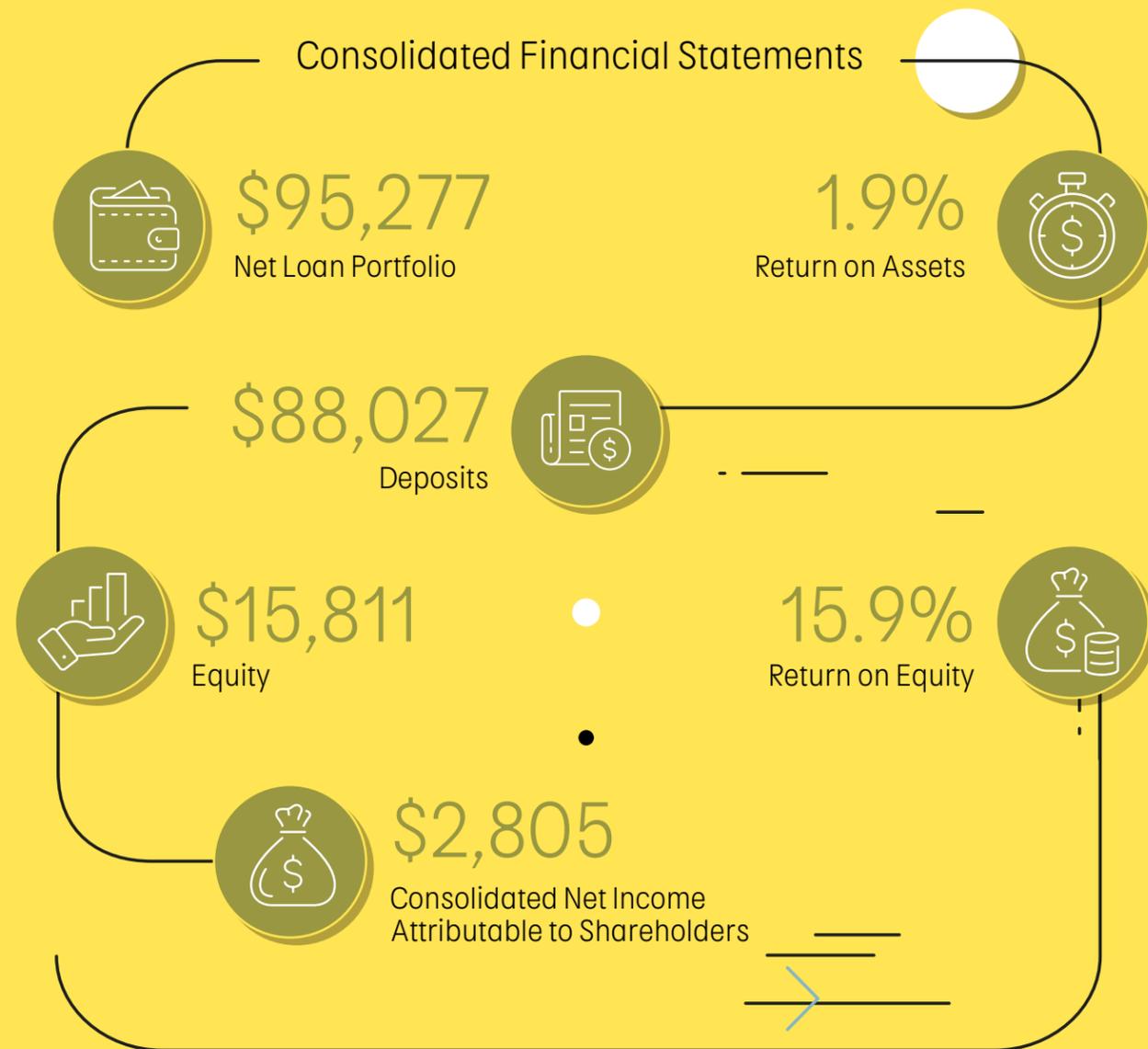
