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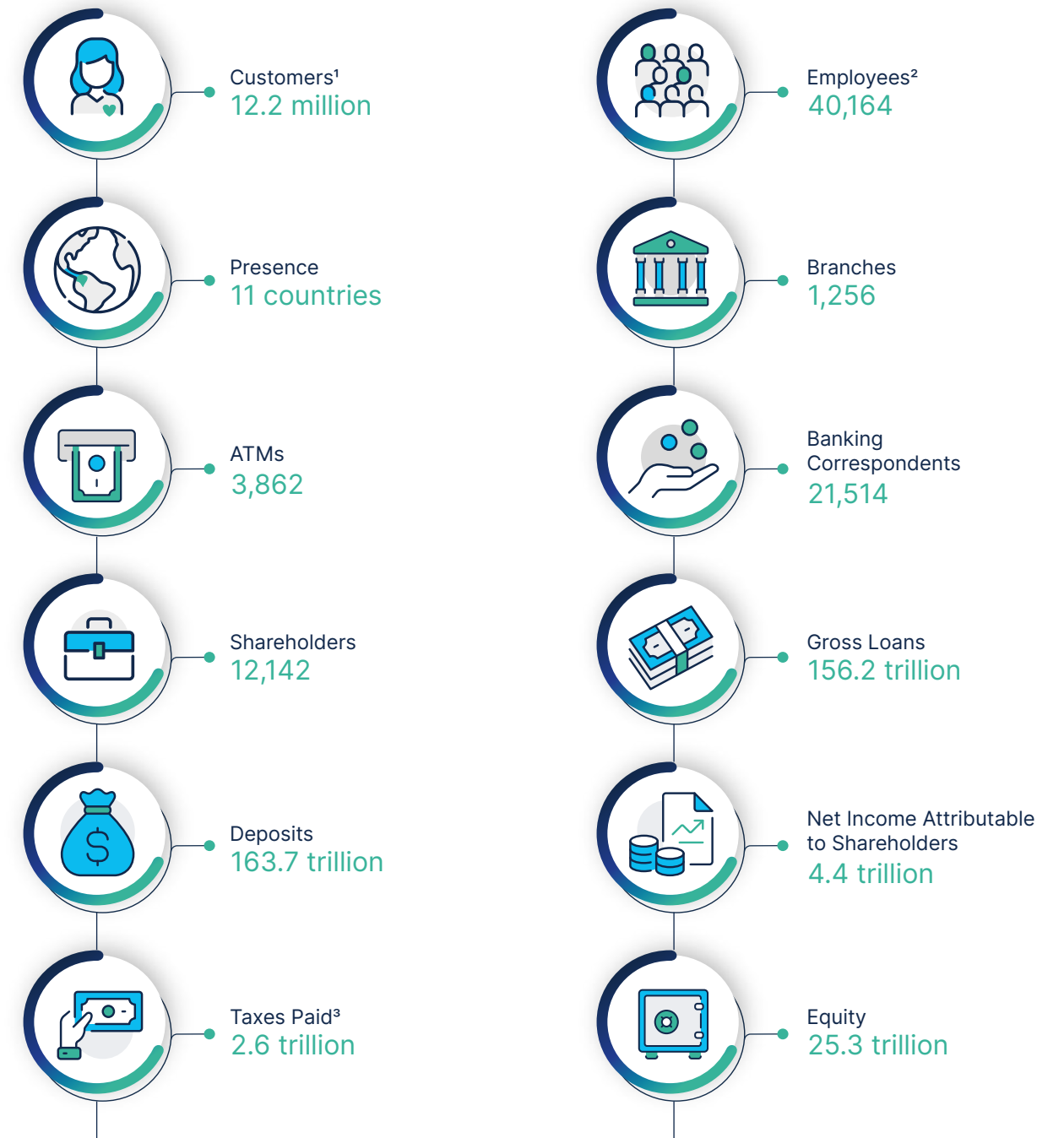
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# Our Consolidated Bank

Viva Envigado Branch  
Antioquia

As one of the most important financial entities in Colombia and Central America, in 2021 we decidedly supported the efforts for economic reactivation and supported our customers with agile and easily accessible financial services. Our financial results continue to reflect leadership and resilience, thanks to the dedication of our talented human resource and the trust of our shareholders and other stakeholders. [GRI 102.7]



(1) Active customers.

(2) Employees not including 589 apprenticeship contracts (National Training Service, SENA).

(3) Including total taxes paid in Colombia and Central America.

# Recognitions

For the third consecutive year we were recognized by the most prestigious international financial publications as the “Best Bank in Colombia”, confirming our strong results and the strength of our brand.

## Banco de Bogotá



**GLOBAL FINANCE**  
Best Bank in Colombia 2021

This awards program, currently in its 28th edition, granted us recognition for the sixth consecutive year as the **Best Bank in Colombia**, highlighting our role in economic recovery and our leadership in resuming the path towards growth.

**GLOBAL FINANCE**  
Best Consumer Digital Bank in Colombia, Best in Lending Consumer Digital Bank in Latin America 2021

Our digital strategy to attract and serve customers, the variety and ease of access to our on-line products, as well as the design and functionalities of our website, were highlighted by Global Finance, which awarded us as **Best Consumer Digital Bank in Colombia** and **Best in Lending Consumer Digital Bank in Latin America**.

**GLOBAL FINANCE**  
Best Foreign Exchange Provider in Colombia 2022

For the ninth consecutive year, Global Finance recognized us as the **Best Foreign Exchange Provider in Colombia**, honoring our effort to support and advise our customers through these unprecedented turbulent times at the global level.

**GLOBAL FINANCE**  
Best Trade Finance Provider in Colombia 2022

Global Finance’s program to recognize the **Best Trade Finance Provider**, awarded us as the financial institution that has best responded to the challenges arising from the pandemic and that has assisted its customers in an outstanding manner in Colombia.

