

Banco de Bogotá

Report of Q2-2023 Consolidated Results

Information reported in COP billions⁽¹⁾ and under IFRS

(1) We refer to billions as thousands of millions



Banco de Bogotá

Disclaimer

Banco de Bogotá is an issuer of securities in Colombia and, as such, it is required to comply with periodic reporting requirements and corporate governance practices. As a financial institution, the Bank is subject to inspection and surveillance from Colombia's Superintendency of Finance.

The financial information included in this report was prepared with unaudited consolidated financial information, in accordance with IFRS as currently issued by the IASB. Details of the calculations of non-GAAP measures such as ROAA and ROAE, among others, are explained when required in this report.

Banco de Bogotá executed a spin-off of a 75% equity stake in BAC Holding International Corp ("BHI"); to its shareholders and Grupo Aval subsequently spun-off its equity interest to its shareholders on March 29, 2022. On December 19, 2022, Banco de Bogotá sold 20.89% of the outstanding investment of BHI through a tender offer. As of December 31, 2022, Banco de Bogotá held 4.11% of BHI. This investment is reflected as an investment at fair value through other comprehensive income. Following the sale, the equity method recognized under the "share of profit of equity accounted investees, net of tax (equity method)" between April and November was reclassified to discontinued operations. For comparability purposes of this presentation, we have reclassified BHI's equity method for the second and third quarter of 2022 to net income from discontinued operations. Banco de Bogotá's remaining 4.11% interest in BHI was disposed of in March 2023. The supplemental unaudited pro forma financial information does not purport to be indicative of our results of operations or financial position had the relevant transactions occurred on the dates assumed and does not project our results of operations or financial position for any future period or date. For further information, please see the supplemental unaudited pro forma financial information in our Q2-2023 earnings release.

The Colombian peso/dollar end-of-period annual devaluation as of June 30, 2023 was 0.6% while there was a 10.1% revaluation in the quarter. In this report's, calculations of growth, excluding the exchange rate movement of the Colombian Peso, use the exchange rate as of June 30, 2023 (COP 4,177.58).

This report includes forward-looking statements. In some cases, you can identify these forward-looking statements by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these and other comparable words. Actual results and events may differ materially from those anticipated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risk factors. Recipients of this document are responsible for the assessment and use of the information provided herein. Matters described in this presentation and our knowledge of them may change extensively and materially over time but we expressly disclaim any obligation to review, update or correct the information provided in this report, including any forward looking statements, and do not intend to provide any update for such material developments prior to our next earnings report. The content of this document and the figures included herein are intended to provide a summary of the subjects discussed rather than a comprehensive description.

In this document we refer to trillions as millions of millions and to billions as thousands of millions.

** Pro-forma figures are calculated based on reported consolidated figures excluding BHI's contribution. In the Balance Sheet, Banco de Bogotá's investment in BHI was reclassified from Investments in Associates to Discontinued Assets. In the P&L, BHI's contribution to income is reclassified from Equity Method income to Discontinued Operations. Pro-forma ratios for 2022 are calculated based on the pro-forma figures explained above.

BANCO DE BOGOTÁ
REPORT ON THE Q2-2023 CONSOLIDATED FINANCIAL RESULTS UNDER IFRS

For ease of comparison, Q2-2023's presentation contains certain historical figures expressed on a pro-forma basis to reflect 2022 consolidated figures excluding BHI's contribution.

- As of June 2023, Banco de Bogotá reported a consolidated quarterly **Attributable Net Income** of **COP 277.3 billion**, explained by net interest income and fees.
- **Return on Average Assets** for Q2-2023 was **0.8%**¹, and **Return on Average Equity** was **7.2%**².
- **Total Assets** were **COP 136.1 trillion**. **Total Liabilities** amounted to **COP 120.5 trillion**.
- **Consolidated Gross Loan Portfolio** totaled **COP 97.7 trillion**, increasing 11.7% when compared to Q2-2022 and 0.7% versus Q1-2023. Excluding FX, growth was 11.5% yearly and 2.6% quarterly.
- **30 days PDL ratio** was **5.6%** and **90 days PDL ratio** was **3.9%**. **Consolidated Net Cost of Risk** in the quarter was **2.2%**.
- **Deposits** amounted to **COP 90.3 trillion**, representing **77.7% of total Funding**. Time Deposits contributed with 49.7% of total Deposits, followed by Saving Accounts with 33.9%, Checking Accounts with 16.1% and Other Deposits with 0.3%.
- **Deposits to Net Loans Ratio** in Q2-2023 was **0.98x**.
- **Consolidated Capital Adequacy Ratio** was **12.8%**, under Basel III standards, while **Total Tier 1 ratio** was **10.1%**.
- **Net Interest Margin** was **4.6%**, decreasing 5 bps during the quarter. Investment NIM was at -0.1% and Lending NIM was 5.4%.
- **Fee Income Ratio** was **27.6%** for the quarter, with a **1.0%** increase in **Gross Fees (COP 485.0 billion)**, versus Q1-2023.
- **Efficiency ratio** was **50.6%** and the ratio of **Operating Expenses over Average Assets** was **2.7%** in Q2-2023.

¹ROAA is calculated as annualized net income / Average of total Assets.

²ROAE is calculated as annualized net income attributable for shareholders / Average Attributable Shareholders' Equity.