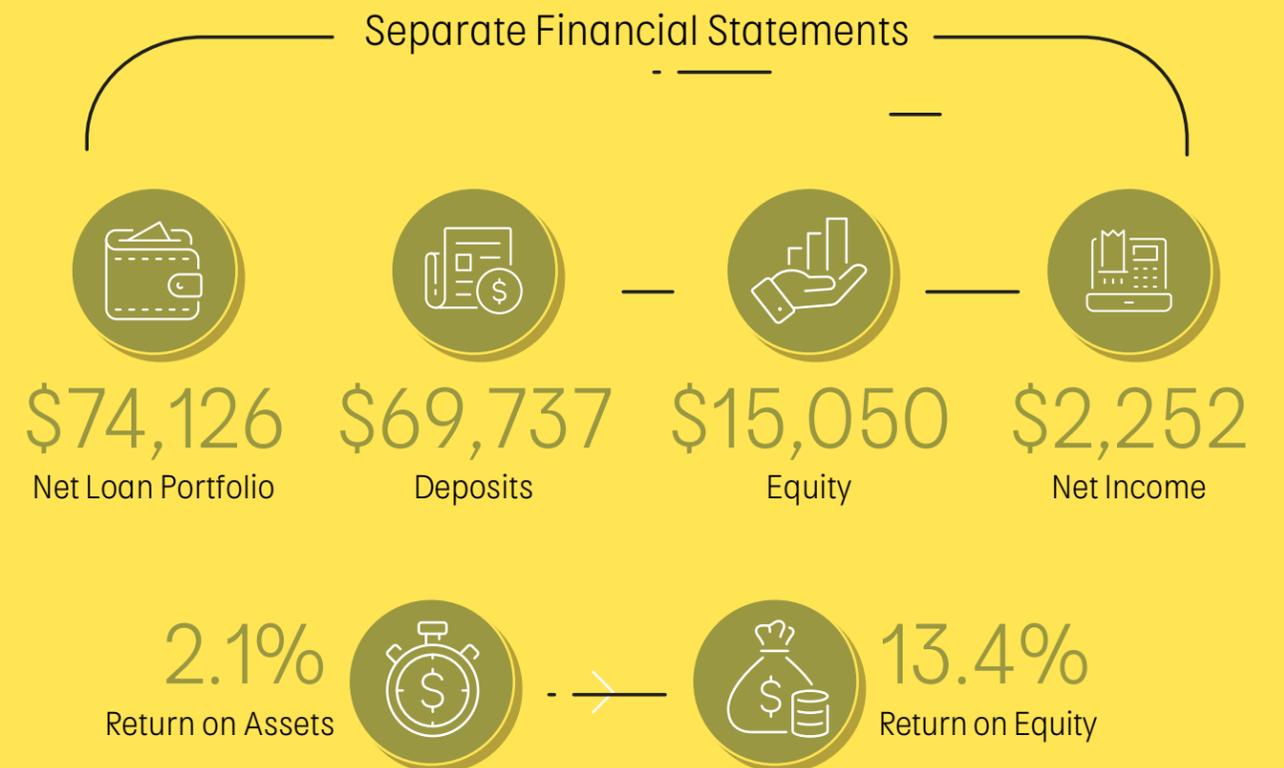


