

First Sustainable Subordinated Bond Report

2024

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Banco de Bogotá





Content



Commitment

Impact Allocation Report



Annexes

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Introduction



At Banco de Bogotá, we are aware of the fundamental role we play as a financial entity in driving the prosperity of our country in a sustainable and inclusive manner. This conviction guides our strategy and actions, focusing on promoting high-impact projects that protect our biodiversity and reduce Greenhouse Gas Emissions (GHG), in addition to improving the social welfare of people, including and empowering those who need it most.

First Colombian Sustainable Subordinated Bond in the international market

Aligned with the United Nations' agenda for Sustainable Development, which constitutes a universal call to action to end poverty, protect the planet, and improve people's lives, we act as a significant change agent in achieving these goals, issuing the **first Colombian Sustainable Subordinated Bond in the international market** for 230 million dollars. An innovative financial instrument that seeks to mobilize resources to leverage projects that contribute to the consolidation of a low-carbon economy, business development, and access to better opportunities for Colombians.

In this regard, we are proud to announce that, through this Bond, we financed **58 loans** that contribute to the **adaptation and mitigation of climate change and 12,920 loans** that promote **prosperity and gender-focused equity in the country's territories.**

It is important to mention that these resources were placed through our sustainable products portfolio, which has allowed us to grow our green portfolio more than 8.7 times in the last 3 years. Moving from 300 billion Colombian pesos to more than 2.6 trillion pesos, and as a goal, we hope to reach more than 4.3 trillion by 2025.

This effort demonstrates the commitment and concrete actions we have undertaken at Banco de Bogotá to move towards a more sustainable and inclusive future. As a reflection of this, we have positioned ourselves as the **top-rated financial entity in Colombia in the Sustainable Finance category** of the Dow Jones Sustainability Index, a measurement conducted by S&P Global 2023.

Finally, we are very proud to present the First Impact Report corresponding to the **First Issue of the Colombian Sustainable Subordinated Bond in the international market**, an initiative that aligns with the Green and Social Bond Principles and the Sustainable Bond Guidelines established by the International Capital Market Association (ICMA).

We have grown our green portfolio more than 8.7 times in the last 3 years





Commitment

1.1.2. Our pillars

At Banco de Bogotá, we recognize our fundamental role as a key agent in the transition toward improving the social welfare of Colombians and stimulates economic growth, in harmony with the country's and industry's environmental commitments, observing rigorous standards of transparency and responsibility at every step..

We promote the prosperity of our country in a sustainable and inclusive way



Climate Action and Biodiversity



- ESG Culture
- Customer experience and satisfaction
- Digital transformation and innovation

Climate action: we promote high-impact projects that protect our biodiversity and reduce Greenhouse Gas Emissions (GHG), in line with the goals set by the Sustainable Development Goals, the Paris Agreement, and the commitments we have made through the Net Zero Banking Alliance.

We aim to decarbonize our loan portfolio, to reach net zero emissions by 2050 or earlier for interim targets by 2030, for priority sectors with high GHG emissions; and facilitate the necessary transition in the real economy, prioritizing a framework of work with our clients, offering environmental products and services that allow them to adapt and mitigate the effects of climate change on their business operations.



Social Action



Social action: We contribute to financial inclusion and banking by providing solutions that allow us to reach underserved populations in urban and rural areas of the country. We support Colombians in obtaining decent housing, and assist SMEs, micro-entrepreneurs, and entrepreneurs in growing their businesses, through advice and access to financial services and resources that strengthen the business fabric and promote employment. Additionally, we promote female empowerment, supporting the development of businesses with sustainable value that prioritize the employment of women.



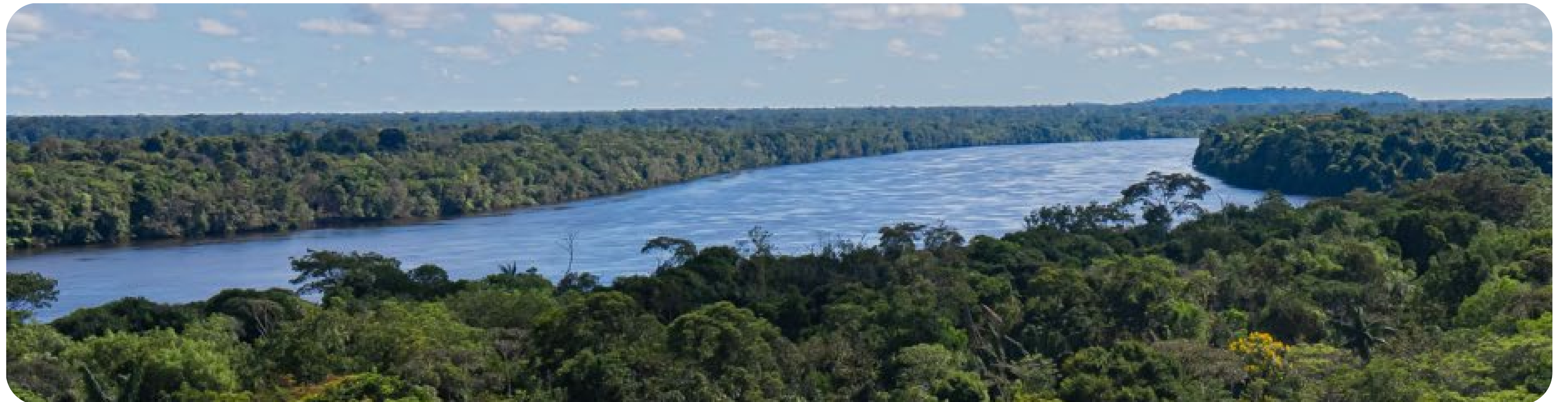


These priorities are covered from two main fronts:

Business Front: It focuses on the impact that we, as a bank, can generate on our clients. This involves considering how banking activities and financial products can contribute to sustainable practices and responsible economic development.

Corporate Front: It concentrates on the impacts generated by our internal operations. This includes aspects such as the efficient use of resources, waste management, and the implementation of sustainable and responsible work practices within the organization.

Similarly, we have integrated a series of leading practices in the field of sustainability and corporate responsibility as part of our framework of action in Environmental, Social, and Governance (ESG) issues. These practices include:



We reforest the Amazon



1.1.3. Commitment and relevant information regarding the social and green portfolio

The resources obtained from the issuance of the Sustainable Subordinated Bond were exclusively allocated to finance eligible projects from Banco de Bogotá's social and green portfolios, which comply with the definitions stipulated in Annex 3. Below, these definitions and the impacted Sustainable Development Goals are summarized:

Green and social portfolio:



The resources of the issue are
were allocated exclusively to
finance eligible projects from the
Banco de Bogotá **Social and
Green Portfolios.**



Financeable destinations by SDG:

1 NO POVERTY

- Microbusinesses
- Affordable Housing
- Social housing

2 ZERO HUNGER

- Aquaculture/ Agriculture /Fishing
- Circular economy

5 GENDER EQUALITY

- Women's microenterprises
- SME woman
- Woman-Owned
- Affordable Housing
- Social housing owned by women

6 CLEAN WATER AND SANITATION

- Water efficiency
- Circular economy

7 AFFORDABLE AND CLEAN ENERGY

- Renewable Energy
- Energy Efficiency

8 DECENT WORK AND ECONOMIC GROWTH

- Microbusinesses
- Small and medium businesses

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Microbusinesses
- Small and medium businesses
- Renewable energy
- Energy efficiency
- Water efficiency
- Circular economy

10 REDUCED INEQUALITIES

- Affordable Housing Woman Owned
- Affordable Housing
- Social Housing
- Woman-owned Social Housing

11 SUSTAINABLE CITIES AND COMMUNITIES

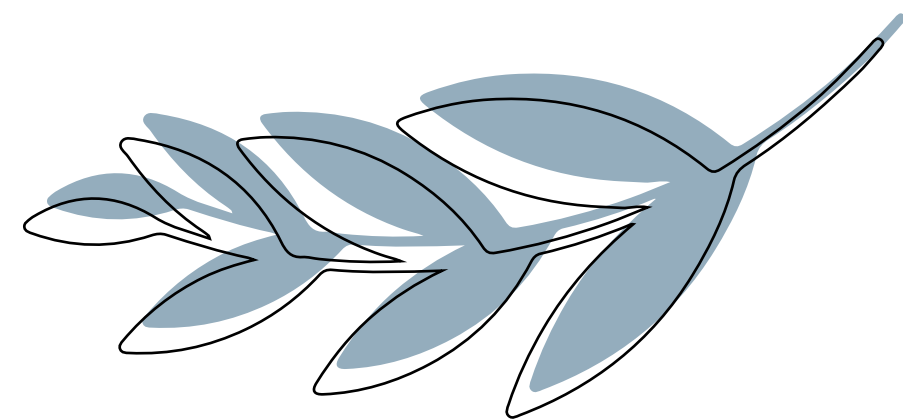
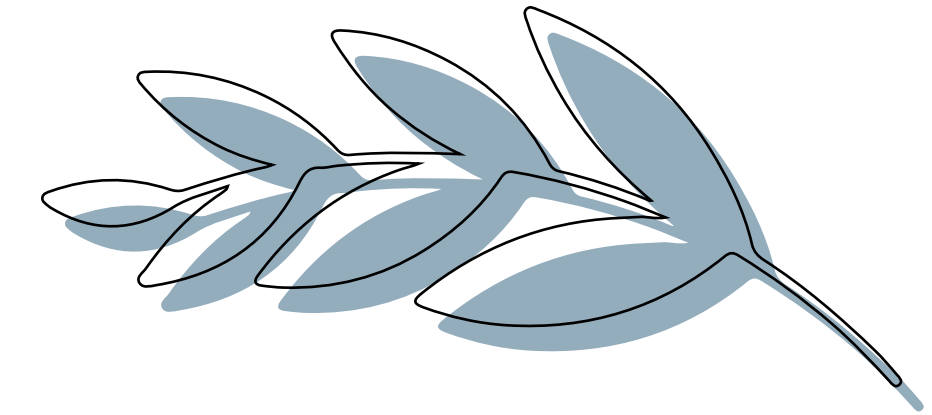
- Affordable Housing
- Woman Owned Affordable Housing
- Social housing
- Woman-owned Social Housing
- Green buildings
- Sustainable homes
- Electric vehicles
- Circular economy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Circular economy

13 CLIMATE ACTION

- Climate resilience
- Renewable energy
- Energy efficiency
- Green buildings
- Sustainable homes



We contribute to the **Sustainable Development Goals** to end poverty, protect the planet and **improve people's lives.**



Impact Allocation Report



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Impact allocation report

2.1. Allocation report

2.1.1. Project selection and governance.

Our selection process for projects eligible for the Sustainable Subordinated Bond establishes that compliance with applicable national environmental and social regulations is required, and, where applicable, with the International Finance Corporation – IFC Performance Standards. Projects that meet one or more of the following criteria are not eligible for the use of funds from this Bond:

- Clients or projects considered Category A¹ in terms of environmental and social risk
- Clients or projects on the exclusion list.²

230 Million USD allocated entirely to eligible projects

¹ Customers or projects classified as Category A in terms of environmental and social risks. Projects in this category entail the potential to generate environmental and/or social risks and impacts that are potentially significant, diverse, irreversible, or unprecedented, often extending beyond the boundaries of the project site or physical facilities.

Process for evaluation and selection of projects:

1. Clients linking and requesting information

We offer commercial loans, microcredits and housing to individuals and companies.

2. Credit analysis

We have two distinct processes for our credit analysis, one for the commercial and microcredit segments, and another for the consumer, housing, and mass commercial segments. Within the commercial portfolio process, the Bank’s specialized area analyzes the green portfolio projects from a technical environmental point of view, ensuring alignment with the taxonomy defined in the Framework and the information necessary to calculate the impact of the Bond. On the other hand, SARAS analyses are carried out to identify environmental, social and climate change risks, with this analysis, clients are assigned a corresponding level of socio–environmental risk.

3. Credit approval, formalization, and disbursement

We carry out the approval of commercial loans through the respective credit committee. For housing loans, after the corresponding credit analysis, approval is documented in the mass banking process and becomes available for disbursement.

4. Portfolio monitoring and management

Through the portfolio monitoring process, we establish the actions to follow to control credit risks, and if necessary, policies or processes for loan provisioning are adjusted.

