NOTE 1. REPORTING ENTITY

Banco GNB Sudameris ("the Bank"), as an entity that forms part of a financial group of companies that includes the domestic subsidiaries Servitrust GNB Sudameris S.A., Servivalores GNB Sudameris S.A. Comisionista de Bolsa, Servibanca S.A., Corporación Financiera GNB Sudameris S.A. consolidated, Servitotal GNB Sudameris; the international subsidiaries Banco GNB Perú and Banco GNB Paraguay, in addition to the Private Capital Funds included in the consolidation named Fondo de Capital Privado Inmobiliario Servivalores GNB Sudameris and Fondo de Capital Privado Inmobiliario Servitrust GNB Sudameris, reports the Consolidated Financial Statements detailed below:

Banco GNB Sudameris S. A. is a private corporation, incorporated by Public Instrument No. 8067/December 10, 1976 issued by the Notary Office Five of Bogotá, D.C., with a duration established in the Bylaws up to January 1, 2076, which may be dissolved or extended before that date. The corporate purpose of the Bank is to enter into and execute all transactions, acts and contracts typical of banking establishments, subject to the legal provisions in force in Colombia.

By Resolution No. 3140/September 24, 1993, the Financial Superintendence of Colombia ("the Superintendence") renewed its operating license definitively.

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The Bank's parent company is Gilex Holding S.A., a company whose registered office is in Panama.

The Consolidated Financial Statements and accompanying notes were authorized for issuance on February 27, 2025 by the Board of Directors and the Registered Agent to be presented to the General Meeting of Shareholders for approval, which may approve or modify them.

Servivalores GNB Sudameris S.A. Comisionista de Bolsa is a commercial company incorporated according to Public Instrument No. 0767/March 14, 2003, issued by the Notary Office 11 of Bogotá. Its main corporate purpose is to engage in securities brokerage contracts to purchase and sell securities listed in the Colombian Securities Exchange, according to authorization granted by Resolution No. 0133/March 11, 2003, of the Financial Superintendence of Colombia. It may also carry out transactions on its own account, manage securities for its commissioning parties, act as intermediary in the placement of securities, and finance the acquisition of securities, among others.

- **Fondo de Capital Privado Inmobiliario Servitrust GNB Sudameris,** managed by Servitrust GNB Sudameris S. A., began operating on July 21, 2021. The incorporation of this type of entity does not require authorization from the Financial Superintendence of Colombia. The purpose of the fund is to invest its resources in Real Estate Assets, seeking the formation of a diversified portfolio that provides investors with access to the real estate market in Colombia, allowing them to achieve better profitability compared to similar operations.

Servitrust GNB Sudameris S.A. is a financial services company, incorporated by Public Instrument No. 3873/July 10, 1992 issued by Notary Office 18 of the Circle of Bogotá, D.C. Its corporate purpose is the performance and execution of all acts, contracts, services and transactions typical of the financial services of trust management companies, subject to the powers, requirements, restrictions and limitations imposed by Colombian law.

Sociedad al Servicio de la Tecnología y Sistematización Bancaria Tecnibanca S. A. (Servibanca S. A.) is a Colombian corporation incorporated by Public Instrument 1945/August 22, 1997 issued by the 16th Notary of Bogotá, whose corporate purpose is the automation and modernization of banking and financial services, as well as operations of supply, dispensing, payment and clearing of cash.

Servitotal GNB Sudameris S. A. is a commercial company incorporated by Public Instrument No. 7177/December 26, 2011 issued by the Notary Office 13 of Bogotá D.C. Its corporate purpose is the performance of activities of technical and administrative services companies such as data processing, including the definition, analysis, design, construction, configuration, certification, testing, implementation, support and maintenance of software and hardware for communications and information technologies.

Corporación Financiera GNB Sudameris S.A. is a commercial company incorporated by Public Instrument 6428/September 26, 2017 issued by the Notary Office 13 of Bogotá D.C. and its corporate purpose is the performance and execution of all operations, acts and contracts typical of financial corporations, subject to the legal provisions governing this matter in Colombia. On December 31, 2024, the Corporation has five (5) subsidiaries, which are:

- **Charleston Hotels Group S.A.S.** is a commercial company, registered on February 27, 2019 under number 02429168 of Book IX. The entity's corporate purpose is the operation of and investment in hotels and in general in tourism projects, in the country or abroad, in which it can acquire real estate and personal property to carry out its activity. According to the listing in the Chamber of Commerce on May 17, 2019 under number 02466930 of Book IX, this company absorbed through a merger the foreign company CHARLESTON HOTELS GROUP INC. which was dissolved without liquidation, leaving the new company as owner of the Charleston Bogotá and Casa Medina Hotels operated by the Four Seasons chain; the investment of the Corporation in Panama was canceled and the investment in Colombia remains. This entity has the following subsidiary: Hoteles Charleston Bogotá S.A.S., which is a company based in Colombia that operates two hotels in Bogotá.

- **Namen Finance Limited**, identified with No. 1995253, with domicile at the British Virgin Islands, and is 97%-owned by the Corporation. It may engage in any legal business or activity, including trading in goods or commodities, and it may execute any act or participate in any transaction. There are no limitations on the business the company can conduct. This entity has the following subsidiary: LGDB LLC, of which it owns 100%, is a company registered in the United States that develops real estate businesses.

- **Manforce Overseas Limited**, identified with No. 1995256, with domicile at the British Virgin Islands, and is 95%-owned by the Corporation. It may engage in any legal business or activity, including trading in goods or commodities, and it may execute any act or participate in any transaction. There are no limitations on the business the company can conduct. This entity has the following subsidiary: JGK HOLDING LLC, of which it owns 100%, is a company registered in the United States that develops real estate businesses.

- **Inversiones GNB Comunicaciones S.A.S.** is a commercial company, registered on March 26, 2019 under number 02439415 of Book IX. Its main corporate purpose is the investment in any means of communication or broadcasting, public or private, known or to be known, including but not limited to radio broadcasting, TV, press, magazines, journals, written supplements, outdoor advertising, billboards and Internet.

- **GNB Holding S.A.S.** is a commercial company, registered on October 21, 2019 under number 02517132 of Book IX. Its main corporate purpose is the creation and capitalization of commercial companies of any kind, the purchase and sale, investment, management and trading of shares, bonds, securities, the execution of any act or contract involving real estate or personal property, as well as the acquisition, disposal, management and investment in real estate, personal property, real estate projects or in companies that develop real estate projects.

Fondo de Capital Privado Inmobiliario Servivalores GNB Sudameris, managed by Servivalores GNB Sudameris S. A. Comisionista de Bolsa, began operating on May 9, 2018. The purpose of the fund is to invest its resources in Real Estate Assets, seeking the formation of a diversified portfolio that provides investors with access to the real estate market in Colombia, allowing them to achieve better profitability compared to similar operations. The backing of the Contributions is recorded in the Real Estate Assets that are part of the portfolio, where the profitability sought is originated by the management and/or administration activities and the variations in the prices of those Real Estate Assets.

(Stated in millions of COP,
except exchange rates and nominal share prices)

Subsidiaries abroad

The Financial Superintendence of Colombia, through communication dated July 8, 2013, authorized Banco GNB Sudameris S. A., the Parent Company, to acquire the shares of HSBC Bank Perú S. A. and HSBC Bank Paraguay S. A. Also, the Superintendency of Banking, Insurance and Private Pension Administrators (hereinafter the SBS) of the Republic of Peru through SBS Resolution No. 5378-2013/September 6, 2013 and the Central Bank of Paraguay by Resolution 19 of Minute 74/October 24, 2013 and clarified by SB.SG. Note No. 01484/2013/November 7, 2013, authorized the acquisition of the shares of HSBC Bank Peru S. A. and HSBC Bank Paraguay S. A., respectively.

Banco GNB Peru S. A.

Banco GNB Perú S. A. is a financial institution incorporated under the laws of the Republic of Peru by means of Public Instrument under Kardex No. 53960/May 2, 2006, authorized by Notary Public Eduardo Laos de Lama, registered under Entry No. 11877589 of the Registry of Legal Entities of the Public Registries of Lima. The Bank was authorized to operate as a multiple bank by SBS Resolution No. 1256-2006, issued on September 28, 2006 and published on October 4, 2006.

The Bank's registered office is at Calle Begonias No. 415, 25-26th floor, Urbanización Jardín, District of San Isidro, province and department of Lima. To carry out its activities, on December 31, 2024, the Bank operates through a Main Office and 10 branch offices located in Lima and the provinces. On December 31, 2023, the Bank had 11 branch offices located in Lima and its provinces.

Banco GNB Paraguay S. A.

Banco GNB Paraguay S. A. is a Paraguayan private corporation, which began operating in 1920 as the first International Bank, a branch of Bank of London y Rio de la Plata. In 1985, the bank changed its name to Lloyds Bank Paraguay Branch and later in 2000 to Lloyds TSB Bank Paraguay Branch. In May 2007, the Bank was acquired by the HSBC group, changing its name to HSBC Bank Paraguay S. A.

By Resolution No. 19, Minutes No. 74/October 24, 2013, the Central Bank of Paraguay authorized the change of the business name of HSBC Bank Paraguay S. A. to Banco GNB Paraguay S. A. Said change was agreed in Minutes 12 of the Extraordinary Meeting of Shareholders held on November 29, 2013.

To carry out its activities, on December 31, 2024, the Bank operates through one (1) Main Office and twenty (20) branch offices located in Asunción and the Departments. On December 31, 2023, the Bank had the same number of offices.

In 2021, capitalizations were made in Banco GNB Paraguay for the amount of USD 57 million.

The following is the total number of employees per subsidiary:

December 31, 2024

Type of Contract	Bank	Servitrust	Servibanca	Servivalores	Corporation	Peru	Paraguay	Total
Permanent	1,349	64	71	9	5	587	571	2,656
Total	**1,349**	**64**	**71**	**9**	**5**	**587**	**571**	**2,656**

(Stated in millions of COP,
except exchange rates and nominal share prices)

December 31, 2023

Type of Contract	Bank	Servitrust	Servibanca	Servivalores	Corporation	Peru	Paraguay	Total
Permanent	1,368	63	73	9	4	538	552	2,607
Total	**1,368**	**63**	**73**	**9**	**4**	**538**	**552**	**2,607**

Regarding the foreign entities, there are no restrictions on the transfer of dividends to Colombia.

On December 31, 2024 and 2023, the assets, liabilities, equity and income of the Bank and the Subsidiaries and the Bank's interest therein were as follows:

December 2024	Shareholding	Assets	Liabilities	Equity
Banco GNB Sudameris		36,532,033	33,460,728	3,071,305
Servitrust S. A.	94.99%	61,342	7,531	53,811
Servibanca S. A.	93.95%	375,185	83,499	291,686
Servivalores S. A.	94.99%	63,654	18,941	44,713
Servitotal	94.80%	561	2	559
Corporación Financiera	94.99%	2,132,537	62,378	2,070,159
Fondo Inmobiliario	100.00%	826,313	83,283	743,030
Banco GNB Paraguay (1)	55.98%	13,863,391	11,811,154	2,052,237
Banco GNB Perú	99.99%	6,910,460	5,770,701	1,139,759
Eliminations		(5,464,955)	(284,845)	(5,180,109)
Consolidated		**55,300,521**	**51,013,372**	**4,287,149**

December 2023	Shareholding	Assets	Liabilities	Equity
Banco GNB Sudameris		37,579,307	34,687,698	2,891,609
Servitrust S. A.	94.99%	67,567	10,351	57,216
Servibanca S. A.	93.95%	363,412	85,457	277,955
Servivalores S. A.	94.99%	66,512	19,987	46,525
Servitotal	94.80%	560	3	557
Corporación Financiera	94.99%	1,272,997	162,809	1,110,188
Fondo Inmobiliario	100%	682,115	6,655	675,460
Banco GNB Paraguay (2)	55.98%	11,530,215	9,737,802	1,792,413
Banco GNB Perú	99.99%	5,674,177	4,697,349	976,828
Eliminations		(4,246,240)	(234,961)	(4,011,279)
Consolidated		**52,990,622**	**49,173,150**	**3,817,472**

(1) The General Meeting of Banco GNB Paraguay S.A held on December 27, 2024, declared dividends payable to Banco GNB Sudameris for a net amount of PYG 146,369 million.

(2) In early April 2023, the Bank signed with Grupo Vierci (company FVD Paraguay S.A.), current minority shareholders of its subsidiary Banco GNB Paraguay S.A., an agreement to sell, in the amount of USD 66 million, an additional 12% stake in the shareholdings in the subsidiary, which does not imply loss of control over the subsidiary, while Grupo Vierci would increase its shareholdings to 44%. The gain from this transaction totaled USD 10.4 million. Response to the notice of the Central Bank of Paraguay is pending to legalize the transfer of the shares.

NOTE 2. - BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

a. Statement of Compliance

The attached Consolidated Financial Statements of the Bank and its Subsidiaries have been prepared in accordance with the Generally Accepted Accounting and Financial Reporting Standards of Colombia, issued by the national government for the preparation of consolidated financial statements of financial entities.

In accordance with Colombian law, the Bank and its subsidiaries are required to prepare separate and consolidated financial statements. The separate financial statements are considered the basic financial statements considering that, among other factors, they are the basis for declaring dividends, filing and paying income taxes, decision-making by the Board of Directors, etc., whereas the consolidated financial statements are presented solely for information purposes.

Presentation of the financial statements

The following comments apply to the presentation of the attached Consolidated Financial Statements:

- The statement of financial position presents assets and liabilities on the basis of their liquidity, as it provides relevant and reliable information, in accordance with the International Accounting Standard (IAS 1) "Presentation of Financial Statements".

- The consolidated statement of income and other comprehensive income are presented separately in two statements as permitted by IAS 1 “Presentation of Financial Statements”. Also, the consolidated statement of income is presented according to its nature as it provides reliable and relevant information.

- The consolidated statement of cash flows is presented using the indirect method, in which net cash flows from operating activities are determined by adjusting net income before taxes, changes due to the effects of items that do not generate cash flows, net changes in assets and liabilities derived from operating activities and for any other items whose effects are derived from operating activities and for any other items whose effects are from investing or financing activities. Income and expenses received and paid due to interest are part of the operating activities.

- The statement of changes in equity of the reported period reflects the increase or reduction of net assets. Except for changes arising from transactions with owners (dividend payments, capitalizations, etc.) and their associated costs. The change in equity during the period represents the total amounts of income and expenses, including any gains or losses arising from the Bank’s activities.

b. Consolidation of controlled entities

In accordance with International Financial Reporting Standard (IFRS 10), the Bank prepares Consolidated Financial Statements with entities over which it has control. The Bank has control over another entity if, and only if, it meets the following conditions:

- Power over the controlled entity that provides the Bank with the present ability to direct its relevant activities that affect its returns.

- Exposure or entitlement to variable returns from Its interest as a controlled entity.

- Ability to use its power over the controlled entity to influence the amounts of the investor's returns.

In the consolidation process, the Bank and its subsidiaries combine the assets, liabilities and income of the entities over which they have control, after standardizing their accounting policies and translating the figures of the controlled entities abroad into Colombian pesos. In this process, reciprocal transactions and profits made between them are eliminated. The share of non-controlling interests in the equity of subsidiaries is presented in consolidated equity separately from the equity of controlling interests.