# Our Financial Results

By leveraging our strategy, we achieved results that help us to maintain our leadership position in Colombia.



Figures in billions



Figures in billions



# Consolidated Financial Statements

## Consolidated Statement of Financial Position\*

	2021	2022
<b>Assets</b>	<b>232,335</b>	<b>137,874</b>
Cash and Cash Equivalents	26,998	7,274
Loan Portfolio and Financial Leasing, Net <sup>(1)</sup>	150,169	95,277
Investments in Debt Securities, Net	28,357	14,761
Investments in Equity Securities, Net	9,559	10,648
Other Assets	17,253	9,915
<b>Liabilities</b>	<b>206,996</b>	<b>122,063</b>
Deposits	163,734	88,027
Other Liabilities	43,262	34,036
<b>Equity</b>	<b>25,339</b>	<b>15,811</b>

(1) Includes Repos and Interbank operations



Banco de Bogotá Branch

## Main Ratios – Consolidated\*

	2021	2022
Net Income <sup>(2)</sup>	4,549	2,806
Net Income Attributable to Shareholders <sup>(2)</sup>	4,356	2,805
<b>Profitability Ratios</b>		
ROAA <sup>(3)</sup>	2.1%	1.9%
ROAE <sup>(4)</sup>	19.1%	15.9%
Net Interest Margin <sup>(5)</sup>	4.9%	3.8%
Fee Income <sup>(6)</sup>	28.6%	24.8%
Administrative Efficiency <sup>(7)</sup>	48.2%	48.5%
Capital Adequacy Ratio	13.5%	13.1%
Tier 1 Ratio	11.5%	10.1%
<b>Loan Portfolio Quality <sup>(8)</sup></b>		
Past Due Loans / Gross Loan Portfolio <sup>(9)</sup>	3.9%	4.6%
Coverage Ratio <sup>(9)</sup>	124.0%	118.5%

(2) Figures in billions of pesos.

(3) Annual Net Income / Quarterly Average Assets for the year (includes the quarters of December of the previous year and March, June, September and December of the current year).

(4) Annual Net Income Attributable to Shareholders / Average Quarterly Attributable Shareholders' Equity for the year (includes the quarters of December of the previous year and March, June, September and December of the current year).

(5) Net Interest Income for the period / Average quarterly earning assets for the year (includes the quarters of December of the previous year and March, June, September and December of the current year).

(6) Gross Fee Income / Net Interest Income Before Provisions + Gross Fee Income + Other Operating Income. Excluding other income from business operations.

(7) Total Operating Expenses / Total Net Interest Income + Net Income from Fees + Net Income from Trading Activities + Other Operating Income. Since 2019, the efficiency ratio includes the following operating expenses: personnel expenses, administrative expenses, depreciation & amortization and other expenses.

(8) Loan Portfolio ratios are calculated with gross loan portfolio including loan portfolio' accounts receivable.

(9) 30-day PDLs.

\* Absolute 2022 figures are not strictly comparable with those of 2021, due to the spin-off of 75% of BHI in March 2022 and the BHI tender offer in December 2022.

# Separate Financial Statements

## Separate Statement of Financial Position\*

	2021	2022
<b>Assets</b>	<b>108,506</b>	<b>110,208</b>
Cash and Cash Equivalents	7,322	6,397
Loan Portfolio and Financial Leasing, Net <sup>(1)</sup>	60,826	74,126
Investments in Debt Securities, Net	8,268	8,536
Investments in Equity Securities, Net	25,404	13,168
Other Assets	6,686	7,980
<b>Liabilities</b>	<b>83,793</b>	<b>95,158</b>
Deposits	61,870	69,737
Other Liabilities	21,924	25,421
<b>Equity</b>	<b>24,712</b>	<b>15,050</b>

(1) Includes Repos and Interbank operations



## Main Ratios – Separate\*

	2021	2022
Net Income <sup>(2)</sup>	4,386	2,252
<b>Profitability Ratios</b>		
ROAA <sup>(3)</sup>	4.0%	2.1%
ROAE <sup>(4)</sup>	19.4%	13.4%
Net Interest Margin <sup>(5)</sup>	4.6%	5.1%
Fee Income <sup>(6)</sup>	22.9%	24.9%
Administrative Efficiency <sup>(7)</sup>	28.2%	45.7%
Capital Adequacy Ratio	29.8%	17.0%
Tier 1 Ratio	25.2%	12.6%
<b>Loan Portfolio Quality <sup>(8)</sup></b>		
Past Due Loans / Gross Loan Portfolio <sup>(9)</sup>	4.5%	4.0%
Coverage Ratio <sup>(9)</sup>	161.3%	159.4%

(2) Figures in billions of pesos.

(3) Annual Net Income / Average Assets for the year (includes each year's 12 months).