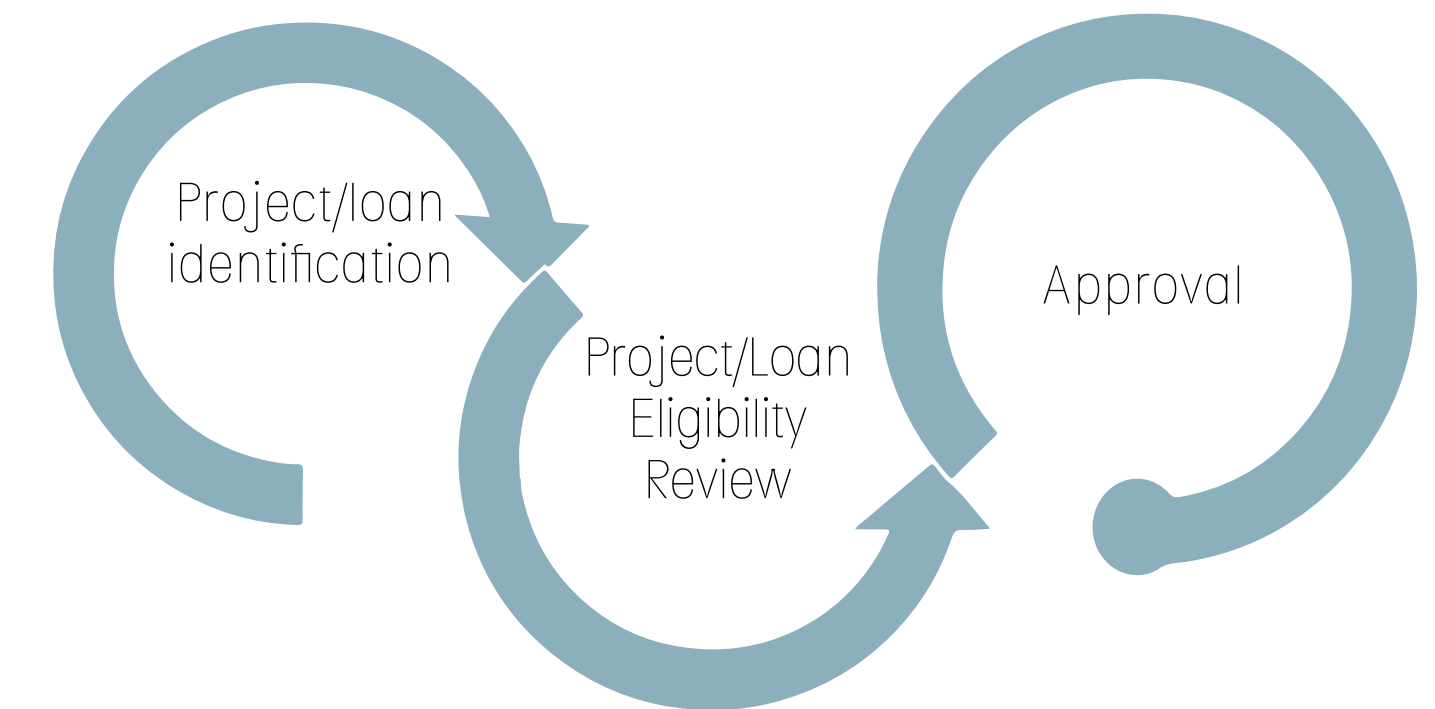
² For clients or projects identified on the exclusion list, we ask you to consult (Annex II) of the Subordinated Sustainable Bond Reference Framework.

³ The exchange rate (TRM) used to convert the values is 3,822, corresponding to the end of December 2023.

5. The selection of projects to be financed by the Sustainable Subordinated Bond

Our evaluation and selection process for projects is led by the Sustainable Bonds Committee, an interdisciplinary committee chaired by the Asset and Liability Management Departments and the Sustainable Finance Directorate, with the participation of delegates from Treasury, Credit Risk and Treasury, Technical Asset Management, Credit Policy, Product Placement, Corporate Development, and Investor Relations, and other areas as required

To select eligible projects, the following activities are carried out:

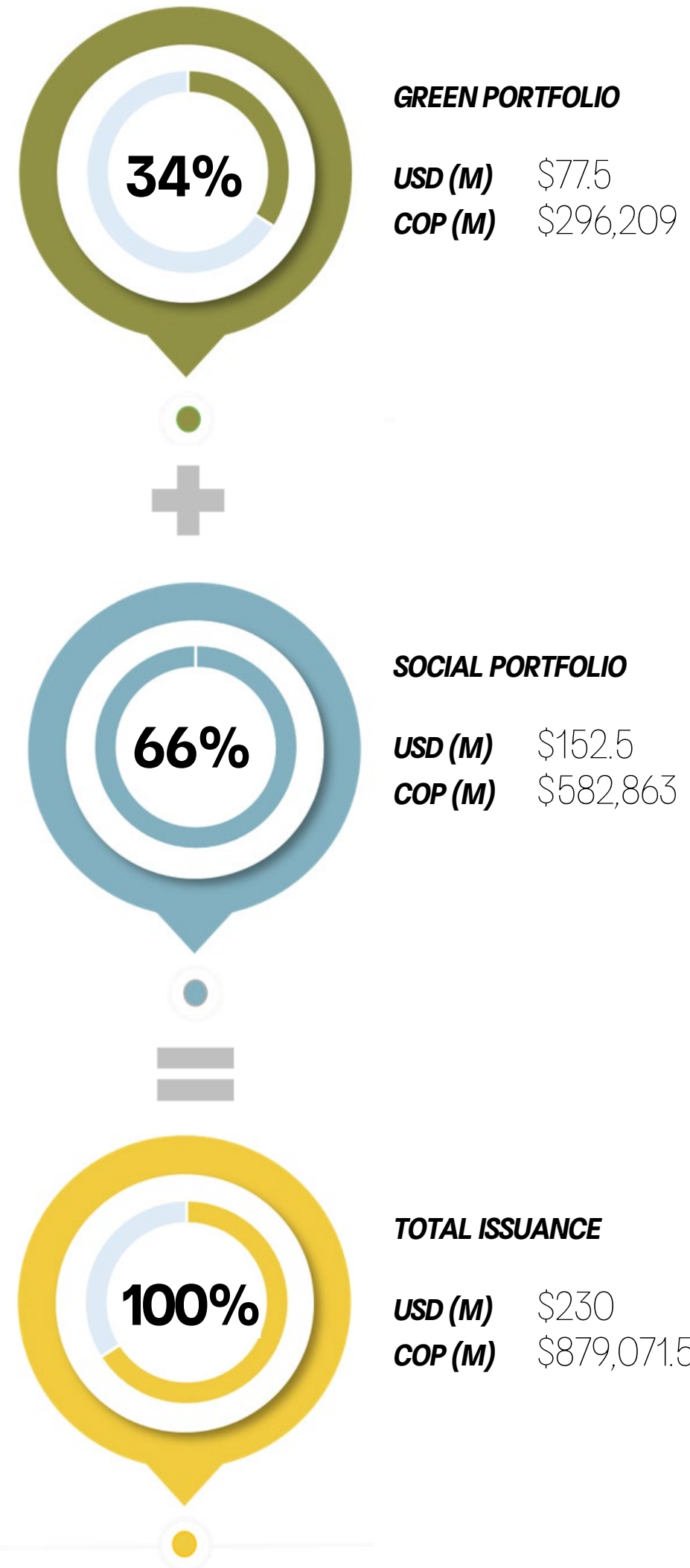


2.1.2. Confirmation of the appropriate use of the issue’s resources in accordance with the established criteria.

We committed to ensuring that the resources from the issuance of our Sustainable Subordinated Bond are used in a manner consistent with the criteria established in the Reference Framework. Therefore, we are pleased to confirm that the **230 million dollars** raised through the issuance have been fully allocated to eligible projects as of 2023, in accordance with the established guidelines.



These resources have been used in the following way:



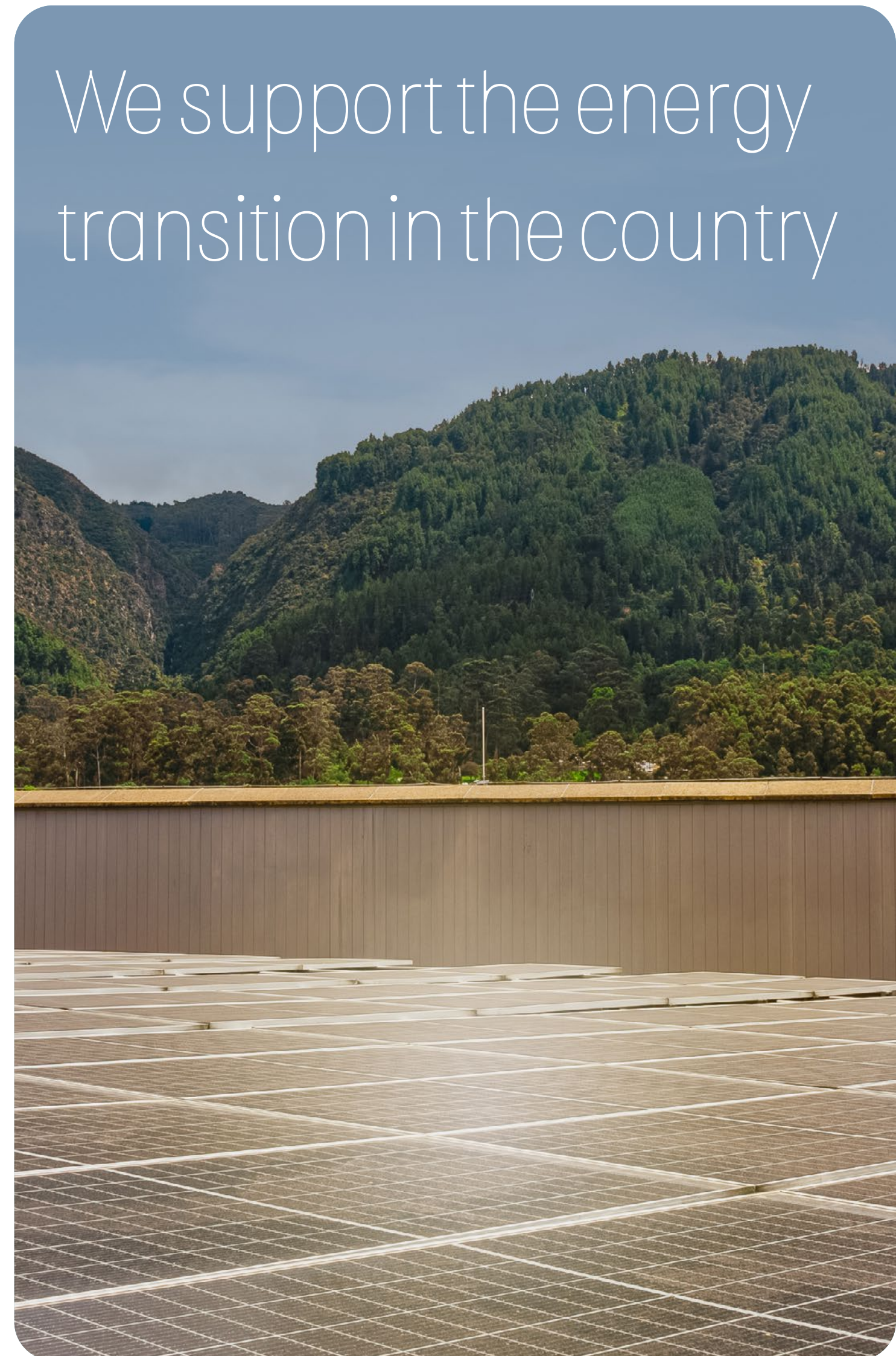
We have allocated these resources across the country with a variety of environmental and social projects

Green portfolio

In relation to the green portfolio, we carried out the assignment of 58 loans, distributed in 18 municipalities in Colombia:

Bogota	22
Medellin	14
Barranquilla	4
Gigante	2
Tocancipa	2
Chia	2
Barrancabermeja	1
Bucaramanga	1
Cali	1
Cartagena	1
Cucuta	1
Ibague	1
Monteria	1
Pamplona	1
Riohacha	1
Tunja	1
Valledupar	1
Cajica	1

