduciaria has a service agreement in place with the corporate analytics area, the Central Credit Risk Unit (URC, for the Spanish original) of Banco BBVA Colombia S.A., which receives analysis on issuers, particularly for those on which no information is directly available through the Financial Superintendence of Colombia (non-supervised entities).

- **Trust framework.** A concentration scale is determine for each issuer based on two important principles for the assessment of risk in the Colombian market: the credit ratings issued by certified credit rating agencies, and a comparison of the level of market risk at country level between the Colombian, Spanish and Mexican markets, the latter as a guide of applied risk.

-

Unified Ratings

Based on the above sources, the ratings are unified internally to determine the maximum level of risk of each issuer. The internal rating Nodes are on a scale ranging from AAA as best and A- as worst. These define the proposed limit to be assigned to each entity, which is submitted to the Risk and Investments Committee, and if approved, the decision is confirmed by the Board of Directors.

The credit quality of the issuers of instruments that make up the Company's investment portfolio remained stable. Because the investment portfolio mainly consists of instruments with an AAA rating. The liquid funds of the portfolio were deposited in accounts with expected low risk of default.

Issuer concentrations remained within the approved limits. Additionally, all issuers have investment grade ratings granted by the credit 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 issuers, number of securities per issuer, average term in days, and the credit risk rating of the issuer:

Issuer	Terms in days	Number of securities (1)	Rating
Banco Davivienda S.A.	26	1	AAA
Banco de Bogotá	262	2	AAA
Central Bank of Colombia	N/A	1	NATION
Banco Santander de Negocios Colombia S.A.	164	1	AAA
Bancolombia S.A.	455	2	AAA
BBVA Colombia S.A.	N/A	1	AAA
Cartera Colectiva Abierta BBVA Efectivo	N/A	1	AAA
Cartera Colectiva Abierta Con Pacto De Permanencia BBVA Plazo 30	N/A	1	AAA
Financiera de Desarrollo Territorial S.A. Findeter	640	1	AAA
Fondo De Inversión Colectiva Abierta Fondo BBVA Páramo	N/A	2	NO RATING
Holding Bursátil Chilena S.A.	N/A	1	NO RATING
Ministry of Finance and Public Credit	245	3	NATION
Swift SCRL	N/A	1	NO RATING

(1) Includes savings accounts.
(NA) Not Applicable

a) The following is the maximum exposure to credit risk by rating of the investments at December 31, 2024 and 31 December, 2023:

Rating	2024		2023	
	Amount	%	Amount	%
AAA	$ 104,825	71.41%	$ 119,398	97.61%
NATION	37,593	25.61%	0	0.00%
No rating (1)	4,366	2.97%	2,925	2.39%
Total (*)	**$ 146,784**	**100%**	**$ 122,323**	**100%**

(1) They are portfolio positions in equity instruments.
(*) The reported data include the position in savings accounts.

b) The following is the maximum exposure to credit risk by economic sector of the investment portfolio at December 31,

Sector	2024		2023	
	Amount	%	Amount	%
Financial	$ 77,810	53.01%	$ 93,401	63.63%
Nation	37,593	25.61%	28,907	19.69%
Securities funds	31,365	21.37%	0	0.00%
Real	16	0.01%	15	0.01%
Total (*)	**$ 146,784**	**100%**	**$ 122,323**	**83%**

(*) The reported data include the position in savings accounts.

c) The following is the accounting classification of the investments and/or the disaggregation of the investment portfolio at December 31, 2024:

Classification	%
Marketable	49.71%
Available for sale	50.29%
Total	**100%**

Market Risk

In performing transactions on its own portfolio funds, the Company is exposed to market risk, due to a reduction the portfolio could suffer in the event of changes in the prices of the financial instruments that are part of the investment portfolio. Market risk is quantified by means of value at risk (VaR), which is the maximum loss that would potentially be suffered by the fund over a given time horizon and an established confidence level..

Value at risk (VaR) analysis. The Trust company has a market risk management system that enables adequate management of this risk. Total and diversified VaR of the portfolio is calculated on the INNOVAR platform (used by Global AM), under a VaR methodology with Montecarlo parameters at 99% and with a 63-day horizon.

