

Banco GNB Sudameris S. A. and Subsidiaries

Consolidated Statements of Financial Position

At December 31, 2021 and 2020

(Stated in millions of COP)

ASSETS	Note	December 31, 2021	December 31, 2020	LIABILITIES AND EQUITY	Note	December 31, 2021	December 31, 2020
				LIABILITIES			
CASH AND CASH EQUIVALENTS	(Note 9)	17.433.825	12.883.345	FINANCIAL LIABILITIES AT FAIR VALUE	(Note 10)	13.408	39.809
FINANCIAL ASSETS AT FAIR VALUE				Derivatives			
Debt securities	(Note 10)	9.119.130	8.314.386	FINANCIAL LIABILITIES AT AMORTIZED COST			
Equity instruments	(Note 10)	111.618	108.059	Customer deposits			
Total securities		9.230.748	8.422.445	Checking accounts	(Note 19)	4.959.387	2.669.273
Derivatives	(Note 10)	12.740	14.519	Savings accounts	(Note 19)	19.516.365	15.238.879
Total financial assets at fair value		9.243.488	8.436.964	Term Deposits	(Note 19)	10.442.505	9.080.172
AT AMORTIZED COST				Financial Obligations			
Debt securities at amortized cost, net	(Note 10)	1.487.899	1.206.918	Short-term financial obligations	(Note 20)	8.471.482	5.726.094
		1.487.899	1.206.918	Obligations with rediscount entities and foreign banks	(Note 20)	1.783.386	2.421.570
Loans portfolio				Total debt		10.254.868	8.147.664
Commercial	(Note 11)	14.315.397	8.599.176	Long-term financial obligations	(Note 20)	4.010.359	2.342.942
Consumer	(Note 11)	7.521.217	6.703.122	Total financial liabilities		14.265.227	10.490.606
Mortgage	(Note 11)	943.050	875.431	LEASE LIABILITIES	(Note 14)	87.539	103.436
Impairment allowance	(Note 11)	(737.334)	(605.829)	EMPLOYEE BENEFITS	(Note 21)	59.740	53.452
Total loan portfolio, net		22.042.330	15.571.900	PROVISIONS			
Other accounts receivable, net	(Note 12)	316.866	459.903	For legal contingencies	(Note 22)	14.523	9.408
Total financial assets at amortized cost		23.847.095	17.238.721	Other provisions	(Note 22)	53.721	60.456
NON-CURRENT ASSETS HELD FOR SALE, NET	(Note 13)	173.616	77.543	INCOME TAX LIABILITY			
INCOME TAX ASSETS				Current	(Note 17)	-	1
Current	(Note 17)	387.530	308.487	Deferred	(Note 23)	-	-
Deferred (Peru and Paraguay)	(Note 23)	129.562	50.422	OTHER LIABILITIES	(Note 24)	473.420	480.571
TANGIBLE ASSETS, NET				TOTAL LIABILITIES		49.885.835	38.226.063
Investment properties	(Note 15)	213.489	155.823	EQUITY			
Own property and equipment	(Note 14)	900.433	836.256	Controlling interests			
Right-of-use property and equipment, net of depreciation	(Note 14)	79.281	96.346	Subscribed and paid-in capital	(Note 25)	74.966	74.966
Total tangible assets		1.193.203	1.088.425	Share premium		1.020.886	803.117
INTANGIBLE ASSETS, NET				Retained earnings		1.611.873	1.553.962
Goodwill	(Note 16)	584.514	354.781	Reserves	(Note 25)	1.533.044	1.468.058
Other intangible assets		30.772	25.222	Net income for the year		188.222	181.972
Total intangible assets		615.286	380.003	Income from prior years		(109.393)	(96.068)
OTHER ASSETS	(Note 18)	376.476	235.025	Other comprehensive income		186.494	(7.294)
TOTAL ASSETS		53.400.081	40.698.935	Total equity of controlling interests		2.894.219	2.424.751
				Non-controlling interests		620.027	48.121
				TOTAL EQUITY		3.514.246	2.472.872
				TOTAL LIABILITIES AND EQUITY		53.400.081	40.698.935

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Registered Agent

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(See my report attached hereto)

Banco GNB Sudameris S. A. and Subsidiaries
Consolidated Statements of Income
For the years ended December 31, 2021 and 2020
(Stated in millions of COP, except for net profit per share)