58
Allocated Loans



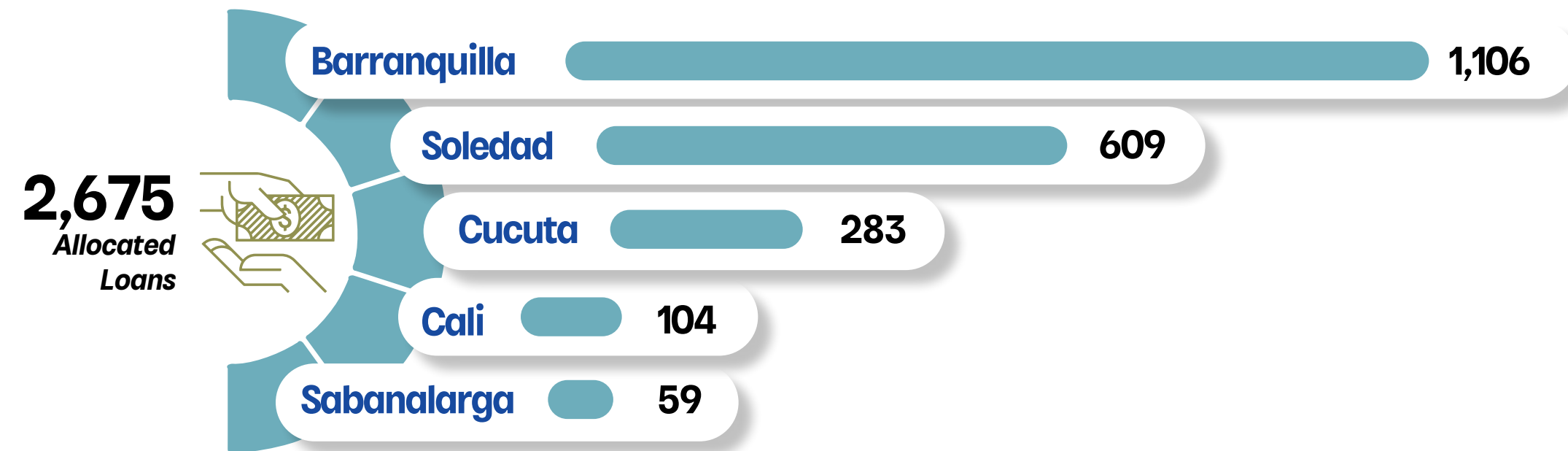
We support the energy transition in the country



Social portfolio

Affordable housing

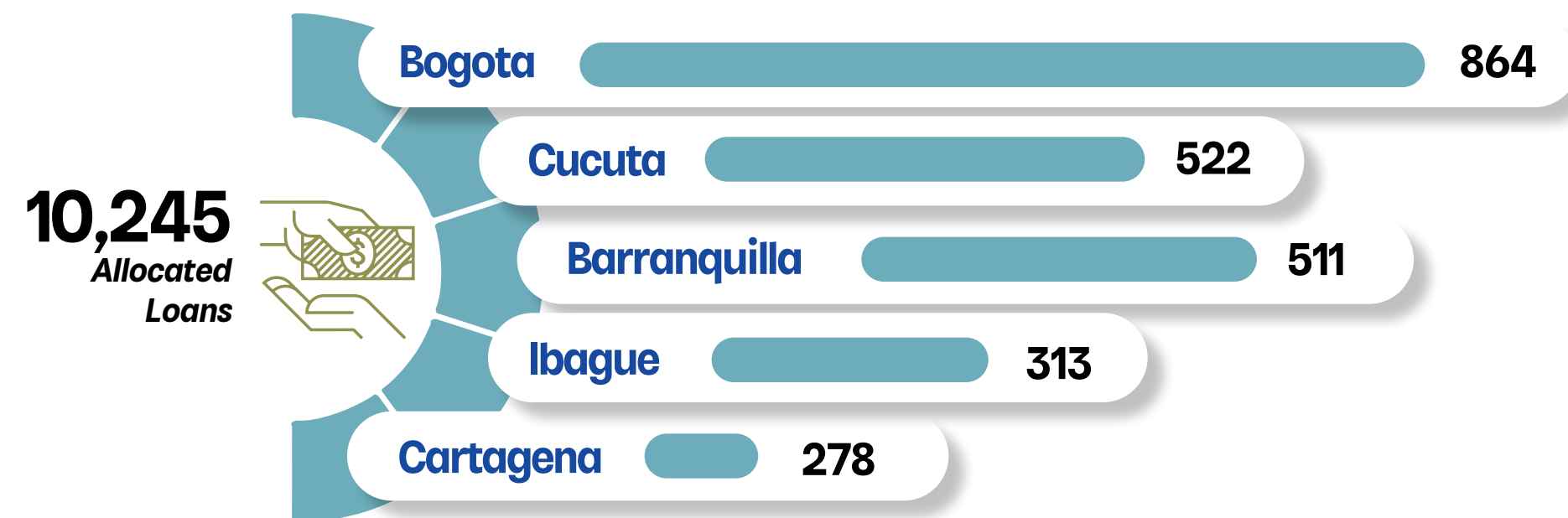
Allocation of 2,675 loans in 128 municipalities:



For this portfolio, **514 loans** were assigned in other municipalities of Colombia, different from the Top 5 mentioned above.

SMEs

Allocation of 10,245 loans in 635 municipalities:



For this portfolio, **7,757 loans** were assigned in other municipalities of Colombia, different from the Top 5 mentioned above.

As part of our commitment to the responsible use of resources, we have implemented measures to ensure that the impact of the Sustainable Subordinated Bond is assessed and communicated accurately.

Therefore, we have engaged an **external auditing firm** to verify the allocation of the funds resulting from the issuance.



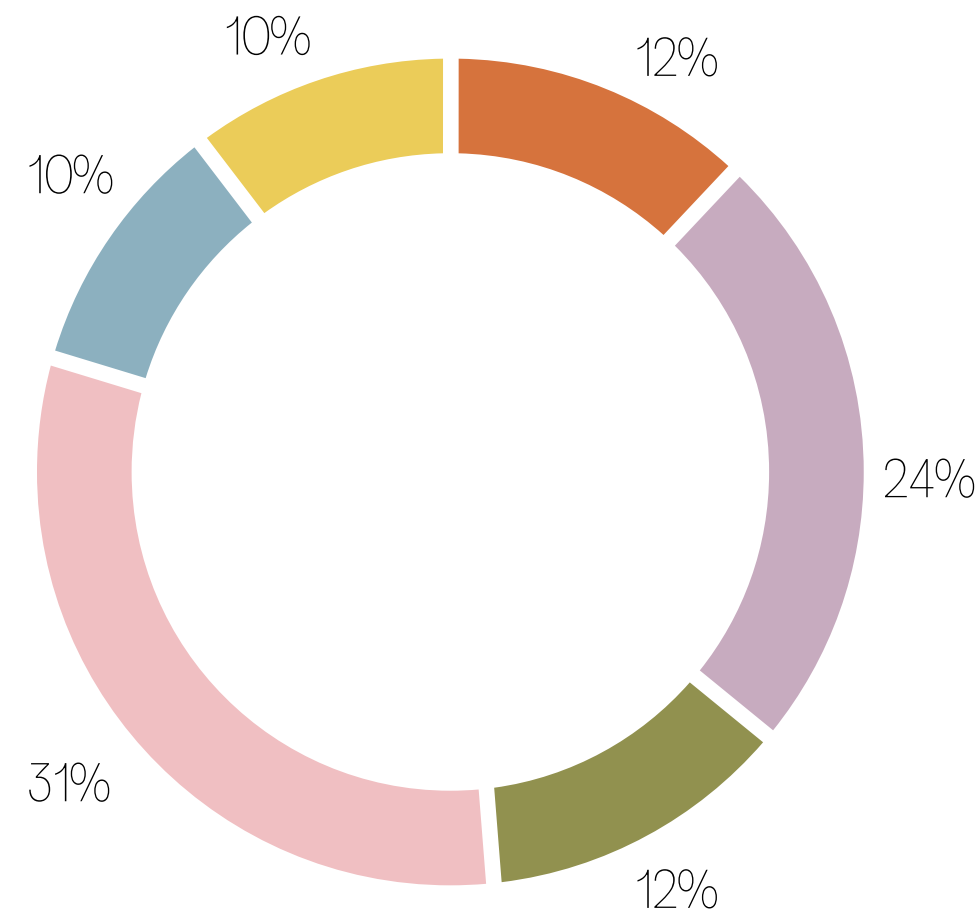
We have implemented measures to ensure this impact is accurately **assessed and communicated**.



Distribution of green projects by eligible category

Below, we break down the number of green loans by eligible category. This categorization is defined in the previous chapter. It is worth mentioning that the categories with the highest balance as of December 2023 are Sustainable Construction (143,327 million COP) and Sustainable Transportation (61,221 million COP).

Percentage of the number of assigned green loans



- Sustainable construction (7)
- Agriculture, Aquaculture and fisheries (14)
- Sustainable transportation (7)
- Renewable energy (18)
- Energetic efficiency (6)
- Circular economy (6)

⁴ **White list:** Set of categories that automatically meet the minimum criteria to be considered eligible green projects. For more details, consult the Subordinated Sustainable Bond Reference Framework.

⁵ **Grey list:** Projects that are not explicitly included in the whitelist but are still considered eligible, provided they meet established thresholds backed by professional analysis, audit, or other verified sources. For more details, consult the Framework of the Sustainable Subordinated Bond.

⁶ In this section, there is information about the placement of loans in municipalities below the poverty line, information taken from DANE 2018. To learn more about this segmentation of territories in Colombia, you can consult the Framework of the Bond and the Methodological Notes of this document.

Below is the detail of the distribution of assignments by white list⁴ and grey list.⁵

Outstanding balance as of december 2023

Distribution by category and belonging list (Millions COP)

Destination	White list	Grey list
Circular economy	15,786	823
Energetic efficiency	3,661	7,125
Renewable energy	6,935	
Sustainable transport	388	60,833
Agriculture/Aquaculture/fisheries	57,331	
Sustainable construction	143,327	
Total	227,428	68,781

2.1.3. Distribution of funds by region⁶

We are proud of the contribution we make to equity and development in Colombia

89% **100%** **100%**

Housing with Mi Casa Ya program

Priority Interest Housing

MSMEs

Loans placed in municipalities below the poverty line according to DANE.

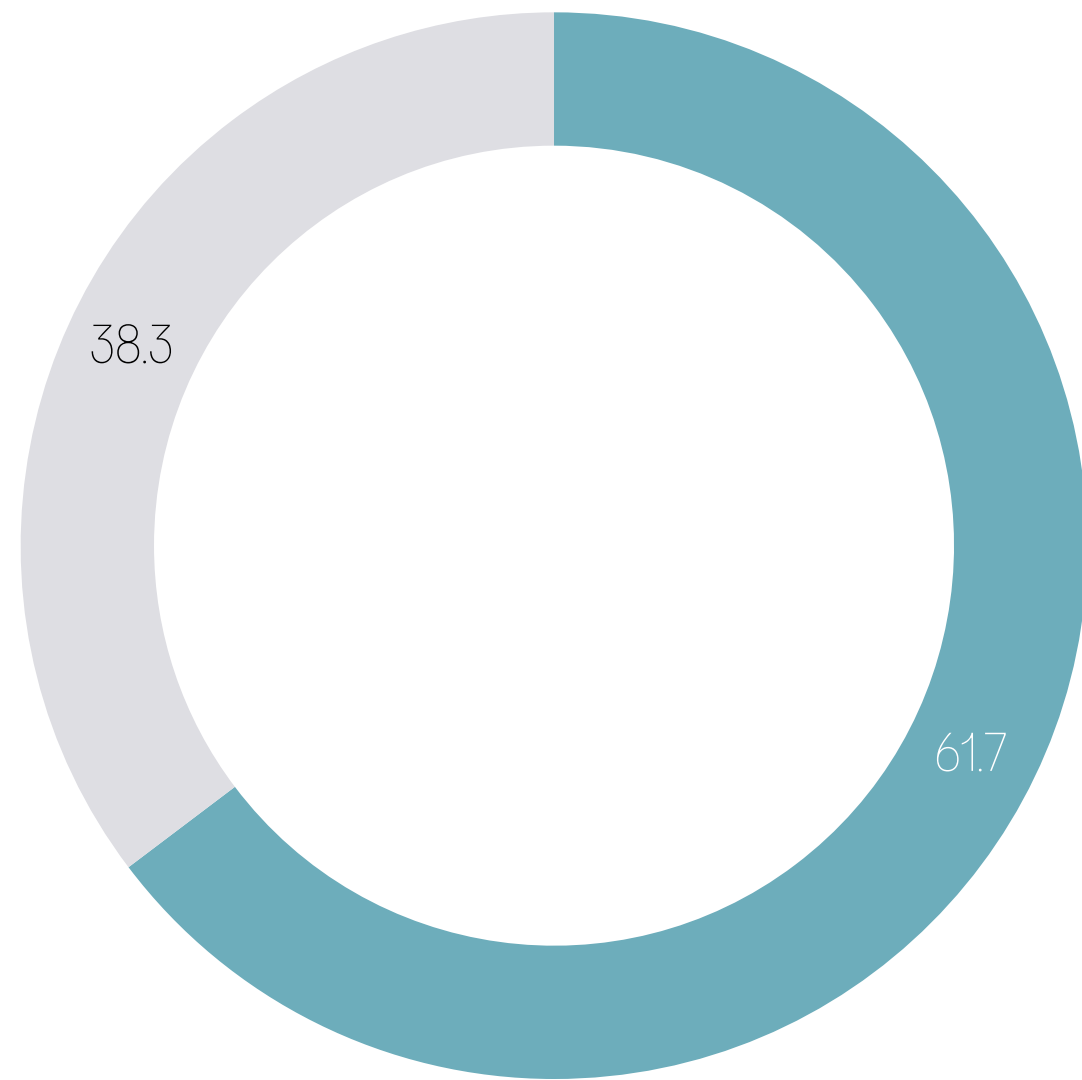
Of the Affordable Housing loans assigned, more than 55% correspond to homes owned by women, showing our commitment to gender equality.