Regarding the financial statements of the subsidiaries abroad, for the consolidation process, their financial statements are translated from foreign currency to Colombian pesos at the closing exchange rate, in the case of assets and liabilities; at the average exchange rate for the year, for the statement of income; and at the historical exchange rate for equity accounts. The net adjustment resulting from the translation process is included in equity as "Translation adjustments on foreign subsidiaries' financial statements" under the "other comprehensive income" (OCI) account.

c. Functional and presentation currency

The functional currency of the Bank and its Subsidiaries has been determined by taking into account the definition of functional currency for reporting purposes, considering that its transactions are mainly related to lending activities. The main activities of the Bank and its Subsidiaries consist of granting loans to customers in Colombia, investing in securities issued by the Republic of Colombia or by national entities, whether or not registered in the National Registry of Securities and Issuers (RNVE, for the Spanish original) in Colombian pesos; and to a lesser extent, granting loans to Colombian residents in foreign currency and investing in securities issued by foreign banking entities, securities issued by foreign companies in the real sector whose shares are listed in one or more internationally recognized stock exchanges, and bonds issued by multilateral credit entities, foreign governments or public entities. These loans and investments are financed mainly by customer deposits and financial obligations in Colombia, also in Colombian pesos. The performance of the bank and its subsidiaries in Colombia is measured and reported to their shareholders and the general public in Colombian pesos. As a result, Management of the Bank and its Subsidiaries defined the Colombian Peso as the currency that most closely represents the economic effects of underlying transactions, events and conditions of the Bank and its Subsidiaries. Therefore, the functional and presentation currency defined for the presentation of the Consolidated Financial Statements is also the Colombian peso. Foreign subsidiaries have different functional currencies.

d. Transactions in foreign currency

Transactions in foreign currency are translated into the functional currency using the prevailing exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the prevailing exchange rate at the reporting date of the consolidated statement of financial position. Non-monetary assets and liabilities denominated in foreign currencies carried in terms of historical cost are measured using the exchange rate at the transaction date. Financial instruments measured at fair value are translated using the exchange rate at the date on which the fair value was determined. Profits or losses resulting from the transfer process are included in the consolidated statement of income.

Unless the financial liabilities serve as a hedging instrument for an investment in foreign operations, in which case they are recorded in equity in the Other Comprehensive Income account.

As of December 31, 2024 and 2023, the representative market rates calculated and certified by the Financial Superintendence were (in pesos): COP 4,409.15 (pesos) per USD 1.00, and COP 3,822.05 (pesos) per USD 1.00, respectively. The average representative market exchange rates on December 31, 2024 and 2023, were COP 4,072.68 and COP 4,322.34, respectively, which are used for the translation of the financial statements of affiliates abroad.

e. Measurement basis

The consolidated financial statements have been prepared on the historical cost basis except for the following significant items included in the statement of financial position:

- Derivative financial instruments are measured at fair value through profit or loss.
- Financial instruments in debt securities through profit or loss are measured at fair value.
- Real estate properties are measured at reassessed value.
- Investment properties are measured at fair value through profit or loss.
- Non-current assets held for sale, represented in real estate assets received as payment, are received on the basis of a technically determined commercial appraisal, and chattel assets, shares and equity interests are received based on market value.
- Long-term financial obligations are measured at amortized cost using the effective interest rate method.

NOTE 3. - ACCOUNTING POLICIES

a. Cash and cash equivalents

Cash and cash equivalents include cash, deposits in banks and other short-term investments in active markets with maturities of less than three months. For a financial investment to qualify as a cash equivalent, it must be held to meet a short-term payment commitment and not for investment purposes, be readily convertible to a defined amount of cash and be subject to an insignificant risk of changes in value.

b. Financial instruments

IFRS 9 establishes requirements for recognizing and measuring financial assets, financial liabilities and certain contracts to buy or sell non-financial items.

Details of significant new accounting policies and the nature and effect of changes in previous accounting policies are set out below.

Classification and measurement of financial assets and liabilities

IFRS 9 (2014 version) contains an innovative approach for classification and measurement of financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

IFRS 9 (2014 version) includes three main classification categories for financial assets: measured at amortized cost (hereinafter, AC), at fair value through other comprehensive income (hereinafter, FVTOCI), and at fair value through profit or loss (hereinafter, FVTPL).

The new standard complements the two existing categories in the previous IFRS 9 of AC and FVTPL that are currently in force in Colombia for Consolidated Financial Statements, by adding the category of FVTOCI.

A financial asset is measured at amortized cost rather than at fair value through profit or loss if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to obtain contractual cash flows; and

- The contractual terms of the financial asset establish specific dates for cash flows derived solely from principal and interest payments on the current balance.

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and has not been designated as FVTPL:

- The asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling those financial assets; and

- The contractual terms of the financial asset establish specific dates for cash flows derived solely from principal and interest payments on the current balance.

During the initial recognition of investments in equity instruments not held for trading, the Group may irrevocably choose to record subsequent changes in fair value as part of another comprehensive income in equity. This choice should be made on an instrument-by-instrument basis.

All financial assets not classified as measured at amortized cost or at fair value through profit or loss as described above are measured at fair value through profit or loss.

In addition, at initial recognition, the Group may irrevocably designate a financial asset that meets the measurement requirements at AC or FVTOCI to be measured at FVTPL if doing so would eliminate or significantly reduce an accounting mismatch that would otherwise occur. The Group will not make use of this option for now.

A financial asset is classified in one of the aforementioned categories upon initial recognition.

Assessment of the business model

Banco GNB, as the parent company, will assess the objectives of the business models under which it holds financial instrument portfolios, to best reflect how each subsidiary manages its business risks and how it reports information to Management. Such information includes:

- The specified objectives and policies of each financial instrument portfolio, as well as their operation policies. Such strategies may include earning income on the contractual interest, maintaining a yield profile at a specific rate, or matching the terms of financial assets with the terms of liabilities or with expected cash outflows, or realizing the cash flows through the sale of the assets.

- How they assess and report to the Parent Company and key management personnel of each Group subsidiary the performance of the portfolios.

- The risks that affect the performance of the business models (and the financial assets held in the business model) and how such risks are managed;

- How business managers are compensated (e.g., whether compensation is based on the fair value of assets under management or on contractual cash flows obtained); and

- The frequency, amount and timing of sales in previous periods, the sales ratios and expectations about future sales activities. However, information on sales activity is not considered in isolation, but as part of an assessment of how the objectives set by the Group to manage financial assets are met and how cash flows are realized.

Financial assets held or managed for trading and whose performance is assessed on a fair value basis are measured at fair value through profit or loss because they are not held within business models to collect contractual cash flows or to obtain contractual cash flows and to subsequently sell these financial assets.

Assessment of whether the contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purpose of this evaluation, "principal" is defined as the fair value of the financial asset at the time of initial recognition. "Interest" is defined as the consideration for the time value of money and for the credit risk associated with the principal amount outstanding at a particular period of time and for other basic risks of a credit agreement and other associated costs (e.g., liquidity risk and administrative costs), as well as the profitability margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considered the contractual terms of the instrument. This included assessing whether the financial asset contains a contractual term that could change the period or amount of the contractual cash flows so that it does not meet this condition. In making this assessment, the Group considered:

- Contingent events that will change the amount and timing of cash flows;
- Hedging conditions;
- Prepayment and extension terms;
- Terms that limit the Group in achieving cash flows for specific assets (e.g. unfunded asset agreements); and
- Terms that change the considerations on the value of money over time, for example periodic revision of interest rates.

Interest rates on certain consumer and commercial loans are based on variable interest rates established at the discretion of the Group. Variable interest rates are generally established in Colombia based on the DTF[1] (Fixed-term Deposit Rate published by the Central Bank of Colombia) and the IBR[2] (Interbank Reference Rate published by the Central Bank of Colombia), and in other countries according to local practices, plus certain additional discretionary points. In these cases, the Group will assess whether the discretionary feature is consistent with the principal and interest only criteria by considering a number of factors including whether:

- Debtors are able to prepay loans without significant penalties. In Colombia, it is prohibited by law to collect prepayments of loans.
- Competitive market factors ensure that interest rates are consistent between banks;
- Any regulatory protection standard in favor of customers in the country requiring banks to treat customers fairly.

A prepayment feature is consistent with the principal and interest only criteria if the amounts prepaid substantially represent unpaid amounts of principal and interest on the amount of outstanding principal, which may include fair compensation for early termination of the contract.

In addition, a prepayment feature is treated as consistent with these criteria if a financial asset is acquired or originates from a premium or discount to its nominal contractual amount, and the amount prepaid substantially represents the contractual par amount plus contractually accrued but unpaid interest (which may include fair compensation for early termination), and the fair value of the prepayment feature is insignificant on initial recognition.

[1] The DTF is the interest rate that on average was committed by those with savings accounts in banks, savings and loan corporations, financial corporations and commercial finance companies for certificates of deposit (CDs) with a term of 90 days opened over the last week.

[2]The IBR is a short-term reference interest rate denominated in Colombian pesos, which reflects the price at which banks are willing to offer or to raise funds in the money market. The IBR is calculated based on market participants' quotes.

Subsequent measurement of financial assets

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at fair value through profit or loss (FVTPL)	These assets are subsequently measured at fair value. Net gains and losses, including interest or dividend income, are recognized in income.
Financial assets at amortized cost (AC)	These assets are subsequently measured at amortized cost using the effective interest method. Amortized cost is reduced by impairment losses (see (ii) below). Interest income, exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments with changes in other comprehensive income (FVTOCI)	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, exchange gains and impairment losses are recognized in income. Other net gains and valuation losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to gains or losses on realization of OCI.
Equity investments with changes in other comprehensive income (FVTOCI)	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets

IFRS 9 (2014 version) replaces the incurred loss model of IAS 39 with an expected credit loss (ECL) model. This new model requires considerable judgment to be applied with respect to how changes in economic factors affect ECL, which will be determined on a weighted average basis.

The new impairment model is applicable to the following financial assets that are not measured at FVTPL and FVTOCI:

- Debt instruments;
- Lease receivables;
- Other accounts receivable
- Loan portfolio
- Financial guarantee contracts

Loan commitments. Under IFRS 9 (2014 version), there is no requirement to recognize impairment losses on investments in equity instruments.

The allowance on accounts receivable under IFRS 9 is determined for each loan portfolio, by means of an estimation based on statistical models for expected credit losses for loans assessed collectively, and using the difference between the carrying value of the asset and the present value of the cash flows discounted at the original effective interest rate of the financial assets for loans that are individually assessed. The statistical estimates of expected credit losses are calculated using credit loss statistical factors, specifically the probability of default and the loss given default.

In this regard, the Bank uses its judgment to assess the estimated loss statistics, taking into consideration different scenarios, external factors and economic events that have taken place but that are not yet reflected in the loss factors.

IFRS 9 (2014 version) requires recognizing an allowance for impairment of financial assets measured at fair value through OCI in an amount equal to an expected impairment loss over a twelve-month period following the cut-off date of the financial statements or over the remaining life of the loan. The expected loss over the remaining life of the loan is the expected loss resulting from all possible impairment events over the expected life of the financial instrument, while the expected loss over the twelve-month period is the portion of the expected loss that will result from impairment events that are possible within twelve months following the reporting date of the financial statements.

Under IFRS 9 (2014 version), loss reserves shall be recognized in an amount equal to the ECL over the life of the asset, except in the following cases in which the amount recognized equals the ECL for 12 months following the measurement date:

- Investments in debt instruments determined to represent low credit risk at the reporting date; and
- Other financial instruments (other than short-term accounts receivable) on which the credit risk has not increased significantly since initial recognition.

The impairment requirements of IFRS 9 are complex and require estimated judgments and assumptions by Management, particularly in the following areas:

- Assess whether the credit risk has increased significantly since initial recognition; and
- Incorporate prospective information in the measurement of expected impairment losses.

Measuring Expected Credit Loss (ECL)

ECL is the expected value of credit loss according to an exposure under credit risk characteristics and is measured as follows:

- Financial assets with no credit impairment at the reporting date: the present value of all contractual cash payment arrears (i.e. the difference between the Group cash flows in accordance with the contract and the cash flows the Group expects to receive);
- Impaired financial assets at the reporting date: the difference between the carrying value and the present value of estimated future cash flows;
- Outstanding loan commitments: The present value of the difference between the contractual cash flows that are due to the Group in the event that the commitment is executed and the cash flows that the Group expects to receive; and
- Financial guarantee contracts: The payments expected to reimburse the holder less any amount the Group expects to recover.

Definition of default

Under IFRS 9, the Group will consider a financial asset to be in default when:

- The debtor is unlikely to fully pay its credit obligations to the Group, without recourse to take actions such as enforcing the collateral (if any);
- The debtor is more than 90 days past due to any material credit obligation. Overdrafts are considered delinquent once the customer has exceeded the recommended limit or has been recommended a limit lower than the current balance.
- Customers in bankruptcy proceedings, such as Law 1116 in the case of the Republic of Colombia.
- The following items, among others, are included as fixed-income financial instruments:

    - External rating of the issuer or instrument as D.
    - Contractual payments are not made when due or within the stipulated term or grace period.
    - There is a virtual certainty of suspension of payments.
    - It is likely that the debtor will enter bankruptcy or file a bankruptcy petition or similar action.

When assessing whether a debtor is in default, the Group will consider indicators that are:

- Qualitative -e.g. failure to comply with contractual clauses
- Quantitative -e.g. delinquency status and default on another obligation of the same issuer to the Group; and
- Based on data developed internally and obtained from external sources.

The inputs used to assess whether financial instruments are in default and their significance may vary over time to reflect changes in circumstances.

Significant increase in credit risk

Under IFRS 9, when determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group shall consider reasonable and supportable information that is relevant and available without disproportionate cost or effort, including both quantitative and qualitative information and analysis, based on historical experience, as well as assessment by the Group's credit experts, including prospective information.

The Group expects to identify whether a significant increase in credit risk has occurred by comparing between:

- The probability of default (PD) during the remaining life at the reporting date; with
- The PD during the remaining life at this point in time, which was estimated at the time of initial recognition of the exposure.
- Qualitative aspects and the refutable presumption of the standard (90 days) are also considered.

The assessment of whether the credit risk has increased significantly since the initial recognition of a financial asset requires identifying the initial recognition date of the instrument.

Rating by credit risk categories

The Group will assign each exposure to a credit risk rating based on a variety of data that is determined to be predictive of the PD and by applying expert credit judgment, the Group expects to use these ratings for purposes of identifying significant increases in credit risk under IFRS 9 (2014 version). Credit risk ratings are defined using qualitative and quantitative factors that are indicative of risk of loss. These factors may vary depending on the nature of the exposure and the type of borrower.

Each exposure will be allocated to a credit risk rating at the time of initial recognition based on available information regarding the debtor. Exposures will be subject to ongoing monitoring, which may result in moving an exposure to a different credit risk rating.

Generating the PD term structure

Credit risk ratings are expected to be the primary input for determining the PD term structure for the different exposures. The Group intends to obtain performance and loss information on credit risk exposures analyzed by jurisdiction or region, product type and debtor as well as by credit risk rating. For certain portfolios, information compared with external credit reference agencies may also be used.

The Group will use statistical models to analyze the data collected and generate estimates of the probability of impairment over the remaining life of the exposures and how those probabilities of impairment will change as a result of the passage of time.

This analysis will include the identification and calibration of relationships between changes in impairment rates and key macroeconomic factors, as well as an in-depth analysis of certain factors in impairment risk (e.g., portfolio write-offs). For most credits, the key economic factors are likely to include gross domestic product growth, changes in market interest and unemployment rates.

For exposures in specific industries and/or regions, the analysis can be extended to relevant products and/or real estate prices.

The Group's approach to preparing prospective economic information as part of its assessment is outlined below.

The Group has established a general framework that incorporates quantitative and qualitative information to determine whether the credit risk of a financial asset has increased significantly since its initial recognition.

The initial framework is aligned with the Group's internal credit risk management process.

The criteria for determining whether credit risk has significantly increased will vary by portfolio and will include limits based on defaults.

The Group will assess whether the credit risk of a particular exposure has increased significantly since initial recognition if, based on quantitative modeling, the probability of impairment expected over the remaining life will increase significantly. In determining the increase in credit risk, the expected impairment loss over the remaining life is adjusted for changes in maturities.

In certain circumstances, using expert credit judgment and based on relevant historical information, the Group may determine that an exposure has experienced a significant increase in credit risk if particular qualitative factors may indicate that and those factors may not be fully captured by its quantitative analyses performed periodically. As a limit, and as required by IFRS 9, the Group will presume that a significant increase in credit risk occurs at the latest when the asset is past due for more than 30 days.