**GLOBAL FINANCE**  
Outstanding Leadership in Green Bonds in Latin America 2021

Our Bank’s contribution to building a more sustainable future was acknowledged by the magazine by granting us the award for **Outstanding Leadership in Green Bonds in Latin America**, as a result of the first green bond issuance in September 2020.



**THE BANKER**  
Bank of the Year in Colombia 2021

The UK magazine, The Banker, which belongs to the Financial Times Group, once again named us as the **Bank of the Year in Colombia**, highlighting our digital strategy as a means to improve customer experience, our sustainability strategy and our capacity to adapt amidst the crisis.

**THE BANKER**  
Top 1000

The Banker also ranked Banco de Bogotá as the **Best Performing Bank in Colombia** in its annual ranking of the **Top 1000 World Banks**.



**EUROMONEY**  
Best Bank in Colombia 2021

For the eighth time in the last decade, the British magazine granted us the award for **Best Bank in Colombia**, highlighting our outstanding management amidst the pandemic, our digital strategy and our sustainable business model.



**Dow Jones Sustainability Indexes**

**DOW JONES SUSTAINABILITY INDEX**

For the second consecutive year we consolidated our top ranking position among the most sustainable banks in the world, moving up to the TOP 8%. This result enabled us to continue to be recognized in the S&P Global Sustainability Yearbook, as a referent at an international level.



**LATINFINANCE**  
Bank of the Year in Colombia 2021

LatinFinance recognized us as **Colombia’s Bank of the Year**. The publication’s main criteria for selecting the Bank were the development of our digital strategy and the relief measures designed to address the Covid-19 emergency.



**GREAT PLACE TO WORK**

For the second consecutive year we were certified as “a great place to work,” which demonstrates our commitment to the wellbeing and development of our employees and their families.



**COMPASS BRANDING**

Compassbranding recognized us as most valuable services brand of the year, highlighting our roles as financial entity during the pandemic, the surge in banking inclusion, and the strengthening of the digitalization strategy.



## EUROMONEY

- Best Bank in Central America and the Caribbean 2021
- Best Bank in Costa Rica 2021
- Best Bank in Honduras 2021
- Best Bank in Panama 2021
- Best Bank in Latin America in Corporate Responsibility 2021

For the seventh consecutive year, Euromoney recognized BAC Credomatic Financial Group as the Best Financial Institution in Central America and the Caribbean, Best Bank in Costa Rica and Best Bank in Honduras, for its sustained growth and its position as the most important bank in the region. Additionally, BAC Credomatic received the award for Best Bank in Panama and was recognized as the Best Bank in Latin America in Corporate Social Responsibility, highlighting the broad reach of the financial education program, the cooperation with NGOs and the donation to Fundación Fusal in El Salvador.

## GLOBAL BANKING & Finance review

### Best Banking Brand in Central America 2021

BAC Credomatic was recognized as the Best Banking Brand in Central America, for its innovation in marketing initiatives and branding principles.



## World Finance

- Best Digital Consumer Bank 2021 - Panama, Costa Rica, Nicaragua, El Salvador, Honduras
- Best Mobile Banking App in 2021 - Panama, Costa Rica, Nicaragua, El Salvador, Honduras

For the third consecutive year, World Finance awards BAC Credomatic in each of its six countries (except Guatemala), in the categories of Best Digital Consumer Bank and Best Mobile App. World Finance recognizes the Bank's culture of innovation and rewards its commitment to its customers by offering increasingly personal and digital experiences, with a "customer-centric" model.

## LATINFINANCE

- Best Bank in Central America 2021
- Best Bank in Panama 2021
- Best Bank for SMEs in 2021

For the fourth consecutive time, BAC Credomatic was distinguished among the best banks in the region and, for the second consecutive time, as the best Bank in Panama. The recognition is awarded to the institution for its outstanding performance in providing consumer, commercial and investment banking in the region. Additionally, BAC Credomatic was recognized as the Best Bank for SMEs, highlighting the efforts made in loan relief and strategic support initiatives, through training programs aimed at its customers.

## compassbranding

### COMPASS BRANDING Most valuable brand among pension fund management companies in Colombia

CompassBranding's "Ranking of the most valuable Colombian brands in 2021" ranked Porvenir among the most valuable brands in the country in the category of service companies, occupying position No. 10 and being the top Pension Fund Administrator (AFP, for the Spanish original) in the country.



### FUNDIBEQ 2021 Ibero-American Quality Award

For the second time (winner in 2016), Porvenir received the award in the Gold category, which was delivered by President Iván Duque in representation of the Ibero-American Summit of Heads of State.

## Ratings

In 2021, our relationship with investors and rating agencies was particularly important, in view of the announcement and execution of corporate transactions of major importance for our strategy. Thanks to our timely engagement, we continued to consolidate our relationship with the market, echoing our outstanding performance, demonstrated by resilient results that position us as a leading financial institution in the country. Market analysts and rating agencies expressed positive views on the Bank's results, highlighting higher profitability than our peers, a proactive and successful cost of risk management, and the diversification of our business, which contributes to the Bank's robustness even amidst a challenging economic environment.

Through our quarterly results conference calls and specialized events that bring together investors, we have managed to inform them well of the Bank's management, supported by timely updating and periodic disclosure of information through our communications channels. We are committed to developing an ever more interactive relationship with investors and analysts, highlighting the progress of our business and its role in building a sustainable society.

The credit ratings of Banco de Bogotá during 2021 were mainly influenced by the rating agencies' views on Colombia's

macroeconomic situation, reflected in a perceived higher risk of Colombia's sovereign credit rating. Consequently, Fitch Ratings downgraded the Bank's international rating by one notch to BB+, in line with the same action taken on sovereign debt. In the case of Moody's, the change of outlook to "stable" from "negative" in Colombia's rating enabled the Bank's outlook to remain stable. Lastly, the downgrading of the sovereign credit rating by Standard & Poor's had no impact on the Bank's rating.