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Consolidated Statement of Financial Position							
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022		Δ Q2-2023 / Q1-2023	
				Abs.	%	Abs.	%
Cash and cash equivalents	11,927.5	10,187.9	9,299.0	(2,628.6)	(22.0)	(888.9)	(8.7)
Financial assets held for investment	15,245.7	15,902.4	16,302.9	1,057.2	6.9	400.5	2.5
Loans & leases operations and receivables portfolio	87,511.5	97,023.9	97,725.8	10,214.3	11.7	702.0	0.7
Interbank & overnight funds and others	503.0	1,859.8	424.8	(78.2)	(15.5)	(1,435.0)	(77.2)
Allowance of Loan Impairment	(5,105.1)	(5,406.5)	(5,410.6)	(305.5)	6.0	(4.1)	0.1
Total loans and leases portfolio at amortized cost	82,909.4	93,477.2	92,740.0	9,830.7	11.9	(737.1)	(0.8)
Non-current assets held for sale	111.0	74.9	65.0	(46.0)	(41.4)	(9.9)	(13.2)
Investment in associates and joint ventures	8,530.0	8,790.5	8,921.0	391.0	4.6	130.5	1.5
Tangible assets	1,827.0	1,833.2	1,719.4	(107.6)	(5.9)	(113.8)	(6.2)
Intangible assets	1,300.4	1,425.2	1,431.8	131.4	10.1	6.6	0.5
Income tax assets	1,881.6	2,215.5	2,089.3	207.8	11.0	(126.1)	(5.7)
Other assets ⁽¹⁾	2,954.5	3,665.1	3,552.6	598.1	20.2	(112.6)	(3.1)
Discontinued assets ⁽²⁾	3,736.6	-	-	-	-	-	-
Total assets	130,423.8	137,571.9	136,121.1	5,697.3	4.4	(1,450.8)	(1.1)
Financial liabilities at fair value	687.5	660.1	856.2	168.7	24.5	196.1	29.7
Deposits from clients at amortized cost	84,388.8	89,606.3	90,336.7	5,947.9	7.0	730.4	0.8
Financial Obligations	27,113.9	28,341.5	25,878.0	(1,235.9)	(4.6)	(2,463.5)	(8.7)
Total liabilities at amortized cost	111,502.7	117,947.8	116,214.7	4,712.0	4.2	(1,733.1)	(1.5)
Income tax liabilities	68.2	82.3	84.7	16.5	24.2	2.5	3.0
Employee benefits	213.7	243.9	243.7	29.9	14.0	(0.3)	(0.1)
Other liabilities ⁽³⁾	2,204.5	3,269.6	3,132.1	927.6	42.1	(137.5)	(4.2)
Total liabilities	114,676.7	122,203.7	120,531.4	5,854.7	5.1	(1,672.3)	(1.4)
Equity attributable to the owners of the parent company	15,704.3	15,321.2	15,539.7	(164.6)	(1.0)	218.5	1.4
Non-controlling interests	42.9	47.1	50.0	7.1	16.7	2.9	6.2
Total shareholder's equity	15,747.2	15,368.2	15,589.7	(157.4)	(1.0)	221.5	1.4
Total liabilities and shareholder's equity	130,423.8	137,571.9	136,121.1	5,697.3	4.4	(1,450.8)	(1.1)

(1) Other Assets: Other Accounts Receivable, Derivatives Used for Hedging and Other Assets.

(2) Discontinued assets reflect BHI's stake as an associate.

(3) Other liabilities: hedging derivatives, provisions and other liabilities.

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Consolidated Statement of Income							
Billions of COP	Pro forma	Q1-2023	Q2-2023	Δ Q2-2023 /		Δ Q2-2023 /	
	Q2-2022**			PF Q2-2022		Q1-2023	
				Abs.	%	Abs.	%
Interest income	2,016.1	3,467.5	3,541.4	1,525.2	75.7	73.9	2.1
Interest on loans and leases	1,913.9	3,246.7	3,355.2	1,441.3	75.3	108.4	3.3
Interests on fixed income investments at amortised cost	102.2	220.8	186.2	84.0	82.2	(34.6)	(15.7)
Interest expense	889.6	2,188.7	2,256.9	1,367.3	153.7	68.3	3.1
Net interest income	1,126.5	1,278.8	1,284.4	157.9	14.0	5.6	0.4
Provisions for impairment loss and financial assets	272.7	404.5	535.8	263.1	96.5	131.2	32.4
Net interest income after provisions	853.8	874.3	748.6	(105.2)	(12.3)	(125.7)	(14.4)
Fees and other services income, net	302.1	358.1	362.6	60.6	20.0	4.5	1.3
Other income	188.8	315.7	157.7	(31.0)	(16.4)	(158.0)	(50.0)
Operating expenses	772.7	909.5	913.9	141.2	18.3	4.4	0.5
Income before tax expense	572.0	638.5	355.1	(216.9)	(37.9)	(283.4)	(44.4)
Tax expense	83.9	143.9	74.0	(9.9)	(11.8)	(69.9)	(48.6)
Income from continued operations	488.1	494.7	281.1	(206.9)	(42.4)	(213.5)	(43.2)
Income from discontinued operations*	154.0	-	-	(154.0)	(100.0)	-	-
Non controlling interest	(0.1)	(1.9)	(3.8)	(3.7)	3,081.6	(1.9)	100.9
Net income attributable to Shareholders	641.9	492.8	277.3	(364.6)	(56.8)	(215.4)	(43.7)

* Discontinued operations reflects performed corporate transactions (BHI's spin-off & tender offer) accomplished on March 25th and December 14th, 2022 and equity method.

Performance Ratios			
	Pro forma	Q1-2023	Q2-2023
	Q2-2022**		
Profitability Ratios			
Net Interest Margin ⁽¹⁾	4.4%	4.7%	4.6%
Net Interest Margin on Loans ⁽²⁾	5.4%	5.0%	5.4%
Net Interest Margin on Investments ⁽³⁾	-1.4%	3.1%	-0.1%
ROAA ⁽⁴⁾	2.0%	1.4%	0.8%
ROAE ⁽⁵⁾	16.6%	12.7%	7.2%
Efficiency Ratio⁽⁶⁾	47.8%	46.6%	50.6%
Capital Adequacy Ratio⁽⁷⁾	12.8%	12.6%	12.8%
Loan Quality⁽⁸⁾			
Past Due Loans over 30 days ratio	4.6%	5.3%	5.6%
Past Due Loans over 90 days ratio	3.5%	3.8%	3.9%
C, D & E Loans / Gross Loans	9.4%	8.5%	8.4%
Allowance / Past-due Loans over 30 days	126.8%	104.7%	99.3%
Allowance / Past-due Loans over 90 days	167.3%	148.4%	143.1%
Allowance / C, D & E Loans	62.3%	65.6%	65.7%
Allowance / Gross Loans	5.8%	5.6%	5.5%
Impairment loss, Net / Average Loans	1.3%	1.7%	2.2%
Impairment loss / Average Loans	1.7%	2.0%	2.5%
Charge-offs / Average Loans	2.0%	1.8%	2.7%
Balance Sheet Structure			
Total Loans & leases operations, net / Total Assets	63.6%	67.9%	68.1%
Deposits / Total Loans & leases operations, net	102.4%	97.8%	97.9%
Statistical Figures			
USD Exchange Rate (end of period)	4,151.21	4,646.08	4,177.58
USD Exchange Rate (average of period)	3,919.35	4,757.97	4,424.91

(1) Net interest margin is calculated as net interest income divided by total average interest-earning assets.

(2) Net interest income on loans for the period divided by total average loans and financial leases.

(3) Net interest income on debt investment securities and interbank funds for the period, annualized / average debt investment securities and interbank funds.

(4) Annualized income from continued operations divided by average assets for each quarter.

(5) Annualized Net Income Attributable to Shareholders divided by average Equity Attributable to Shareholders for each quarter.

(6) Total Operating Expenses, divided by net interest income from Commissions and Fees, Net Trading Income, Net Income from Other Financial Instruments Mandatory at FVTPL and Total Other Income.

(7) Technical capital / risk weighted assets.

(8) Asset quality ratios calculated on a capital plus interests basis.