Juliana Cabrera Caicedo, mother head of family, beneficiary of a housing loan with VIS subsidy



Porcentaje de municipios PDET



- With loans granted or projects financed
- Without loans granted or projects financed

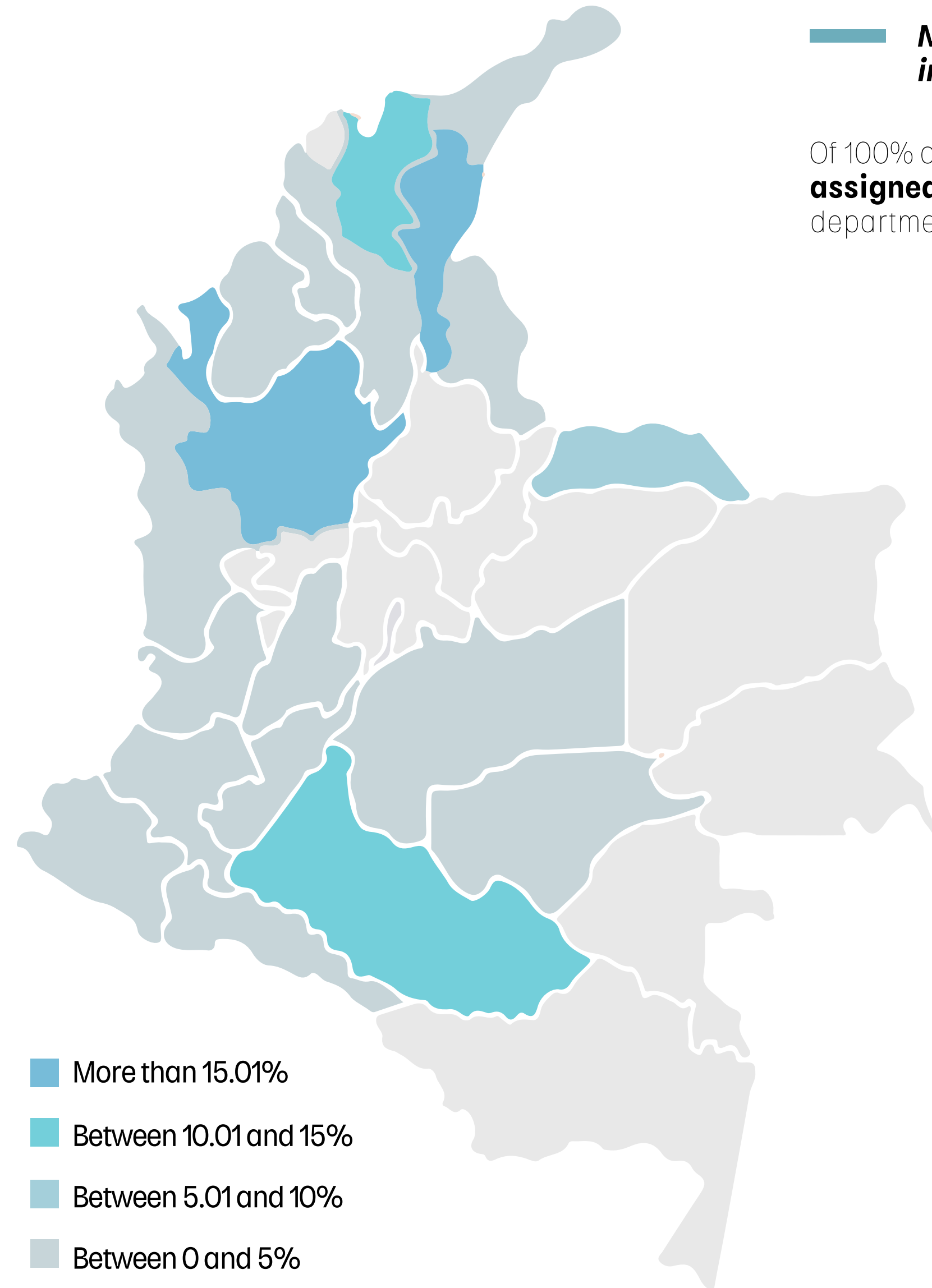
Considering our purpose of supporting, financing, and accompanying the most vulnerable populations in the country, we managed to allocate resources from this Bond to 105 PDET⁷ municipalities out of 170, which equals 62% of the total. These are distributed as follows:

1 Green portfolio project.

108 loans granted to generate greater access to housing.

1,807 loans for Micro, Small and Medium Enterprises.

⁷ PDET municipalities are those territories that have Territorial Development Programs with a Focus in Colombia. These encompass 16 subregions, 170 municipalities, and 11,000 rural areas that have been particularly affected by violence, poverty, the absence of the state, and the presence of illicit crops. In these areas, the vulnerability is high due to limited access to housing, clean water, education, and connectivity (ART, n.d.)



Number of loans directed to MSMEs in PDET Municipalities

Of 100% of the loans granted in the MSME line, **18% was assigned to PDET municipalities** in various regions and departments.



Municipality of Gigante, Huila.



2.1.4. Get to know the stories of the Colombians impacted.

We financed **Reciclene S.A.S.**, a project aimed at improving and optimizing a recovery and utilization plant for flexible or rigid plastics to close the post-consumer cycle, aligned with the National Circular Economy Strategy (ENEC). Some of the improvements that were incorporated included:

- Construct the space for selection, classification, and cleaning of plastics.
- Install a system for extracting vapors generated in the process.
- Implement improvements in the Wastewater Treatment Plant to minimize the discharge of chemicals and sludge.



Support for professional recyclers

Juliana Ramos, professional recycler – Reciclene S.A.S.
[More information here.](#)

With the improvements made, we avoided the generation of **2,682 tons of CO₂** equivalent per year. Amount financed **\$5.3 billion COP**



Reciclene S.A.S.

Exploitation of plastic waste

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION





We support projects that are committed to a peaceful, more inclusive and diverse country

We financed Ayda Nury Lema, an entrepreneurial woman in Cali who founded **Ran Servicios Integrales S.A.S.** in 2011. This company provides cleaning services for residential units and civil works cleaning. Additionally, it is a provider for insurance companies, with a special emphasis on activities such as plumbing, carpentry, locksmithing, and basic mechanics to meet any need and/or incident in these organizations. Due to the growth of Ran Servicios Integrales S.A.S., in recent years, it has participated in bids for large contracts with the State to carry out these activities.



Support and Solidarity with the employee

Samuel Díaz Vigía /Hearing impaired employee
Ran Servicios Integrales - Cali

70% of its employees are people born in Cauca and/or in **areas of forced displacement and armed conflict.** The insurance company's assistance division is headed by a person with reduced mobility.
Amount Financed \$365.7 million COP



Gender equality and social inclusion
Ran Servicios Integrales S.A.S.



Ayda Nuri Lerma, entrepreneur and owner of Ran Servicios Integrales S.A.S.
[More information here.](#)



We promote gender equality and access to decent housing

We financed **Juliana Cabrera Caicedo**, a single mother in El Cerrito (Valle del Cauca), to access decent housing for her family through Social Interest Housing.

Juliana is a hardworking woman, a widow, and the mother of a 4-year-old boy. Thanks to the support and advice we provided, she was able to meet the requirements to access a **loan for more than \$70 million COP, in addition to a subsidy from Mi Casa Ya.**



El Ingenio Housing Development, Cerrito Valle. A VIS housing project with benefit to the Mi Casa Ya. [More information here.](#)



Juliana Cabrera

Loan and Subsidy for First Home



This is Juliana's first home, and it will be a safe space for the development and growth of **her family.**



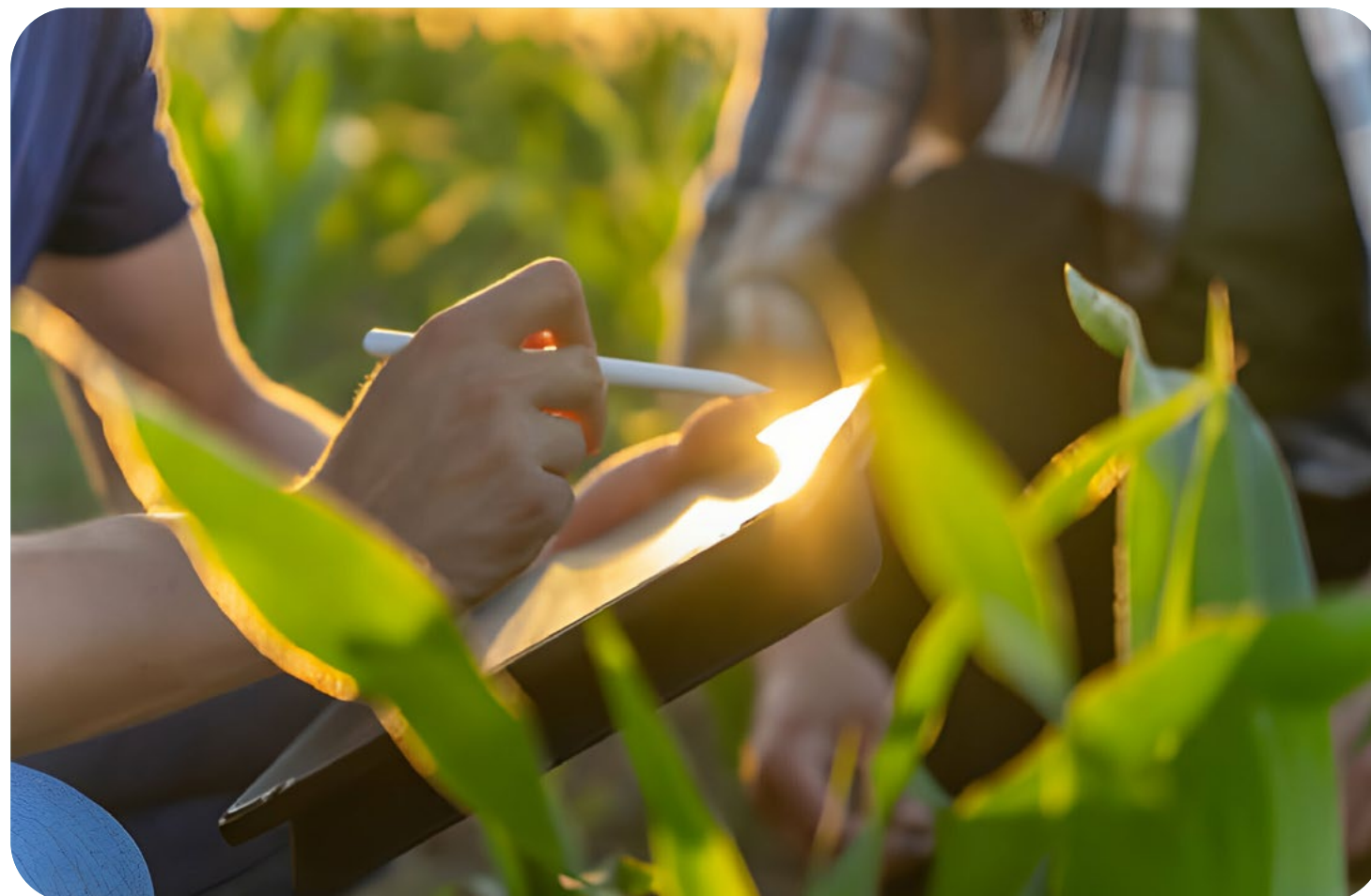
2.1.5. Total amount of funds pending assignment to eligible projects

We confirm that as of December 2023, there are no amounts pending allocation for eligible projects. The funds from the issuance of the Sustainable Subordinated Bond have been fully allocated following the established criteria.