Additionally, rating agencies issued positive views on the credit implications of the various corporate transactions carried out during the year, such as the de-consolidation of Porvenir and the announcement of a spin-off of 75% of shareholdings in BAC Credomatic. In the opinion of the rating agencies, these transactions are favorable for the Bank's capital position, at the same time reducing pressure on results arising from exchange rate volatility and exposure to the operating environments in Central America.

Banco de Bogotá is currently rated internationally by Moody's Investor Services, Fitch Ratings and Standard & Poor's, while BRC Ratings S&P Global is the local agency that rates both the Bank and its Colombian peso-denominated debt security issuances.

Below is a summary of Banco de Bogotá's current ratings:



Moody's Investor Services  
International Rating Scale

The agency highlights strong and resilient profit generation, supported by good access to retail funding sources, as well as an important diversification of revenues. The change of outlook to "stable" reflects the expectation that the Bank's credit fundamentals will remain over the medium term.



Fitch Ratings  
International Rating Scale

The opinion of Fitch on the Bank's rating is strongly influenced by its solid business profile, within a framework of a leading franchise in Colombia. It also highlights growing profitability levels as a result of improved loan portfolio quality figures, which supports better capital indicators.



Standard & Poor's  
International Rating Scale

The Bank's rating was confirmed due to the stability of its leading position in the market, its solid sources of funding and conservative liquidity management. Additionally, it indicates that the Bank's operating performance remains strong amidst an improved economic outlook.

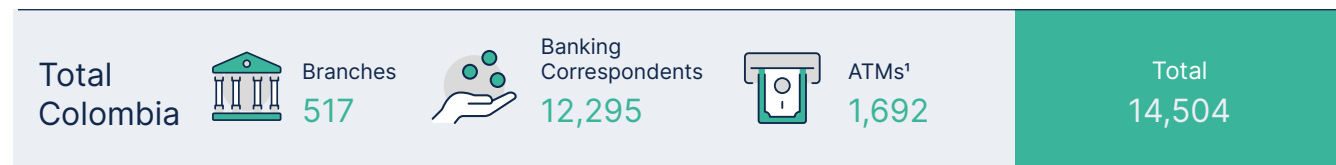
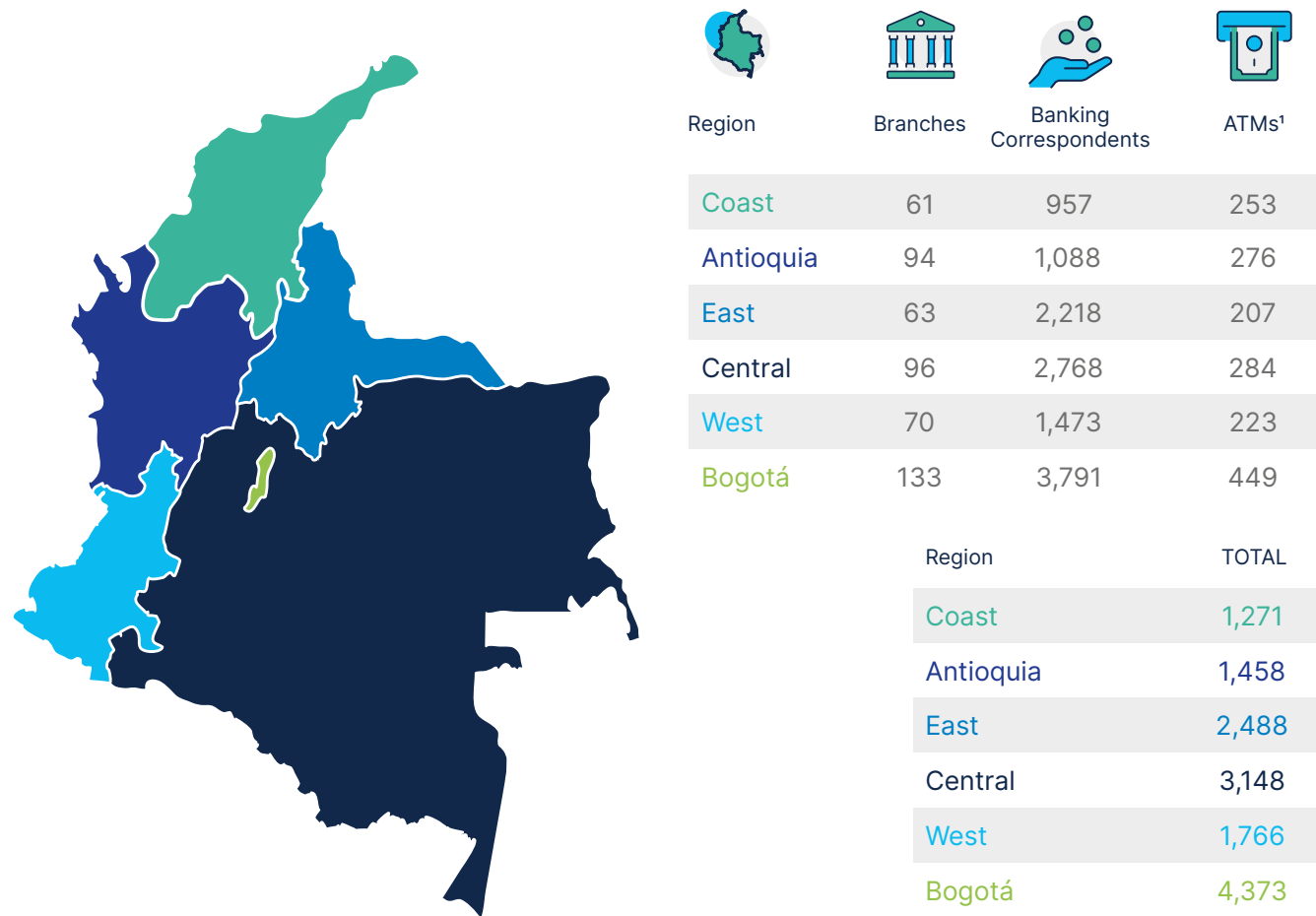


BRC Ratings S&P Global  
Local Rating Scale

Banco de Bogotá maintained its local credit rating at the highest level since the agency considers that it is a leader in the Colombian banking industry. This is demonstrated in the sustained growth of its loan portfolio, an adequate solvency position, strong profitability indicators that are higher than the system's average, stability in deposits and appropriate liquidity levels. This analysis also led the agency to confirm the 'AAA' and 'AA' ratings for ordinary and subordinated bonds, respectively, related to the Bank's current Bond Issuance and Placement program.