	December 31, 2021	December 31, 2020
Interest income from financial assets at amortized cost		
Loan portfolio interest	1.853.511	1.715.108
Interest on debt securities at amortized cost	9.020	12.346
Other interest	129.807	130.633
Total interest income	1.992.338	1.858.087
Interest expense on deposits financing financial assets at amortized cost		
Deposits		
Checking accounts	31.783	33.838
Term deposit	288.234	371.449
Savings deposits	383.957	427.747
Total interest expense on deposits	703.974	833.034
Expense for financial obligations and other interest		
Short-term financial obligations	486	1.235
Long-term financial obligations	69.030	81.544
Bonds and investment securities	252.784	173.655
Obligations with rediscount entities	31.450	47.302
Interest on lease liabilities	6.902	7.857
Total interest expenses	1.064.626	1.144.627
Net interest income from financial assets at amortized cost	927.712	713.460
Impairment loss on financial assets at amortized cost		
Loan portfolio and interest receivable	864.831	793.095
Assets received as payment and repossessions	657	8.914
Impairment loss on investments	58	59
Recovered loans and receivables	428.413	390.736
Net interest after impairment losses on financial assets	490.579	302.128
Commissions and fees		
Commission and fee income	(Note 26) 337.109	240.722
Commission and fee expenses	(Note 26) 135.236	98.048
Net fee and commission income	201.873	142.674
Valuation of financial assets at fair value		
Income from valuation of debt securities at fair value	164.908	262.808
Income from valuation of equity instruments at fair value	(1.701)	(7.891)
Expense from valuation of derivatives	(96.059)	(67.449)
Income from valuation of financial assets at fair value	67.148	187.468
Net interest and valuation income	759.600	632.270
Other income		
Sale of investments	(Note 27) 7.982	7.089
Dividends	(Note 27) 1.940	1.646
Exchange difference, net	(Note 27) 148.685	74.309
Industrial and service income - Hotels	(Note 27) 16.195	8.794
Others	(Note 27) 161.557	194.712
Total other income	336.359	286.550
Other expenses		
Personnel expenses	(Note 28) 309.496	247.122
Loss on sale of investments	(Note 28) 11.748	12.645
General administrative expenses	(Note 28) 252.966	195.827
Depreciation expenses	(Note 28) 26.795	17.006
Depreciation of right-of-use	(Note 28) 26.682	26.389
Amortization expenses	(Note 28) 5.381	6.726
Service costs - Hotels	(Note 28) 10.799	8.593
Others	(Note 28) 189.039	164.031
Total other expenses	832.906	678.339
Profit before income taxes	263.053	240.481
Income tax	(Note 17) 14.322	55.017
NET INCOME FOR THE YEAR	248.731	185.464
Profit from continuing operations attributable to:		
Controlling interests	188.222	181.972
Non-controlling interests	60.509	3.492
	248.731	185.464
Net profit per share of controlling stockholders (in COP)	1.004	971

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Banco GNB Sudameris S. A. and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
For the years ended December 31, 2021 and 2020
(Stated in millions of COP)

	<u>Retained earnings</u>									
	<u>Share Capital</u>	<u>Share premium</u>	<u>Reserves</u>	<u>Net income for the year</u>	<u>Accumulated Deficit</u>	<u>Retained Earnings</u>	<u>Other Comprehensive Income</u>	<u>Total controlling interests</u>	<u>Non-controlling Interests</u>	<u>Equity</u>
Balance at December 31, 2019	71.270	638.355	1.313.810	267.457	(122.998)	1.458.269	109.989	2.277.883	47.102	2.324.985
Transfer to accumulated earnings	-	-	-	(267.457)	267.457	-	-	-	-	-
Appropriation from profits to increase reserve	-	-	154.248	-	(154.248)	-	-	-	-	-
Net movement in other comprehensive income	-	-	-	-	42.890	42.890	(117.283)	(74.393)	-	(74.393)
Payment of dividends	-	-	-	-	(122.805)	(122.805)	-	(122.805)	-	(122.805)
Derecognition in OSFP of ordinary bonds	-	-	-	-	(6.364)	(6.364)	-	(6.364)	-	(6.364)
Capital increase	3.696	164.762	-	-	-	-	-	168.458	-	168.458
Non-controlling interests	-	-	-	-	-	-	-	-	(2.473)	(2.473)
Net income for the year	-	-	-	181.972	-	181.972	-	181.972	3.492	185.464
Balance at December 31, 2020	<u>74.966</u>	<u>803.117</u>	<u>1.468.058</u>	<u>181.972</u>	<u>(96.068)</u>	<u>1.553.962</u>	<u>(7.294)</u>	<u>2.424.751</u>	<u>48.121</u>	<u>2.472.872</u>
Transfer to accumulated earnings	-	-	-	(181.972)	181.972	-	-	-	-	-
Appropriation of profit to increase reserve	-	-	98.182	-	(98.182)	-	-	-	-	-
Net movement in other comprehensive income	-	-	-	-	-	-	377.395	377.395	-	377.395
Payment of dividends	-	-	-	-	(70.447)	(70.447)	-	(70.447)	-	(70.447)
Sale of equity interest in affiliate	-	(102.520)	(33.196)	-	(24.671)	(57.867)	(183.607)	(343.994)	-	(343.994)
Adjustment to employee benefits	-	-	-	-	(1.997)	(1.997)	-	(1.997)	-	(1.997)
Capital increase	-	320.289	-	-	-	-	-	320.289	-	320.289
Non-controlling interests	-	-	-	-	-	-	-	-	511.397	511.397
Net income for the year	-	-	-	188.222	-	188.222	-	188.222	60.509	248.731
Balance at December 31, 2021	<u>74.966</u>	<u>1.020.886</u>	<u>1.533.044</u>	<u>188.222</u>	<u>(109.393)</u>	<u>1.611.873</u>	<u>186.494</u>	<u>2.894.219</u>	<u>620.027</u>	<u>3.514.246</u>

See the notes, which are an integral part of the consolidated financial statements.