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Statement of Financial Position Analysis

Consolidated Balance Sheet

- Pro-forma figures are calculated based on reported consolidated figures excluding BHI's contribution. In the Balance Sheet, Banco de Bogotá's investment in BHI was reclassified from Investments in Associates to Discontinued Assets. In the P&L, BHI's contribution to income is reclassified from Equity Method income to Discontinued Operations.
- Pro-forma ratios for 2022 are calculated based on the pro-forma figures explained above.

1. Assets**

Banco de Bogotá's consolidated assets totaled COP 136,121 billion in Q2-2023, representing an annual growth of 4.4% and a quarterly decrease of 1.1%.

Quarterly Assets' reduction is mostly explained by lower Repo & Interbank Operations (COP 1,435 billion less than in Q1-23), as well as COP 888.9 billion reduction in cash and equivalents; partially offset by an increase in investment financial assets (COP 400.5 billion vs. last quarter).

Our consolidated balance sheet structure is led by Net Loans, representing 68.1% of total assets, followed by Other Assets (13.8%), Fixed Income Investments (10.4%) and Equity Investments (7.7%).

1.1. Loan Portfolio

Banco de Bogotá's Consolidated Gross Loan Portfolio amounted to COP 97,726 billion, increasing 11.7% annually, and 0.7% quarterly. Isolating the FX impact, the Gross Loan Portfolio grew 11.5% and 2.6%, respectively.

Quarterly growth in the Loan portfolio was led by Commercial Loans, which reached a total of COP 63,528 billion (2.3% QoQ increase, excluding FX); followed by Consumer Loans, reaching COP 22,379 billion (3.3% QoQ growth, excluding FX); and by the Mortgage Portfolio which totaled COP 11,552 billion (2.7% QoQ increase excluding FX).

As of June 2023, Commercial Loans represented 65.0% of total loans, followed by 22.9% in Consumer loans, 11.8% in Mortgage loans and 0.3% in Microcredit loans.

Interbank & overnight funds were COP 424.8 billion in Q2-2023, with annual and quarterly decrease of 15.5% and 77.2%, respectively.

Allowance on Loans was COP 5,411 billion as of June 2023, taking the net loan portfolio to COP 92,740 billion.

Additional details on the Bank's consolidated loan portfolio by product type, are provided in the following table:

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Consolidated Loan Portfolio Breakdown							
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022		Δ Q2-2023 / Q1-2023	
				Abs.	%	Abs.	%
Loans & leases operations and receivables portfolio							
Commercial loans and leases	57,979.8	63,070.0	63,528.3	5,548.5	9.6	458.3	0.7
Consumer loans and leases	19,490.5	22,054.0	22,378.9	2,888.3	14.8	324.9	1.5
Mortgages and housing leases	9,765.2	11,634.5	11,552.2	1,787.0	18.3	(82.3)	(0.7)
Microcredit loans and leases	275.9	265.4	266.5	(9.5)	(3.4)	1.1	0.4
Loans & leases operations	87,511.5	97,023.9	97,725.8	10,214.3	11.7	702.0	0.7
Interbank & overnight funds and others	503.0	1,859.8	424.8	(78.2)	(15.5)	(1,435.0)	(77.2)
Total loans & leases operations and receivables portfolio	88,014.5	98,883.7	98,150.7	10,136.1	11.5	(733.0)	(0.7)
Allowance for loans & leases operations and receivables	(5,105.1)	(5,406.5)	(5,410.6)	(305.5)	6.0	(4.1)	0.1
Allowance for commercial loans & leases	(3,697.2)	(3,621.2)	(3,459.9)	237.2	(6.4)	161.3	(4.5)
Allowance for consumer loans & leases	(1,139.9)	(1,547.7)	(1,715.9)	(576.0)	50.5	(168.2)	10.9
Allowance for mortgage loans & leases	(197.1)	(198.1)	(191.1)	6.0	(3.0)	7.0	(3.5)
Allowance for microcredit loans & leases	(71.0)	(39.6)	(43.7)	27.3	(38.4)	(4.2)	10.6
Total loans and leases portfolio at amortised cost	82,909.4	93,477.2	92,740.0	9,830.7	11.9	(737.1)	(0.8)

As of Q2-2023, 81.9% of Banco de Bogotá's Consolidated Loan Portfolio refers to the operation in Colombia, 16.0% refers to operations booked abroad (reflecting Multi Financial Group's operations in Panama) and 2.1% reflects Banco de Bogotá Panama's loan portfolio. Domestic loans grew 13.9% and 3.7% in annual and quarterly terms, respectively. Similarly, foreign loans increased 0.8% annually and 0.5% quarterly, in USD terms.

Domestic and Foreign Loans ⁽¹⁾ - Banco de Bogotá Consolidated							
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022		Δ Q2-2023 / Q1-2023	
				Abs.	%	Abs.	%
Total loans in Colombia							
Commercial loans and leases	47,410.6	50,959.7	52,855.4	5,444.8	11.5	1,895.6	3.7
Consumer loans and leases	16,049.3	18,152.4	18,814.4	2,765.2	17.2	662.1	3.6
Mortgages and housing leases	6,514.7	7,772.9	8,071.5	1,556.7	23.9	298.6	3.8
Microcredit loans and leases	275.9	265.4	266.5	(9.5)	(3.4)	1.1	0.4
Total loans in Colombia	70,250.5	77,150.4	80,007.7	9,757.2	13.9	2,857.3	3.7
Total loans in Panama (Multibank)							
Commercial loans and leases	8,777.2	9,590.8	8,642.2	(135.1)	(1.5)	(948.6)	(9.9)
Consumer loans and leases	3,431.3	3,890.9	3,554.8	123.5	3.6	(336.0)	(8.6)
Mortgages and housing leases	3,250.5	3,861.7	3,480.8	230.2	7.1	(380.9)	(9.9)
Total loans in Panama	15,459.1	17,343.3	15,677.7	218.6	1.4	(1,665.5)	(9.6)
Other total loans ⁽²⁾	1,801.9	2,530.2	2,040.3	238.4	13.2	(489.8)	(19.4)
Total loans	87,511.5	97,023.9	97,725.8	10,214.3	11.7	702.0	0.7

(1) Does not include Interbank & Overnight Funds and Others.

(2) Other loans correspond to Banco de Bogotá Panama.

Loan portfolio quality evolution in Q2-2023 can be summarized by the following ratios:

- 30 days PDL ratio was 5.6% and 90 days PDL ratio was 3.9%. We have observed a slowdown in portfolio impairment.
- CDE loans / Total gross loans' ratio was 8.4%.
- Coverage ratios for 30+ PDLs and 90+ PDLs were 99% and 143%, respectively.
- Net Cost of Risk, measured as annualized Net Loan Loss Provision / Average Total Loans, was 2.2%.
- Charge-offs / 90 days PDL ratio was 70%.

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The following table outlines the distribution of the Loans and Leases portfolio based on risk classifications, according to the standards of the Colombian Superintendence of Finance ³.