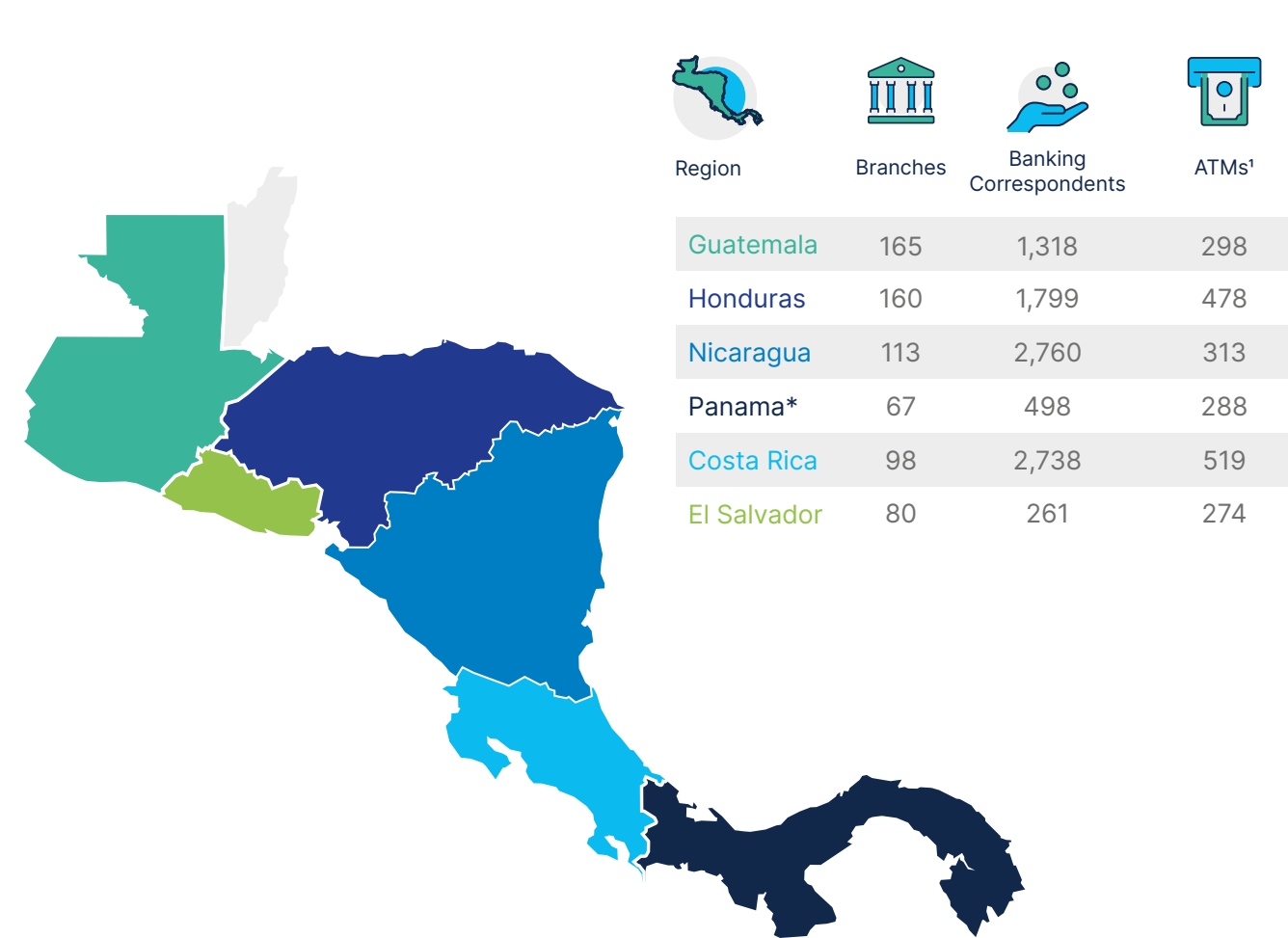
# Our Coverage [GRI FS13]

At year-end 2021, we have at least one banking services channel in 913 municipalities in the country, which represents a coverage of 82% of the national territory, facilitating access to our products and services, in line with our strategy for inclusion in the banking system.



1. Does not include mobile ATMs

In Central America, our affiliate BAC Credomatic is ranked as the Bank with the greatest coverage in the region, offering financial services in El Salvador, Guatemala, Honduras, Nicaragua, Costa Rica, and Panama.



\*Panama includes information from MFG

# Our Environment

## International Context

2021 was a year of economic recovery, following the strong shock of the pandemic during the previous year. The health measures that were adopted and the progress made in vaccination cleared the way for reopening the economy, which in any case experienced ups and downs as new variants of the virus produced peaks of contagion. Despite this, the impact on the economy was limited. According to the International Monetary Fund (IMF), the world economy grew by 5.9%, reversing part of the shock from the pandemic (-3.1% in 2020). The recovery was stronger in developed economies, which benefited from broader reopening processes, extensive fiscal stimulus, and greater progress in vaccination. The emerging economies also recovered, though unevenly, and not all of them were able to return to pre-pandemic production levels, as was the case for developed economies.