(4) Annual Net Income / Average Equity for the year (includes each year's 12 months).

(5) Net Interest Income for the period / Average earning assets (includes each year's 12 months).

(6) Gross Fee Income / Net Interest Income Before Provisions + Gross Fee Income + Other Operating Income. Excluding other income from business operations and the participation in profits from controlled companies and joint ventures, as well as dividend income.

(7) Operating Expenses / Operating Income (Net Interest Income, Net Income from Fees and Other Operating Income).

(8) Loan Portfolio ratios are calculated with gross loan portfolio including loan portfolio' accounts receivable.

(9) 30-day PDLs.

\*Absolute 2022 figures are not strictly comparable with those of 2021, due to the spin-off of 75% of BHI in March 2022 and the BHI tender offer in December 2022.

# Our Consolidated Results<sup>9</sup>

In 2022, we focused on strengthening our Colombian operation while maintaining a presence in Panama through our subsidiary *Multi Financial Holding (MFH)*. During the year, we carried out two corporate transactions related to the Central American business that reduced our stake in *BAC Holding International (BHIC)* to 4.11%. The first transaction took place in March and involved the spin-off of *BHIC*, in which we spun off 75% of our stake. The second took place in December in which *Esadinco's* tender offer for *BHIC* was executed in which we sold a 20.89% stake. Our business in Colombia currently consists of *Banco de Bogotá* and its subsidiaries: *Fiduciaria Bogotá*, *Banco de Bogotá Panamá*, *Almaviva*, *Bogotá Finance Corporation*, *Ficentro*, *Megalinea*, *MFH*, *BHIC* and *Dale!*

As a benchmark in Colombia, we support our clients in the consolidation of their projects, promoting their growth during the country's economic reactivation process. This effort is supported by our digital strategy and sustainable business model, and by the commitment of our employees and their professionalism in understanding the needs of our clients.

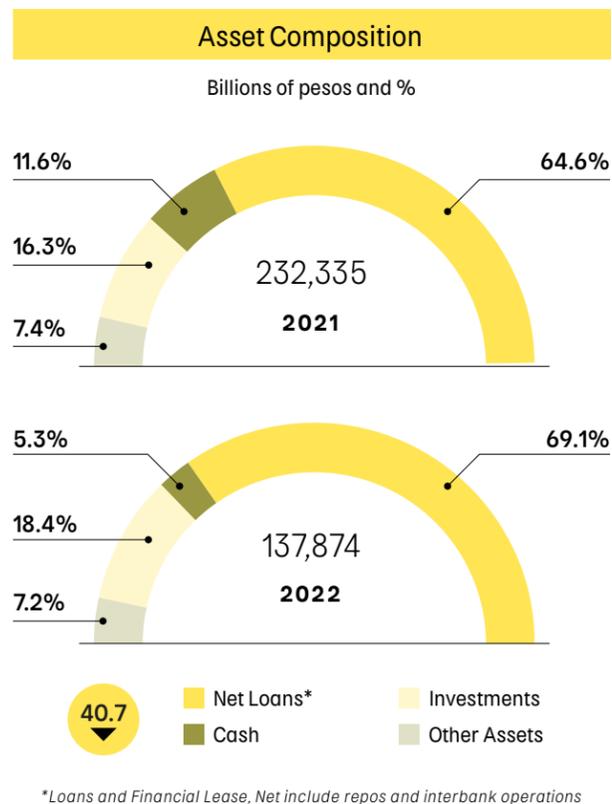
## Assets

In 2022, consolidated assets amount to \$137,874 billion, showing an annual decrease of 40.7% explained by the two *BHIC* operations (spin-off and tender offer). Compared to a 2021 that excludes *BHIC*, assets grew by 17.9%, or 13.8% when excluding the effect of the Colombian Peso's depreciation. Breaking down the performance by region, the Colombian operation, in terms of assets went from representing 41.2% in 2021 to 81.8%, while Central America went from 58.8% to 18.2%; however, in the case of *MFH*, assets increased by 26.7% (4.9% excluding the exchange rate effect).