Consolidated Distribution and Quality of Loans & Financial Leases					
	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022	Δ Q2-2023 / Q1-2023
Billions of COP					
'A' Normal Risk	76,954.9	86,163.7	86,856.5	12.9	0.8
'B' Acceptable Risk	2,357.7	2,615.7	2,633.2	11.7	0.7
'C' Appreciable Risk	3,048.4	2,583.4	2,470.9	(18.9)	(4.4)
'D' Significant Risk	3,202.4	3,379.2	3,505.0	9.5	3.7
'E' Unrecoverable	1,948.2	2,282.0	2,260.2	16.0	(1.0)
Loans & leases operations	87,511.5	97,023.9	97,725.8	11.7	0.7
Interbank & Overnight Funds and Others	503.0	1,859.8	424.8	(15.5)	(77.2)
Total Loans & Leases Operations and Receivables Portfolio	88,014.5	98,883.7	98,150.7	11.5	(0.7)
Ratios					
	Pro forma Q2-2022**	Q1-2023	Q2-2023		
'C', 'D' & 'E' Loans / Total Loan Portfolio	9.4%	8.5%	8.4%		
PDLs over 30 days / Total Loan Portfolio	4.6%	5.3%	5.6%		
PDLs over 90 days / Total Loan Portfolio	3.5%	3.8%	3.9%		
Allowance / 'C', 'D' & 'E' Loans	62.3%	65.6%	65.7%		
Allowance / PDLs over 30 days	126.8%	104.7%	99.3%		
Allowance / PDLs over 90 days	167.3%	148.4%	143.1%		
Allowance / Total Loans	5.8%	5.6%	5.5%		
Impairment loss, net of recoveries of charged-off assets / 'C', 'D' & 'E' Loans	13.4%	19.6%	26.0%		
Impairment loss, net of recoveries of charged-off assets / PDLs +30 days	27.3%	31.3%	39.2%		
Impairment loss, net of recoveries of charged-off assets / PDLs +90 days	46.4%	52.4%	63.4%		
Impairment loss, net of recoveries of charged-off assets / Average Total Loans	1.3%	1.7%	2.2%		
Charge Off / Average Total Loans	2.0%	1.8%	2.7%		

1.2 Financial Assets Held for Investments**

In Q2-2023, consolidated Net Investment Portfolio totaled COP 16,303 billion, increasing 6.9% yearly and 2.5% quarterly.

Financial Assets Available for Sale represent 64.4% of the total portfolio, followed by Held to Maturity Investments (21.5%) and Financial Assets Held for Trading (14.1%).

Banco de Bogotá's consolidated investments are shown in the following table:

³ The Superintendence of Finance prescribes the minimum risk classifications for loans and financial leases. Management assigns loans and financial leases to these classifications on the basis of models developed by management and reviewed by the Superintendence of Finance. These models incorporate both subjective and objective criteria.

Category A — "Normal risk": Loans and financial leases in this category are appropriately serviced. The debtor's financial statements or its projected cash flows, as well as all other credit information available to us, reflect adequate payment capacity.

Category B — "Acceptable risk, above normal": Loans and financial leases in this category are acceptably serviced and guaranty-protected, but there are weaknesses which may potentially affect, on a transitory or permanent basis, the debtor's payment capacity or its projected cash flows, to the extent that, if not timely corrected, would affect the normal collection of credit or contracts.

Category C — "Appreciable risk": Loans and financial leases in this category have debtors with insufficient paying capacity or relate to projects with insufficient cash flow, which may compromise the normal collection of the obligations.

Category D — "Significant risk": Loans and financial leases in this category have the same deficiencies as loans in category C, but to a larger extent; consequently, the probability of collection is highly doubtful.

Category E — "Risk of non-recoverability": Loans and financial leases in this category are deemed uncollectable.

** Pro-forma figures are calculated based on reported consolidated figures excluding BHI's contribution. In the Balance Sheet, Banco de Bogotá's investment in BHI was reclassified from Investments in Associates to Discontinued Assets. In the P&L, BHI's contribution to income is reclassified from Equity Method income to Discontinued Operations. Pro-forma ratios for 2022 are calculated based on the pro-forma figures explained above.

Total Assets Held for Investment					
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022	Δ Q2-2023 / Q1-2023
Financial assets held for trading					
Fixed income investments	891.2	348.8	507.1	(43.1)	45.4
Equity investments	845.5	1,110.7	1,204.4	42.4	8.4
Derivatives for trading	783.7	743.6	592.1	(24.4)	(20.4)
Total financial assets held for trading	2,520.5	2,203.0	2,303.6	(8.6)	4.6
Financial assets available for sale					
Fixed income investments	9,268.4	9,815.9	10,197.4	10.0	3.9
Equity investments	298.8	306.8	308.2	3.1	0.5
Total financial assets available for sale	9,567.3	10,122.7	10,505.6	9.8	3.8
Held-to-maturity investments	3,167.3	3,586.3	3,503.8	10.6	(2.3)
Investments Provision	(9.3)	(9.6)	(10.1)	8.5	5.1
Allowance for financial assets held for inv.	-	-	-	NA	NA
Total financial assets held for investment	15,245.7	15,902.4	16,302.9	6.9	2.5

1.3 Cash and cash equivalents

As of June 2023, Cash and Balances at Central Banks totaled COP 9,299 billion, decreasing by 22.0% versus June 2022 and 8.7% versus March 2023.

1.4 Goodwill

Goodwill as of June 2023 was COP 618.1 billion, decreasing 2.7% quarterly due to slightly lower value in reporting currency of USD-denominated assets as a result of a 10.1% quarterly revaluation.

2. Liabilities.

Banco de Bogotá reported COP 120,531 billion in total consolidated liabilities as of June 2023, with annual growth of 5.1% and a quarterly reduction of 1.4%

The Bank's main source of funding comes from Deposits, which represent 77.7% of the total mix, followed by Financial Obligations with other banks (11.6%), Bonds (8.6%) and Interbank & Overnight Funds (2.1%). The average cost of funds⁴ was 8.4%, a 26-basis point quarterly increase, mainly explained by the costs associated with funding of time deposits.

2.1 Deposits

Banco de Bogotá's consolidated deposits were COP 90,337 billion as of June 2023, having increased 7.0% annually and 0.8% quarterly. Excluding the impact of the exchange rate, Deposits grew 6.9% annually and 2.4% in the quarter.

As of June 2023, Time Deposits represented 49.7% of total deposits, losing participation in the funding mix in line with lower interest rates. Saving Accounts represent 33.9% of the mix and Checking Accounts, 16.1%. Deposits to net loans ratio remained at 0.98x in Q2-2023, close to our target of being fully matched.

The following table contains the breakdown of Banco de Bogotá's consolidated deposits:

⁴ Cost of interest bearing liabilities, annualized / Quarterly average of interest bearing liabilities.