The Group will monitor the effectiveness of the criteria used to identify significant increases in credit risk based on regular reviews to confirm that:

- The criteria can identify significant increases in credit risk before an exposure becomes impaired.
- The criterion is inconsistent with the point in time when an asset is more than 30 days past due.
- The average time to identify a significant increase in credit risk and default appears to be reasonable.
- Exposures are generally not transferred directly from the group of impairment expected in the next twelve months to the group of impaired loans.
- There is no unjustified volatility in the allowance for impairment from transfers between the groups with expected loss probability in the next twelve months and expected loss probability over the remaining life of the loans.

Modified financial assets

The contractual terms of loans may be modified for a number of reasons, including changes in market conditions, customer retention and other factors unrelated to an actual or potential impairment of the customer's loan.

When the terms of a financial asset are modified under IFRS 9 and the modification does not result in the removal of the asset from the balance sheet, the determination of whether the credit risk has significantly increased reflects comparisons of:

- The PD over the remaining life at the balance sheet date based on the terms modified, and
- The PD over the estimated remaining life based on the date of initial recognition and the original contractual terms.

The Group renegotiates loans to customers in financial difficulty to maximize collection opportunities and minimize the risk of default. Under the Group's renegotiation policies, customers in financial difficulties are granted concessions that generally involve reductions in interest rates, extension of payment terms, reductions in balances due or a combination thereof.

For financial assets modified as part of the Group's renegotiation policies, the estimation of the PD will reflect whether the modifications have improved or restored the Group's ability to collect principal and interest and the Group's previous experiences in similar actions. As part of this process, the Group will assess the debtor's payment performance against the modified terms of the debt and will consider several performance indicators of the modified debtor group.

Generally, restructuring indicators are a relevant factor of increased credit risk. Accordingly, a restructured debtor must demonstrate consistent payment behavior over a period of time before no longer being considered an impaired loan or that the PD has decreased such that the allowance can be reversed and the loan measured for impairment over a period of twelve months following the reporting date.

Inputs in measuring ECL

Key inputs in measuring ECL are usually the structures of the terms of the following variables:

- Probability of default (PD)
- Loss given default (LGD)
- Exposure at default (EAD)

The above parameters will be derived from internal statistical models. These models will be adjusted to reflect prospective information as described below:

PDs are estimated at a certain date, which will be calculated based on statistical rating models and evaluated using rating tools adjusted to the different counterpart categories and exposures. These statistical models will be based on internally compiled data comprising both qualitative and quantitative factors. If a counterpart or exposure migrates between the different ratings, then this will result in a change in the estimated PD. PDs will be estimated considering contractual terms on expiration of exposures and estimated prepayment rates.

LGD is the magnitude of probable losses in the event of default. The Group will estimate LGD parameters based on the history of loss recovery rates against defaulting parties. LGD models will consider the structure, collateral and priority of the lost debt, the counterpart industry and the recovery costs of any collateral integrated in the financial asset. For loans secured by property, such loans will be calculated on a discounted cash flow basis using the effective interest rate of the loan.

EAD represents the expected exposure in the event of default. The Group will derive the EAD from the counterpart's current exposure and potential changes in the current amount permitted under the terms of the contract, including amortization and prepayments. The EAD of a financial asset is the gross value at the time of default. For loan commitments and financial guarantees, the EAD will consider the amount drawn, as well as potential future amounts that could be drawn or collected under the contract, which will be estimated based on historical observations and projected prospective information. For some financial assets, the Group will determine the EAD by modeling a range of possible outcomes of exposures at various points in time using scenarios and statistical techniques.

As described above and subject to using a maximum PD of twelve months, for which credit risk has significantly increased, the Group will measure the EADs considering the risk of default over the maximum contractual period, (including options to extend the customer's debt) on which there is an exposure to credit risk, even if, for risk management purposes, the Group considers a longer period of time. The maximum contractual period is extended to the date on which the Group has the right to require payment of a loan or terminate a loan commitment or guarantee granted.

For consumer overdrafts, credit card balances and certain corporate revolving credit facilities that include both a loan and a loan commitment component not drawn by the customer, the Group will measure the EADs over a period greater than the maximum contractual period, if the Group's contractual ability to demand payment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual period of the contract. These facilities do not have a fixed term or collection structure and are managed on a collective basis. The Group may cancel them effective immediately, but this contractual right is not enforced in the normal day-to-day management of the Group, but only when the Group becomes aware of an increase in credit risk for each loan. This longer period of time will be estimated taking into account the credit risk management actions the Group expects to take to mitigate the EAD. These measures include a reduction in limits and termination of loan agreements.

Where parameter modeling is performed on a collective basis financial instruments will be grouped on the basis of similar risk characteristics, which include:

- Type of instrument
- Credit risk rating
- Collateral
- Date of Initial recognition
- Remaining term to maturity
- Industry
- Geographic location of the debtor

The above grouping will be subject to regular review to ensure that the exposures of a particular Group remain appropriately uniform.

For portfolios for which the Group has limited historical information, comparative information will be used to supplement the internal information available.

Models to estimate or quantify expected credit loss under IFRS 9

The Bank and its subsidiaries perform a prospective assessment of the expected credit loss associated with debt instruments measured at amortized cost and at fair value through other comprehensive income, and of the exposure derived from loan commitments and financial guarantee contracts. The Bank recognizes an allowance for such expected losses as of each reporting date. The measurement of expected credit loss reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Bank and its subsidiaries measure the allowance as the amount equivalent to the Expected Credit Losses estimated according to the parameters of internal risk models. Consequently, the change in the amount of the allowance between reporting dates reflects the change in the estimation of expected credit losses at the same reporting dates.

The expected credit loss is measured as the present value of the difference between the contractual cash flows and the expected cash flows from the instrument.

In the case of contingent products, the expected credit loss is additionally associated with the expected probability of materialization of the instrument within the expected flows.

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

- Modality There are two modalities for determining the parameters of the allowance model, based on the type of loan with the entity: Legal entity or individual. Even though the parameters apply equally to all modalities, the risk parameters for estimating expected credit loss differ depending on the modality.

- Segment/ Product This second segmentation criterion involves the use of differentiated risk parameters to achieve a better fit of the model to the instruments. In the case of loans to legal entities, customers are also grouped into eight segments by size (segments 0 to 7), which indicate in ascending order the significance of the customer within the overall loan portfolio.

- Similarly, individuals are segmented by product to reflect the differentiated behavior of the instruments depending on their contractual characteristics, usage and purpose. Seven segments have been established that characterize the type of product within the loan portfolio: Payroll loans (LIB), Leasing (LEA), Revolving (ROT), Overdrafts (SOB), Others (OTR). The last segment is that of restructured loans (RST), which is defined based on whether or not the instrument is restructured at the reporting date.

The risk parameters are estimated depending on the characteristics of the segment/product, which are specified in the specialized documents.

Depending on the status or risk rating of the instrument, different expected credit loss estimation models are applied, which also depend on parameters related to the instrument’s risk. It should be noted that the risk classification for the Group is defined based on the comparison of risk between the origination date and reporting date, in accordance with IFRS 9 requirements.

The segmentation by instrument characteristics is complemented with the risk classification, based on the Significant Increase in Credit Risk (SICR) model included in IFRS 9. A differentiated method is used depending on the instrument’s risk:

- Stage 1 (STG1). Financial instruments whose credit quality has not decreased since initial recognition or whose credit risk is low as of the reporting date. The expected credit loss is recognized over a 12-month horizon and the interest income over the gross amount of the instrument.

- Stage 2 (STG2). Financial instruments whose credit risk has increased significantly since initial recognition (except when their credit risk is low at the reporting date) but on which no objective evidence exists on any loss event, default or impairment. The expected credit loss is recognized over the lifetime of the instrument and the interest income is also calculated over the gross carrying value of the asset.

- Stage 3 (STG3). Instruments with Objective Evidence of Impairment (OEI) in the reporting period. The expected credit loss is recognized over the life of the asset and the interest income is calculated on the net carrying value of the asset.

In this manner, the segmentation by the instrument characteristics for all loan modalities enables defining and estimating specific parameters, while the segmentation by credit rating involves an expected credit loss model by classification of risk and usage, depending on classification, of the specific parameters.

Forecast of future economic conditions

Under IFRS 9 (2014 version), the Bank and its Subsidiaries will incorporate prospective information both in the assessment of whether the credit risk of an instrument has increased significantly since initial recognition and in the measurement of ECL. Based on recommendations of economic experts and consideration of a variety of current and projected external information, the Bank and its Subsidiaries will formulate a "base case" projection of relevant economic variables as well as a representative range of other possible projected scenarios. This process involves the development of two or more additional economic scenarios and considers the relative probabilities of each outcome.

External information may include economic data and publication of projections by governmental committees and monetary authorities in the countries in which the Group is operating, supranational organizations such as the Organization for Economic Cooperation and Development (OECD) and the International Monetary Fund, among others, and academic and private sector projections.

The base case is expected to represent the most likely outcome and is consistent with information used by the Bank and its Subsidiaries for other purposes, such as strategic planning and budgeting. The other scenarios would represent a more optimistic and pessimistic outcome. The Bank and its Subsidiaries also plan to conduct periodic stress tests to calibrate the determination of these other representative scenarios.

The Bank and its subsidiaries identify and document key credit risk and credit loss guidelines for each financial instrument portfolio and, using an analysis of historical data, estimate the relationships between macroeconomic variables, credit risk and credit losses.

Restructuring processes

Restructuring a loan is understood as any exceptional mechanism implemented through the execution of any legal transaction, the purpose of which is to change the conditions originally agreed upon, in order to allow the debtor to adequately meet its obligation in view of the actual or potential impairment of its payment capacity.

Additionally, agreements entered into within the framework of Laws 550/1999, 617/2000 and 1116/2006 or the regulations that add to or replace them, as well as extraordinary restructuring and novations, are considered restructuring.

Law 2157/2022

The national government enacted Law 2157 on October 29, 2022, also known as the “Start Over with a Clean Slate Law,” the purpose of which is to amend and supplement certain aspects of Statutory Law 1266/2008, issue general provisions on Habeas Data regarding financial, credit, commercial and services information received from other countries, and issue other provisions on amnesties for debtors with negative reports.

Sales of portfolio loans

The loan portfolios eligible for sale, in accordance with the Bank's Management guidelines, may be either performing or non-performing loans, which must be approved by the Bank's Board of Directors. The specific loan portfolio is derecognized at the carrying value at the trade date and sold at the loan portfolio’s market value. The result of the sale will be recognized in other income/expense accounts in the period of the transaction.

As to the reporting date of these financial statements, the Bank and its subsidiaries have not derecognized loans due to sales, and do not expect to sell loans in the next 12 months.

For mortgage loans and micro-credit, the above classification by risk level is carried out on a monthly basis taking into account the number of days past due.

The difference between the impairment calculated in accordance with the rules of the Financial Superintendence, on a separate basis, compared to the calculation made under IFRS 9, on a consolidated basis, is recognized in OCI. It increased by COP 90,623 in 2024, and by COP 63,483 in 2023.

Derivative financial instruments and hedge accounting

A derivative is a financial instrument whose value changes as a result of one or more underlying variables (specific interest rate, the price of a financial instrument or a listed commodity, foreign currency exchange rate, etc.), which has a lower initial net investment than would be required for other instruments that have a similar response to the variable traded at a future date.

The Bank and its Subsidiaries trade in the following financial markets: forward contracts, futures contracts and swaps that meet the definition of a derivative.

Derivative transactions are initially recognized at fair value. Subsequent changes in fair value are recognized in the statement of income, unless the derivative is designated as a hedging instrument and, in this case, the accounting criteria will depend on the nature of the hedged item, as described below:

- For the hedges of the fair value of assets or liabilities and firm commitments, the changes in fair value are recognized in the consolidated statement of income, or in the consolidated statement of other comprehensive income if the hedge is for an equity instrument on which the entity has chosen to record changes in fair value through other comprehensive income, as well as any other change in the fair value of the asset, liability or firm commitment attributable to the hedged risk.

- Cash flow hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, the effective portion of changes in the derivative's fair value is recognized in other comprehensive income (OCI) in equity. The gain or loss related to the portion that is not effective for the hedge or is not related to the hedged risk is recognized immediately in the statement of income.

  Amounts accumulated in other comprehensive income (OCI) are transferred to profit or loss in the same period in which the hedged item is taken to profit or loss.

- The hedge of a net investment in a foreign operation is recognized in a manner that is similar to a cash flow hedge: The gain or loss on the hedge instrument linked to the effective portion are recognized through other comprehensive income, while the amounts linked to the ineffective portion are recognized in the consolidated income statement. Accumulated gains or losses under equity are reclassified to the consolidated income statement upon the partial or full disposal of the business abroad.

The Bank and its Subsidiaries document the relationship between the hedging instrument and the hedged item at the inception of the transaction, as well as the hedging objective and the strategy for undertaking the hedging relationship. It also documents its assessment, both at the inception of the transaction and on a recurring basis, of whether the hedging relationship is highly effective in offsetting changes in the fair value or cash flows of the hedged items. The Group has designated bonds as hedging instrument for its exchange rate risk exposure on its investments in the subsidiaries Banco GNB Perú and Banco GNB Paraguay, whose functional currencies are the Peruvian Sol and Paraguayan Guaraní, respectively.

c. Trade and other accounts receivable

The Bank and its Subsidiaries recognize fees receivable and other accounts receivable as financial assets, depending on the terms established in the contractual clauses with the clients or third parties. The accounts receivable are initially measured at fair value. They are subsequently measured at amortized cost, given that the cash flows associated with these accounts are not intended as financing transactions and do not carry agreed interest rates. Impairment testing is performed according to the impairment model that provides objective, historical and verifiable evidence of its existence and assigns a recognizable amount for presentation in the consolidated financial statements.

d. Non-current assets held for sale

Properties received as payment and non-current assets held for sale, which the Bank and its Subsidiaries will sell in a period of no less than one year, and whose sale is considered highly probable, are recognized as "non-current assets held for sale". These assets are measured at the lower of their carrying value at the time of transfer and fair value, less estimated costs of disposal. If the term expires and the assets have not been sold, they are reclassified to the categories from which they came (Property and Equipment, Other Assets).

The Bank and its Subsidiaries will recognize impairment losses due to initial or subsequent write-downs of assets for disposal in the statements of income at fair value less costs to sell.

e. Own property and equipment

Property and equipment include assets, owned or leased, held by the Bank and its Subsidiaries for current or future use and expected to be used for more than one period.

Banco GNB Sudameris S. A. and its subsidiaries measure land and buildings under the fair value revaluation model, taking the commercial appraisal value, and not by the cost model. The revalued cost is reviewed annually, and if necessary appraisals are performed on the properties to update them to fair value.

These appraisals are carried out annually by expert independent property appraisers engaged by the Bank.

Other property and equipment, other than real estate, are measured at acquisition cost, less accumulated depreciation and, if applicable, estimated losses resulting from comparing the net carrying value of each item with its corresponding recoverable value.

Costs related to the repair and maintenance of property and equipment are recognized as an expense in the period in which they are incurred and are recorded as "Overhead".

Property and equipment is initially measured at cost, which includes:

a. Purchase price, including import costs and non-deductible taxes, after deducting discounts;
b. Any directly attributable costs to bring the goods to their place and conditions necessary for their use;
c. Dismantling cost. This is an initial estimate of restoration costs.
d. Cost of debt.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset. The annual depreciation rates for each asset item are as follows:

Asset type	Useful Life	Residual value
Buildings	Between 45 and 80 years	Between 0 and 40% of its historic cost
Passenger vehicles	Between 3 and 10 years	On 30% of historic cost
Cargo vehicles	Between 3 and 20 years	On 30% of historic cost
Office equipment	Between 9 and 25 years	Between 0 and 1% of its historic cost
Computers	Between 3 and 15 years	Between 0 and 1% of its historic cost

Derecognition of tangible assets

The carrying value, including the residual value of an item of property and equipment is derecognized when no further associated future economic benefit is expected. Gains or losses on derecognition are recognized in the consolidated statement of income.

f. Investment properties

Land and buildings, held in whole or in part to earn rental income or for capital appreciation and not for own use or sale in the ordinary course of business, are classified as Investment Properties. Investment Properties are initially measured at cost, including all costs associated with the operation, and subsequently measured at fair value with changes in fair value recognized in the consolidated statement of income.

g. Right-of-use property and equipment (IFRS 16)

A lease is an agreement whereby a lessor assigns to a lessee, in exchange for a payment or series of payments, the right to use an asset for a specified period of time.