The Gross Loan and Leasing portfolio, excluding repos and interbank loans, presented a reduction of 36.3%. When comparing to a 2021 that excludes *BHIC*, the annual increase was 17.3%, reaching \$96,078 billion. When isolating the exchange rate fluctuation effect during the year, the growth of the consolidated portfolio was 12.9%. From a regional perspective, growth was mainly driven by Colombian operations, which

represents 81% of the total portfolio, and presented an annual increase of 15.3%; while in Panama the increase excluding the exchange rate effect was 4.8%.

By loan portfolio type, the Commercial portfolio amounted to \$62,526 billion, with an annual growth of 15.1%, excluding *BHIC's* operations, being the most representative portfolio with a 65.1% share of the total gross portfolio. Excluding the exchange rate impact, the Commercial portfolio grew 11.7% compared to 2021, with the *MFH* portfolio representing 16.1% of the total. Similarly, the dynamism shown by the Consumer and Mortgage portfolios is also noteworthy, amounting to \$21,747 billion and \$11,539 billion, with annual growth of 17.3% and 31.9%, respectively. Calculating growth in constant Colombian pesos, the Consumer portfolio grew 13.1% and the Mortgage portfolio 23.1%.



The Consumer segment's growth was due to the economic recovery in Colombia during 2022, where the population's appetite for loans reflected the recovery of the economic path, supported by the campaigns generated throughout the year by the Bank. Additionally, the growth of the Mortgage portfolio continued to reflect the economic reactivation, mainly driven by the benefits granted by the Government to assist our clients in the acquisition of housing.

As of December 31, 2022, the Portfolio Quality Ratio (Loan portfolio past-due over 30 days / Gross Loan Portfolio) is 4.6%, a decrease of 40 basis points compared to 5.0% in 2021 (excluding the *BHIC* operation). This reduction is linked to the economic reactivation of clients, and the control and mitigation of the risks to which clients may be exposed, generating a portfolio with low-risk profiles.

The Coverage Ratio of Allowances over Past-due Loans is 118.5%, decreasing when compared to 124.0% in 2021. In Colombia this ratio is 132.5%, compared to 134.1% reported in 2021, a decrease driven by the higher growth generated in the average loan portfolio above the growth of the past-due loan portfolio, evidencing the good performance of the Bank in the launching of each of its campaigns.

In Central America, Coverage Ratio decreased from 46.8% in 2021 (excluding *BHIC*) to 42.6% in 2022. The improvement of this ratio came from the increase of the 30-day past due loan portfolio, which grew by 30.8% compared to the previous year, mainly driven by the end, in June 2022, of all types of relief generated during the pandemic, while allowances grew at a rate of

19.1%, whose growth was mitigated by the updates of prospective and socio-economic parameters of the provision model.

Our consolidated Cost of Risk ratio (net provision expense over average loan portfolio) for 2022 is 1.3%, decreasing 78 basis points compared to 2021 (excluding *BHIC*). This reduction is mainly explained by the implementation of Law 2157 of 2021 known as *Borrón y cuenta nueva (Clean Slate)*, which allowed default clients to resume payment of their obligations, and also impacted by the recovery of written-off loans, which increased 49.3% in Colombia, compared to the previous year, due to the renegotiation of credit conditions agreed with benefited clients. In the case of Central America, *MFH's* ratio remains stable, with a slight increase of 2 basis points compared to the previous year, highlighting this positive aspect that was relevant at the time of its acquisition.

Finally, our Net Loan and Financial Leasing Portfolio, excluding repos and interbank loans, presented an annual growth of 18.1%, reaching \$90,785 billion. The Equity Investment portfolio amounted to \$10,648 billion, with an annual growth of 11.0%, mainly driven by an increase in available-for-sale securities with an increase of 189.7%, related to the Nexus real estate fund and other assets received by *Almaviva*. Also, from the purchase of fixed rate government bonds (TES) and inflation indexed (UVR) securities. Other Assets amounted to \$9,915 billion, reporting an annual growth of 70.4% (excluding *BHIC* in 2021), mainly due to an increase in tax assets, given the restatement of bonds, and hedging movements and their effect in OCI, as well as from other net accounts receivables.