** Pro-forma figures are calculated based on reported consolidated figures excluding BHI's contribution. In the Balance Sheet, Banco de Bogotá's investment in BHI was reclassified from Investments in Associates to Discontinued Assets. In the P&L, BHI's contribution to income is reclassified from Equity Method income to Discontinued Operations. Pro-forma ratios for 2022 are calculated based on the pro-forma figures explained above.

Consolidated Deposits							
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022		Δ Q2-2023 / Q1-2023	
				Abs.	%	Abs.	%
Checking Accounts	16,452.3	15,143.4	14,532.6	(1,919.7)	(11.7)	(610.8)	(4.0)
Time deposits	35,696.6	46,030.2	44,915.4	9,218.8	25.8	(1,114.9)	(2.4)
Saving deposits	32,032.1	27,987.5	30,625.9	(1,406.2)	(4.4)	2,638.5	9.4
Other	207.8	445.2	262.8	55.0	26.5	(182.4)	(41.0)
Total Deposits	84,388.8	89,606.3	90,336.7	5,947.9	7.0	730.4	0.8

In Q2-2023, 82.4% of the Bank's consolidated deposits were in Colombia and 14.5% in Panama. Further details are described below:

Deposits – Banco de Bogotá Consolidated and Main Subsidiaries							
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022		Δ Q2-2023 / Q1-2023	
				Abs.	%	Abs.	%
Banco de Bogotá (Operation in Colombia)	68,593.2	72,216.9	74,392.6	5,799.4	8.5	2,175.7	3.0
MFG (Operation in Panama)	12,268.2	14,057.2	13,094.3	826.1	6.7	(962.9)	(6.8)
Others ⁽¹⁾	3,527.4	3,332.2	2,849.8	(677.5)	(19.2)	(482.4)	(14.5)
Banco de Bogotá Consolidated	84,388.8	89,606.3	90,336.7	5,947.9	7.0	730.4	0.8

(1) Includes Deposits from Other Subsidiaries and Eliminations.

2.2 Borrowings from Banks and Others

Borrowings from Banks and Others were COP 13,479 billion at Q2-2023, decreasing 2.2% vs. Q2-2022 and 20.6% this quarter.

2.3 Bonds

As of June 2023, Banco de Bogotá's outstanding bonds totaled COP 10,013 billion, decreasing 10.7% year on year and 9.4% in the quarter, due to the Colombian Peso revaluation. There were no new issues or maturities during the second quarter of 2023.

3. Non-Controlling Interest.

Non-controlling interest in Banco de Bogotá totaled COP 50.0 billion, with 16.7% and 6.2% annual and quarterly growth, respectively.

Non-controlling interest refers to the following subsidiaries: MultiFinanciamiento Holding, Almagora, Fiduciaria Bogotá, Megalínea, Aval Soluciones Digitales and Ficentro.

4. Total Equity and Regulatory Capital.

Banco de Bogotá's consolidated Equity as of June 2023 was COP 15,590 billion, decreasing 1.0% annually and increasing 1.4% quarterly.

The Bank's consolidated capital adequacy ratios as of June 2023, under Basel III standards, were 12.8% for Total Solvency and 10.1% for Total Tier 1.

Tier 1 increased COP 397,579 million in the quarter mainly due to a positive contribution of COP 277,344 million pesos from Net Attributable Income and from an improvement in the Available for Sale portfolio's valuation, COP 143,511 billion pesos.

** Pro-forma figures are calculated based on reported consolidated figures excluding BHI's contribution. In the Balance Sheet, Banco de Bogotá's investment in BHI was reclassified from Investments in Associates to Discontinued Assets. In the P&L, BHI's contribution to income is reclassified from Equity Method income to Discontinued Operations. Pro-forma ratios for 2022 are calculated based on the pro-forma figures explained above.

Lower Tier 2, at 2.7% is the result of the peso revaluation during the quarter as our subordinated debt is dollar denominated.

Tier 1 and Total Solvency ratios are 2.6 and 2.0 percentage points, above regulatory minimums.

The table below summarizes the Bank's main consolidated capital adequacy figures:

Consolidated Capital Adequacy ⁽¹⁾			
Billions of COP	Q2-2022	Q1-2023	Q2-2023
Regulatory Capital	12,515.8	13,168.2	13,271.1
Core Capital (Total Tier I)	9,809.8	10,067.8	10,465.4
Additional Capital (Tier II)	2,706.1	3,100.5	2,805.8
Deductions to Regulatory Capital	-	-	-
Risk-weighted Assets	97,697.6	104,143.9	103,359.6
Credit Risk-weighted Assets	82,109.6	89,218.2	88,700.8
Market Risk-weighted Assets	6,982.1	6,199.4	5,944.6
Operative Risk-weighted Assets	8,605.8	8,726.4	8,714.1
Capital Adequacy Ratio ⁽²⁾	12.8%	12.6%	12.8%
Total Tier I Capital Ratio ⁽³⁾	10.0%	9.7%	10.1%

(1) Calculations based on the IFRS Consolidated Financial Statements, applying exceptions specified by the Financial Superintendence of Colombia.

(2) Technical Equity / Risk-weighted Assets.

(3) Core Capital / Risk-weighted Assets. The minimum required is 7.5%.

** Pro-forma figures are calculated based on reported consolidated figures excluding BHI's contribution. In the Balance Sheet, Banco de Bogotá's investment in BHI was reclassified from Investments in Associates to Discontinued Assets. In the P&L, BHI's contribution to income is reclassified from Equity Method income to Discontinued Operations. Pro-forma ratios for 2022 are calculated based on the pro-forma figures explained above.

Consolidated Income Statement.

Net income attributable to shareholders for Q2-2023 was COP 277.3 billion, supported by net interest income (COP 1,284.4 billion), net fees (COP 362.6 billion), other income (COP 157.7 billion) and operating expenses⁵ (COP 913.9 billion).