The Group is lessor and lessee of various properties, equipment and vehicles. Lease agreements are generally for fixed periods of 1 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The extension and termination options included in the Group's leases are used to maximize operational flexibility in terms of contract management. Most of the extension and termination options held are exercisable simultaneously by the Group and the respective counterpart.

Lessee's accounting

Leases are recognized as a right-of-use asset and a corresponding liability on the date on which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and the financial cost. The financial cost is charged to income over the lease term to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the straight-line lease term.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including substantial fixed payments), less any lease incentive receivable
- Variable lease payment based on an index or rate
- Amounts expected to be paid by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the condition of the lease reflects that the lessee exercised that option.

Lease payments are discounted using the interest rate implicit in the lease, if such rate can be determined, or the incremental borrowing rate.

Right-of-use assets are measured at cost and comprise the following:

- The amount of the initial measurement of the lease liability
- All lease payments made on or prior to the commencement date
- Any direct upfront costs, and
- Dismantling and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized using the straight-line method as an expense in the statement of income. Short-term leases have a term of 12 months or less. Low-value assets include computers and small items of office furniture.

Lessor's accounting

When assets are leased under finance leases, the present value of future lease payments is recognized as an account receivable. The difference between the gross amount receivable and the present value of the account receivable is recognized as financial income.

The receivable is amortized by allocating each of the lease payments between financial income and the amortization of the principal in each accounting period, such that the recognition of financial income reflects a constant rate of return on the net financial investment the lessor has made in the finance lease.

When assets are leased under operating leases, the asset is included in the consolidated statement of financial position according to the nature of the asset. Revenues from operating leases are recognized over the term of the lease on a straight-line basis.

h. Intangible assets

1) Business combination / Goodwill

Business combinations are recorded using the "acquisition method" when control is transferred. The cost transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. The resulting goodwill is tested annually for impairment. If non-controlling interests exist during the acquisition of control of the entity, the assets are recognized at fair value or at the proportional interest for the recognized amount of the identifiable net assets of the acquiree. This choice is allowed on a transaction-by-transaction basis.

Goodwill represents the excess of the price paid over the fair value of the assets and liabilities acquired in a business combination (with some exceptions, where the carrying value is used).

Goodwill acquired in a business combination is allocated to each of the groups of cash-generating units from which a benefit is expected as a result of the acquisition. Goodwill is not subsequently amortized but will be subject to an annual impairment assessment of the Cash Generating Unit (CGU) to which the goodwill has been allocated, from which benefits are expected to be derived from the synergies of the business combinations.

An impairment loss recognized in goodwill cannot be reversed in subsequent periods. In addition, the income statement of the acquired business of the Bank and its Subsidiaries is included as of the acquisition date as part of the Consolidated Financial Statements.

The Group performs impairment testing at December 31 each year, or with greater frequency if events or circumstances indicate that the carrying value of goodwill may be impaired. Impairment is determined by comparing the recoverable amount of the Cash Generating Unit to its carrying value, including goodwill. Management estimates the recoverable amount using a discounted cash flow model. Management’s forecasts for the Cash Generating Unit involve substantial judgments and assumptions regarding the perpetuity rate, forecast inflation, the discount rate, the growth rate and credit solvency.

2) Other intangible assets

Other Intangible assets comprise computer programs (software) that are initially measured at the cost incurred during acquisition or during their internal development phase. Costs incurred during the research phase are recognized directly in the statement of income.

Development expenses directly attributable to the design and testing of identifiable software are recognized as intangible assets when the following conditions are met:

- The technical feasibility of completing the intangible asset can be demonstrated so that it is available for use;
- Management intends to complete the corresponding intangible asset for use;
- The Bank has the ability to use the intangible asset;
- It is probable that future economic benefits attributable to the asset will flow to the entity;
- Adequate technical, financial or other resources are available to complete the development and to use the intangible asset; and
- The costs attributable to intangible assets during their development phase can be reliably estimated and reliably measured.

Costs that are directly attributable to and capitalized as part of software include personnel expenses of the individuals developing such software and an appropriate percentage of overhead.

Expenses that do not meet these criteria are recognized as expenses on an accrual basis. Disbursements on intangible assets are initially recognized as an expense for the period and will not be subsequently recognized as intangible assets.

Subsequent to their recognition, these assets are measured at cost less amortization, which is provided over their estimated useful life as follows: Computer software and licenses: 10 years. Amortization is recognized using the straight-line method according to the estimated useful life. Impairment testing is performed at the end of each period whenever there are indications that the intangible asset may be impaired.

When an intangible asset with finite useful life is derecognized, the expected period of future benefits is reduced to increase the amortization amount, which has the effect of derecognizing the intangible asset in a shorter period than initially estimated.

i. Other assets

This line item includes prepaid expenses incurred by the Group in performing its activities in order to receive services in the future, which are amortized over the period in which the services are received or when the costs and expenses are incurred, as well as properties received as payment (PRP) that do not meet the requirements to be recognized as an asset held for sale and that are not intended for own use.

PRP are initially recognized at whichever is lowest between the net amount of the financial assets paid and the net realizable value of the property received as payment (the net realizable value is the estimated sales price of the asset or the amount of the award, less the estimated costs required to carry out the sale), while a plan is prepared for its commercialization. If the value of the financial assets paid is greater than the net realizable value of the received asset, a credit risk impairment adjustment is made on the financial asset, through the current period’s profit or loss.

j. Customer deposits

The Bank and its Subsidiaries recognize deposits (savings accounts, checking accounts, CDs) they receive on the date on which they were deposited. A financial asset is initially measured at fair value. If the liability is subsequently measured at amortized cost, the transaction costs directly attributable to its acquisition are subtracted, as long as they meet the materiality criteria established by the entity. Financial liabilities are subsequently measured at amortized cost, except for financial liabilities measured at fair value through profit or loss, including derivatives with a liability position, which are subsequently measured at fair value.

k. Financial Obligations

A financial obligation is any contractual obligation of the Bank and its Subsidiaries to deliver cash or another financial asset to another entity or individual, or to exchange financial assets or financial liabilities under conditions that are potentially unfavorable to the Bank and its Subsidiaries, or a contract that will be terminated or that could be settled using equity instruments owned by the entity. Financial liabilities are initially recognized based on their fair value, which is usually equal to the transaction value less directly attributable costs. Such financial liabilities are subsequently measured at amortized cost in accordance with the effective interest rate method determined at initial recognition and recognized in the statement of income as financial expenses.

Repos and simultaneous transactions are recognized at financial transactions measured at fair value. Repos are recognized as financial liabilities, whereas simultaneous transactions are recognized as either financial assets or liabilities, as appropriate. They are initially measured at the fair value of the assets and liabilities involved, and in subsequent measurement adjustments are made for changes in fair value and recognized profits or losses.

l. Employee benefits

The Bank and its Subsidiaries provide the following benefits in exchange for services rendered by their employees:

- Short-term employee benefits
  In accordance with Colombian labor regulations, such benefits are salaries, legal and extra-legal bonuses, paid vacation, severance payments and payroll taxes to government agencies, which are paid within 12 months following the end of the period. Such benefits are recognized on an accrual basis and recognized in the consolidated statement of income.

- Post-employment benefits (defined benefit plans)
  These are the benefits paid by the Bank and its Subsidiaries to their employees when they retire or when they complete their term of employment, other than severance payments. In accordance with Colombian labor regulations, these benefits comprise retirement pensions and benefits that are assumed directly by the Bank and its Subsidiaries, outstanding severance payments to employees belonging to the labor regime prior to Law 50/1990, and certain extra-legal benefits or those agreed upon in collective labor agreements.

  Post-employment benefit liabilities are determined based on the present value of estimated future payments, calculated based on actuarial assessments using the projected credit unit method, actuarial assumptions about mortality rates, salary increases, employee turnover and interest rates determined by reference to market yields on bond issues at the reporting date for National Government bonds or high quality business liabilities. Under the projected credit unit method, future benefits to be paid to employees are allocated to each accounting period in which the employee renders the service. Therefore, the corresponding expense for these benefits recognized in the income statement of the Bank and its Subsidiaries includes the present service cost allocated in the actuarial calculation, plus the financial cost of the calculated obligations. Changes in liabilities due to changes in actuarial assumptions are recognized in other comprehensive income (OCI).

  Changes in actuarial liabilities due to changes in employee benefits granted to employees with a retroactive effect are recognized as an expense on the earlier of the following dates:

  - When there is a change in the employment benefits granted, or
  - When provisions for restructuring costs are recognized by a subsidiary or a business of the Bank and its Subsidiaries.

  The Group does not make benefit payments to employees in the form of shares.

  The Group does not have an asset and/or insurance policy, intended to cover the payment of post-employment benefits. Therefore, it has fully recorded this liability in its financial statements.

- Other long-term benefits
  Other long-term benefits include all employee benefits other than short-term employee benefits, post-employment benefits and severance payments. In accordance with the collective labor agreements and regulations of each company of the Bank and its Subsidiaries, these benefits are mainly seniority bonuses. Long-term employee benefit liabilities are determined in the same manner as post-employment benefits described in (b) above; the only difference is that changes in the actuarial liability due to changes in actuarial assumptions are recognized in the statement of income.

The Group does not have an asset and/or insurance policy, intended to cover the payment of other long-term employment benefits. Therefore, it has fully recorded this liability in its financial statementsSeverance payments (termination indemnities)

These benefits are payments made by the Bank and its Subsidiaries as a result of a unilateral decision to terminate a contract of employment or the employee's decision to accept the benefits offered by a company in exchange for terminating the contract of employment. In accordance with Colombian law, such payments comprise compensation and other benefits that entities unilaterally decide to grant to their employees in these cases.

Termination benefits are recognized as a liability and in the statement of income on the earlier of the following dates:

- When the Bank and its Subsidiaries formally inform the employee of their decision to dismiss him/her;
- When provisions for restructuring costs are recognized by a subsidiary or a business of the Bank and its Subsidiaries.

m. Income taxes

The income tax expense includes current and deferred taxes. This tax is recognized in the statement of income, except for items that are recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

1) Current income tax

Current income tax is calculated based on the tax legislation in force (enacted or substantially enacted) in Colombia at the reporting date of the financial statements, or of the country where the affiliates of each subsidiary are located. Management periodically assesses, for each subsidiary, income tax return positions regarding situations where applicable tax regulations are subject to interpretation and establishes provisions, where applicable, based on the amounts expected to be paid to the tax authorities.

2) Deferred tax

Deferred taxes are recognized on temporary differences arising between the tax bases of assets and liabilities and the amounts recognized in the Consolidated Financial Statements. However, deferred taxes are not recognized if they arise from the initial recognition of goodwill; temporary differences on the initial recognition of an asset and a liability in a transaction other than a business combination that do not affect accounting or taxable profit or loss regarding investments in subsidiaries to the extent that they are not likely to be reversed in the foreseeable future. Deferred tax is determined by using tax rates in effect at the balance sheet date.

Deferred tax assets are recognized only to the extent that it is likely that future taxable income will be available to offset temporary differences.

Deferred tax assets arise from taxable temporary differences, except for tax liabilities on investments in subsidiaries, when the timing of the reversal of the temporary differences is controlled by the Bank and its Subsidiaries and is not reversed in the foreseeable future. The Bank and its Subsidiaries generally have the ability to control the reversal of temporary differences on investments in associates.

Current and deferred taxes are offset only when the Bank has an enforceable legal right to offset and will settle on a net basis or realize the asset and settle the liability at the same time. Deferred taxes are offset when there is a legal right to offset deferred taxes against current tax liabilities, and when the deferred tax assets and liabilities refer to income taxes levied by the same tax authority on the same taxable entity or on different entities. However, these different entities intend to settle current tax liabilities and assets on a net basis, or their assets and liabilities will be realized simultaneously for each period in which these differences are reversed.

n. Provisions

An allowance is recognized if: it results from a past event, the Bank has a present obligation (legal or constructive) that can be reliably estimated, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at the present value of the disbursements expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Each provision must be used only to make the disbursements for which it was originally recognized.

If the entity has an onerous contract, the present obligations arising therefrom must be recognized and measured in the financial statements as provisions.

The allowances are updated periodically at least at the closing date of each period and are adjusted to reflect the best estimate possible at any given time. The allowance is reversed if it is no longer probable that the funds will have to be distributed to cover the respective obligation. In the event of changes in estimates, they are accounted for prospectively as changes in accounting estimates, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

o. Net profit per share

Net profit per share is calculated by dividing net income for the period attributable to the controlling interest by the weighted average number of ordinary shares issued and delivered during the period. The Bank and its subsidiaries have no financial instruments with potential voting rights. Therefore, only basic earnings per share are shown in these financial statements.

p. Operating segments

An operating segment is a component of an entity that:

a) Engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses from operations with other components in the same entity);

b) Its operating profit or loss is periodically reviewed by the decision-maker, who decides on the allocation of resources to the segment and assesses its performance; and

c) Has differentiated financial information available.

The Bank and its Subsidiaries disclose separate information for each identified operating segment that exceeds the minimum quantitative thresholds of a segment:

a) Reported revenues from ordinary activities, including revenues from external customers, as well as revenues or transfers between segments, equal to or greater than 10% of the combined revenues from ordinary activities, internal and external, of all operating segments.

b) The amount of net profit reported is, in absolute terms, equal to or greater than 10% of the greater of: (i) the combined reported net profit of all operating segments that have not incurred losses; or (ii) the combined reported loss of all operating segments that have incurred losses.

c) Its assets are equal to or greater than 10% of the combined assets of all operating segments.

q. Income

1.1 Contract assets

A contract asset is the Group's right to receive payment in exchange for goods or services that the Group has transferred to a customer where that right is contingent on something other than the passage of time (e.g., billing or delivery of other elements under the contract). The Group perceives contract assets as current assets, as they are expected to be realized within the normal operating cycle.

Contract costs eligible for capitalization as incremental costs of obtaining a contract are recognized as a contract asset. Contract underwriting costs are capitalized as incurred if the Group expects to recover such costs. Contract underwriting costs are non-current assets to the extent that the economic benefits of such assets are expected to be received over a period of more than twelve months. Contracts are amortized systematically and consistently upon transfer to the customer of the services once the related revenues have been recognized. Capitalized contract underwriting costs are impaired if the customer withdraws or if the carrying value of the asset exceeds the projected discounted cash flows related to the contract.

1.2 Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer, for which the Group has received payment from the end customer or if the amount is overdue. They also include deferred income related to goods or services to be delivered or rendered in the future, which are billed to the customer in advance, but are not yet due.

1.3 Revenue from contracts with customers

The Group recognizes revenue from contracts with customers based on a five-step model established in IFRS 15:

Step 1. Identification of contracts with customers: A contract is defined as an agreement between two or more parties, which creates enforceable rights and obligations, and establishes criteria to be met for each contract. Contracts may be written, verbal or implied through a company's customary business practices.

Step 2. Identification of performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the latter.

Step 3. Determination of the transaction price: The transaction price is the amount of payment to which the Group expects to be entitled in exchange for the transfer of goods or services promised to a customer, regardless of amounts received on behalf of third parties.

Step 4. Allocate the transaction price among the performance obligations of the contract: In a contract that has more than one performance obligation, the Group allocates the transaction price among the performance obligations in amounts that represent the consideration to which the Group expects to be entitled in exchange for fulfilling each performance obligation.

Step 5. Revenue recognition when (or as) the Group fulfills a performance obligation.

The Group fulfills a performance obligation and recognizes revenue over time if any of the following criteria are met:

- The Group's performance does not create an asset with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date.

- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

- The customer both receives and consumes the benefits provided by the Group's performance as it works.

For performance obligations where none of the above conditions are met, revenue is recognized at the time the performance obligation is fulfilled.