The model implemented by Public Notice 051 of October 2007 of the Financial Superintendence of Colombia (SFC) is also followed, which considers 17 risk factors: Zero Coupon Curve in pesos (analyzed according to its 3 main components, namely parallel rate shocks, slope and convexity), Zero Coupon Curve in UVR (3 components), Zero Coupon Curve in US Treasury Bonds, DTF (short and long term), CPI, TRM exchange rate, Euro/Pesos, IGBC, World Index and investment funds.

a) The following is the composition of the portfolio by type at December 31, 2024 and December 31, 2023:

Composition	2024		2023	
	Amount	%	Amount	%
Highly liquid shares	$ 2,650	2.28%	$ 2,910	5.22%
Shares with low liquidity	16	0.01%	15	0.03%
Fixed Rate CD	26,607	22.93%	8,139	14.60%
IBR CD	0	0.00%	2,011	3.61%
Investment funds	31,365	27.03%	28,907	51.87%
TCO	37,593	32.40%	0	0.00%
CPI CD	17,802	15.34%	13,749	24.67%
Total*	**$ 116,033**	**100%**	**$ 55,731**	**100%**

(*) The reported data include the position in savings accounts.

At December 31, 2024, the portfolio has investments in FICs, which account for 27.04% of the total portfolio value.

Portfolio	Valor	%
BBVA open FIC cash	$ 2,494	10.77%
BBVA open FIC with permanence agreement term 30	17,171	14.80%
BBVA open FIC cash	1,700	1.47%
Total	**$ 21,365**	**27.04%**

At December 31, 2024, the portfolio holds investments in SHARES, which account for 1.82% of the total value.

The following is the exposure of the portfolio to the various risk factors defined under the methodology of the Financial Superintendence of Colombia, at December 31, 2024 and December 31, 2023. In the tables, the "Balance" field is the value of the portfolio exposed to the corresponding risk factor, and the "Regulatory VaR" field displays the calculation made for the report to the SFC.

b) Interest rate risk. Given the portfolio's exposure to interest rate risk due to positions in debt instruments denominated in local currency, VaR is calculated for this risk factor in order to estimate the maximum potential losses the proprietary funds portfolio might experience due to changes in interest rates.

Interest rate risk table

Interest rate risk	Balance		Regulatory VaR	
	2024	2023	2024	2023
Fixed rate	$ 64,200	$ 8,139	101	25
IBR	0	2,011	0	1
CPI	17,802	13,750	144	152
Total	**$ 82,002**	**$ 23,900**		

c) Exchange rate risk. VaR is calculated for the exchange rate risk factor in order to estimate the maximum potential losses the proprietary funds portfolio might experience due to fluctuations of this factor. The following is the exposure of the proprietary own funds portfolio at December 31, 2024 and December 31, 2023, according to the methodology established by the Financial Superintendence of Colombia.

Exchange rate risk table

Exchange rate risk	Balance		Regulatory VaR	
	2024	2023	2024	2023
Euro	$ 16	$ 15	$ 0	$ 0
US dollar	2,650	2,910	40	62
Total	**$ 2,666**	**$ 2,925**		

d) Share price risk. VaR is calculated for this risk factor to estimate the maximum potential losses the proprietary fund portfolio might experience due to price variations in positions taken in local and international shares. The following is the exposure of the proprietary own funds portfolio at December 31, 2024 and December 31, 2023, according to the methodology established by the Financial Superintendence of Colombia (SFC).

Share price risk table

Share price risk	Balance		Regulatory VaR	
	2024	2023	2024	2023
Local shares	$ 2,650	$ 2,910	$ 40	$ 54
Foreign shares	16	15	0	0
Total	**$ 2,666**	**$ 2,925**		

e) Investment fund risk. VaR is calculated for this risk factor to estimate the maximum potential losses the proprietary fund portfolio might experience due to price variations in such investment fund units. The following is the exposure of the fund at December 31, 2024 and December 31, 2023, according to the methodology established by the Financial Superintendence of Colombia (SFC).

Investment fund risk table

Investment fund risk	Balance		Regulatory VaR	
	2024	2023	2024	2023
Investment funds	31,365	28,908	14	44
Total	**$ 31,365**	**$ 28,908**		

f) Diversified VaR. The following are the risk factors of the fund and the total regulatory VaR at December 31, 2024 and December 31, 2023.