1. Net Interest Income

Consolidated Net Interest Income							
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022		Δ Q2-2023 / Q1-2023	
				Abs.	%	Abs.	%
Interest income:							
Interest on loans and leases	1,913.9	3,246.7	3,355.2	1,441.3	75.3	108.4	3.3
Interests on fixed income investments at amortized cost	102.2	220.8	186.2	84.0	82.2	(34.6)	(15.7)
Total interest income	2,016.1	3,467.5	3,541.4	1,525.2	75.7	73.9	2.1
Interest expense:							
Checking accounts	24.6	63.4	68.7	44.1	179.4	5.4	8.5
Time deposits	338.0	1,063.6	1,200.6	862.7	255.3	137.1	12.9
Saving deposits	266.1	602.4	475.5	209.4	78.7	(126.8)	(21.1)
Total interest expenses on deposits	628.7	1,729.3	1,744.9	1,116.2	177.6	15.6	0.9
Borrowings	260.9	459.4	512.0	251.1	96.2	52.7	11.5
Interbank and overnight funds	37.7	73.3	139.6	101.9	269.9	66.3	90.5
Borrowings from banks and others	40.8	124.3	101.8	61.1	149.9	(22.5)	(18.1)
Bonds	147.9	171.1	172.8	24.9	16.9	1.7	1.0
Borrowings from rediscount banks	27.2	78.0	87.7	60.5	222.0	9.7	12.4
Leasing Contracts	7.4	12.7	10.1	2.8	37.5	(2.6)	(20.1)
Total interest expense	889.6	2,188.7	2,256.9	1,367.3	153.7	68.3	3.1
Net interest income	1,126.5	1,278.8	1,284.4	157.9	14.0	5.6	0.4

Net Interest Income in Q2-2023 amounted to COP 1,284.4 billion, increasing 14.0% compared to Q2-2022 and 0.4% quarterly. Annual increase came from a 75.7% increase in Total Interest Income, primarily from Interest on Loans (COP 3,355.2 billion) benefiting from 2023's higher lending interest rate' environment.

Total NIM for the quarter was 4.6%, comprised by a 5.4% lending NIM and a -0.1% Investment NIM. Total NIM was 5 basis point lower than the previous quarter due to a 42 basis point increase in lending NIM offset by a 311 basis point decrease in investment NIM.

2. Impairment loss on financial assets

Net provision expense increased 32.4% vs. Q1-2023 reaching COP 535.8 billion, as a result of higher PDLs, especially in the consumer segment.

Net Provision Expense to Average Loans (CoR) stood at 2.2% for the quarter.

Net Provisions for Losses on Loans and Other impairments							
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022		Δ Q2-2023 / Q1-2023	
				Abs.	%	Abs.	%
Impairment loss on loan portfolio and accounts rec.	354.3	477.2	599.4	245.1	69.2	122.1	25.6
Impairment loss on other financial assets	(2.0)	0.1	1.4	3.4	(166.6)	1.3	1,162.1
Recovery of charged-off assets	(79.6)	(72.8)	(65.0)	14.6	(18.4)	7.9	(10.8)
Impairment loss on financial assets, net	272.7	404.5	535.8	263.1	96.5	131.2	32.4

⁵ Operating expenses includes Non-current Assets Held For Sale (COP 220 million).

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3. Fees and Other Operating Income**

Gross fee income for the quarter was COP 485.0 billion, a 20.7% increase vs. Q2-2022 and 1.0% vs. Q1-2023, mainly from Credit & Debit Card transactions and from banking services fees.

Net income from commissions and fees totaled COP 362.6 billion, given a 20.0% YoY and 1.3% QoQ increase. In Q2-2023 fee expenses, COP 122.3 billion, reflect stability versus the previous quarter.

- Other Operating Income⁶ totaled COP 157,721 million in Q2-2023, coming from: First, COP 152,697 million from Other Operating Income.
- Second, Equity Method & Dividend income which came in at COP 86,830 million, primarily from Porvenir and from Corficolombiana.
- Third, a partially offset of COP 108,644 million from the effect associated with net funding cost from derivatives and foreign exchange hedges.

The following table provides details on consolidated total fees and other operating income:

Fees and other operating income								
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022		Δ Q2-2023 / Q1-2023		
				Abs.	%	Abs.	%	
Fees and other services income								
Trust activities	39.4	56.7	51.5	12.1	30.7	(5.2)	(9.2)	
Pension and severance fund management	-	-	-	-	NA	-	NA	
Commissions from banking services	172.6	196.4	200.6	28.1	16.3	4.2	2.2	
Credit and debit card fees	155.2	189.9	198.3	43.1	27.7	8.4	4.4	
Checking fees	3.1	3.2	3.3	0.1	4.6	0.1	2.2	
Other commissions	-	-	-	-	NA	-	NA	
Branch network services	0.9	1.2	0.4	(0.5)	(54.1)	(0.8)	(64.1)	
Bonded warehouse services	30.7	33.0	30.9	0.2	0.7	(2.1)	(6.4)	
Total income from commissions and fees	401.9	480.4	485.0	83.1	20.7	4.6	1.0	
Expenses from commissions and fees	99.8	122.3	122.3	22.5	22.5	0.0	0.0	
Total income from commissions and fees, net	302.1	358.1	362.6	60.6	20.0	4.5	1.3	
Derivatives and foreign exchange gains (losses), net	(38.0)	(189.8)	(108.6)	(70.6)	185.7	81.1	(42.7)	
Foreign exchange gains (losses), net	(653.2)	407.5	873.9	1,527.1	(233.8)	466.3	114.4	
Net gain or loss on financial derivatives for trading	615.2	(596.8)	(982.6)	(1,597.8)	(259.7)	(385.8)	64.6	
Net gain in hedging	0.0	(0.5)	0.1	0.1	288.5	0.6	(120.1)	
Other operating income								
Net gain/loss on investments	(28.2)	63.3	26.8	55.1	(195.1)	(36.5)	(57.6)	
Net gains on sales of investments	0.5	20.0	21.8	21.3	4,214.2	1.8	8.8	
Income from sales of non-current assets available for sale	(0.4)	0.7	4.4	4.8	(1,252.3)	3.7	492.5	
Dividends and Equity Method*	222.1	317.8	86.8	(135.3)	(60.9)	(230.9)	(72.7)	
Other income	32.8	103.5	126.5	93.7	286.1	22.9	22.2	
Other operating income	226.8	505.4	266.4	39.6	17.5	(239.1)	(47.3)	
Total fees and other operating income	490.8	673.8	520.4	29.5	6.0	(153.4)	(22.8)	

*In 2022, pro forma figures reclassified BHI's contribution from Equity Method Income to Discontinued Operations.

4. Efficiency

Efficiency ratio, in terms of cost to income was 50.6% in Q2-2023 and the ratio of annualized operating expenses as a percentage of average total assets was 2.7%.

5. Non-controlling interest.

Non-controlling interest reflected in the consolidated statement of income in Banco de Bogotá (COP 3.8

⁶ Includes: Derivatives and foreign Exchange gains (losses), net and Other Operating Income.

** Pro-forma figures are calculated based on reported consolidated figures excluding BHI's contribution. In the Balance Sheet, Banco de Bogotá's investment in BHI was reclassified from Investments in Associates to Discontinued Assets. In the P&L, BHI's contribution to income is reclassified from Equity Method income to Discontinued Operations. Pro-forma ratios for 2022 are calculated based on the pro-forma figures explained above.

billion) is mainly originated from the minority interest from Fiduciaria Bogotá (5.0%) and Almaviva (4.2%).

** Pro-forma figures are calculated based on reported consolidated figures excluding BHI's contribution. In the Balance Sheet, Banco de Bogotá's investment in BHI was reclassified from Investments in Associates to Discontinued Assets. In the P&L, BHI's contribution to income is reclassified from Equity Method income to Discontinued Operations. Pro-forma ratios for 2022 are calculated based on the pro-forma figures explained above.