When the Group fulfills a performance obligation by delivering the goods or services promised, it creates a contract asset in the amount of the consideration earned for the performance. When the amount of consideration received from a customer exceeds the amount of revenue recognized, it generates a contract liability.

Revenue is measured based on the consideration specified in the contract with the customer, and excludes amounts received on behalf of third parties. The Group recognizes revenue when it transfers control over a good or service to a customer. Revenue is presented with a net of value added tax (VAT), rebates and discounts, and after eliminating sales within Group.

The Group assesses its revenue plans based on specific criteria to determine whether it is acting as principal or agent.

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and if revenue and costs, if any, can be measured reliably.

The following is a description of the principal activities through which the Group generates revenues from contracts with customers:

(i) Financial services:

The Bank usually signs contracts covering several different services. Such contracts may contain components that are either within or outside the scope of IFRS 15. For this reason, banks only apply the indications of IFRS 15 when they have all or part of their contracts outside the scope of IFRS 9.

The sources of revenue obtained by the Bank through contracts with customers are as follows:

- **Credit cards: Exchange fees, general fees (annual, quarterly, and monthly) and loyalty programs**

There are contracts that create enforceable rights and obligations between the Bank and cardholders or merchants, under which the Bank provides services generally in exchange for annual or other fees. The following are some of the services that may exist in the contract with the cardholder:

- Issuance of loyalty points (options to purchase free or discounted goods/services in the future), which are usually based on the monetary volume of card transactions,
- payment processing service,
- insurance, where the bank is not the insurer,
- fraud protection, and
- processing of certain transactions, such as foreign currency purchases and cash withdrawals.

The transaction price is assigned to each performance obligation based on the relative selling prices of the goods or services provided to the customer. The allocation of the transaction price to each individual performance obligation is not entirely necessary when there is more than one performance obligation, but they are all fulfilled at the same time or equally during the period.

- **Commissions:**

The Bank receives insurance commission when they refer new customers to third-party insurance vendors, when the Bank is not itself the insurer of the policy. Such commission is usually paid periodically (monthly, for example) to the Bank based on the volume of new policies (and/or renewal of existing policies) generated with customers introduced by the Bank. The transaction price may include an element of consideration that is variable or subject to the outcome of future events, such as policy cancellations, and such element is estimated and included in the transaction price based on the most probable amount, so as to include it in the transaction price only when it is highly probable that the resolution of such uncertainty will not lead to a material reversal in income.

Commitment fees are within the scope of IFRS 15 when it is unlikely that a specific loan agreement will be generated and that such commitment is not measured at fair value through profit or loss.

The Bank receives commissions on trust and stand-alone share contracts, which correspond to performance obligations, agreed with the customer from the beginning of the contract and are included in the value of the commission generated each month during the term of the contract.

In addition, the Bank receives commissions for technical and administrative services carried out with a low-value payment system which is an increase in interbank financial transactions and from charging commissions for transactions carried out through the Group's ATM network. Clearing is performed on a daily basis and therefore, commission income is recognized to the extent of the performance obligation performed by the system.

- **Savings and checking accounts: Transactional and account charges**

Savings and checking account agreements generally allow customers to access a range of services, including processing wire transfers, using ATMs to withdraw cash, issuing debit cards, and generating bank statements. They sometimes include other benefits. Collections are made periodically and provide the customer with access to banking services and additional benefits.

(ii) Customer loyalty programs

The Bank and its subsidiaries manage loyalty programs in which customers accumulate points for purchases, which entitle them to redeem such points under the policies and rewards plan in effect at the redemption date. Reward points are recognized as an identifiable component separate from revenue for services rendered, at fair value. Loyalty program revenues are deferred and are recognized in the statement of income when the entity has fulfilled its obligations to provide the products under the terms of the program or when it is not likely that the points will be redeemed under the rules of the program. A contract liability is recognized until the points are redeemed or expire.

The Bank and its subsidiaries act as principals in customer loyalty programs if they obtain control over the goods or services of another party in advance, or if they transfer control over such goods or services to a customer. The Bank and its subsidiaries act as agents if their performance obligation is to arrange for another party to provide the goods or services.
Management Fees

(iii) Management fees:

The Group recognizes management fee income when the client receives the benefits and the performance obligation is satisfied. When the calculation is performed monthly or for a shorter period, the amount is recognized in profit or loss at the time it is determined.

If the calculation is made for periods longer than one month, the Entity must estimate the expected revenue at the start of the contract and on each reporting date, in order to recognize revenues over the passage of time. The revenue to be recognized is limited to the amount on which it is 'highly probable' that no significant reversion of the recognized accumulated revenues will take place.

(iv) Automatic Teller Machines:

Recognition depends on the business model (Outsourcing / Corporate)

- Management of automatic teller machines owned by the client: Since the client receives benefits over the passage of time, the performance obligation is satisfied over time. When the price calculation is performed monthly or for a shorter period, the total amount of the fee is recognized in profit or loss at the time it is determined.

- ATM installation, removal and/or relocation: Given that the client does not receive benefits over the passage of time, no asset is created that is controlled by the client, and there is no good or service without an alternative use and that has implied the definition of payment in advance, the performance obligation is satisfied at a point in time. The client receives the benefits at a client location, given that these benefits are received at the time when the request is made to install/remove/relocate the ATM. Since the benefits are obtained each time the client requests this service, the revenue is recognized on the date the service is provided.

(v) Hotels:

The Group recognizes hotel revenues when the performance obligation is satisfied, to the extent that it is a purchase or a service over time. The contract with the customer will be deemed effective on the date on which provision of the service begins, and not earlier.

r. Unconsolidated structured entities

The parent company carries out transactions in the normal course of business whereby it transfers financial assets to third parties. Depending on the circumstances, these transfers may result in these financial assets being written off or continuing to be recognized. The term "non-consolidated structured entities" refers to all the structured entities not controlled by the Bank. The parent company engages in transactions with unconsolidated structured entities in the normal course of business to facilitate customer transactions and for specific investment opportunities.

s. Changes in accounting policies

On December 31, 2024, the Bank did not make any significant changes to its accounting policies.

NOTE 4. - JUDGMENTS AND ESTIMATES IN THE APPLICATION OF ACCOUNTING POLICIES.

Management of the Bank and its Subsidiaries makes estimates and assumptions that affect the amounts recognized in the Consolidated Financial Statements and the carrying values of assets and liabilities during the year. Judgments and estimates are continually evaluated and are based on Management's experience and other factors, including the occurrence of future events that are believed to be reasonable under current circumstances. Management also makes certain judgments in addition to those involving the estimates adopted in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognized in the Consolidated Financial Statements and estimates that could cause material adjustments to the carrying value of assets and liabilities in the following year include the following:

Going concern: Management of the Bank and its Subsidiaries prepares the consolidated financial statements on a going concern basis. For the purposes of this judgment, Management takes into account the financial situation, its current intentions, the results of operations and its access to financial resources in the market; and analyzes the impact of these factors on its operations in the future. At the reporting date, Management is not aware of any situation that would cause the Bank and its Subsidiaries to believe that they did not have the ability to continue as a going concern in the coming year.

1) Business model for financial assets

The Bank and its Subsidiaries apply significant levels of judgment in determining their business model for the management of financial assets and in assessing whether such assets meet the conditions defined in the business model to be classified as "at fair value" or "at amortized cost". As a result, the Bank and its Subsidiaries have classified their investments in debt securities as "at fair value"; however a small portion of these investments are "at amortized cost", which correspond to investments in Colombian Government debt securities and investments which are mandatory under Colombian regulations. The Bank and its Subsidiaries classify their loan portfolios at amortized cost. Under the terms of the business model, financial assets at amortized cost can only be sold in restricted circumstances and are not material in relation to the total portfolio. This may occur when an asset no longer complies with the accounting policy for the investments of the Bank and its Subsidiaries or due to adjustments to the maturity structure of assets and liabilities, the need to fund major disbursements or to meet seasonal liquidity needs. During the years ended December 31, 2024 and 2023, the Bank and its Subsidiaries did not make any significant changes in the business model, and there have been no significant sales of financial assets classified at amortized cost.

2) Allowance for loan portfolio impairment losses

In the process of calculating allowances against individual loans considered significant, using the discounted cash flow method, Management of the Bank and its Subsidiaries makes assumptions regarding the recoverable amount of each loan and the time within which such recovery would be made effective. Any variation in the value of this estimate may cause significant variations in the value of the corresponding allowance. Management makes an estimate to calculate the allowance against individual loans that are considered significant based on the collateral in order to establish their fair value, with the assistance of independent experts. Any variation in the price obtained in the recovery eventually affected through the collateral may in turn cause significant variations in the value of the allowances.

In the process of calculating collective impairment allowances for loans that are not assessed individually or those that are individually significant and not impaired and whose impairment is tested collectively, historical loss rates are periodically updated to include the most recent data reflecting current economic conditions, industry performance trends, geographic and borrower concentrations in each portfolio segment, and any other relevant information that may affect the calculation of the allowance for loan portfolio impairment. Many factors influence the Bank's and Subsidiaries' estimates of allowances for loan losses, including volatility in the likelihood of impairment, migration and estimates of loss severity.

In order to quantify potential losses in collectively assessed portfolios, the Bank and its Subsidiaries have calculation methods that take into account four main factors: exposure, probability of default, loss identification period and loss severity. For this purpose, loans are considered to be in default when they are more than 90 days past due, or restructured due to financial problems of the borrower, customers in bankruptcy and customers included in risk categories D or E, under the terms of the internal credit risk assessment model.

- Exposure to Default (EAD) is the amount of risk if the debtor defaults.

- Probability of Default (PD) is the probability that a debtor will default on its principal or interest obligations. The PD is associated with the rating or score or time of default of each debtor or transaction. In the specific case of non-performing loans, the PD assigned is 100%. A loan is classified as “doubtful” when it is 90 days or more past due, or where there is no default in payments but there are doubts about the debtor's solvency (“subjective doubt”).

- The Loss Given Default (LGD) is the estimated loss in the event of default, and depends mainly on the characteristics of the debtor and the valuation of the collateral associated with the transaction.

- The Loss Identification Period (LIP) is the time elapsed between the occurrence of an event causing a particular loss and the time at which the loss becomes evident at the individual level. The analysis of LIPs is performed on the basis of homogeneous risk portfolios.

3) Deferred income tax

The Bank and its Subsidiaries assess the realization of deferred tax assets over time. These assets consist of income tax recoverable through future deductions from taxable income and are recorded in the Consolidated Statement of Financial Position. They are recoverable in view of the probability that there will be corresponding tax benefits. Future taxable income and the amount of probable future tax benefits are based on Management's plans for the medium term. The business plan is based on Management expectations that are considered reasonable in the current circumstances.

At December 31, 2024 and 2023, Management of the Bank and its Subsidiaries estimates that deferred income tax assets would be recovered based on estimated future taxable profit together with the financial statement translation adjustment. No deferred tax liability has been recorded on the profits of subsidiaries that the Bank does not expect to repatriate in the near future because the Bank controls the dividend policy of subsidiaries and does not intend to distribute dividends or sell the corresponding investments in the near future.

4) Goodwill

Annually, Management of the Bank and its Subsidiaries assesses the possible impairment of goodwill recognized in their financial statements. This assessment is based on a valuation of lines of business related to goodwill, using the discounted cash flow method and considering factors such as the country's economic situation, the industry in which it operates, historical financial information and projections of growth in revenue and costs over the next five years and into the indefinite future, taking into account the capitalization rate of profits, discounted at risk-free rates with the risk premiums required by the circumstances. The key assumptions used in these valuations are shown in Note 16.

5) Provisions for contingencies

The Bank and its Subsidiaries calculate and recognize estimates for contingencies to cover possible losses from labor, civil and commercial litigation, requirements of tax authorities and other matters, depending on the circumstances, which, in the opinion of internal or external legal advisors, are considered to be probable sources of loss and can be reasonably quantified.

For many of these claims or cases, given their nature, it is not reasonably feasible to make an accurate projection or quantify the loss. Therefore, the actual amount of the disbursement actually made for the claims or litigation is consistently different from the amounts initially estimated and provisioned. These differences are recognized in the year in which they are identified.

6) Pension plans

The measurement of pension obligations, costs and liabilities depends on a wide variety of long-term assumptions determined on an actuarial basis, including the present value of projected future pension payments for plan members, taking into account the probability of potential future events such as increases in urban minimum wages and demographic experiences. These considerations may affect the amount and future contributions in the event of any changes in these assumptions.

The discount rate used represents future cash flows at their present value at the measurement date. The Bank and its Subsidiaries set a long-term rate that represents the market rate for high-quality fixed-yield investments or government bonds denominated in Colombian pesos (i.e., the currency in which the yields will be paid) and considers the timing and amounts of future yield payments. Colombian Government bonds were selected for this purpose.

The Bank and its Subsidiaries use other key assumptions to value the actuarial liability calculated on the basis of specific experiences in combination with published statistics and market indicators. The most relevant assumptions used in the actuarial calculations and the related sensitivity analysis are shown in Note 21.

7) Revenue recognition

The application of IFRS 15 requires the Bank and its Subsidiaries to make judgments that affect the determination of the amount and timing of revenue from contracts with customers. They include:

- determination of the timing of fulfillment of performance obligations,
- determination of the transaction price assigned to such obligations,
- determination of individual selling prices.

8) Uncertainty and sensitivity in the calculation of goodwill

The estimates and judgments involved in the calculation of the recoverable amounts are based on historic experience and other factors, including Management's expectations on future events that are considered reasonable under the current circumstances. However, the assumptions used are subject to a substantial amount of uncertainty and actual future results may differ from the forecasts. For example:

- The model for estimation of the recoverable value of Colombia, Peru and Paraguay CGUs assumes that they are profitable since 2023.
- The above, in combination with other measures, has repercussions on the growth rates of the different loan portfolios that are higher than the system's average. Management believes that a reasonably possible change in the discount rates or perpetuity growth rates used to determine the recoverable amount of the CGU would cause the carrying value of that CGU to be greater than the recoverable value.

9) Loyalty programs

Regarding the customer loyalty programs, the fair value attributable to the reward points is not considered significant, and consequently the liability is not deferred, and the recognition of revenues remains in straight line with the performance operations. The fair value of reward credits is estimated by reference to the fair value of the rewards that can be claimed and is reduced to take into account the proportion of reward credits that customers are not expected to redeem. The Bank uses its judgment in determining the assumptions to be made to respect the number of points not expected to be redeemed, through the use of statistical modeling and historical trending, to determine the mixed and fair value of the reward credits.

The points provide a material right to customers, to which they would not have access if they did not sign a contract. Therefore, the promise to provide points is considered an individual performance obligation. The transaction price is assigned to the product and points based on the individual selling price. The individual selling price of the product sold is estimated based on the market price.

10) Leasing activities of the Group and how they are accounted for

The Group leases various properties, equipment and vehicles. Lease agreements are normally entered into for fixed periods. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The leases do not impose any covenants, but the leased assets cannot be used as collateral for lending purposes.

Leases are recognized as right-of-use assets and the corresponding liabilities at the date on which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and the financial cost. The finance cost is charged to profit or loss over the lease term to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the useful life of the asset and the lease term on a straight-line basis.

11) Variable lease payments

Some property leases contain variable payment terms related to the income generated by an office. For individual offices, up to 100 percent of lease payments are made on the basis of variable payment terms and there is a wide range of sales percentages that apply. Variable payment terms are used for a variety of reasons, including minimizing the fixed cost base for newly established offices. Variable lease payments that depend on income are recognized in the statement of income in the period in which the condition that triggers such payments occurs.

12) Extension and termination options

Extension and termination options are included in several of the Group's property and equipment leases. These conditions are used to maximize operational flexibility in terms of contract management. Most of the extension and termination options held are exercisable by the Group and the Lessor.

13) Lease terms

When determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment.

NOTE 5. - ACCOUNTING PRONOUNCEMENTS ISSUED BY THE IASB AT THE INTERNATIONAL LEVEL

5.1. New standards incorporated in the accounting framework accepted in Colombia whose application is mandatory starting on January 1, 2027.