<sup>9</sup> The analysis is made on the consolidated financial statements under Full IFRS principles. Absolute 2022 figures are not strictly comparable with those of 2021, due to the spin-off of 75% of *BHIC* in March 2022 and the *BHIC* tender offer in December 2022.

## Liabilities

Consolidated liabilities amounted to \$122,063 billion at the end of 2022, with an annual increase of 16.1% (excluding *BHIC* in 2021); additionally, excluding the exchange rate effect, the growth of liabilities was 12.1%. Our funding, which includes deposits and financial obligations, corresponds to \$118,355 billion, increasing by \$16,717 billion (16.4%) in the same period; 12.4% excluding exchange rate fluctuations. The increase in liabilities came from the need for funding given increased liquidity in productive assets, in December 2022, from the tender offer (mainly repos and interbank operations).

As of December 2022, our consolidated deposits amounted to \$88,027 billion, an increase of \$8,717 billion (14.5%). Without the exchange rate effect, growth was 11.0% (excluding *BHIC* in 2021). Time deposits contributed 44.3% of total deposits, growing 32.0% compared to 2021, given the Bank's campaigns with market competitive rates and customer preference for time deposits. This growth was followed by Savings Accounts with 3.6%, while Checking Accounts achieved growth of 1.6%.

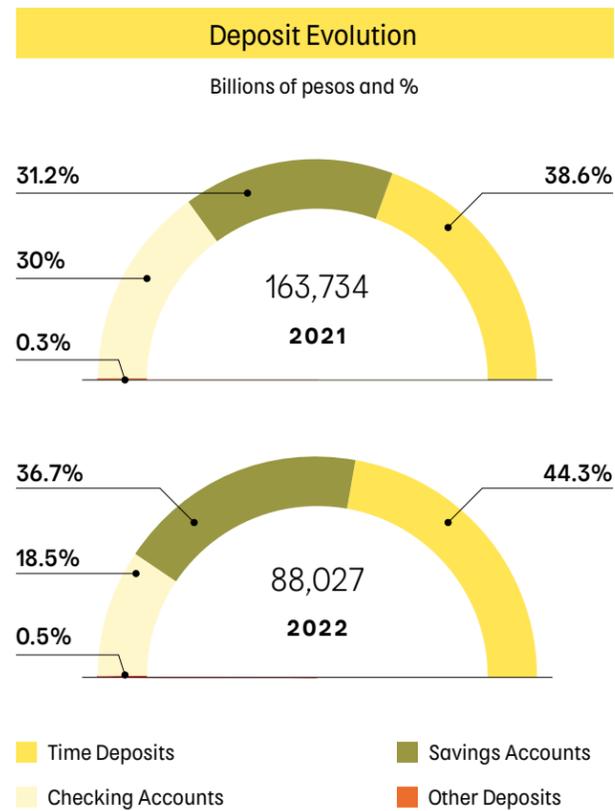
Other liabilities recorded a balance of \$34,036 billion with an increase of 20.4%, where financial obligations represent 89.1% of other liabilities. Growth was generated mainly by loans from banks and others, for \$5,184 billion, through new bank loan contracts, structured financing operations and a decrease from payments. The balance of bonds and securities issued by the Bank is \$11,288 billion (the detail of these issues is available in Note 22 to the financial statements).

The ratio of deposits to net loans was 0.97x as of December 2022, reflecting compliance with our strategy of maintaining our portfolio exposure matched with deposits.

## Equity

Our Consolidated Shareholders' Equity is \$15,811 billion at the end of 2022, presenting an annual decrease of 37.6%, mainly due to the spin-off of 75% of *BHIC* in March, which represented a reduction in equity of close to \$10 trillion, corresponding to 75% of the book value of *BHIC*'s equity (\$13 trillion for 75%).