In hand with the reopening of the economy, inflation displayed a significant increase above expectations. The combination of factors such as high commodity prices, hikes in sea freight fees, disruptions in the global supply chains, pressures of reopening on prices and the recovery of demand itself, had an impact on global inflation. Consequently, during the year overall global inflation jumped from 1.0% to 5.1%, with a generalized upward trend. In fact, while after the shock of the pandemic 10% of the world's main countries reported an increase in inflation, now that figure is over 90%; and while at the start of 2021,

*Following the strong shock caused by the pandemic in 2020, the global economy has resumed the path towards recovery.*

30% of the countries reported inflation of more than 3.0%, at the end of the year this percentage increased to 80%. Even though in late 2021 the logistics problems began to lessen marginally, high oil prices continued to affect inflation, and expectations continued to put upward pressure on prices.

Amidst a context of a recovery in economic activity and growing inflation, central banks worldwide began to adjust their monetary policies. In the case of the developed economies, this was reflected in a change of speech, suggesting a trend towards a future increase in interest rates. In 2021, only the United Kingdom took action with rate increases, while the United States made it clear that such action would be taken in early 2022, and at the same time it would stop increasing and maybe even begin to reduce liquidity. This process was more evident in emerging economies, because in addition to inflation, the volatility of their currencies and the uncertainty of their economies led several central banks to act promptly and decidedly. During the year, the interest rate of emerging economies as a group increased by 75 basis points, to 4.50%, with differentiated trends by regions. The greatest adjustments took place in Latin America and other emerging economies other than Asia, whereas in the latter region monetary policy remained largely unchanged throughout 2021. Only towards the end of the year did China reduce reserve requirements, and interest rates decreased marginally.



Calle 81 Branch, Bogotá.



Economic Research Team.

## Colombian Environment

Colombia's economy grew at an annual rate of 10.6%, while a two-year comparison (to 2019) indicates growth of 2.8%. This implies that the economy not only reached, but also surpassed pre-pandemic production levels, even though the first half of the year was fraught with the second and third waves of contagion, compounded by nation-wide protests in May. The progress in the vaccination process enabled great reactivation of sectors, thanks to lifting of restrictions to mobility in the country. In 2021, approximately 65 million vaccines were given, which is equivalent to 128% of the total population, although the process had numerous ups and downs. Nearly 28.3 million people had a full vaccination plan, equivalent to 56% of the population.

The recovery is set to continue in 2022, although at a slower pace, having left behind the effect of the statistical basis for comparison. Our Economic Research area expects growth of around 4.0%, though with a high level of risk, due to external factors, such as appearance of new variants, and internal factors, mainly related to the scheduled national elections.

The improvement in economic activity has not been fully transmitted to the labor market. The rebound in jobs lost by the pandemic has been sluggish, and in December the percentage of recovery stood at 95%, with a non-seasonally adjusted total national unemployment rate of 11.0%, and of 11.6% in the urban regions, both of which remain above pre-pandemic levels.

Inflation has also picked up significantly during 2021, even surpassing the upper limit of the target range set by the Colombian Central Bank (between 2% and 4%). Twelve-month inflation in December was 5.6%, driven mainly by the food products group, in which price levels during the year increased by over 15%. Even though the risks continue to be on the upward side for 2022, it is expected that inflation will return to the central bank's target range in the second half of the year.

The acceleration of growth and the upward trend in prices led the Colombian Central Bank to begin the process of adjusting its intervention rate, as was also the case in other emerging countries. The process began in September, with a first increase of 25 basis points, and continued in October and December with 50 basis point increases in each case, for a closing intervention rate of 3.0% at year-end 2021. The rate increases continued in early 2022, with a first increase of 100 basis points to 4.0%, which is to be followed by further rate hikes, possibly concentrated in the first half of the year.

The positive surprise of growth and the strong dynamics of tax collections cleared the way for a downward revision of the government's preliminary estimates of the fiscal deficit and the net debt of the National Central Government in 2021. In the former case, the fiscal deficit was -7.1% of GDP, which was a 1.5 percentage point improvement over the estimate included in the Financial Plan. Meanwhile, net debt at year-end stood at 63.8% of GDP, compared to 64.7% reported in 2020.



The deterioration of fiscal accounts caused by the pandemic led Standard and Poor's and Fitch Ratings to remove the investment grade status for the country's debt, to a rating of BB+ in both cases, with stable outlook. On its part, Moody's maintained its rating of Baa2, equivalent to BBB, above investment grade, with stable outlook. No ratings readjustments are expected in the short term, although the ratings agencies will be looking closely at the results of the legislative elections in March and the first round of presidential elections in May. In addition, the newly elected president's plan to address the fiscal unbalances will also be a determining factor for the decisions that may be made by the ratings agencies in the second half of the year.

Lastly, the external accounts also suffered substantial deterioration in 2021, with a widening of the current account deficit to -5.1% of GDP, driven by the larger mismatch in the balance of goods, in which imports rose in step with the rebound of the economy, whereas exports lagged behind due to lower oil and coal production levels. Additionally, exchange rate volatility was a constant throughout the year, with a minimum rate of COP 3,395 and a maximum rate of COP 4,105, closing at COP 3,981 at year-end. The latter rate represents an annual devaluation of 16%, which positioned the Colombian peso as one of the currencies that most lost ground against the dollar within the group of emerging market currencies.

*In 2021, the Colombian economy fully reversed the shock caused by the pandemic in 2020.*