Decree 1271/2024 added Regulatory Technical Annex 01 of 2024 of Group 1 to the annexes incorporated in Decree 2420/2015, which contains Financial Reporting Standard IFRS 17 - Insurance Contracts.

IFRS 17 Insurance Contracts

IFRS 17 - Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of issued insurance contracts. It also requires the application of similar requirements to reinsurance contracts held and investment contracts issued with discretionary equity components. The objective is to ensure that the entities provide relevant information in a manner that faithfully represents such contracts, to assess the effect that such contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

IFRS 17 replaces IFRS 4 - Insurance Contracts, which was a provisional standard that allowed entities to use a wide variable of accounting practices for insurance contracts, reflecting national accounting requirements and changes in such requirements. Some of the previous insurance recognition practices allowed by IFRS 4 did not adequately reflect the true underlying financial conditions or the financial performance of the insurance contracts.

Article 2 of Decree 1271/2024 added Article 1.1.4.1.4 to Decree 2420/2015, including simplifications for the implementation of International Financial Reporting Standard IFRS 17 - Insurance Contracts, which must be applied by preparers of financial reports belonging to Group 1 that are supervised by the Financial Superintendence of Colombia.

Management is currently reviewing in detail the implications of the new standard’s application in the financial statements.

5.2 New standards issued by the International Accounting Standards Board (IASB) that have not yet been incorporated in the accounting framework accepted in Colombia.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: Amendments to IFRS 10 and IAS 28

The IASB issued narrow scope amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

In December 2015, the IASB decided to postpone the effective date of this amendment until the IASB has completed its research project on the standard for the equity method.

IAS 12 - International Tax Reform Pillar Two Model Rules

In May 2023, the IASB issued narrow-scope amendments to IAS 12 that provide temporary relief from accounting for deferred taxes arising from the implementation of the Pillar Two model tax rules that have been enacted or substantially enacted, including the tax laws that implement qualified rules and minimum complementary internal taxes described in such rules.

IAS 7 and IFRS 7 Supplier Finance Arrangements

These amendments require disclosures to improve the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flow and liquidity risk exposure. The disclosure requirements are the IASB's response to investor concerns that the supplier finance arrangements of some companies are not sufficiently visible, which hampers in the investors' analysis.

IFRS 16 - Lease liability in a sale with leaseback.

These amendments include requirements for transactions involving a sale and subsequent leaseback under IFRS 16 to explain how an entity recognizes a sale and leaseback after the transaction date. Sale and leaseback transactions in which some or all lease payments are variable lease payments that are not tied to an index or rate have a greater probability of being affected.

Amendments to IAS 21 – Lack of Exchangeability.

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency and what spot exchange rate to use when it is.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7.

On May 30, 2024, the IASB issued specific amendments to IFRS 9 and IFRS 7 to address recent questions arising from the practice and to include new requirements not only for financial institutions, but also for corporate entities.

IFRS 18 - Presentation and Disclosure in Financial Statements.

IFRS 18 will replace IAS 1 - Presentation of Financial Statements. It introduces new requirements to assist in achieving comparability of the financial performance of similar entities and to provide more relevant and transparent information to users. Even though IFRS 18 will not affect item recognition or measurement in the financial statements, it is expected to have a general impact on the presentation and disclosure, especially in connection with the statement of financial performance and the inclusion of performance metrics defined by management within the financial statements.

IFRS 19 - Subsidiaries without public accountability.

IFRS 19, issued in May 2024, allows certain eligible subsidiaries of parent companies that report in accordance with IFRS to apply reduced disclosure requirements.

5.3 New standards issued by the International Sustainability Standards Board (ISSB) that have not yet been incorporated in the accounting framework accepted in Colombia

IFRS S1 - General requirements for the disclosure of sustainability-related financial information

This standard includes the core framework for the disclosure of material information on sustainability-related risks and opportunities throughout an entity's value chain.

IFRS S2 - Climate-related disclosures

It is the first standard issued that establishes requirements for entities to disclose information about climate-related risks and opportunities.

NOTE 6. - FAIR VALUE ESTIMATE

The fair value of financial assets and liabilities traded in active markets (such as financial assets in debt securities, equity security certificates and derivatives listed and actively traded on stock exchanges or in interbank markets) is based on dirty prices provided by a price vendor.

An active market is a market where transactions in assets or liabilities take place with sufficient frequency and volume to be able to provide price information on a continuous basis. A dirty price is the price that includes accrued and unpaid interest on the corresponding security from the date of issuance or the last interest payment until the actual date of the purchase and sale transaction. The fair value of financial assets and liabilities not traded in an active market is determined through valuation techniques selected by the price vendor or Management of the Bank and its Subsidiaries.

Valuation techniques used for non-standardized financial instruments, such as currency swaps and derivatives in the Over The Counter (OTC) market include the use of interest rates or currency valuation curves constructed by market data providers and extrapolated for the specific conditions of the instrument to be valued. Discounted cash flow analysis and other valuation techniques commonly used by market participants who make the most use of market data are also applied.

The Bank and its Subsidiaries may use internally developed models to value instruments that do not belong to an active market. Such models are generally based on valuation techniques and methods widely standardized in the financial sector. The valuation models are mainly used for the valuation of financial instruments of unlisted equity security certificates, debt certificates and other debt instruments for which the markets have been inactive during the period. Some of the inputs to these models may not be observable in the market and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty and the valuation techniques employed may not fully reflect all factors relevant to the Bank's position. Therefore, valuations are adjusted, if necessary, to allow for additional factors, including model risks, liquidity risks and counterparty risks.

The fair value hierarchy has the following levels:

- Level 1 inputs are listed prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

- Level 2 inputs are inputs other than the quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are non-observable inputs for the asset or liability.

The level of fair value within which a fair value can be justified as a whole is determined on the basis of the lowest level of input that is significant to measuring fair value as a whole. The significance of an input is then assessed in relation to the fair value measurement as a whole. If the fair value measurement uses observable inputs that require significant adjustments based on non-observable inputs, it is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgment that takes into account factors specific to the asset or liability.

A significant level of judgment on the part of the Bank and its Subsidiaries is required for determining "observable" significance. The Bank and its Subsidiaries consider data to be "observable" if they are market data that are available, regularly distributed or updated, reliable, verifiable, non-proprietary and provided by independent sources that play an active role in the reference market.

a) Fair value measurement on a recurring basis

These are the measurements required or permitted by IFRS accounting standards in the consolidated statement of financial position at the end of each period.

The most common methods applied to derivatives are as follows:

- Valuation of currency forwards: The vendor publishes the curves assigned according to the currency of origin of the underlying asset. These curves are made up of end-of-period nominal rates associated with forward exchange rate contracts.

- Valuation of bond forwards: To determine the valuation of the forward at a given date, the theoretical future value of the Bond is calculated based on its price on the valuation day and the risk-free rate of the reference country of the underlying asset. After that, the present value of the difference between the theoretical future value and the price of the bond agreed in the forward contract is obtained, using as discount rate the risk-free rate of the country of reference of the underlying asset at the number of days to maturity of the contract.

- Valuation of swap transactions: The vendor publishes the curves assigned according to the underlying asset, basis swap curves (exchange of payments associated with floating interest rates), domestic and foreign curves, and implicit curves associated with forward exchange rate contracts.

- Valuation of OTC options: The vendor publishes the curves assigned according to the currency of origin of the underlying asset, forward exchange rate curve of the domestic currency of the transaction, implied curves associated with forward exchange rate contracts, swap curves assigned according to the underlying asset, and matrix and implied volatility curves.

The valuation of real estate recognized as property and equipment and as investment property at fair value is measured using a Level 3 market approach, with data available in relation to prices available in the different regions of Colombia.

The table below analyzes, within the fair value hierarchy, the assets and liabilities (by category) held by the Bank and its Subsidiaries on December 31, 2024 and 2023, on a recurring basis.

(Stated in millions of COP,
except exchange rates and nominal share prices)

December 31, 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Debt securities	7,946,506	439,806	-	8,386,312
Equity securities – issuers in Colombia (1)	-	1,354,427	-	1,354,427
Derivatives	-	69,851		69,851
Investment properties	-	-	382,093	382,093
Property and equipment (real estate)	-	-	996,053	996,053
Total assets at fair value, recurring basis	**7,946,506**	**1,864,084**	**1,378,146**	**11,188,736**
Liabilities				
Derivatives	-	83,182	-	83,182
Total liabilities at fair value, recurring basis	**-**	**83,182**	**-**	**83,182**

December 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Debt securities	7,546,327	335,115	-	7,881,442
Equity security certificates – issuers in Colombia	-	93,991	-	93,991
Derivatives	-	141,010		141,010
Investment properties	-	-	397,124	397,124
Property and equipment (real estate)	-	-	947,276	947,276
Total assets at fair value, recurring basis	**7,546,327**	**570,116**	**1,344,400**	**9,460,843**
Liabilities				
Derivatives	-	93,942	-	93,942
Total liabilities at fair value, recurring basis	**-**	**93,942**	**-**	**93,942**

(1) It includes an investment made in 2024 by CorfiGNB in Nutresa.

No transfers were made between Level 1 and Level 2 for December 2024 and 2023.

To determine the fair value hierarchy level, an instrument-by-instrument assessment is performed, according to the type of calculation information reported by PRECIA S. A. (price vendor), and the expert criteria of the financial operations area.

b) Fair value determination

The Bank and its Subsidiaries determined that the financial instruments traded in an active market are Level 1. Their fair value was established based on prices (unadjusted), which determine the price as the weighted average of the transactions carried out during the course of the day.

The Bank and Subsidiaries have defined financial instruments traded in non-active markets as Level 2. The table below provides information on valuation techniques and critical inputs when measuring assets and liabilities.

The Bank and its Subsidiaries have determined that financial instruments that are not traded in an active market are Level 3. The detail below provides information on the various inputs and valuation techniques:

	Valuation Technique	**Hierarchy levels**	**Significant Inputs**
Assets			
Debt securities	Market prices	Level 1 / Level 2	Market price or price calculated based on benchmarks established in the pricing vendor's methodology
Equity security certificates - issuers in Colombia	Market prices	Level 2	Market price or price calculated based on benchmarks established in the pricing vendor's methodology
Derivatives	Market prices	Level 2	- Price of the underlying asset. - Currency, by underlying asset. - Forward exchange rate. - Matrices and curves.
Investment properties	Technical appraisal	Level 3	Valuation performed at the end of each period by an independent expert for comparable transactions in the market.

(Stated in millions of COP,
except exchange rates and nominal share prices)

Property and equipment (real estate)	Technical appraisal	Level 3	Valuation performed at the end of each period by an independent expert for comparable transactions in the market.

Fair value of financial assets and liabilities recognized at amortized cost

The table below shows a summary of financial assets and liabilities recognized at amortized cost solely for the purposes of this disclosure on December 31, 2024 and 2023:

	December 31, 2024		December 31, 2023	
	Carrying Value	**Estimated Fair Value**	**Carrying Value**	**Estimated Fair Value**
Assets				
Cash and cash equivalents	11,806,230	11,806,230	14,241,248	14,241,248
Debt securities at amortized cost	1,918,863	1,890,221	1,682,411	1,683,706
Loan portfolio and accounts receivable (1)	28,522,060	28,781,971	26,121,186	25,378,586
Total financial assets	**42,247,153**	**42,478,422**	**42,044,845**	**41,303,540**
Liabilities				
Term deposits (2)	15,275,564	15,382,445	13,643,357	13,733,546
Financial obligations (3)	6,035,366	6,023,146	5,629,203	5,175,937
Bank loans	2,473,899	2,526,636	2,548,016	2,545,670
Debt securities (bonds)	3,561,467	3,496,510	3,081,187	2,630,267
Total financial liabilities	**21,310,930**	**21,405,591**	**19,272,560**	**18,909,483**

(1) The fair value of the loan portfolio at amortized cost is determined by applying discounted cash flow models at the interest rates offered by banks for new loans, taking into account credit risk and maturity. This valuation process is considered to have been carried out at Level 3.

(2) The fair value of demand deposits is equal to their carrying value. For fixed-term deposits with maturities of less than 180 days, the fair value was considered to be equal to the carrying value. For fixed-term deposits of more than 180 days, the cash flow model was used, discounted at the rates offered by the banks according to their maturities. This valuation process is considered to have been carried out at Level 2.

(3) For short-term liabilities, the carrying value was considered to be the fair value. For short-term liabilities, the carrying value was considered to be the fair value. For long-term financial liabilities, fair value was considered, using discounted cash flow models at risk-free interest rates adjusted by risk premiums for each entity. The fair value of outstanding bonds is determined based on listed prices or prices determined by the price vendor. This valuation is considered to have been carried out at Level 2.

NOTE 7. - RISK MANAGEMENT

Risk management is a fundamental element for achieving operating efficiency and effectiveness, reliable reports and compliance with laws, rules and regulations, hence its importance in achieving the Group's strategic objectives.

The analysis of the strategic context in which it carries out its activities allows the Group to determine methods to prevent the occurrence of events that affect the normal development of processes and the achievement of its objectives, or if this is not reasonably possible, to implement risk treatment and mitigation measures to reduce their impact.

Risk management framework

The Board of Directors is responsible for establishing and overseeing the risk management structure of the Bank and its subsidiaries. The Board of Directors has created Risk Committee, responsible for the development and monitoring of the risk management policies of the Bank and its subsidiaries in their specific areas. All committees are duly established and regulated and report regularly to the Bank's General Management on their activities.

The risk management policies of the Bank and its subsidiaries are established to identify and analyze the risks they face, in order to set appropriate risk limits and controls, and to monitor risks and compliance with limits. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions, products and services offered. The Parent Company, through its management policies and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of the Bank and its Subsidiaries oversees how Management monitors compliance with the Group's risk management policies and procedures and reviews the appropriateness of the risk management framework regarding the risks faced by the Bank and its subsidiaries. This committee is assisted by Internal Audit in its supervisory role. Internal Audit performs regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee of the Bank and its Subsidiaries.

Individual risk analysis

In the ordinary course of business, the Bank and its subsidiaries are exposed to various financial, operational, reputational and legal risks. Financial risks include: i) market risk, ii) credit risk (which includes trading risk and price risk as indicated below), and iii) structural risks due to the composition of assets and liabilities on the balance sheet, which include variations in exchange rates, liquidity and interest rates. The following is an analysis of each of the above risks in order of importance:

- Credit risk;
- Liquidity risk;
- Market risk;
- Exchange rate risk;
- Interest rate risk, and
- Country risk.

1. Credit risk

The Bank and its Subsidiaries are exposed to credit risk because they are at risk of financial loss as a result of a debtor's failure to pay its obligations on time and in full. Exposure to credit risk also arises in the course of lending activities and transactions with counterparties.

For risk management reporting purposes, all elements of credit risk exposure (e.g., risk of individual debtor default, country risk, sector risk) are considered and consolidated.

For risk management purposes, credit risk arising from trading assets is managed separately, and information about them is disclosed in the table below.

The maximum exposure of the Bank and its Subsidiaries to credit risk, in terms of IFRS 7, and at the consolidated level, is reflected in the carrying value of financial assets in the Consolidated Statement of Financial Position at December 31, 2024 and 2023, as follows:

(Stated in millions of COP,
except exchange rates and nominal share prices)

	December 31, 2024	December 31, 2023
Deposits in banks other than the Central Bank of Colombia	1,932,141	1,271,999
Financial instruments at fair value		
Government	7,787,797	7,231,152
Financial entities	1,879,507	678,243
Other sectors	73,436	66,036
Derivatives	69,851	27,473
Loan portfolio and accounts receivable		
Commercial	19,088,172	17,485,484
Consumption	8,444,277	7,745,457
Mortgage	989,611	890,245
Other accounts receivable	308,522	338,877
Total financial assets with credit risk	**40,573,314**	**35,734,966**
Off Balance sheet financial instruments with credit risk at their nominal value		
Financial guarantees and letters of credit	23,110,189	19,262,387
Credit commitments	85,971	82,394
Total off-balance-sheet credit risk exposure	**23,196,160**	**19,344,781**
Total maximum credit risk exposure	**63,769,474**	**55,079,746**

The Board of the Directors of the Parent Company has delegated the responsibility for supervision of credit risk to the Bank Lending Committee or its equivalent in foreign subsidiaries. The Credit Risk Area reports to the Credit Committee through the Vice-presidency of Financial Risks and Control of the Parent Company and the Risk Management Departments of the international subsidiaries, including:

- **Advisory for the definition of the credit policy** in consultation with the business units, including collateral requirements, ratings, credit reporting, and compliance with regulatory and statutory requirements.