STATEMENT OF FINANCIAL POSITION – BANCO DE BOGOTÁ CONSOLIDATED							
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022		Δ Q2-2023 / Q1-2023	
				Abs.	%	Abs.	%
ASSETS							
Cash and cash equivalents	11,927.5	10,187.9	9,299.0	(2,628.6)	(22.0)	(888.9)	(8.7)
FINANCIAL ASSETS INVESTMENT:							
Financial assets held for trading:							
Fixed income investments	891.2	348.8	507.1	(384.1)	(43.1)	158.3	45.4
Equity investments	845.5	1,110.7	1,204.4	358.8	42.4	93.7	8.4
Derivatives instruments	783.7	743.6	592.1	(191.6)	(24.4)	(151.4)	(20.4)
Total financial assets held for trading	2,520.5	2,203.0	2,303.6	(216.9)	(8.6)	100.5	4.6
Financial assets available for sale:							
Fixed income investments	9,268.4	9,815.9	10,197.4	929.0	10.0	381.5	3.9
Equity investments	298.8	306.8	308.2	9.3	3.1	1.4	0.5
Total financial assets available for sale	9,567.3	10,122.7	10,505.6	938.3	9.8	382.9	3.8
Held-to-maturity investments	3,167.3	3,586.3	3,503.8	336.6	10.6	(82.5)	(2.3)
Investments Provision	(9.3)	(9.6)	(10.1)	(0.8)	8.5	(0.5)	5.1
Total financial assets held for investment	15,245.7	15,902.4	16,302.9	1,057.2	6.9	400.5	2.5
Loans & leases operations and receivables portfolio:							
Commercial loans and leases and Other Receivables	57,979.8	63,070.0	63,528.3	5,548.5	9.6	458.3	0.7
Consumer loans and leases	19,490.5	22,054.0	22,378.9	2,888.3	14.8	324.9	1.5
Mortgages and housing leases	9,765.2	11,634.5	11,552.2	1,787.0	18.3	(82.3)	(0.7)
Microcredit loans and leases	275.9	265.4	266.5	(9.5)	(3.4)	1.1	0.4
Total loans & leases operations	87,511.5	97,023.9	97,725.8	10,214.3	11.7	702.0	0.7
Interbank & overnight funds and others	503.0	1,859.8	424.8	(78.2)	(15.5)	(1,435.0)	(77.2)
Total loans & leases operations and receivables portfolio	88,014.5	98,883.7	98,150.7	10,136.1	11.5	(733.0)	(0.7)
Allowance for loans & leases operations and receivables portf.	(5,105.1)	(5,406.5)	(5,410.6)	(305.5)	6.0	(4.1)	0.1
Allowance for Commercial loans & leases operations	(3,697.2)	(3,621.2)	(3,459.9)	237.2	(6.4)	161.3	(4.5)
Allowance for Mortgage loans & leases operations	(197.1)	(198.1)	(191.1)	6.0	(3.0)	7.0	(3.5)
Allowance for Consume loans & leases operations	(1,139.9)	(1,547.7)	(1,715.9)	(576.0)	50.5	(168.2)	10.9
Allowance for Microcredit loans & leases operations	(71.0)	(39.6)	(43.7)	27.3	(38.4)	(4.2)	10.6
Total loans and leases portfolio at amortized cost	82,909.4	93,477.2	92,740.0	9,830.7	11.9	(737.1)	(0.8)
Other accounts receivable	2,707.2	3,377.3	3,333.2	626.0	23.1	(44.2)	(1.3)
Hedging Derivatives	5.9	28.0	51.9	45.9	775.5	23.9	85.2
Non-current assets held for sale	111.0	74.9	65.0	(46.0)	(41.4)	(9.9)	(13.2)
Investment in associates and joint ventures	8,530.0	8,790.5	8,921.0	391.0	4.6	130.5	1.5
Tangible assets	1,827.0	1,833.2	1,719.4	(107.6)	(5.9)	(113.8)	(6.2)
Intangible assets	1,300.4	1,425.2	1,431.8	131.4	10.1	6.6	0.5
Income tax assets	1,881.6	2,215.5	2,089.3	207.8	11.0	(126.1)	(5.7)
Other assets	241.4	259.8	167.6	(73.8)	(30.6)	(92.3)	(35.5)
Discontinued assets ^v	3,736.6	-	-	-	-	-	-
Total Assets	130,423.8	137,571.9	136,121.1	5,697.3	4.4	(1,450.8)	(1.1)
LIABILITIES							
Financial liabilities at fair value	687.5	660.1	856.2	168.7	24.5	196.1	29.7
Deposits from clients at amortized cost	84,388.8	89,606.3	90,336.7	5,947.9	7.0	730.4	0.8
Checking accounts	16,452.3	15,143.4	14,532.6	(1,919.7)	(11.7)	(610.8)	(4.0)
Time deposits	35,696.6	46,030.2	44,915.4	9,218.8	25.8	(1,114.9)	(2.4)
Saving deposits	32,032.1	27,987.5	30,625.9	(1,406.2)	(4.4)	2,638.5	9.4
Other deposits	207.8	445.2	262.8	55.0	26.5	(182.4)	(41.0)
Borrowings	27,113.9	28,341.5	25,878.0	(1,235.9)	(4.6)	(2,463.5)	(8.7)
Interbank borrowings and overnight funds	2,118.0	306.7	2,385.3	267.3	12.6	2,078.5	677.6
Borrowing from banks and others	11,410.1	13,778.1	10,280.3	(1,129.8)	(9.9)	(3,497.7)	(25.4)
Bonds	11,209.1	11,048.1	10,013.2	(1,195.9)	(10.7)	(1,034.9)	(9.4)
Borrowings from developments entities	1,801.0	2,549.1	2,527.1	726.1	40.3	(21.9)	(0.9)
Leasing Liabilities	575.7	659.5	672.0	96.4	16.7	12.5	1.9
Total liabilities at amortized cost	111,502.7	117,947.8	116,214.7	4,712.0	4.2	(1,733.1)	(1.5)
Hedging derivatives	5.7	4.0	1.5	(4.2)	(74.2)	(2.5)	(63.4)
Provisions	32.9	32.4	35.2	2.3	7.1	2.9	8.9
Income tax liabilities	68.2	82.3	84.7	16.5	24.2	2.5	3.0
Employee benefits	213.7	243.9	243.7	29.9	14.0	(0.3)	(0.1)
Other liabilities	2,165.9	3,233.2	3,095.4	929.4	42.9	(137.9)	(4.3)
Total Liabilities	114,676.7	122,203.7	120,531.4	5,854.7	5.1	(1,672.3)	(1.4)
SHAREHOLDER'S EQUITY							
Equity attributable to shareholders	15,704.3	15,321.2	15,539.7	(164.6)	(1.0)	218.5	1.4
Non-controlling interests	42.9	47.1	50.0	7.1	16.7	2.9	6.2
Total Shareholders' Equity	15,747.2	15,368.2	15,589.7	(157.4)	(1.0)	221.5	1.4
Total Liabilities and Shareholders' Equity	130,423.8	137,571.9	136,121.1	5,697.3	4.4	(1,450.8)	(1.1)

^v Discontinued assets reflect BHI's stake as an associate.