At the end of 2022, our Consolidated Capital Adequacy Ratio was 13.1% and the Consolidated Tier 1 Ratio was 10.1%, higher than the minimum levels of 10.25% and 5.75% required by Colombian regulation, respectively. Our Technical Capital was \$13,574 billion at the end of 2022, a decrease of 39.1% compared to 2021. Risk-weighted Assets totaled \$103,751 billion, with an annual decrease of 36.9%.



**Time Deposits contribute 44.3% to total Deposits, growing 32.0% vs 2021, as a result of the Bank's campaigns with market competitive rates.**

## Net Income

Consolidated Net Income Attributable to Shareholders was \$2,805 billion, with an annual decrease of 35.6%. This decrease was influenced by three main operations: the first one refers to the deconsolidation of *Porvenir* in July 2021, which generated an extraordinary income of \$1,301 billion; the second operation refers to the spin-off of *BHIC* in March 2022, generating income for \$1,334 billion; and the third, refers to *BHIC*'s tender offer, which decreased profits by \$1,325 billion, i.e. having a net effect for the year from *BHIC*'s operation of \$9 billion. Additionally, the results for 2021 reflected 100% of the net income from *BHIC*, while in 2022 they only reflected 100% between January and March, and 25% between April and November. Despite the reduction in our equity, we continue to be a benchmark in the Colombian banking sector in terms of profitability, maintaining our ROAE above 15%.

For 2022, Net Interest Income amounted to \$4,695 billion, growing 15.4% compared to the previous year (3.5% excluding the exchange rate effect), mainly due to the increase in loan portfolio interest, due to the 17.3% increase in lending volume compared to the previous year, as well as the positive



Digital Zone – Banco de Bogotá Branch

effect generated by loan repricing given the exchange rate movements and market representative rates that occurred during the year. This was followed by investments, which contributed \$3,097 billion more in the last year. Deposits and other funding increased by \$2,470 billion.

Loan provision expense decreased by 10.9% compared to 2021, reaching \$1,692 billion, due to the implementation of the "Clean Slate" Law, 2157, which allowed for the reactivation of payments of overdue and written-off clients.

## Main Performance Ratios<sup>10</sup>

Our Net Interest Margin was 4.5%, which is 81 basis points higher than in 2021 (excluding the operation of *BHIC*), due to the increase in loan portfolio interest rates, mainly in the Commercial portfolio, which was impacted by the increase in interest rates by *Banco de la República*. Investment interest income decreased slightly by 8 basis points, in a year of local and global fixed income devaluation.

Net Cost of Risk in 2022 is 1.3%, 78 basis points lower than in 2021 (excluding the *BHIC* operation), due to the 49.1% increase in the recovery of the written-off portfolio, as well as the reduction of the net provision expense by 18.8% given the implementation of the "Clean Slate" Law, which allowed for the reactivation of payments on past-due loans, and the renegotiation of credit conditions with written-off clients.

Our net income from fees and other services amounted to \$1,245 billion, growing 13.0% compared to 2021. This increase is explained by growth in fees from banking services, given the improvement in the socioeconomic situation, as well as the reactivation of our clients. Followed by the result of multiple campaigns regarding credit cards, which increased their use, and likewise, fee generation.

Our Efficiency ratio at the end of 2022 is 48.5%, up from 48.2% in 2021 (figure that excluded the loss of control over *Porvenir*), continuing with our commitment to generate a controlled and efficient banking operation.

<sup>10</sup> Absolute 2022 figures are not strictly comparable with those of 2021, due to the spin-off of 75% of *BHIC* in March 2022 and the *BHIC* tender offer in December 2022.

Finally, our profitability ratios for 2022 were 15.9% over average equity (ROAE) and 1.9% over average assets (ROAA), lower than those obtained in 2021 (19.1% and 2.1%, respectively). However, when excluding extraordinary operations generated in 2021 (*Porvenir's* deconsolidation, and excluding *BHIC's* operation) we have a ROAE of 14.0% and ROAA of 1.5%, and in 2022, profitability increases ROAE to 18.4% and ROAA to 2.1%, i.e., an increase of 440 basis points and 52 basis points, respectively, compared to the previous year.