- Monitoring of the authorization structure for approval and renewal of lines of credit: Authorization limits are assigned collectively, i.e., at least two officers with authority to approve new lines of credit are involved, depending on the amount of the transaction. Approval of at least two officers or the Credit Committee or the Board is required depending on the amount of the line of credit.

  Monitoring of Credit Risk: Assess various aspects of the loan portfolio such as the quality of overdue loans, risk rating by modality, economic sector, restructured, defaults and loan loss allowance, among others, to enable identifying the behavior, evolution and trends of the loan portfolio.

- **Exposure concentration limits:** Limits apply to counterparties, geographic locations and industries (for loans and advances) and to issuers, credit rating band, market liquidity and country (for investment instruments).

- **Development and maintenance of risk classification in the Group:** The purpose is to classify exposures according to the degree of risk of financial loss faced and to focus management on the risks that arise. The risk rating system is used to determine when impairment allowances may be necessary against specific credit exposures. The current risk rating framework consists of six classifications reflecting the various risks of uncollectibility and available collateral or other credit risk mitigating factors. The Credit Risk area is responsible for establishing the degrees of risk and informs the Parent Company's Loan Committee for final approval, as appropriate. Degrees of risk are subject to regular review by the Credit Risk area.

- **Verification of compliance for business units with agreed exposure limits** including those for selected industries, country risk and product types. Reports on the credit quality of local portfolios are submitted to the Parent Company's Loan Committee and appropriate corrective actions are taken.

- **Advice, guidance and specialized skills** for the business units, in order to promote best practices in credit risk management throughout the Bank.

(Stated in millions of COP,
except exchange rates and nominal share prices)

The Parent Company and the subsidiaries define the Group's credit policies, as well as the procedures for establishing approval limits for the letters of credit for each business unit. Each Business Unit has a Credit Director who reports to local management and the Risk Committee for all credit related matters. Each business entity is responsible for the quality and performance of its credit portfolio, for monitoring and controlling all credit risk in its portfolio, and for the representation of its reports to the Bank.

Internal Auditing performs periodic audits of the Business Units and processes in the Credit Area in the Risk Management Department of the Bank and its subsidiaries.

Details of loans by type of collateral in the GNP Group, consolidated at December 31, 2024 and 2023 are as follows:

December 31, 2024	**Commercial**	**Consumption**	**Mortgage**	**Total**
Unsecured loans	13,047,712	8,362,695	-	21,410,407
Collateralized loans:	-	-	-	-
Housing	-	-	988,924	988,924
Other real estate	4,845,836	118	-	4,845,954
Admissible financial collateral 0%	254,792	2,291	687	257,769
Admissible financial collateral 12%	45,732	6	-	45,738
Other collateral	894,100	79,167	-	973,267
Total gross loan portfolio	**19,088,172**	**8,444,277**	**989,611**	**28,522,060**

December 31, 2023	**Commercial**	**Consumption**	**Mortgage**	**Total**
Unsecured loans	11,383,001	7,675,348	-	19,058,349
Collateralized loans:	-	-	-	-
Housing	-	-	889,484	889,484
Other real estate	4,506,558	310	-	4,506,868
Admissible financial collateral 0%	244,181	2,157	761	247,099
Admissible financial collateral 12%	48,079	14	-	48,093
Other collateral	1,303,665	67,628	-	1,371,293
Total gross loan portfolio	**17,485,484**	**7,745,457**	**890,245**	**26,121,186**

On December 31, 2024 and 2023, the portfolio summary by risk level classification is as follows:

	Loans to customers		**Interbank loans**		**Total**	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
Commercial						
A	17,532,469	16,224,932	365,922	169,515	17,898,391	16,394,447
B	416,973	253,240	-	-	416,973	253,240
C	199,783	205,455	-	-	199,783	205,455
D	257,037	310,895	-	-	257,037	310,895
E	315,988	321,448	-	-	315,988	321,447
Subtotal Commercial	**18,722,250**	**17,315,970**	**365,922**	**169,515**	**19,088,172**	**17,485,484**
Consumption						
A	8,047,479	7,333,188	-	-	8,047,479	7,333,188
B	107,800	117,935	-	-	107,800	117,935
C	126,344	202,521	-	-	126,346	202,521
D	107,125	51,246	-	-	107,125	51,246
E	55,527	40,567	-	-	55,527	40,567
Subtotal Consumer	**8,444,275**	**7,745,457**	**-**	**-**	**8,444,277**	**7,745,457**

(Stated in millions of COP,
except exchange rates and nominal share prices)

Mortgage						
A	880,890	783,897	-	-	880,890	783,897
B	46,262	48,099	-	-	46,262	48,099
C	5,525	7,736	-	-	5,525	7,736
D	12,563	10,520	-	-	12,563	10,520
E	44,372	39,994	-	-	44,371	39,993
Subtotal Mortgage	**989,612**	**890,246**	**-**	**-**	**989,611**	**890,245**
Total gross loan portfolio	28,156,138	25,951,673	365,922	169,515	28,522,060	26,121,186
Provisions	(849,122)	(771,558)	(2,063)	(2,275)	(851,185)	(773,833)
Total net loan portfolio	**25,307,016**	**25,180,115**	**363,859**	**167,240**	**27,670,875**	**25,347,353**

Impaired loans and investments in debt instruments

Impaired loans and debt instruments are loans, advances and investments in debt instruments (other than instruments recorded at fair value through profit or loss) for which the Bank and its Subsidiaries decide that recovery of the principal amount and interest due in accordance with the terms of the loan or investment instrument, loans, advances and investments in debt instruments at fair value through profit or loss are not assessed for impairment but are subject to the same internal classification system (see Note 11 - Loan Portfolio).

Loans and investments in debt instruments past due but not impaired

Loans and investment debt instruments that are past due but not impaired, other than those recognized at fair value through profit or loss, are those where the contractual interest or principal payments are past due but the Parent Company believes that impairment is not appropriate based on the level of security/collateral available and/or the stage of collection of amounts due to the Group.

Loans with renegotiated terms

Loans with renegotiable terms are those that have been restructured due to the impairment of the lender's final situation and where the Parent Company has made concessions that it would not otherwise consider.

Once the loan is restructured, it remains in this category regardless of satisfactory performance after restructuring.

Write-off policy

The Parent Company and its subsidiaries write off a loan balance or investment debt instrument, and any related allowance for impairment losses, when the Parent Company's Recoveries and Collections department determines that the loan or instrument is not collectible.

This determination is made after considering information such as the occurrence of significant changes in the lender's/issuer's financial condition such as that they may not be able to continue to pay the obligation, or that collections from collateral will not be sufficient to pay the exposure in full.

In the case of smaller standardized loans, write-off decisions are generally based on the specific delinquency status of a product.

Below is an analysis of the gross and net amounts of write-offs of impaired assets individually by degree of risk.

(Stated in millions of COP,
except exchange rates and nominal share prices)

	Colombia	Peru	Paraguay	Total
	Written off	Written off	Written off	Written off
December 31, 2024				
Commercial	128,117	14,737	24,787	167,642
Consumption	86,308	60,282	3,428	150,018
Mortgage	943	1,347	808	3,098
Total	**215,368**	**76,366**	**29,023**	**320,757**
December 31, 2023				
Commercial	60	32,714	48,771	81,545
Consumption	133,773	71,855	1,777	207,405
Mortgage	632	151	-	783
Total	**134,465**	**104,720**	**50,548**	**289,733**

The Bank and its subsidiaries take collateral on customer loans and advances in the form of mortgages on properties and other instruments recorded as assets and collateral. Fair value estimates are based on the value of the collateral assessed at the time of the loan, and are generally updated in accordance with current regulations, except when a loan is individually assessed as impaired. Collateral is generally not taken on loans and advances from Banks, except when the instruments are held as part of the resale and lending activity.

The following is an estimate of the fair value of collateral and other instrument improvements taken against loans and advances to customers and banks:

	Loans to customers	
	December 31, 2024	December 31, 2023
Against individual impairments		
Properties	195,123	279,966
Debt instruments	2,894	14,061
Equity instruments	38,542	77,405
Others	709,403	406,656
Against collective Impairment		
Properties	101,253	89,802
Against accounts that are not past due or impaired		
Properties	5,842,914	4,410,026
Debt instruments	35,888	78,605
Equity instruments	571,436	964,361
Others	965,408	3,149,288
	8,462,861	**9,470,170**

When the Bank and its subsidiaries acquire financial and non-financial assets during the year for the execution of the collateral backing loans and advances, this results in other credit improvements.

It is the policy of the Bank and its subsidiaries to collect on collateral in an orderly and timely manner. As a general rule, the Bank and its Subsidiaries do not use non-cash collateral to back their own transactions.

Concentration on credit risk

The Bank and its subsidiaries monitor the concentration of credit risk by sector and by geographic location. The following is an analysis of the concentration of credit risk in loans and advances and investment instruments at the closing dates:

(Stated in millions of COP,
except exchange rates and nominal share prices)

	Loans to customers December 31, 2024	Interbank loans December 31, 2024	Total December 31, 2024	Loans to customers December 31, 2023	Interbank loans December 31, 2023	Total December 31, 2023
Concentration by Sector						
Business	4,990,471	-	4,990,471	3,990,599	-	3,990,599
Agriculture	3,652,094	-	3,652,094	2,787,786	-	2,787,786
Manufacturing	2,009,512	-	2,009,512	1,560,773	-	1,560,773
Real Estate	3,933,286	-	3,933,286	4,256,947	-	4,256,947
Financial Brokerage	954,830	365,922	1,320,752	1,048,306	169,515	1,217,821
Transportation	276,140	-	276,140	339,816	-	339,816
Healthcare	220,727	-	220,727	240,973	-	240,973
Education	334,859	-	334,859	337,097	-	337,097
Energy and Gas	67,565	-	67,565	61,936	-	61,936
Communications	545,551	-	545,550	557,557	-	557,557
Mining	11,587	-	11,587	9,636	-	9,636
Others	1,713,031	-	1,713,031	2,100,003	-	2,100,003
Government	12,597	-	12,597	24,540	-	24,540
Banks	-	365,922	-	-	169,515	169,515
Consumer and Commercial	8,444,277	-	8,444,277	7,745,457	-	7,745,457
Mortgage	989,611	-	989,611	890,245	-	890,245
Provisions	(849,122)	(2,063)	(851,185)	(771,558)	(2,275)	(773,833)
Total	**27,307,016**	**363,859**	**27,670,875**	**25,180,113**	**167,240**	**25,347,353**

The concentration of loans and advances by geographic area is measured based on the location of the Group entity holding the assets with a high correlation with the location of the borrower. Concentration by location for investment securities is measured based on the issuance location of the instrument.

Geographic concentration	**Loans to customers** December 31, 2024	**Interbank loans**	**Total**
Colombia	8,088,177	-	8,088,177
Peru	4,430,670	356,556	4,787,226
Paraguay	9,969,662	9,366	9,979,028
Panama	4,800,783	-	4,800,783
Virgin Islands	866,846	-	866,846
Total Allowances	(849,122)	(2,063)	(851,185)
Total	**27,307,016**	**363,859**	**27,670,875**

Geographic concentration	**Loans to customers** December 31, 2023	**Interbank loans**	**Total**
Colombia	8,947,198	6	8,947,204
Peru	3,679,326	169,509	3,848,835
Paraguay	8,255,544	-	8,255,544
Panama	4,538,747	-	4,538,747
Virgin Islands	530,856	-	530,856
Total Allowances	(771,558)	(2,275)	(773,833)
Total	**25,180,113**	**167,240**	**25,347,353**

2. Market risk

Market risk is defined as the potential loss in the value of financial assets due to adverse movements in factors that determine their price, also known as risk factors, such as interest rates, exchange rates, share prices and other factors that affect the value of the financial products traded by Group entities.

GNB Sudameris Group manages market risk in accordance with the standard model set out in Chapter XXXI - Comprehensive Risk Management System (SIAR) of the Basic Accounting and Financial Notice 100 of the Financial Superintendence of Colombia.

The purpose of the market risk management model implemented by the Parent Company and its subsidiaries is to identify, measure, control and monitor the market risk to which it is exposed in the development of treasury transactions, considering the entity's structure and size.

The Group participates in the money, foreign exchange and capital markets aiming to satisfy its needs and those of its customers in accordance with established policies and risk levels. In this sense, it manages different portfolios of financial assets within the allowable risk limits and levels.

The risks assumed in both the banking book and treasury book transactions are consistent with the overall business strategy and risk appetite of the Parent Company and its subsidiaries, based on the depth of the markets for each instrument, their impact on the risk weighting of assets and level of solvency, the profit budget established for each business unit and the balance sheet structure.

Business strategies are established in accordance with approved limits aimed at achieving a balance in the profitability/risk ratio. There is also a structure of limits consistent with the Parent Bank's general philosophy, based on its capital levels, earnings and risk tolerance.

The Group is exposed to the following risk factors:

- ***Interest rate risk:*** is defined as the possibility that changes in interest rates may adversely affect the value of financial instruments held by the Entity. The Group's investments are exposed to this risk due to the effects of interest rate fluctuations that can affect its financial position and future cash flows. Interest margins can be increased as a result of interest rate changes but can also be reduced and generate losses in the event of unexpected interest rate movements.

- ***Exchange Rate Risk:*** is defined as the sensitivity of the value of the own position in currencies other than the Colombian peso to a potential change in the exchange rates to which the Parent Company and its subsidiaries are exposed. This risk is mainly implicit in the purchase and sale of foreign currencies and forwards. Exchange rate risk arises when there is a mismatch in the net foreign currency position, and it is affected by fluctuations in exchange rates.

- **Share Price Risk:** The calculation of share price risk seeks to determine the risk associated with adverse movements in the stock market and is the sum of the weighted net positions in each share. In order to take into consideration, the different sensitivities of individual share prices to movements in the market index, the net weighted position of each share is the product of 2 components:

    a. The net position of each share.
    b. The overall risk sensitivity factor for shares.

  To calculate share price risk exposure in a given stock market, the absolute values of the net weighted positions of shares in the respective market must be added.

  When the entity has positions in more than one stock market, the general risk component must be calculated separately for each market. In stock markets other than Bolsa de Valores de Colombia S.A., the applicable risk factor must be calculated by the entity as the 1st percentile of the observed variations, for a holding period of 10 business days, in the index that represents that market. For this estimation, the entity must use the history of the last 5 years, and it must be updated in such a manner that the last observation used in the calculation is within the latest 3 months from the calculation date of the exposure to the market risks discussed in this section.

(Stated in millions of COP,
except exchange rates and nominal share prices)

For the effects of this section, a stock market is defined as a securities trading system in which stocks are traded, either domestically or abroad.

- ***Hedging:*** Banco GNB Sudameris, as part of its regional strengthening strategy, and in accordance with the acquisition of the subsidiaries Banco GNB Peru and Banco GNB Paraguay, has developed hedging mechanisms through the issuance of subordinated bonds. In this way, the Entity aims to mitigate the foreign exchange risk through the use of hedge accounting tools.

  This hedge accounting treatment is subject to compliance with the methodological requirements to ensure its effectiveness. The Group performs quarterly tests to ensure compliance with the required assumptions.

The GNB Sudameris Group is constantly working to review models to manage market risk based on the identification and analysis of variations in risk factors (interest rate, exchange rate and price index) on the value of the different financial instruments that make up the portfolios.