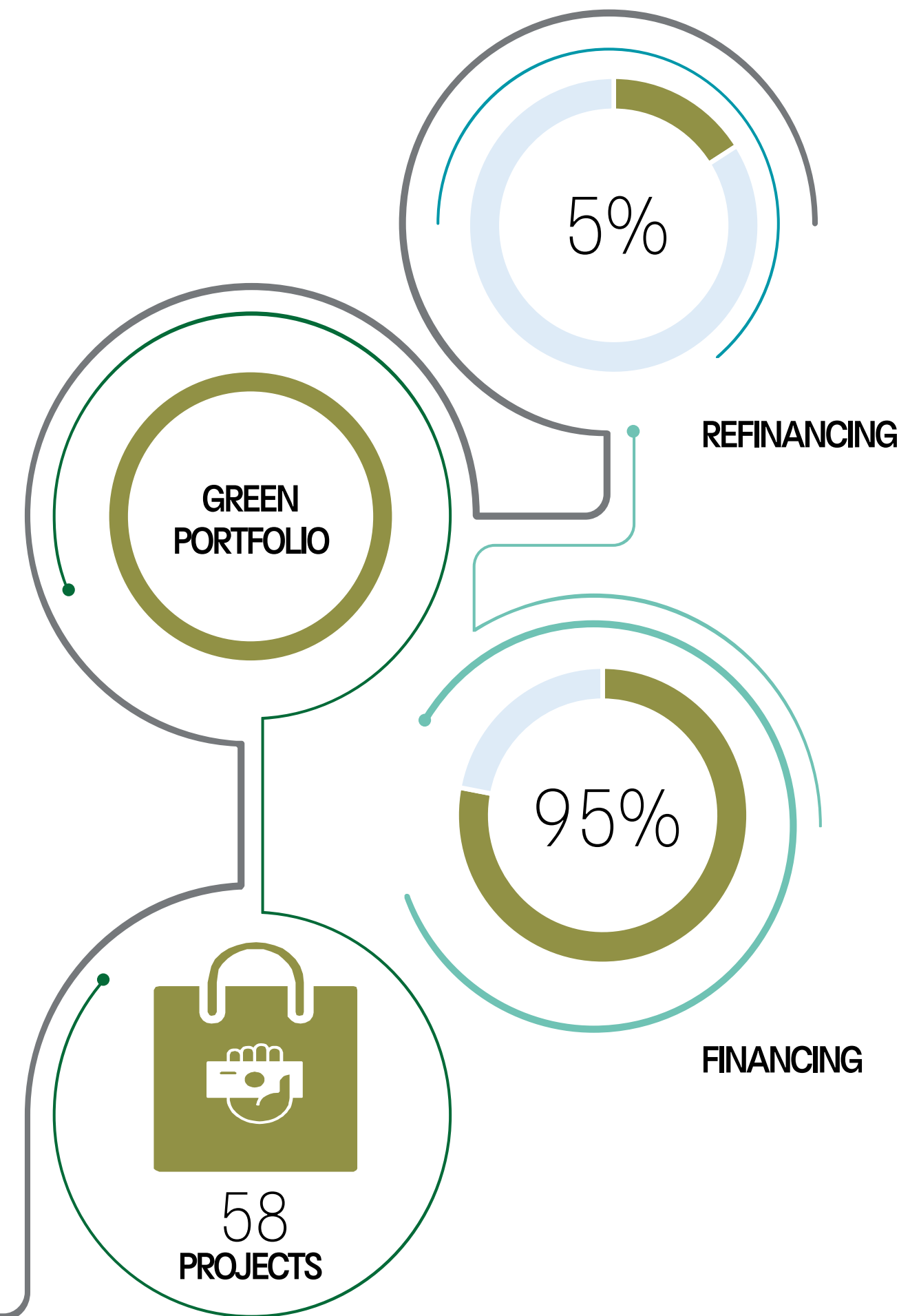
To find out about the impact indicators associated with the Sustainable Subordinated Bond, please refer to **Annex 5**.

2.1.6. Shares of funds assigned to the financing of new vs. existing projects (refinancing).

We have allocated **5%** to existing projects that meet the criteria of the Sustainable Bond Framework and **95%** to new projects under the same criteria. We guarantee that the total value of resources allocated to existing projects does not exceed **20%** of the total value of the green portfolio.



In the case of the **social portfolio**, no project was refinanced.



2.2. Scope of work – ICMA Methodology

The Impact Report of the Sustainable Subordinated Bond is aligned with international best practices to ensure the transparency, trust, and comparability of the data contained in the document.

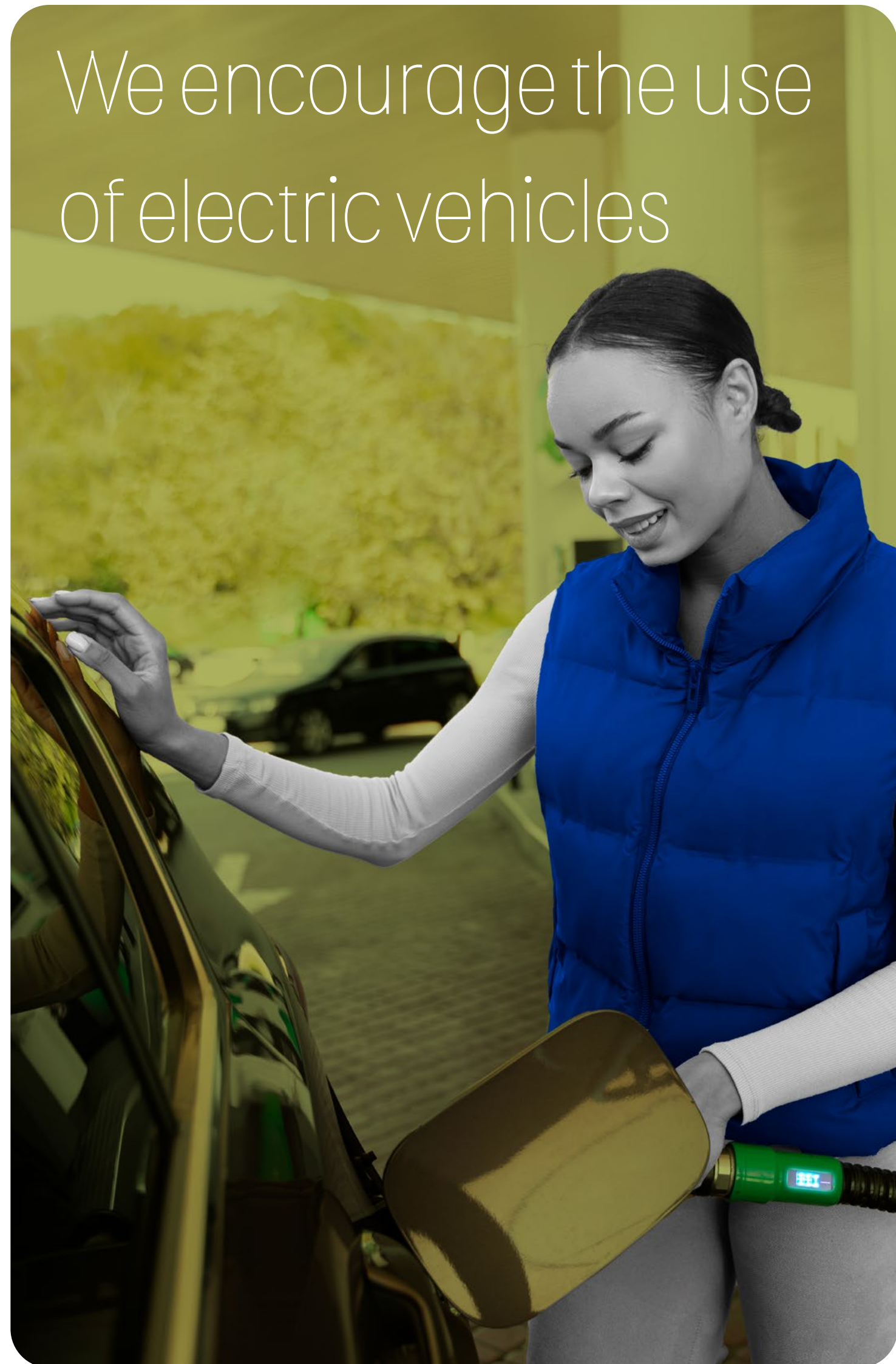
The framework for the use of the issuance funds received a second-party opinion from S&P Global Ratings, which highlighted as “advanced” its reporting system and the alignment of the framework with the principles of the International Capital Market Association (ICMA) for green, social, and sustainable bonds. These guided the exercise through the principles and recommendations established in this document. Likewise, the second reviewer rated as “strong” the process of project selection and evaluation that we developed at the Bank, with well-defined eligibility criteria, a taxonomy, standards, and established thresholds.

It is worth noting that we have an Environmental and Social Risk Management System (SARAS), through which we identify and analyze social, environmental, and climate change risks of the client projects we finance. Additionally, we conduct an environmental technical assessment of each eligible project for the green portfolio, to calculate the impact indicators associated with each of the categories established in the Bond’s use of funds framework and in the internal green taxonomy.

2.3. Alignment with the commitments established in the Sustainable Subordinated Bond

This section summarizes the main key environmental and social impact indicators associated with the portfolio of projects⁸ aligned with the eligible categories within the framework of the Bond:

⁸ Impact information is provided for eligible project categories with an outstanding balance as of December 31 2023. For those without a balance (water efficiency, smart cities, special sustainable projects or businesses, and climate resilience), they will not be reported.



We encourage the use of electric vehicles

GREEN PORTFOLIO ⁽¹⁾		
Value of outstanding eligible green loans		
Eligible green portfolio	1,123 Green loans	\$1.2⁽²⁾ trillion COP
White list	227 loans	\$1,067 billions COP
Grey list	896 loans	\$176 billions COP

GREEN BUILDINGS		
Green Buildings & Green Dwellings financed		
Green Buildings under green certification	27 loans	\$472 billion COP
Green Dwellings under green certification	48 loans	\$8,289 million COP

(1) Eligible assets as of December 31, 2023
 (2) The values in Colombian pesos (COP) correspond to the balances of the portfolio as of December 31, 2023.



AGRICULTURE, AQUACULTURE, FISHERY	
Number of projects financed under Sustainable certification	
Agriculture, aquaculture and fishery projects under sustainable certification	79 loans
	\$379 billion COP



SUSTAINABLE TRANSPORT		
Greenhouse Gas (GHG) emissions avoided		
GHG avoided	446 tonCO ₂ e/period	
Electric vehicles financed	798 electric vehicles	\$65.8 billion COP

Note 1: For more information on methodological calculations, please refer to section 2.4 Methodological Notes.

Note 2: In this report for the impact indicators of green projects, the potential impacts that would be generated by the financed projects when they are in operation during the reporting period March – December 2023 are being reported, based on theoretical information reported by the client. In accordance with the Bank's internal processes, these indicators will be monitored annually with real data.