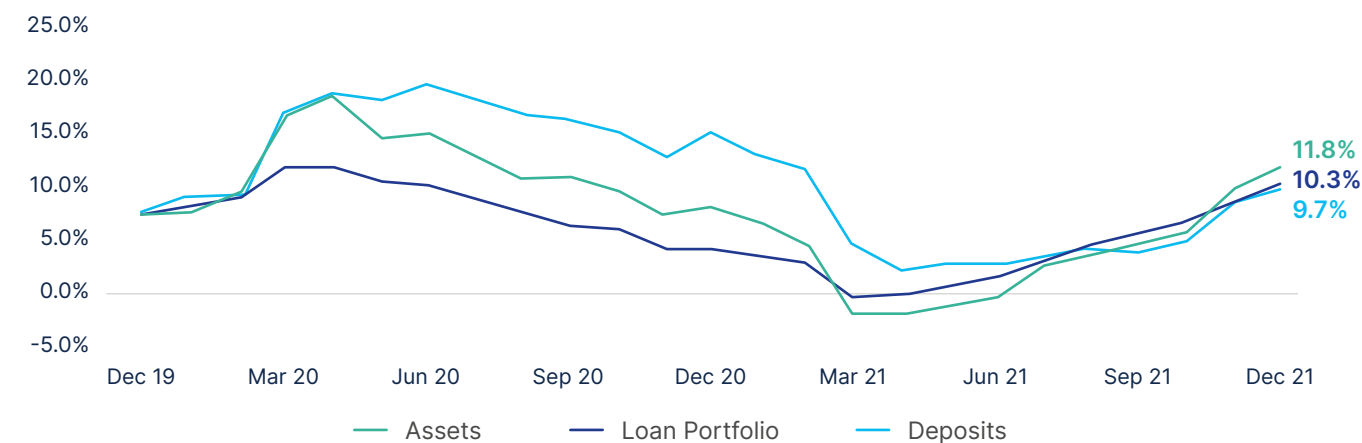
## Colombian Banking System

In the context of a more dynamic economy, of recovery of the main macroeconomic indicators, and of highly volatile local and international financial markets, loan placements by the banking system resumed their growth trend, reflecting an increase of both demand and supply of credit, even above the levels observed before the pandemic, with an increase of 10.3% compared to 2020 and of 7.2% compared to 2019. This growth translated into an annual increase in asset levels of 11.8%.

In terms of the loan portfolio, the modalities that most contributed to this recovery were Consumer and Commercial loans, which are at the same time the largest categories, accounting for 30.8% and 51.6% of total loans, respectively. The Mortgage loan portfolio posted the largest growth in relative terms, with an annual increase of 14.3%, and displayed improved loan portfolio quality levels<sup>1</sup> compared to 2019 and 2020, closing at 5.8% at year-end 2021, 112 basis points lower than in 2019 and 116 basis points from 2020.

Overall, the growth in loan placements has been accompanied by a reduction in overdue loans, especially during the second half of 2021; at year-end the overall quality indicator stood at 4.3%, which is 119 basis points lower than in 2020. The consumer loan portfolio displayed the greatest recovery, after having suffered the highest impairment as a result of the pandemic, with a 21.7% reduction in the indicator of loans more than 30 days overdue.

### Colombian Banking System: Year-on-Year growth rates



Source: Colombian Financial Superintendence.

(1) Quality: Loans 30+ days past due/Gross loan portfolio

Liabilities stood at COP 712,722 billion, of which deposits amounted to COP 532,367 billion, with a positive annual variation of 9.7%. 55.3% of total deposits are in savings accounts, which amount to COP 294,263 billion, up 19.4% compared to 2020. Checking accounts grew by 14.6% during the year, while term deposits decreased by 9.5% in the same period, reflecting a preference for shorter-term funding due to high market volatility and the expectation of rate increases by the Colombian Central Bank.

Regarding the results reported by the Banking System in 2021, profits during the year totaled COP 13,950 billion, equivalent to a year-on-year increase of 228.1%, thanks to i) a lower need for provisions, which decreased by 39.9%, associated with the recovery of economic activity and optimal credit risk management, as well as ii) the increase in net interest margin, which totaled COP 35,377 billion by year-end 2021, up 7.3% thanks to greater loan placements and higher rates, in line with the rate increases by the Colombian Central Bank and the repricing of the loan portfolio and deposits.

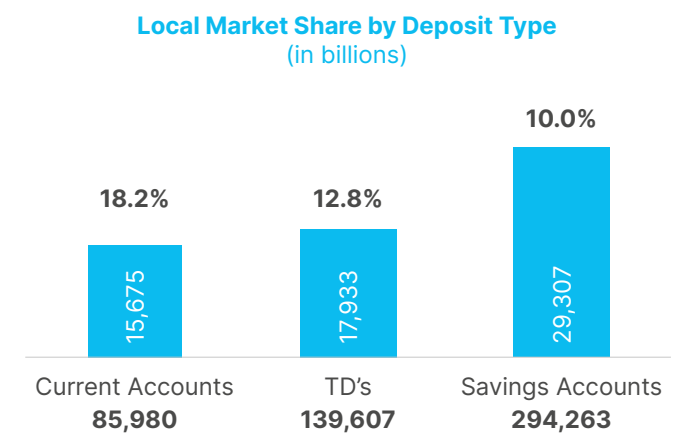
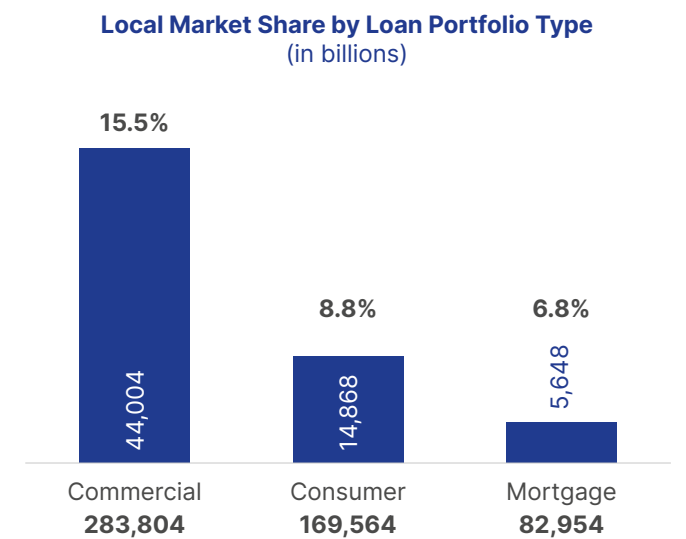
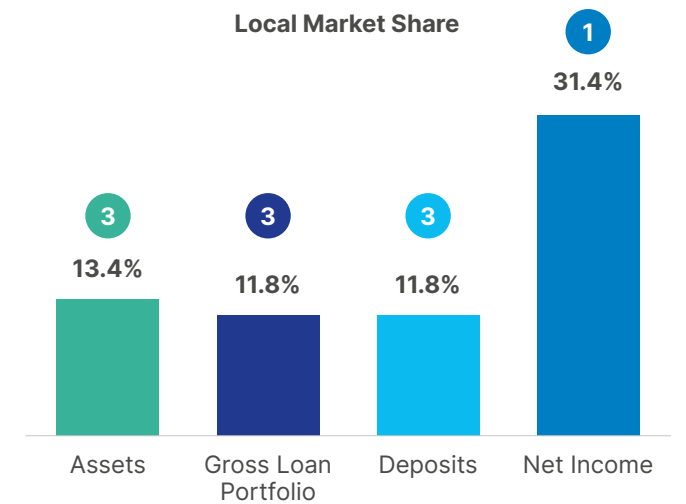
## Our Share in the Colombian Banking System