Market risk factor	2024	2023
Interest rate CEC pesos - component 1	$ 50	$ 19
Interest rate CEC pesos - component 2	44	6
Interest rate CEC pesos - component 3	7	0
Interest rate DTF - Node 1 (short term)	0	1
IPC Interest rate	144	152
Exchange rate - TRM	40	62
Share price - IGBC	40	54
Mutual funds	14	44
Regulatory VaR	**$ 339**	**$ 338**

Liquidity Risk

In carrying out transactions with its proprietary funds, the Company is exposed to liquidity risk due to the possible insufficiency of liquid assets available to fulfill the obligations on its account. In order to mitigate the probability of occurrence of this risk, the Trust Company has mechanisms in place to control and monitor this risk.

The Trust company has established indicators and tests to control and monitor this risk, to enable it to monitor the inflows and outflows of resources and establishing a quantitative analysis, with models and indicators that seek to anticipate possible scenarios of liquidity shortcomings and take timely management measures.

Liquidity management is subject to the investment policy defined by Global and must abide by local regulations.

The following are the liquidity indicators of the portfolio at December 31, 2024 and December 31, 2023.

Measurement of the liquidity risk indicator	2024	2023
Cash and cash equivalents	$ 30,161	$ 66,412
Securities deemed (high-quality) liquid assets	36,935	0
Open-end funds	25,092	10,634
Other liquid assets	35,527	19,120
7-Day net liquidity requirement	199	966
30-Day net liquidity requirement	3,308	3,770
7-Day LRI	**$ 95,199**	**$ 95,199**
30-Day LRI	**$ 92,395**	**$ 92,395**

The results of LRI at 7 and 30 days indicates that the Company's own funds are adequate to fully meet its net liquidity requirements.

43. Corporate governance

Board of Directors and Senior Management

The Bank's Corporate Bylaws establish that the Board of Directors is the administration, management and oversight body of the Company. The Board members are informed both of the responsibility involved in managing financial and non-financial risks and are aware of the business structure processes, which enables them to provide adequate support and monitoring. During 2024, the Board of Directors carried out its duties and fulfilled the predefined timetable of meetings, maintaining fluid contact with the Bank's Senior Management, displaying great dedication and capacity to adapt to the circumstances of the moment. Their knowledge both of the environment and of the BBVA Group in Colombia has served them to adequately perform the duties of the governance bodies.

Policies and Segregation of Duties

The Risk Governance Model of BBVA Colombia highlights the active participation of the Board of Directors in the strategy, supervision and monitoring of risks. It approves the overall strategy and policies, while the Risk and Internal Control and Compliance areas implement them, periodically reporting to the Comprehensive Risk Committee and the Board of Directors.

Reports to the Board of Directors

The Executive Vice-president leads the specialized units that manage financial risks, which periodically report to the Risk Committee and the Board of Directors. These reports include detailed information on exposure and relevant events related to the risks faced. The Internal Control and Compliance unit, an independent and specialized body, is responsible for leading the management and control of non-financial risks. This unit submits detailed reports both to the Board of Directors and its Support Committees on exposures and relevant events: The above ensures a coordinated work arrangement between the committees and the Board, which reinforces the existing control environment at BBVA Colombia, thereby contributing to a comprehensive and effective supervision.

Technological Infrastructure

The implementation of the Risk Management System (RMS) is backed by a high-level technological infrastructure that facilitates the active management of the risks by providing the required information and results, adapted to the type and volume of transactions.

Risk Measurement Methods

The Risk Management System (SGR) covers the Risk Appetite Framework (MAR), which establishes the limits and risks that can be assumed, the reporting lines and monitoring metrics, which are consistent with the Group's general guidelines, adapted to the reality and specific needs of BBVA Colombia.

Organizational Structure - Human Resources

The Bank has an organizational and operating structure that assures independence between the business area, the control area and accounting. This enables offering the various decision-making bodies of the Bank the technical information and judgment required for adequate risk management. The employees assigned to the Risk Department have the experience and qualifications required to fulfill their assigned duties.

Verification of Transactions

Verification is performed to ensure that the transactions carried out by the Bank fulfill the agreed conditions, backed by internal controls and security mechanisms. The transactions are recognized in an accurate and efficient manner, minimizing errors and avoiding undue losses or gains.