ENERGY EFFICIENCY 		
 Energy savings & Greenhouse Gas (GHG) emissions avoided		
Energy avoided / GHG emissions avoided	2,878 Mwh/period	475 tonCO ₂ e/period
Energy efficiency projects financed	6 loans	\$46.6 billion COP

RENEWABLE ENERGY 		
 Energy generated & GHG emissions avoided		
Energy generated/ GHG emissions avoided	11,790 Mwh/period	2,593 tonCO ₂ e/period
Renewable energy projects financed	50 loans	\$55.5 billions COP

CIRCULAR ECONOMY 		
 Waste reduced & Waste recycled or reused		
Waste reduced / Waste recycled or reused	208 billion ton reduced	12,791 ton recycled
Circular economy projects financed	8 loans	\$39.1 billions COP

The reported emissions correspond to emissions Scope 3 and the GHG Protocol methodology was used for its calculation.

Note 1: For more information on methodological calculations, please refer to section 2.4 Methodological Notes.

Note 2: In this report for the impact indicators of green projects, the potential impacts that would be generated by the financed projects when they are in operation during the reporting period March – December 2023 are being reported, based on theoretical information reported by the client. In accordance with the Bank's internal processes, these indicators will be monitored annually with real data.





We support women's leadership

Catalina Castillo, entrepreneur. Promise Stores Project, in Neiva, Huila. [More information here](#)

SOCIAL PORTFOLIO ⁽¹⁾		
Value of outstanding eligible social loans		
Eligible social portfolio	171,603 loans	\$10.1 ⁽²⁾ trillion COP

MSMEs in vulnerable regions		
Micro-sized enterprises y Vulnerable Small and Medium sized enterprises in vulnerable regions		
Micro-sized enterprises financed	11,752 loans	\$95.2 billion COP
Small and Medium sized enterprises financed	14,457 loans	\$862 billion COP

AFFORDABLE HOUSING		
Women-owned Affordable Housing & Houses financed		
Affordable housing financed	68,927 préstamos	\$3.1 trillion COP
Women-owned Affordable Housing financed	36,316 préstamos	\$1.7 trillion COP

MSMES		
Micro-sized enterprises y Small and Medium sized enterprises		
Micro-sized enterprises financed	31,536 loans	\$253 ⁽³⁾ billion COP
Small and Medium sized enterprises financed	71,139 loans	\$6.7 ⁽⁴⁾ trillion COP

Women-led MSMEs		
Women-led Micro-sized enterprises y Women-led Small and Medium sized enterprises		
Micro-sized enterprises financed	16,486 loans	\$124 billions COP
Small and Medium sized enterprises financed	19,330 loans	\$1.7 trillion COP

(1) Eligible assets as of December 31, 2023.
 (2) The values in Colombian pesos (COP) correspond to the balances of the portfolio as of December 31, 2023.
 (3) Balance of the total portfolio as of December 31 for Microenterprises. The balances for the portfolio of Microenterprises, women and vulnerable regions are part of this balance.
 (4) Balance of the total portfolio as of December 31 for SMEs. The portfolio balances of SMEs, women and vulnerable regions are part of this balance




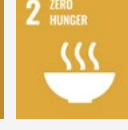












Note 1: For more information on methodological calculations, please refer to section 2.4 Methodological Notes.



2.3.1. Results of Development Impact Indicators.

This section summarizes the main key environmental and social impact indicators in line with the ICMA report tables within the Bond category.

Elegible Green Portfolio

Green building					ODS
Outstanding Value eligible portfolio [million COP]	Portfolio lifetime [months]	Green Building under Certification [N°]	Green Dwelling under certification [N°]		
\$472,081	24	27	48		
Agriculture, Aquaculture and Fishing					
Outstanding Value eligible portfolio [million COP]	Portfolio lifetime [months]	Projects under sustainable certification [N°]			
\$379,570	35.6	79			
Sustainable transport					
Outstanding Value eligible portfolio [million COP]	Portfolio lifetime [months]	Greenhouse Gas (GHG) emissions avoided [tonCO2e]	Electric vehicles financed [N°]		
\$65,783	39	446	798		 
Energy efficiency					
Outstanding Value eligible portfolio [million COP]	Portfolio lifetime [months]	Saving energy [MWh]	Greenhouse Gas (GHG) emissions avoided [tonCO2e]	Energy efficiency projects financed [N°]	
\$46,619	64.9	2,878	475	6	   
Renewable energy					
Outstanding Value eligible portfolio [million COP]	Portfolio lifetime [months]	Energy generated [MWh]	Greenhouse Gas (GHG) emissions avoided [tonCO2e]	Renewable energy projects financed [N°]	
\$55,507	54.3	11,790	2,593	50	   
Circular economy					
Outstanding Value eligible portfolio [million COP]	Portfolio lifetime [months]	Waste reduced [ton]	Waste recycled or reused [ton]	Circular economy projects financed [N°]	
\$39,063	45.3	207,834	12,791	8	  



Elegible Social Portfolio

Category	Outstanding Value eligible portfolio [million COP]	Portfolio lifetime [months]	Loans [N°]	ODS
MSMEs⁹				
Microenterprise	252,542	28.3	31,537	
SMEs	6,693,782	48.7	71,139	
MSMEs women				
Microenterprise	123,496	28.2	16,486	
SMEs	1,687,541	49.8	19,330	
Mipymes en Regiones Vulnerables				
Microenterprise	95,242	27.9	11,752	
SMEs	862,006	52.22	14,457	
Affordable Housing				
Financed housing¹⁰	3,111,881	258.4	68,927	
Housing of womenowners	1,651,795	259.1	36,316	

Category	2023 budget Million COP	Total portfolio balance Million COP	Compliance degree
Social portfolio	\$10,786,000	\$10,848,088	Yes
Green portfolio	\$2,378,842	\$2,530,217	Yes



2.3.2. Balance value of green and social portfolios compared to the budget

The following table describes the budget allocated for the Bank's green and social portfolios (eligible and non-eligible), established in the 2023 planning, and the comparison with the current balance of both portfolios as of December 31, 2023.

⁹ Balance of the total portfolio as of December 31 for Microenterprises. The balances for the Women's Microenterprise portfolio and vulnerable regions are part of this balance.

¹⁰ The balance of homes financed as of December 31, 2023, includes the value of the balance of homes owned by women owners.

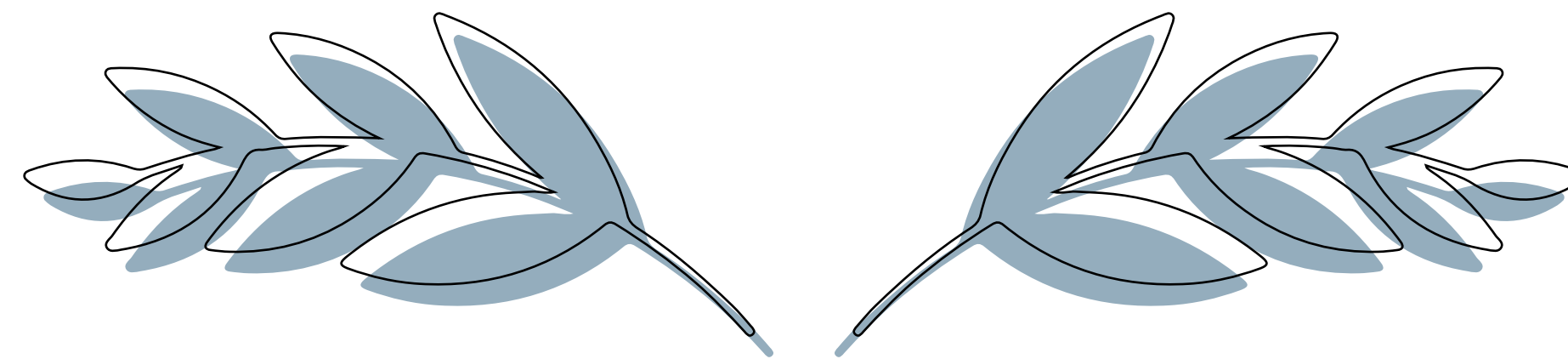


2.4. Methodological notes

Methodology and assumptions for calculating each indicator:

Social portfolio For micro, small and medium-sized companies, we followed the guidelines of the Reference Framework (see Annex 3).

Category	Indicator	Indicator definition	Methodological Notes
MSMEs	<ul style="list-style-type: none"> Proportion of clients reporting annual sales MSMEs 	The number of MSME clients with an active pending loan who reported information on annual sales during the last two reporting periods, as a percentage of the total number of MSME clients with an active pending loan, at the end of the reporting period.	<p>Total MSME clients with annual sales information / Total MSMEs clients</p> <p>This information was generated by the Bank's Business Intelligence (BI) team, using the tools with which all data are processed.</p> <p>This indicator will be reported annually starting from the 2024 reporting period, within 180 days following the end of the calendar year.</p>
	<ul style="list-style-type: none"> Proportion of clients with the highest annual sales MSMEs 	Number of MSME clients with an active pending loan who reported information on annual sales during the last two reporting periods and who increased their annual sales during this period, as a percentage of the total number of MSME clients with an active pending loan who reported information on annual sales from the last two reporting periods, at the end of the reporting period.	<p>Total MSME clients with increased annual sales / Total MSME clients with annual sales information</p> <p>This information was generated by the Bank's Business Intelligence-BI team, through the tools with which all the data is processed.</p> <p>This indicator will be reported annually beginning in the 2024 reporting period, within 180 days of the end of the calendar year.</p>





Category	Indicator	Indicator definition	Methodological Notes
MSMEs	<ul style="list-style-type: none"> Proportion of clients reporting annual sales: MSMEs led by women 	Number of women-led MSME clients with an active outstanding loan who reported annual sales information during the last two reporting periods, as a percentage of the total number of women-led MSME clients with an active outstanding loan, at the end of the reporting period.	<p>Total MSME clients led by women with information on annual sales / Total MSME clients led by women.</p> <p>This information was generated by the Bank's Business Intelligence-BI team, through the tools with which all the data is processed.</p> <p>This indicator will be reported annually beginning in the 2024 reporting period, within 180 days of the end of the calendar year.</p>
	<ul style="list-style-type: none"> Proportion of clients with the highest annual sales: MSMEs led by women 	Number of women-led MSME clients with an active outstanding loan who reported information on annual sales during the last two reporting periods and who increased their annual sales during this period, as a percentage of the total number of women-led MSME clients with an active outstanding loan who reported information on annual sales from the last two reporting periods, at the end of the reporting period.	<p>Total MSME clients led by women with an increase in annual sales / Total MSME clients led by women with information on annual sales.</p> <p>This information was generated by the Bank's Business Intelligence-BI team, through the tools with which all the data is processed.</p> <p>This indicator will be reported annually beginning in the 2024 reporting period, within 180 days of the end of the calendar year.</p>
	<ul style="list-style-type: none"> Proportion of clients who declare annual sales: Vulnerable MSMEs 	Number of vulnerable MSME clients with an active outstanding loan who reported information on annual sales during the last two reporting periods, as a percentage of the total number of vulnerable MSME clients with an active outstanding loan, at the end of the reporting period.	<p>Total vulnerable MSME clients with annual sales information / Total vulnerable MSME clients.</p> <p>This information was generated by the Bank's Business Intelligence-BI team, through the tools with which all the data is processed.</p> <p>This indicator will be reported annually beginning in the 2024 reporting period, within 180 days of the end of the calendar year.</p>



Category	Indicator	Indicator definition	Methodological Notes ¹¹
MSMEs	<ul style="list-style-type: none"> • Proportion of clients with higher annual sales • Vulnerable MSMEs 	Number of vulnerable MSME clients with an active outstanding loan who reported information on annual sales during the last two reporting periods and who increased their annual sales during this period, as a percentage of the total number of vulnerable MSME clients with an active outstanding loan who reported information on annual sales from the last two reporting periods, at the end of the reporting period.	<p>Total vulnerable MSME clients with increased annual sales / Total vulnerable MSME clients with annual sales information</p> <p>This information was generated by the Bank's Business Intelligence-BI team, through the tools with which all the data is processed.</p> <p>This indicator will be published after 180 days of the fiscal closing.</p>
Sustainable construction	Number of green buildings financed	Total number of green buildings financed by the Financial Intermediary during the reporting period.	<p>Green building certifications:</p> <ul style="list-style-type: none"> • LEED Gold or higher levels • LEED for neighborhood development. • IFC Edge <p>See more information in the list in Annex I of the Sustainable Bond Framework.</p>
Sustainable construction	Number of green dwellings financed	Total number of green dwellings financed by the Financial Intermediary during the reporting period.	<p>Green dwellings certifications:</p> <ul style="list-style-type: none"> • LEED Gold or higher levels • LEED for neighborhood development. • IFC Edge <p>See more information in the list in Annex I of the Sustainable Bond Framework.</p>