In 2021, we continued to consolidate our position as one of the most relevant banks in the Colombian banking system, ranking at the top the market. Our loan portfolio grew by 3.8% representing 59.1% of total assets, followed by our investments in affiliates and associates, which increased by 10% compared to 2020 and account for 22.3% of total assets.

This increase was driven by the good performance of Consumer and Mortgage loans, which resumed the growth trend prior to the pandemic, growing by 10.7% and 23.3%, respectively, combined with the effect of the deconsolidation of Porvenir, which had a positive impact of COP 1.3 trillion on the Bank's assets.

On their part, deposits<sup>2</sup> decreased by 4.3% during the year, increasing by 1.4% in local currency and decreasing by 29.2% in foreign currency. Checking accounts in particular displayed a 10.1% drop, with growth of 13.0% in local currency and a reduction of 40.5% in foreign currency, while term deposits decreased by 8.6%.

(2) Includes other deposits



● Local Position  
% Market Share  
■ Banco de Bogotá  
# Banking System Total

## Central American Environment

Forecasts by the International Monetary Fund indicate growth of 6.7% in Central America in 2021, following an annual contraction of 6.9% in 2020. More dynamic internal demand was favorable for growth, in a context of less restrictions to contain Covid-19, and an upward trend in external demand thanks to the economic recovery of Central America's trading partners, considering the importance that trade and remittances have for these countries. However, a limitation for this oil-importing region was precisely the increase in international oil prices by over 50% in 2021.

In October, the Central American economy posted growth of 9.4% compared to the same month the previous year, which represents a substantial recovery, but a slowdown compared to the growth rates reported in May and June, which were above 16%. Panama and Costa Rica continue to report two-digit growth rates of 17% and 10%, respectively. Honduras and Nicaragua have reported lower but stable growth over the year, at 8% and 7% respectively in October. Lastly, El Salvador and Guatemala have displayed the greatest slowdown in recent months, decreasing from growth rates of 24% and 14% in May, to 6% and 5% in October, respectively.

As in the rest of the world, moderate economic growth is expected in Central America at a rate of 4.2% in 2022, a figure that is very similar to the annual average of

4.0% reported by the region between 2010 and 2019. The highest growth forecasts for 2022 are for Panama (5%) and Guatemala (4.5%). Developments related to the pandemic will also be relevant this year because an increase in contagion rates due to new variants could affect the recovery of the local economy and the growth of the region's main trading partners.

The new Omicron variant has produced an increase in contagion rates in Central America, mainly affecting Panama and Costa Rica. Amidst this situation, the dynamics of the vaccination process will be particularly important, which continues to be uneven between the countries in the region. In Costa Rica, El Salvador, and Panama the percentage of the population that has already completed the vaccination plan is 69%, 64% and 56%, respectively. Even though they are still lagging behind, Nicaragua and Honduras have accelerated the pace of vaccination and have managed to vaccinate over 40% of the population. Guatemala is in last place, with only 26% of the population fully vaccinated at the start of 2022.

*The economies of the region resumed their pre-pandemic growth trends, supported by greater economic activity and the dynamics of remittances.*



BAC Credomatic's Headquarters.



BAC Credomatic's staff.

In step with the rapid recovery of labor markets in developed economies, remittances displayed substantial growth in the region, increasing personal income and favoring internal demand. El Salvador, Honduras, and Guatemala have reported historical records in monthly remittances received during the year, and in the case of Guatemala the latest record, for October, displayed a year-on-year increase of 25.3%. The recovery of the Central American economy will continue to depend heavily on the performance of the developed economies that are the sources of these remittances. This dependence is even greater in El Salvador and Honduras, where net income from remittances has increased from 18% and 18.5% of GDP before the pandemic, to 27.9% and 26.9% of GDP in October last year, respectively.

Central America is no exception to the global phenomenon of inflation, which has intensified in recent months with the rise in oil prices and persistent disruptions in the supply chains. Inflation in the region stood at 3.9% in November, whereas in the same month the previous year it was only 1.6%. With the exception of Guatemala, where the annual change slowed from 5.5% to 2.9%, all the countries have reported substantial increases in inflation. Nicaragua (7.1%) and El Salvador (6.2%) have the highest inflation rates in this sample of countries, whereas in Panama inflation increased substantially from -2% in 2020 to 3.4% in 2021, though it remains at manageable levels.

Amidst these inflationary pressures and improved economic performance in the region, the bias of

monetary policy rates over the next few months remains towards an increase. Regarding the central banks that enjoy independence in managing their monetary policy, Guatemala and Honduras have maintained their rates unchanged in recent months at 1.75% and 3.00%, respectively. However, Costa Rica increased its interest rate by 50 basis points in December to 1.25%, a level that had not been reached since May 2020, but which is in any case broadly expansive and suggests that additional hikes will be made in 2022 if inflation remains on an upward trend. In this regard, inflation in November surpassed for the first time the target of 3%, at 3.4%, but which still remains within the  $\pm 1$  percentage point tolerance range.