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Banco GNB Sudameris S. A. and Subsidiaries
Consolidated Statement of Other Comprehensive Income
For the years ended December 31, 2021 and 2020
(Stated in millions of COP)

	December 31, 2021	December 31, 2020
NET INCOME FOR THE PERIOD	<u>248.731</u>	<u>185.464</u>
Components of other comprehensive income net of taxes		
Items that may be subsequently reclassified to income		
Translation of investment in foreign subsidiaries	246.618	(77.790)
Exchange difference in the hedge of long-term financial liabilities (Note 10)	(294.481)	(36.430)
Differences between the provision and impairment recorded in the calculation of the separate and consolidated financial statements	182.785	(75.539)
Deferred income tax (Note 23)	51.688	45.530
	<u>186.610</u>	<u>(144.229)</u>
Items that will not be reclassified to income		
Revaluation of assets (Note 14)	7.598	46.385
Gain (Loss) on employee benefit plans (Note 21)	4.604	(2.533)
Deferred tax on items that will not be reclassified to income (Note 23)	(5.024)	(16.906)
Total other comprehensive income for the period, net of taxes	<u>193.788</u>	<u>(117.283)</u>
Total other comprehensive income for the period	<u>442.519</u>	<u>68.181</u>

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Revisor Fiscal
Designado por PwC Contadores y Auditores S. A. S.
(Véase mi informe adjunto)

Banco GNB Sudameris S. A. and Subsidiaries

Consolidated Statement of Cash Flow

For the years ended December 31, 2021 and 2020

(Stated in millions of COP)

	December 31, 2021	December 31, 2020
Cash flows from operating activities:		
Fiscal year profit	248.731	185.464
Reconciliation between income for the period and net cash provided by operating activities:		
Income tax	14.322	55.017
Depreciation of property and equipment	53.477	43.395
Amortization of intangible assets	5.381	6.726
Impairment of financial assets	864.831	793.095
Recovery of losses on financial assets	(428.413)	(390.736)
Loss on valuation of trading derivatives	96.024	67.449
Gain on valuation of debt securities at amortized cost	(9.020)	(12.346)
Gain on valuation of investments at fair value	(163.207)	(254.917)
Gain (Loss) on sale of investments	3.766	5.556
Impairment of investments	58	59
(Gain) Loss on sale of property and equipment	(518)	(1.837)
Interest income from loan portfolio	(1.853.511)	(1.715.108)
Interest expense	1.064.592	1.144.626
Currency exchange differences	324.502	45.707
Properties restituted and received as payment	657	8.914
Loss on early termination of lease agreements	(645)	4.883
Changes in operating assets and liabilities:		
(Increase) Decrease in loan portfolio	(1.275.457)	507.790
Decrease (Increase) in other accounts receivable	148.346	(258.626)
Increase in customer deposits	1.124.121	2.134.791
Increase in other assets	(114.418)	(113.887)
(Decrease) increase in other liabilities	(253.914)	44.084
Decrease in provisions	(107.571)	(61.417)
Increase in employee benefit plans	8.844	(5.416)
Increase in short-term obligations	2.294.835	1.709.283
Principal payments of short-term obligations	(29.685)	(2.234.383)
Increase in obligations with development entities	13.398	242.036
Principal payments on loans with development entities	(951.084)	(241.470)
Net variation in non-current assets held for sale	-	(33.830)
Net variation in deferred and current taxes	(51.258)	(4.547)
Net movement of derivative transactions	(148.553)	(73.786)
Interest received	1.817.299	1.698.396
Interest paid	(102.032)	(141.007)
Income tax paid	(20.391)	(35.762)
Variation in investments - Debt securities at fair value	(430.083)	(1.800.829)
Variation in investments - Equity securities	392.828	(97.591)
Net cash provided by (used in) operating activities	2.536.252	1.219.776
Cash flows from investment activities:		
Variation in investments in debt securities at amortized cost	(254.144)	(352.174)
Acquisition of property and equipment	(17.675)	(11.435)
Proceeds from sale of property and equipment	-	2.902
Acquisition of investments in subsidiaries	965.293	-
Acquisition of intangible assets	(22.061)	(7.497)
Variation in investment properties	-	10.109
Net cash provided by (used in) investment activities	671.413	(358.095)
Cash flows from financing activities:		
Long-term financial debt	1.289.954	-
Interest paid on long-term debt	(297.362)	(174.319)
Dividends paid	(70.447)	(122.805)
Cash capitalization	320.289	168.458
Lease payments	(24.870)	(28.894)
Non-controlling interests	167.404	(2.472)
Net cash provided by (used in) financing activities	1.384.968	(160.032)
Effect of exchange rate fluctuations on cash and cash equivalents	(42.153)	72.328
Net increase in cash and cash equivalents	4.550.480	773.977
Cash and cash equivalents at beginning of period	12.883.345	12.109.368
Cash and cash equivalents at end of period	17.433.825	12.883.345

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