** Pro-forma figures are calculated based on reported consolidated figures excluding BHI's contribution. In the Balance Sheet, Banco de Bogotá's investment in BHI was reclassified from Investments in Associates to Discontinued Assets. In the P&L, BHI's contribution to income is reclassified from Equity Method income to Discontinued Operations. Pro-forma ratios for 2022 are calculated based on the pro-forma figures explained above.

STATEMENT OF INCOME - BANCO DE BOGOTÁ CONSOLIDATED							
Billions of COP	Pro forma Q2-2022**	Q1-2023	Q2-2023	Δ Q2-2023 / PF Q2-2022		Δ Q2-2023 / Q1-2023	
				Abs.	%	Abs.	%
Interest income:							
Loan portfolio interest	1,913.9	3,246.7	3,355.2	1,441.3	75.3	108.4	3.3
Interests on fixed income investments at amortized cost	102.2	220.8	186.2	84.0	82.2	(34.6)	(15.7)
Total interest income	2,016.1	3,467.5	3,541.4	1,525.2	75.7	73.9	2.1
Interest expense:							
Checking accounts	24.6	63.4	68.7	44.1	179.4	5.4	8.5
Time deposits	338.0	1,063.6	1,200.6	862.7	255.3	137.1	12.9
Saving deposits	266.1	602.4	475.5	209.4	78.7	(126.8)	(21.1)
Total interest expenses on deposits	628.7	1,729.3	1,744.9	1,116.2	177.6	15.6	0.9
Borrowings	260.9	459.4	512.0	251.1	96.2	52.7	11.5
Interbank and overnight funds	37.7	73.3	139.6	101.9	269.9	66.3	90.5
Borrowings from banks and others	40.8	124.3	101.8	61.1	149.9	(22.5)	(18.1)
Bonds	147.9	171.1	172.8	24.9	16.9	1.7	1.0
Borrowings from developments entities	27.2	78.0	87.7	60.5	222.0	9.7	12.4
Leasing Contracts	7.4	12.7	10.1	2.8	37.5	(2.6)	(20.1)
Total interest expense	889.6	2,188.7	2,256.9	1,367.3	153.7	68.3	3.1
Net interest income	1,126.5	1,278.8	1,284.4	157.9	14.0	5.6	0.4
Provisions for losses on loans and other impairments							
Impairment for loan portfolio and accounts receivable	354.3	477.2	599.4	245.1	69.2	122.1	25.6
Expenses for allowance for investments	(2.0)	0.1	1.4	3.4	(166.6)	1.3	1,162.1
Recovery of charged-off assets	(79.6)	(72.8)	(65.0)	14.6	(18.4)	7.9	(10.8)
Impairment loss on financial assets, net	272.7	404.5	535.8	263.1	96.5	131.2	32.4
Net interest income after impairment loss on financial assets	853.8	874.3	748.6	(105.2)	(12.3)	(125.7)	(14.4)
Fees and Other Services Income							
Trust activities	39.4	56.7	51.5	12.1	30.7	(5.2)	(9.2)
Commissions from banking services	172.6	196.4	200.6	28.1	16.3	4.2	2.2
Credit and debit card fees	155.2	189.9	198.3	43.1	27.7	8.4	4.4
Checking fees	3.1	3.2	3.3	0.1	4.6	0.1	2.2
Branch network services	0.9	1.2	0.4	(0.5)	(54.1)	(0.8)	(64.1)
Bonded warehouse services	30.7	33.0	30.9	0.2	0.7	(2.1)	(6.4)
Total income from commissions and fees	401.9	480.4	485.0	83.1	20.7	4.6	1.0
Expenses from commissions and fees	99.8	122.3	122.3	22.5	22.5	0.0	0.0
Total income from commissions and fees, net	302.1	358.1	362.6	60.6	20.0	4.5	1.3
Other Operating Income							
Derivatives and foreign exchange gains (losses), net	(38.0)	(189.8)	(108.6)	(70.6)	185.7	81.1	(42.7)
Net gain/loss on investments	(28.2)	63.3	26.8	55.1	(195.1)	(36.5)	(57.6)
Net gains on sales of investments	0.5	20.0	21.8	21.3	4,214.2	1.8	8.8
Income from sales of non-current assets available for sale	(0.4)	0.7	4.4	4.8	(1,252.3)	3.7	492.5
Equity method ¹	220.5	301.9	84.8	(135.7)	(61.5)	(217.1)	(71.9)
Dividends	1.6	15.8	2.0	0.4	24.3	(13.9)	(87.5)
Other income	32.8	103.5	126.5	93.7	286.1	22.9	22.2
Total Other Operating Income	188.8	315.7	157.7	(31.0)	(16.4)	(158.0)	(50.0)
Other expenses							
Losses from sales of non-current assets available for sale	(0.1)	0.2	0.2	0.3	(276.6)	0.0	11.1
Personnel expenses	302.5	335.4	331.7	29.2	9.7	(3.7)	(1.1)
Administrative expenses	365.3	471.7	472.2	106.9	29.3	0.4	0.1
Losses on other assets	0.3	(0.1)	0.2	(0.1)	(42.6)	0.3	(206.3)
Depreciation and amortization	76.6	75.3	75.0	(1.6)	(2.1)	(0.3)	(0.4)
Other operating expenses	28.2	27.0	34.6	6.4	22.8	7.6	28.1
Total other expenses	772.7	909.5	913.9	141.2	18.3	4.4	0.5
Income before tax expense	572.0	638.5	355.1	(216.9)	(37.9)	(283.4)	(44.4)
Income tax expense	83.9	143.9	74.0	(9.9)	(11.8)	(69.9)	(48.6)
Income from continued operations	488.1	494.7	281.1	(206.9)	(42.4)	(213.5)	(43.2)
Income from discontinued operations²	154.0	-	-	(154.0)	(100.0)	-	-
Non controlling interest	(0.1)	(1.9)	(3.8)	(3.7)	3,081.6	(1.9)	100.9
Net income attributable to shareholders	641.9	492.8	277.3	(364.6)	(56.8)	(215.4)	(43.7)

1/ In 2022, pro forma figures reclassified BHI's contribution from Equity Method Income to Discontinued Operations.

2/ Discontinued operations adjust performed corporate transactions (BHI's spin-off & tender offer) accomplished on March 25th and December 14th, 2022 and equity method.

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