Team from the International Division

## Regulatory Compliance in Colombia

### Disclosure and Control of Financial Information

At *Banco de Bogotá*, we continuously exercised the responsibility to establish and maintain adequate disclosure, follow-up, and control systems regarding financial information, with effective support from control and follow-up systems and from specialized risk areas that ensure that the financial information transmitted to different entities is adequate. Also, the Audit Committee, the Statutory Auditor, and the Board of Directors carried out corresponding evaluations on the operation and on internal controls, according to their competence, established to allow the Bank to adequately record, process, summarize, and present financial information.

*Banco de Bogotá* undertakes an integral risk management, considering compliance with current regulation and internal standards. As described in Note 7 to the Separate Financial Statements, the Bank's risk culture is based on different principles that allow it to maximize return for its investors through an adequate risk management, and it is transmitted to all the

Bank's areas, allowing for permanent control over Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk and AMLCTF Risk.

### Expected Evolution of the Entity

With respect to numeral 2 of Law 603 / 2000, during the next year, *Banco de Bogotá* will continue to consolidate the objectives and goals defined in its strategic planning, which will allow it to maintain its commitment, increasingly, in the process of banking penetration, in corporate sustainability and in the growth of the country, as a solid, efficient, and leading entity in the financial system.

The Bank will strengthen and capitalize its relationship with customers, improving its value offering and increasing its presence and coverage throughout the country through optimal channels, specialized models, qualified personnel, its various subsidiaries, its technological and physical infrastructure, and its proactive growth strategy.

## Transactions with Partners and Managers

Regarding the requirement of numeral 3 of Law 603 / 2000, *Banco de Bogotá* states that the operations carried out by the Bank with its partners and managers are in accordance with its general policies and are regulated and described in Note 33 to the Financial Statements.

## Intellectual Property and Copyright

Continuing with compliance with requirements of Law 603 / 2000 and, in accordance with numeral 4, *Banco de Bogotá* declares that for some time now, it has established policies regarding compliance with regulation on intellectual property and copyrights, in reference to the different services and products necessary or of its own property required for the performance of its tasks, when required. The Technology, Marketing and Comptrolling divisions perform verifications throughout the country, to control compliance with such policies and with legal provisions. Additionally, *Banco de Bogotá*, as applicable, maintains in force the registrations of its name, brands, products, services and publications. To see the list of trademarks and licenses, click [here](#).

## Free Invoice Circulation

In compliance with the requirement of Article 87 of Law 1676 / 2013, which promotes access to credit and establishes rules on

movable guarantees, *Banco de Bogotá* has established compliance policies with the rules on the free circulation of invoices issued by vendors or suppliers with whom it has commercial relations, avoiding restrictive competition practices.

## Legal Status

As of December 31, 2022, as a corporation and banking establishment supervised by the *Financial Superintendence of Colombia*, *Banco de Bogotá* complied with current regulation and the provisions applicable to issuers in Colombia, allowing activities and operations to be carried out within the applicable legal framework. The results of *Banco de Bogotá's* business are duly reflected in the financial statements, and the relevant matters occurred during the fiscal year were duly disclosed to the market in general through the information mechanisms enabled by the *Financial Superintendence of Colombia*. For further information, see Note 32 to the consolidated financial statements and Note 31 to the separate financial statements, section legal contingencies.

To date, *Banco de Bogotá* has not been notified nor is it aware of any legal proceedings that may put the operation at risk. However, main contingencies derived from legal proceedings in progress are disclosed in the notes to the financial statements.

During 2022, the Bank maintained constant communication with regulators, meeting their requirements and requests in a timely manner. Likewise, the Bank permanently followed up on regulatory modifications and regulatory projects in progress, to understand and anticipate their impact on the Bank's day-to-day operations.



Branch service