¹¹ The reported emissions correspond to Scope 3 emissions and the GHG Protocol methodology was used for their calculation



Category	Indicator	Indicator definition	Methodological Notes
Agriculture, aquaculture and fishing	Number of projects financed <ul style="list-style-type: none"> Agriculture/Aquaculture/Fisheries 	Total number of agriculture, aquaculture and fishing projects financed by the Financial Intermediary during the reporting period.	<ul style="list-style-type: none"> IFOAM Rainforest Alliance Sustainable Agriculture Standard 2020 Proterra Florverde Flores Sustainable 25 Fair Trade Criterion for Small-Scale Producer Organizations Certificate of Agriculture: Forest Stewardship Council (FSC) Aquaculture Management Council (ASC) Marine Stewardship Council (MSC) <p>See more information in the list in Annex I of the Sustainable Bond Framework</p>
Electric Vehicles	Greenhouse Gas Emission Reduction	Total reduction in CO ₂ equivalent emissions that was reached by the electric vehicles financed by the Financial Intermediary, during the reporting period.	<ul style="list-style-type: none"> Theoretically and estimated information presented by the average kilometers traveled according to average speed information published by the District Mobility Secretariat in Bogota. The data may vary depending on the use of each vehicle. Mechanical sheet of the vehicle to verify its autonomy. Web pages to verify average fuel consumption to new vehicle (Web page link). Resolution 762 of 2023- issued by UPME. Emission factor for GHG inventories: 0.112 tonCO₂eq/MWh.
Energy efficiency	Reduction of Greenhouse Gas Emissions (GHG)	Total reduction of CO ₂ equivalent emissions achieved by energy efficiency projects financed by the Financial Intermediary, during the reported period.	<ul style="list-style-type: none"> Resolution 762 of 2023- issued by UPME. Emission factor for GHG inventories related to avoided emissions: 0.165 ton-CO₂eq/MWh. Energy savings * Emission Factor for Energy Efficiency.



Category	Indicator	Indicator definition	Methodological Notes
Energy saving	Energy saving	Total amount of energy savings resulting from projects financed by the Financial Intermediary, during the reporting period.	<ul style="list-style-type: none">• Energy consumption before the project - energy consumption after the project.
Renewable energy	Renewable energy generated	Total amount of energy generated by renewable energy projects financed by the Financial Intermediary, during the reporting period.	<ul style="list-style-type: none">• It is reported in Mwh/period, if it is found in other units, a conversion is carried out.
Renewable energy	Reduction of Greenhouse Gas Emissions (GHG)	Total reduction of CO2 equivalent emissions achieved by renewable energy projects financed by the Financial Intermediary, during the reported period.	<ul style="list-style-type: none">• Resolution 762 of 2023- issued by UPME.• Emission factor for GHG inventories: 0.154 tonCO₂eq/MWh.





Category	Indicator	Indicator definition	Methodological Notes
Circular economy	Reduced solid waste	Total value of the Financial Intermediary's outstanding loan portfolio for circular economy projects at the end of the reporting period.	Projects associated with the reduction and responsible management of materials, as well as the decrease in waste generation. These initiatives include the elimination of waste disposed of in landfills, strategies to reduce the use of single-use plastics, and the adoption of recyclable and biodegradable materials.
Circular economy	Recycled or reused waste	Total number of circular economy projects funded by the Financial Intermediary during the reporting period.	Projects associated with practices that contribute to the conservation of natural resources by avoiding the extraction of raw materials and promote the circular economy by reintegrating materials into processes, generating products with a lower environmental impact.



2.5. Independent review report

From Banco de Bogotá, we will hire an external auditing firm annually from the year following the issuance of the Sustainable Bonds and until their maturity, to prepare a report that verifies the allocation of funds from our Sustainable Bond issuance in line with the criteria and processes defined in the Reference Framework.

To view E&Y's Independent Limited Assurance Report, [click here](#).



3. Annexes



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3. Annexes

Annex 1: Alignment with the commitments established in the Funds Use Framework

Basic principles		
ICMA HFIR	Green Bond report	Assessment
Annual reports	Banco de Bogota has reported that, within one year of its issuance, 100% of the resources have been allocated. Of 100% of allocated revenue, 34% has been allocated to environmental categories. The report will be available on the Banco de Bogota website.	✓
ESG risk management	The Issuer has an internal framework of the Environmental and Social Risk Management System (SARAS) to identify, evaluate and manage potential impacts. The SARAS framework was developed under the Equator Principles, a risk management framework that determines, evaluates, and manages the environmental and social risks of funded projects.	✓



Annex 2: Definitions white list and grey list

White list

The whitelist refers to a set of categories that automatically meet the minimum criteria to be considered as eligible green projects. This category includes special sustainability projects, sustainable construction, renewable energy, energy efficiency, electric vehicles, agriculture/aquaculture/fishing, energy efficiency, and circular economy. **Total balance as of December 2023: 227,428 million COP.**

Grey list

The grey list refers to those projects that are not specifically included in the whitelist, but we still consider them as eligible projects. For these cases, it is necessary for the projects to meet certain thresholds that we have established, which are supported by professional analysis, audit, or other verified sources of information. To be considered eligible, the proposed investments must demonstrate at least a 20% improvement in energy efficiency, water efficiency, resource efficiency, reduction of greenhouse gas emissions, particulate emissions, soil conservation, or some other cases. **Total balance as of December 2023: 68,781 million COP.**

Annex 3: Sustainable Subordinated Bond Reference Framework [click here](#).

Annex 4: Eligible social portfolio by municipality-department [click here](#).

**Annex 5: Impact indicators associated with the Sustainable Subordinated Bond**

The impact indicators for the Green Portfolio and the Social Portfolio of the projects eligible for the Sustainable Subordinated Bond are:



Social Portfolio			
Indicator	Definition	Unit	Value
Total Balance – Social Portfolio	Total Value of the Loan Portfolio for Social Projects	Millions of COPs	582,863
Number of Loans – Social Portfolio	Total number of loans for social projects	#	12,920
MSMEs			
Total Balance – Micro Enterprises	Total value of the loan portfolio to microenterprises.	Millions of COPs	85,370
Number of Clients Financed – Micro-Enterprises	Number of microenterprise clients who received loans.	#	8,172
Total balance – SME	Total value of the SME loan portfolio.	Millions of COPs	314,055
Number of customers financed – SME	Number of SME customers who received loans.	#	2,073
MSMEs led by women			
Total Balance – Women-Led Micro-Enterprises	Total value of the loan portfolio to women-led microenterprises.	Millions of COPs	68,107
Number of Clients Funded – Micro-Enterprises Led by Women	Number of clients: women-led microenterprises that received loans.	#	7,500
Balance – Women-Led SMEs	Total Value of the SME Loan Portfolio Led by Women	Millions of COPs	103,885



Social Portfolio

Indicator	Definition	Unit	Value
Number of Clients Funded - Women-Led SMEs	Number of women-led SME clients receiving loans.	#	1,046
Vulnerable MSMEs			
Balance - Vulnerable Micro-Enterprises	Total value of the loan portfolio to microenterprises operating in vulnerable areas of the country.	Millions of COPs	41,947
Number of Clients Financed - Vulnerable Micro-Enterprises	Number of microenterprise clients operating in vulnerable areas of the country that received loans.	#	3,349
Balance - Vulnerable SMEs	Total value of the SME loan portfolio operating in vulnerable areas of the country.	Millions of COPs	286,281
Number of customers financed - Vulnerable SMEs	Number of SME clients operating in vulnerable areas of the country and receiving loans.	#	2,052
Affordable Housing			
Balance - Affordable Housing	Total value of the affordable housing portfolio.	Millions of COPs	183,438
Number of Homes Financed - Affordable Housing	Total number of affordable homes financed.	#	2,675
Balance - Women-Owned Affordable Housing	Total value of the women-owned affordable housing portfolio.	Millions of COPs	103,659
Number of Homes Financed - Women-Owned Affordable Housing	Total number of women-owned affordable housing financed.	#	1,466





Green Portfolio			
Indicator	Definition	Unit	Value
Total Balance – Green Wallet	Total Value of the Loan Portfolio for Green Projects	Millions of COPs	296,209
Number of Loans – Green Portfolio	Total number of loans for green projects	#	58
Sustainability Business/Special Projects			
Balance of Business/Special Sustainability Projects	Total Portfolio Value for Special Sustainability Projects	Millions of COPs	There is no portfolio for this indicator
Number of projects funded Sustainability Business/Special Projects	Total number of companies/special sustainability projects funded	#	There is no portfolio for this indicator
Green Buildings			
Balance – Green Buildings	Total Loan Portfolio Value for Certified Sustainable Building Projects	Millions of COPs	143,327
Number of sustainable buildings financed	Total number of sustainable buildings funded	#	7
Number of green dwellings financed	Total number of green dwellings financed	#	There is no portfolio for this indicator

Note 1: For more information on methodological calculations, please refer to section 2.4 Methodological Notes.

Note 2: In this report for the impact indicators of green projects, the potential impacts that would be generated by the financed projects when they are in operation for the reporting period March – December 2023 are being reported, based on theoretical information reported by the client. In accordance with the Bank’s internal processes, these indicators will be monitored annually with real information.



Green Portfolio

Indicator	Definition	Unit	Value
Renewable energy			
Balance - Renewable Energy	Total Loan Portfolio Value for Renewable Energy Projects	Millions of COPs	6,935
Number of projects funded - Renewable energy	Total number of renewable energy projects financed	#	18
Power Generated	Total amount of energy generated by financed renewable energy projects	MWh	1,396 ¹
Reducing Greenhouse Gas Emissions - Renewable Energy	Total reduction in CO ₂ equivalent emissions achieved by renewable energy projects	tons	215 ²
Energy Efficiency			
Balance - Energy Efficiency	Total Loan Portfolio Value for Energy Efficiency Projects	Millions of COPs	3,661
Number of projects funded - Energy efficiency	Total number of energy efficiency projects funded	#	3
Energy Saving	Total amount of energy savings resulting from funded projects	MWh	400 ³
Reducing Greenhouse Gas Emissions - Energy Efficiency	Total reduction of CO ₂ equivalent emissions achieved by energy efficiency projects	tons	66 ⁴

¹ Of the total renewable energy generated, 8 MWh correspond to the impacts of the projects during the period between the allocation of the loan and February 2023, given that in March 2023 they were refinanced with resources from the bond.

²) Of the total emission reduction from renewable energy generated, 1 tonCO₂ corresponds to the impacts of the projects during the period between the allocation of the loan and February 2023, given that in March 2023 they were refinanced with resources from the bond.

³ Of the total energy savings due to energy efficiency, 86 MWh correspond to the impacts of the projects during the period between the allocation of the loan and February 2023, given that in March 2023 they were refinanced with resources from the bond.