44. Other Matters of Interest

a. Projected Financial Information

During the last quarter, the Group initiated its budgeting and financial projections process for the 2025–2027 fiscal years. This process is based on macroeconomic estimates developed internally by the Economic Studies team. Using these variables, combined with the Group's strategic objectives, profit projections for the coming years have been established. These results are underpinned by improved performance in both revenues and expenses.

On the interest margin front, improvements are observed due to declining interest rates, which enable a swift reduction in funding costs. On the asset side, a slower reduction is noted, attributed to loan disbursements in recent years under high-interest rate scenarios. These have created a loan stock that continues to yield attractive returns. In these projections, the margin grows at double digits in the years mentioned.

On the commissions side, the Group will continue advancing its strategic plans to generate increased revenues from the provision of various financial services. Among these, the Group will boost activity in payment methods on the issuing side of the business, which will enable it to generate higher commissions. Another key area is income from insurance commissions, which will benefit from the Group's anticipated growth in activity in the coming years.

In terms of expense management, BBVA will adopt an austere approach to resource allocation. These resources will be utilized for fundamental activities that provide greater economic benefits to the entity or are mandated by law. This applies to personnel expenses, general expenses, and investments.

Similarly, the Group anticipates lower loan write-off expenses, aligned with expectations of an economic recovery. The year 2024 marks the peak of loan portfolio impairments, estimated to have been reached in the second half of the year, paving the way for recovery in the subsequent years.

In this regard, bearing in mind both the situation in the recent past, revealed in the consolidated financial statements presented as of December 31, 2024, as well as what is expected in the near future, it can be said that the Group has an adequate financial structure, which will allow it to carry on with its operation in a profitable manner, besides obtaining the necessary funds to comply with its short and medium-term obligations; due to the proper management of the accounts of the Statement of Financial Position and Statement of Income.

Assessing the liquidity position disclosed in the consolidated financial statements confirms that the Group possesses the required liquidity and solvency to continue operating as a going concern for at least the next 12 months from the end of the reporting period, without being restricted to this timeframe.

b. Performance Metrics and Indicators December 2024 and 2023

The following are the financial performance and indicators defined by Decree 854/2021 as the minimums to assess a company's business continuity. In this case, presented for the ends of December 2024 and 2023, they evaluate the financial management being undertaken and thus determine if the going concern assumption is appropriate:

Indicator	2023	2024	Formula	Income
Negative equity position:	6,573,917	7,590,277	Total equity <COP 0	Total equity >COP 0
Consecutive losses in two closing periods or several monthly periods, depending on the business model	243,856	-292,240	(Statement of income < 0) and (Statement of income for the preceding year < 0)	Statement of income Dec 2023 > 0) and (Statement of income 2024 >0)
Net working capital over short-term debt:	0	0	(Trade accounts receivable customers + current inventory - Trade accounts payable) / Current Liabilities (<0.5)	Income < 0.5
UAII / Total Assets < Liabilities	0.39%	(0.31%)	(Earnings before interest and taxes / Total assets) < Total liabilities	Income > -1

The proper management undertaken at BBVA Colombia allows it to develop its operations while maintaining good equity quality and solvency indicators.

It is therefore concluded that there is no material uncertainty related to events or conditions that would give rise to significant doubts on the Bank's capacity to continue as a going concern.

c. Adjustment to Results of First Time Adoption - OSFP

The Group reviewed the historical adjustments of the OSFP, in order to establish the required mechanisms and methodologies to ensure the constant updating of the impact produced by the first-time adoption, carried out on January 1, 2014, on retained earnings, following the accounting principles and policies accepted in Colombia.

Write-offs as of December 31, 2024, and December 31, 2023

The Group identified the following items that were subject to adjustments:

Item	Balance at the end of 2024	Variation	Balance at the beginning of 2024
Recovery of the revaluation of assets in sale of properties	$ 17.703	$ 1.405	$ 16.298
Recovery of valuation of Almaagrario in sale in March 2015	18.685	0	18.685
Recovery of non-existent provisions and contingencies	122	0	122
Recovery of provisions and depreciations for non-effectiveness and ANMV	4.823	0	4.823
Impact of deferred tax on PP&E	-6.002	14.675	-20.677
Total Cleansed	**$ 35.331**	**$ 16.080**	**$ 19.251**

45. Subsequent events

From the closure of these Consolidated Financial Statements with a cut-off date of December 31, 2024, to February 26, 2025, there were no significant subsequent events requiring disclosure.