On the electoral front, elections were held both in Nicaragua and Honduras, which were won by Daniel Ortega and Xiomara Castro, respectively.

Lastly, in Costa Rica presidential and legislative elections were held in February 2022, as a result of which a second round of voting will be necessary, in which the contenders will be Jose María Figueres from Partido de Liberación Nacional (center) and Rodrigo Chaves Robles from Partido Progreso Social Democrático (center). These candidates obtained 27.3% and 16.7% of the votes in the first round, respectively. The atomization of votes between the remaining candidates will require the formation of coalitions and support for the second round.



## Central American Banking System

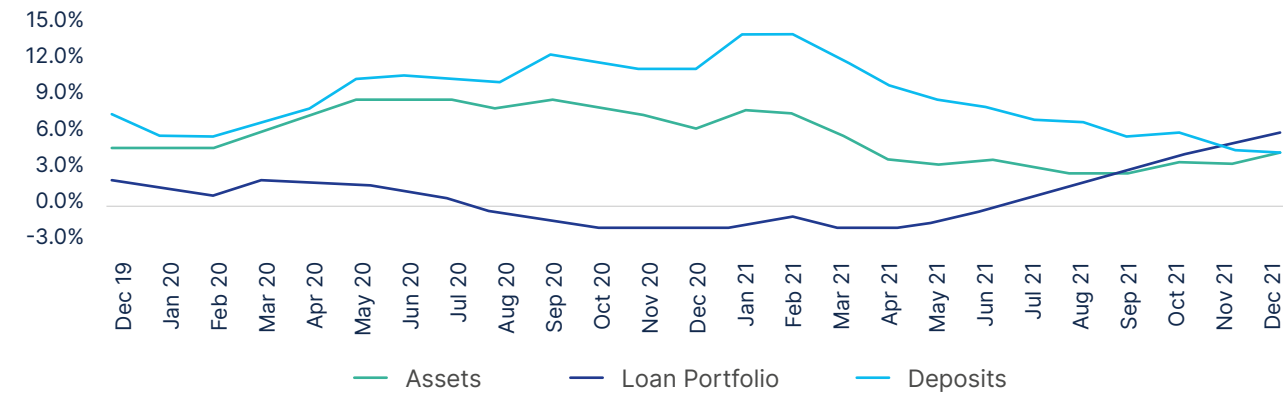
The regional financial sector displayed improvement in 2021, based on a successful business strategy that enabled the growth of assets, loans and deposits compared to 2020 and even to 2019. The dynamism of 2021 was reflected in annual growth of total assets (4.2%), deposits (4.1%), and net loans (5.6%), including the latest figures available for Panama, as of November 2021.

Honduras stands out as the country with the highest growth in assets, with an annual increase of 11.3% at December of 2021, followed by Guatemala at 9.3%, Nicaragua at 7.5%, El Salvador at 3.7%, Costa Rica at 2.9% and Panama at 0.5% (-1.0% compared to November 2020).

Regarding net loans at year-end 2021, Guatemala was the country with strongest performance, growing by 12.2% during the year, followed by Honduras with 12.1%, El Salvador with 6.6%, Nicaragua with 4.7%, Panama with 3.3% (2.8% compared to November 2020) and Costa Rica with 0.9%.

Regarding deposits, the strongest annual performance was the 10.0% growth rate reported by Honduras, followed by Nicaragua with 9.3%, Guatemala 9.1%, Costa Rica 4.1%, El Salvador 2.4%, and Panama 0.4% (1.6% compared to November 2020).

### Central American Banking System: Year-on-Year growth rates



Source: Superintendence of each country. All Financial Groups in Guatemala are included, as well as the banks that do not belong to any financial group. Only banks with a general license are included for Panama. Figures as of November 2021.

### Central American Banking System by Country

Dec-21	Assets		Net Loans		Deposits	
	Millions of US dollars	US\$	US\$	Annual Variation	US\$	Annual Variation
Guatemala	60,137	9.3%	30,354	12.2%	44,463	9.1%
Honduras	31,782	11.3%	16,224	12.1%	19,662	10.1%
El Salvador	21,724	3.7%	13,711	6.6%	15,619	2.4%
Nicaragua	7,056	7.5%	3,355	4.7%	5,000	9.3%
Costa Rica	49,566	2.9%	27,907	0.9%	35,995	4.3%
Panama	113,253	0.3%	68,360	3.3%	84,969	0.4%
<b>Total</b>	<b>283,518</b>	<b>4.2%</b>	<b>159,912</b>	<b>5.6%</b>	<b>205,708</b>	<b>4.1%</b>

Source: Data obtained from the superintendencies of each country. All Financial Groups (FG) in Guatemala are included, as well as those banks that do not belong to a FG. Banks with a general license are included for Panama. Figures as of November 2021.

## Our Share in the Central American Banking System

BAC continues to be the only bank with a significant presence in all the countries in which it operates, with a diversified portfolio among the economies of the region, which enables it to achieve high profitability with adequate risk exposure.

At the regional level, in September 2021 our banks in Central America (BAC + MFG) continue to have the largest market share in terms of assets, loans, deposits and net income, maintaining a prominent position in the Central American economy.

Regarding the total assets of the system, including MFG, our market share reached 11.5%, increasing 27 basis points compared to the same period in 2020. The net loan portfolio increased by 46 basis points, with a regional market share of 13.1% at the end of 2021, maintaining the leadership position in placement of loans, along with favorable quality indicators.

The outstanding results obtained in 2021 were achieved thanks to the strategy of building loyalty among transnational customers, combined with ongoing efforts to implement and increase the use of digital channels, through an aggressive digital transformation strategy that offers modern and versatile electronic banking.

In relation to the foregoing, the combined operation of BAC and MFG was in first place in terms of deposits, with a market share of 12.0% and an increase of 47 basis points compared to the same period in 2020.



BAC Credomatic's Headquarters.

It also maintains a substantial share of profits in the regional market, at 14.7% of total financial system profits, demonstrating that we are a key player in income generation for the region.