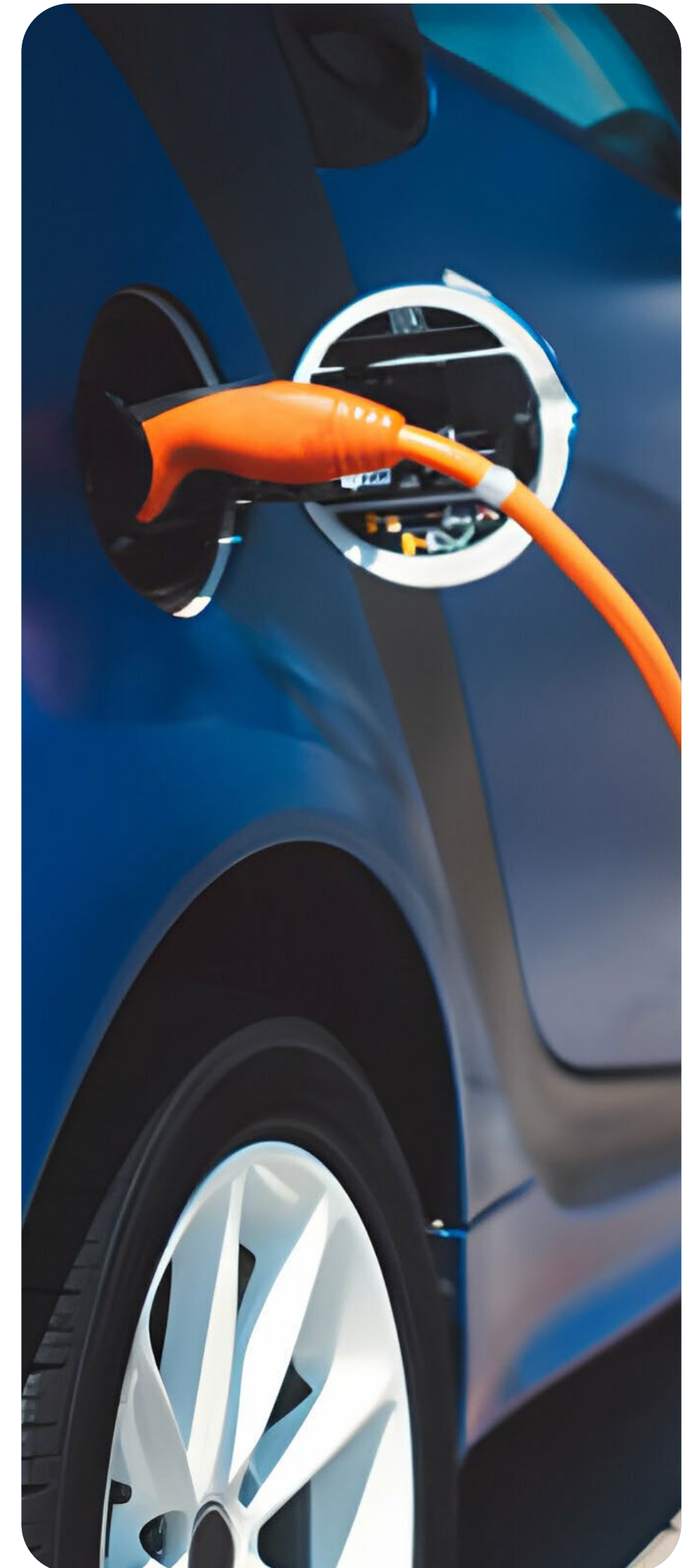
⁴ Of the total emission reductions due to energy efficiency, 14 tonCO₂ correspond to the impacts of the projects during the period between the allocation of the loan and February 2023, given that in March 2023 they were refinanced with resources from the bond.

Note 1: For more information on methodological calculations, please refer to section 2.4 Methodological Notes.

Note 2: In this report for the impact indicators of green projects, the potential impacts that would be generated by the financed projects when they are in operation for the reporting period March – December 2023 are being reported, based on theoretical information reported by the client. In accordance with the Bank's internal processes, these indicators will be monitored annually with real information.



Green Portfolio			
Indicator	Definition	Unit	Value
Sustainable Transport			
Balance - Electric Vehicles	Total Value of EV Loan Portfolio	Millions of COPs	388
Number of Electric Vehicles Funded	Total Number of Electric Vehicles Funded	#	2
Reducing Greenhouse Gas Emissions - Electric Vehicles	Total reduction in CO2 equivalent emissions achieved by electric vehicles	tons	3 ₅
Agriculture/Aquaculture/Fisheries			
Balance - Agriculture /Aquaculture/Taxation	Total value of the loan portfolio for agriculture, aquaculture or fisheries projects	Millions of COPs	57,331
Number of projects funded - Agriculture/Aquaculture/Fisheries	Total number of agriculture, aquaculture and fisheries projects funded	#	14
Water Efficiency			
Balance - Water Efficiency	Valor total de la cartera de préstamos para proyectos de eficiencia del agua	Millions of COPs	There is no portfolio for this indicator
Number of projects funded - Water efficiency	Total number of water efficiency projects funded	#	There is no portfolio for this indicator



Note 1: Of the total emission reductions from sustainable transport, 0.12 tonCO2 corresponds to the impacts of the projects during the period between the allocation of the loan and February 2023, given that in March 2023 they were refinanced with resources from the bond.

Note 2: In this report for the impact indicators of green projects, the potential impacts that would be generated by the financed projects when they are in operation for the reporting period March – December 2023 are being reported, based on theoretical information reported by the client. In accordance with the Bank's internal processes, these indicators will be monitored annually with real information.

Note 1: For more information on methodological calculations, please refer to section 2.4 Methodological Notes.



Green Portfolio			
Indicator	Definition	Unit	Value
Water Saving - Water Efficiency	Total volume of water savings resulting from funded water efficiency projects	m ³	There is no portfolio for this indicator
Treated Wastewater - Water Efficiency	Total volume of wastewater treated as a result of funded water efficiency projects	m ³	There is no portfolio for this indicator
Circular economy			
Balance - Circular Economy	Total Value of the Loan Portfolio for Circular Economy Projects	Millions of COPs	15,786
Number of projects funded - Circular Economy	Total number of circular economy projects funded	#	4
Waste Reduction - Circular Economy	Total amount of waste avoided as a result of funded projects	tons	65,394
Recycled or reused waste - Circular Economy	Total amount of waste recycled and/or reused in the production process to replace virgin materials as a result of funded projects	tons	7,858.6
Avoiding food waste - Circular Economy	Total amount of wasted food avoided by using the technology platform to market circular food products and redistribute surplus edible food for human consumption.	tons	There is no portfolio for this indicator
Water Saving - Circular Economy	Total volume of water savings resulting from financed circular economy projects	m ³	There is no portfolio for this indicator

⁶ Out of the total waste recycled or reused, 505 tons correspond to the impacts of the projects between the loan allocation and February 2023. In March 2023, these projects were refinanced with resources from the bond.

Note 1: For more information on methodological calculations, please refer to section 2.4 Methodological Notes.

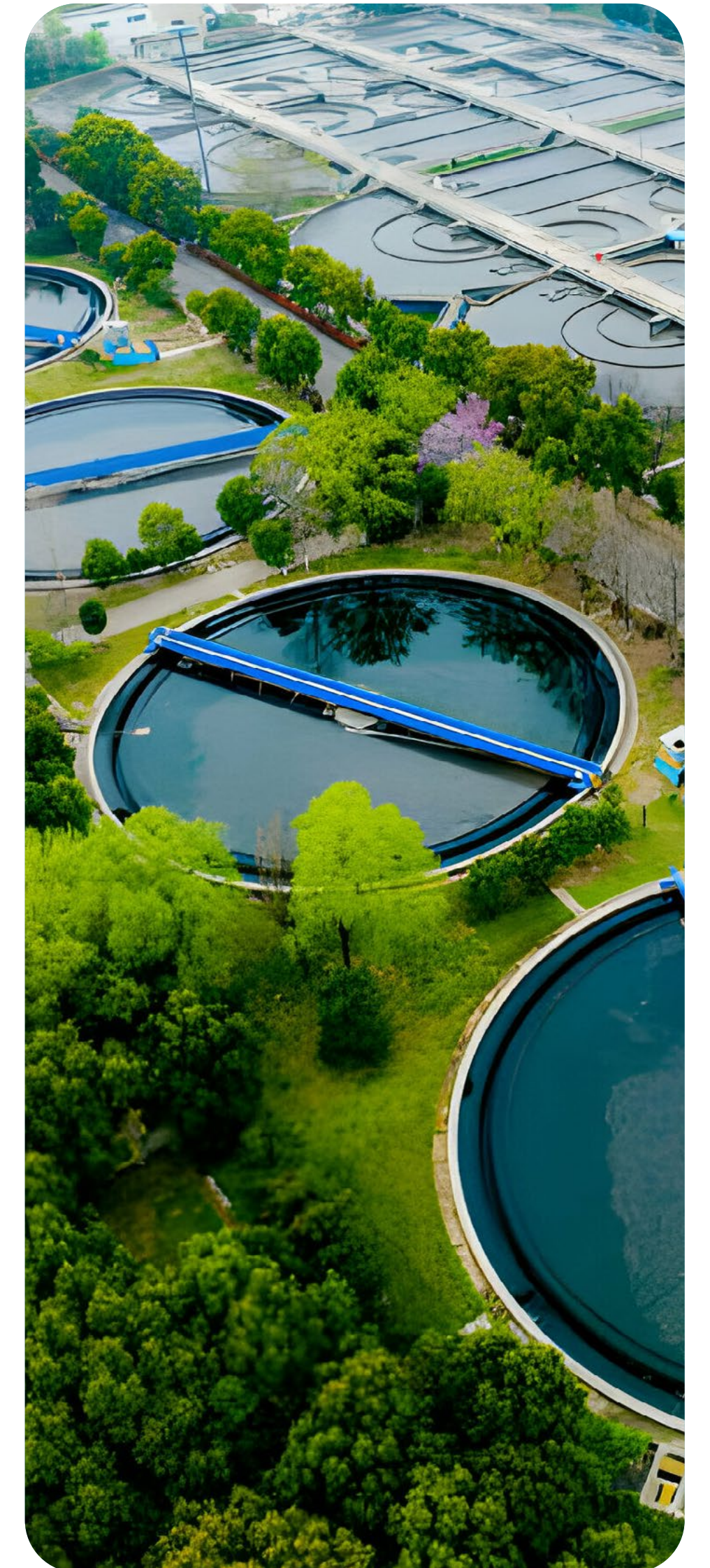
Note 2: In this report for the impact indicators of green projects, the potential impacts that would be generated by the financed projects when they are in operation for the reporting period March – December 2023 are being reported, based on theoretical information reported by the client. In accordance with the Bank's internal processes, these indicators will be monitored annually with real information.



Green Portfolio			
Indicator	Definition	Unit	Value
Treated Wastewater - Circular Economy	Total volume of wastewater treated as a result of funded circular economy projects	m ³	There is no portfolio for this indicator
Number of Smart Buildings Funded	Total number of smart buildings funded	#	There is no portfolio for this indicator
Climate Resilience			
Balance - Climate Resilience	Total value of the loan portfolio for climate resilience projects at the end of the reporting period.	Millions of COPs	There is no portfolio for this indicator
Number of projects funded - Climate Resilience	Total number of climate resilience projects funded	#	There is no portfolio for this indicator
Grey List			
Balance - Grey list	Total Loan Portfolio Value for Grey List Projects	Millions of COPs	68,781
Number of projects funded - Grey list	Total number of grey-list projects funded	#	10

Note 1: For more information on methodological calculations, please refer to section 2.4 Methodological Notes.

Note 2: In this report for the impact indicators of green projects, the potential impacts that would be generated by the financed projects when they are in operation for the reporting period March – December 2023 are being reported, based on theoretical information reported by the client. In accordance with the Bank's internal processes, these indicators will be monitored annually with real information.



**Annex 6: Impact indicators grey list for green portfolio associated with the Sustainable Subordinated Bond**

Below are the grey list impact indicators for the green portfolio marked with resources from the issuance of the Sustainable Subordinated Bond.

Green Portfolio			
Indicator	Definition	Unit	Value
Energy Efficiency			
Energy Saving	Cantidad total de ahorro de energía resultante de los proyectos financiados en el periodo de reporte	MWh	358,957
Reducing Greenhouse Gas Emissions - Energy Efficiency	Total reduction in CO ₂ equivalent emissions achieved by energy efficiency projects in the reporting period	tons	59,228
Percentage reduction of emissions	Average percentage of total reduction in CO ₂ equivalent emissions achieved by energy efficiency projects in the reporting period	%	39
Sustainable Transport			
Reducing Greenhouse Gas Emissions - Electric Vehicles	Total reduction in CO ₂ equivalent emissions achieved by sustainable transport in the reporting period	tons	171
Percentage reduction of emissions	Average percentage of total reduction in CO ₂ equivalent emissions achieved by sustainable transport in the reporting period	%	44
Circular economy			
Water Saving - Circular Economy	Total volume of water savings resulting from circular economy projects funded in the reporting period	m ³	18,041
Percentage of water efficiency	Average percentage of efficiency resulting from projects funded in the reporting period	%	45

Note 1: For more information on methodological calculations, please refer to section 2.4 Methodological Notes.

Note 2: In this report for the impact indicators of green projects, the potential impacts that would be generated by the financed projects when they are in operation during the reporting period March – December 2023 are being reported, based on theoretical information reported by the client. In accordance with the Bank's internal processes, these indicators will be monitored annually with real information.