46. Significant Events

Below are the detailed significant events in the Consolidated Financial Statements as of December 31, 2024.

- The Board of Directors of BBVA Colombia approved the issuance of 3,401,037,037 ordinary shares subject to preemptive rights and their placement through a public offering in accordance with the terms and conditions of the regulations. The transaction was unanimously approved by the Board of Directors of the entity in a meeting held on April 12, 2024. The amount and conditions of said issuance, as well as the respective issuance regulations, were set by the same Board of Directors of the Bank.

  » **Subscription Price:** The subscription price of the common shares was COP 270.

  » **Stages of the Offering:** The offering was conducted in three stages, as follows: First Stage – Preemptive Right, Second Stage – Growth, and Third Stage – Remainder.

First Stage. Preemptive Right

- **Public Offering:** On August 2, notice of the first stage for the exercise of preemptive rights for the issuance of 3,401,037,037 ordinary shares of the Bank for 2024 was published.
- **Maximum Issuance Amount**: The issuance was up to COP 918,280
- **Amount placed:** In this phase, 3,248,330,782 shares were placed with a value of COP 877,050.

- **Subscription Price:** The subscription price of the common shares was COP 270.

Second Stage. Growth

- **Public Offering:** On September 3, a notice was published regarding the second stage for the exercise of accretion rights for the issuance of 152,706,255 ordinary shares of 2024 of the Bank.
- **Maximum Issuance Amount:** The issuance was up to COP 41,230.
- **Amount placed:** In this phase, 152,706,253 shares were placed with a value of COP 41,230
- **Subscription Price**: The subscription price of the common shares was COP 270.

Third Stage. Remaining

- **Public Offering:** On September 11, a notice was published regarding the third stage for the exercise of accretion rights for the issuance of 2 ordinary shares of 2024 of the Bank.

In all three stages, the companies that are part of the Group acquired 3,399,439,287 ordinary shares.

47. Glossary

- **The Group:** Denominación a BBVA Colombia S.A.
- **The Bank**; Refers to BBVA Colombia S.A
- **ANMV:** Spanish acronym for non-current assets held for sale
- **GMF:** Spanish acronym for levy on financial transactions
- **BRDP:** Spanish acronym for Disaffected Assets and Assets returned in lease contracts
- **COAP:** Spanish acronym for Assets and Liabilities Committee
- **CIB:** Corporate and Investment Banking
- **FIXING:** A form of stock market contracting used to set a reference price at a specific time for low-liquidity assets, such as stocks, bonds, currencies, or commodities.
- **GANF:** Spanish acronym for Non-Financial Asset Management
- **EFAN:** Spanish acronym for Financial Statements of Business Areas
- **Apportionment: :** This term refers to the distribution of operating expenses from the central departments to the bank segments.
- **Margin Call:** Also referred to as a margin call: It is the notice given by the broker when our deposit level is very close to the minimum, or stated otherwise, that the guarantees are insufficient to cover the risk of our position.
- **TES:** They are National Government Debt Securities issued by the Government of Colombia to finance its operations and projects.

  These debt securities are issued through the Ministry of Finance and Public Credit and are acquired both by local and international investors.
- **AT1 Subordinated Debt:** Contingent convertible bonds, also known as CoCos or Additional Tier 1 Capital (AT1 in English), are a hybrid issuance, with debt characteristics (they pay interest to the investor) and equity features (they have loss-absorption capacity). These are perpetual instruments (without a specified maturity), although the issuer reserves the right to redeem the bond after a minimum of five years from its issuance. The payment of the coupon of this type of issuances can be canceled at the issuer's discretion (without it being cumulative). The main characteristic of this type of issuances is that, if certain conditions included in the issuance prospectus are met, they can be converted into shares. Among the most common issues is the CET1 (Common Equity Tier 1) ratio falling below a specific threshold. Therefore, these issuances are solely aimed at institutional investors. In compliance with a series of requirements, the issuance of AT1 instruments allows them to be classified as Additional Tier 1 Capital in accordance with current regulations (CRD IV). This regulation allows adding an additional 1.5% of capital requirements through these issuances.
- **Rule 144A and Regulation S:** For the issuance and sale of securities in international markets.que regulan la emisión y venta de valores en mercados internacionales.

BBVA