Based on the standard method of measuring Value at Risk (VaR), at December 31, 2024 compared to the same period in 2023 the following results display:

Figures in COP million

Risk Factor	December 31, 2023	December 31, 2024	VARIATION	%
Interest Rate	91,481	133,759	42,278	46.21%▲
Exchange rate	10,186	72,397	62,211	610.73%▲
Share price	787	64,808	64,020	8130.96%▲
Collective Investment Funds	1,769	1,615	(154)	-8.71%▼
Total VaR	**104,065**	**272,453**	**168,388**	**161.81%▲**

The VaR of the Group on December 31, 2024 compared to December 2023 increased by COP 168,388 million, explained mainly by the following:

- The Interest Rate VaR increased by COP 42,278 million due to an increase in investments available for sale.

- The increase in the Exchange Rate VaR for COP 62,211 million arises mainly from the year-to-year increase in investments in foreign currency. Due to the increase in the proprietary position of Corporación Financiera GNB Sudameris, which increased from USD 29.84 million at year-end 2023 to USD 118.97 million at year-end 2024, due to the investment made in shares of Nutresa S.A. in June 2024. Also due to fluctuation in the exchange rate (TRM), which increased from COP 3,822.05 in December 2023 to COP 4,409.15 in December 2024.

Lastly, the Share Price Factor increased by COP 64,020, mainly due to the increase in the unit price of Nutresa S.A. shares, which increased from COP 51,800 on the acquisition date to COP 79,000 on December 31, 2024, equivalent to a 52.51% increase.

Below are the minimum, maximum and average VaR of the Group, comparing 2023 and 2024:

Figures in COP million

Group VaR

Maximum, Minimum and Average VaR	**December 31, 2024**			
	Minimum	**Average**	**Maximum**	**Year-end**
Interest rate	122,931	126,863	133,759	133,759
Exchange rate	41,137	62,513	79,577	72,397
Equity securities	737	41,387	64,808	64,808
Collective funds	1,571	1,588	1,615	1,615
Total VaR		**232,233**		**272,453**

Maximum, Minimum and Average VaR	**December 31, 2023**			
	Minimum	**Average**	**Maximum**	**Year-end**
Interest rate	90,621	95,588	103,621	91,481
Exchange rate	10,186	31,328	66,770	10,186
Equity securities	264	450	787	787
Collective funds	1,764	15,578	59,922	1,769
Total VaR		**142,881**		**104,065**

The VaR indicators reported individually by the Bank and its affiliates on December 31, 2023 and 2024 were:

Figures in COP million

	December 31, 2024		**December 31, 2023**	
Entity	**Amount**	**Level I basis points**	**Amount**	**Level I basis points**
Banco GNB Sudameris	96,909	55	77,444	40
Servitrust	89	0.1	115	0.1
Servivalores	1,918	1.1	1,614	0.9
Servibanca	9,425	5.5	1,751	0.9
Paraguay	11,917	7	11,792	6.2
Peru	23,329	13.6	10,413	5.5
Corporación Financiera	128,866	72.4	936	0.5
Total VaR, Consolidated subsidiaries	**272,453**	**154.7**	**104,065**	**54.1**

3. Risk of changes in foreign currency exchange rates

GNB Sudameris Group is exposed to exchange rate risk due to the positions taken in currencies other than the Colombian peso, mainly US dollars, Sols, Guaranis and Euros, both in its proprietary position and in investments in foreign subsidiaries. In the Global Proprietary Position, derivatives are excluded and the nominal values recorded in memorandum accounts are reported, which include both purchases and sales, with a limit of 20% of the Group's Technical Capital for the two preceding months restated at the average market exchange rate (TRM).

Figures in millions of USD or indicated figures

IMPACT ON THE BANK'S OWN POSITION IN THE EVENT OF A COP 10 CHANGE IN THE EXCHANGE RATE

Rate and rate fluctuations in COP	**Asset positions**	**Liability positions**	**Own position**	**Sensitivity COP10 /USD 1**	**Amount in pesos**
4,409.15	5,410.67	4,934.72	475.95		
4,419.15	5,398.43	4,923.55	474.88	1.08	1,077,027
4,399.15	5,422.97	4,945.93	477.04	(1.08)	(1,081,924)

(Stated in millions of COP,
except exchange rates and nominal share prices)

December 31, 2024	**US dollars (millions)**	**Euros (millions)**	**Other currencies translated to US dollars (millions)**	**Total in Colombian pesos (millions)**
Cash and cash equivalents	903	-	196	4,846,557
Debt investments	564	-	-	2,485,526
Equity investments	2	-	-	9,647
Derivatives	14	1	-	65,934
Loans	1,563	-	1,777	14,725,001
Others	391	-	-	1,723,796
Assets	**3,437**	**1**	**1,973**	**23,856,461**
Checking accounts	298	-	347	2,847,788
Savings accounts	503	-	565	4,711,714
Term deposits	801	-	1,038	8,109,172
Others	1,354	-	28	6,089,319
Liabilities	**2,956**	**-**	**1,978**	**21,757,993**
Net position	**481**	**1**	**- 5**	**2,098,468**

December 31, 2023	**US dollars (millions)**	**Euros (millions)**	**Other currencies translated to US dollars (millions)**	**Total in Colombian pesos (millions)**
Cash and cash equivalents	922	19	195	4,341,080
Debt investments	597	-	-	2,283,222
Equity investments	2	-	-	7,497
Derivatives	41	-	-	155,081
Loans	1,390	-	1,698	11,802,627
Others	466	-	-	1,780,788
Assets	**3,417**	**19**	**1,893**	**20,370,295**
Checking accounts	319	-	340	2,518,343
Savings accounts	545	-	498	3,988,800
Term deposits	632	-	1,145	6,792,732
Others	1,285	-	35	5,044,720
Liabilities	**2,781**	**-**	**2,019**	**18,344,595**
Net position	**637**	**19**	**- 126**	**2,025,700**

4. Interest rate risk on structure

The Bank's consolidated assets and liabilities are exposed to market fluctuations in interest rates affecting its financial position. This risk is based on the relationship between asset and liability positions. On the asset side, positions are taken from investments and loan portfolio placements at fixed and variable rates, which in turn are funded with liabilities, such as: collecting deposits and financial obligations at fixed and variable rates. This leads to margins of interest increasing or decreasing as a consequence of movements in these rates, which can increase margins and generate greater or lower profit as a consequence of unexpected events in the market.

The sensitivity analysis of the main productive assets and liabilities with costs due to exposure to interest rate changes is presented below. The table shows average volumes and cumulative amounts as of December 31, 2024 and December 2023, as well as the impact in light of a variation of 50 basis points.

(Stated in millions of COP,
except exchange rates and nominal share prices)

December 31, 2024				**Variation of 50 bps in interest rates**	
Account details	**Average for the period**	**Interest income/expense**	**Average Interest Rate**	**Favorable**	**Unfavorable**
Portfolio in Colombian pesos	12,620,873	1,983,238	15.71%	109,463	(109,463)
Portfolio in foreign currency	12,814,191	1,145,725	8.94%	138,016	(138,016)
Asset money market transactions in Colombian pesos	2,376,652	305,158	12.84%	105	(105)
Asset money market transactions in foreign currency	560,241	175,329	31.30%	7	(7)
Investments in debt securities held for trading and debt securities available for sale in Colombian pesos	11,022,930	825,267	7.49%	59,788	(59,788)
Interest-bearing financial assets	**39,761,855**	**4,735,268**	**17.26%**	**307,379**	**(307,379)**

December 31, 2024				**Variation of 50 bps in interest rates**	
Account details	**Average for the period**	**Interest income/expense**	**Average Interest Rate**	**Favorable**	**Unfavorable**
Customer savings and term deposits in Colombian pesos	13,985,310	1,332,314	9.53%	63,841	(63,841)
Customer savings and term deposits in foreign currency	4,105,336	110,402	2.69%	19,989	(19,989)
Customer checking account deposits in Colombian pesos	1,505,569	89,195	5.92%	7,107	(7,107)
Customer checking account deposits in foreign currency	2,699,920	-	0.00%	13,500	(13,500)
Customer deposits in fixed term certificates of deposit in Colombian pesos	6,683,035	790,645	11.83%	15,222	(15,222)
Customer deposits in fixed term certificates of deposit in foreign currency	7,867,243	404,957	5.15%	30,303	(30,303)
ML Bond	213,200	36,992	17.35%	1,574	(1,574)
ME Bond	3,065,144	216,176	7.05%	52,831	(52,831)
Financial obligations in Colombian pesos	2,235,815	272,556	12.19%	8,267	(8,267)
Financial obligations in foreign currency	1,510,572	121,816	8.06%	3,457	(3,457)
Total financial liabilities with financial costs in Colombian pesos	**24,622,929**	**2,521,702**	**10.24%**	**96,012**	**(96,012)**
Total financial liabilities with financial costs in foreign currency	**19,248,215**	**853,350**	**4.43%**	**120,079**	**(120,079)**
Total financial liabilities with financial costs	**43,871,145**	**3,375,052**	**7.69%**	**216,091**	**(216,091)**
Total net financial assets subject to interest rate risk in Colombian pesos	**1,397,525**	**591,961**	**1.72%**	**73,345**	**(73,345)**
Total net financial assets subject to interest rate risk in foreign currency	**(5,873,783)**	**467,704**	**6.82%**	**17,943**	**(17,943)**
Total net financial assets subject to interest rate risk	**(4,476,258)**	**1,059,665**	**3.56%**	**91,288**	**(91,288)**

December 31, 2023				**Variation of 50 bps in interest rates**	
Account details	**Average for the period**	**Interest income/expense**	**Average Interest Rate**	**Favorable**	**Unfavorable**
Portfolio in Colombian pesos	12,476,835	2,108,725	16.90%	102,025	(102,025)
Portfolio in foreign currency	12,461,450	1,162,196	9.33%	129,348	(129,348)
Asset money market transactions in Colombian pesos	2,190,196	373,125	17.04%	74	(74)
Asset money market transactions in foreign currency	610,398	212,498	34.81%	5	(5)
Investments in debt securities held for trading and debt securities available for sale in Colombian pesos	10,022,976	878,724	8.77%	39,375	(39,375)
Interest-bearing financial assets	**37,761,855**	**4,735,268**	**12.5%**	**270,828**	**(270,828)**

December 31, 2023				**Variation of 50 bps in interest rates**	
Account details	**Average for the period**	**Interest income/expense**	**Average Interest Rate**	**Favorable**	**Unfavorable**
Customer deposits in checking accounts, savings accounts, and CDs in Colombian pesos	12,541,599	1,501,012	11.97%	56,002	(56,002)
Customer deposits in savings accounts and CDs in foreign currency	4,722,354	128,852	2.73%	22,985	(22,985)
Customer deposits in fixed term certificates of deposit in Colombian pesos	5,893,711	834,577	14.16%	11,086	(11,086)
Customer deposits in fixed term certificates of deposit in foreign currency	7,259,318	362,329	4.99%	34,928	(34,928)
Bonds in Colombian pesos	332,405	52,783	15.88%	2,428	(2,428)
Bonds in foreign currency	3,089,826	228,831	7.41%	18,706	(18,706)
Financial obligations in Colombian pesos	2,538,591	353,784	13.94%	29,742	(29,742)
Financial obligations in foreign currency	1,602,948	121,270	7.57%	7,754	(7,754)
Total financial liabilities with financial costs in Colombian pesos	**21,306,306**	**2,742,156**	**12.87%**	**99,257**	**(99,257)**
Total financial liabilities with financial costs in foreign currency	**16,674,446**	**841,282**	**5.05%**	**84,372**	**(84,372)**

(Stated in millions of COP,
except exchange rates and nominal share prices)

Total financial liabilities with financial costs	**37,980,752**	**3,583,438**	**9.43%**	**183,629**	**(183,629)**
Total net financial assets subject to interest rate risk in Colombian pesos	**3,383,700**	**618,418**	**0.74%**	**42,217**	**(42,217)**
Total net financial liabilities subject to interest rate risk in foreign currency	**(3,602,598)**	**533,412**	**7.49%**	**44,981**	**(44,981)**
Total net financial assets subject to interest rate risk	**(218,897)**	**1,151,830**	**3.10%**	**87,199**	**(87,199)**

1. If a variation of 50 basis points had occurred in interest rates during 2024, the financial assets that earn interest would have had an income variation of +/- COP 307,379 million at December 31.

2. If a variation of 50 basis points had occurred in interest rates year-to-date at December 31, 2024, financial liabilities with financial costs that earn interest would have had a cost variation of +/- COP 216,091 million.
3. If a variation of 50 basis points had occurred in interest rates during 2024, total net financial assets subject to interest rate risk would have had a variation of +/- COP 91,288 million at December 31.

4. Liquidity risk

1. Management and models

The consolidated liquidity risk management model enables assessing the liquidity risk exposure of the Group, enabling the adoption of timely decisions for proper risk mitigation and, when applicable, determining the proper amount of capital corresponding to the risk levels of the Group and managing its liquidity policy.

The GNB Sudameris Group manages liquidity risk in accordance with the standard model established in Chapter XXXI - Comprehensive Risk Management System (SIAR, for the Spanish original) of Basic Accounting and Financial Notice 100 of the Financial Superintendence of Colombia, and in accordance with the rules related to liquidity risk management through the basic principles of the liquidity risk management model, which establishes the minimum prudential parameters that must be monitored by the entities in their operations to efficiently manage the liquidity risk to which they are exposed, through the Elements and Stages of the SARL (Identification, Measurement, Control and Monitoring) in accordance with the structure, complexity and size of the Consolidated Entity.

Each international subsidiary is responsible for measuring the liquidity risk indicator and other measurements. However, the overall management of liquidity is the responsibility of the National Risk Management Department, which reports to the Financial Risk and Control Vice-presidency of the Parent Company, through the Group´s Risk and Model Management Department, which analyzes the implications in terms of funding and liquidity of the liquidity structures and their compatibility in accordance with the policies and guidelines of the Parent Company and its limits and warning system, approved by the Board of Directors, which enables the joint management of liquidity risk.

The development and updating of liquidity risk policies has contributed to the proper structuring of the risk management system, not only in terms of limits and warnings, but also in terms of procedures, developing complementary management tools and performing periodic stress exercises for its models, which will serve as a basis for taking preventive or risk mitigation actions and thus limiting exposure, designing a liquidity buffer, adjusting the risk profile and structuring the contingency plan.

As part of the liquidity risk analysis, the Group measures, among others, the volatility of deposits without contractual maturity through statistical analysis, the evolution of financial assets and liabilities, the structure of interest rates, the normal Liquidity Coverage Indicator (LCI) and the Stressed Liquidity Coverage Indicator (Stressed LCI), the concentration of funding sources, the proprietary position, the Liquidity gap by currency and funding positions between related parties.

Through the Group's Risk Committee, Senior Management reviews the liquidity situation of the consolidated group and recommends the necessary actions, while taking into account the high quality liquid assets to be maintained, liquidity management tolerance or minimum liquidity, the raising of funds, policies on liquidity surplus placement, changes in the characteristics of existing products and new products, the diversification of sources of funds to avoid a concentration of funds from few investors or savers, hedging strategies and changes in the balance sheet structure.

(Stated in millions of COP,
except exchange rates and nominal share prices)

The Parent Company and its subsidiaries each have a Liquidity Contingency Plan, which clearly specifies the roles and responsibilities for activating the contingency, as well as the constitution of the liquidity crisis group whose function and responsibility is to take the necessary actions to mitigate the effects of an exposure to liquidity risk of any of the entities that make up the group, using a series of strategies aimed at correcting the liquidity structure based on the sale of liquid assets, temporary liquidity support (ATL), loans in the inter-bank market, adjustments to liability rates, stabilization of the main depositors, support from the Central Banks of each jurisdiction as a last resort, among others, in addition to defining the management of communicating internal information to the media, control entities and the general public through the Communications Plan.

High-quality liquid assets consist of cash and marketable investments in debt securities, investments in open-end collective portfolios, available-for-sale investments in debt securities and held-to-maturity investments, as long as they are money market transactions.

The GNB Sudameris Group complies with legal reserve requirements according to the local regulations of each country in the case of foreign subsidiaries, maintaining the cash, Banks and their respective deposits in the Central Banks by applying the percentages established on deposits and liabilities as required by each regulation.

Quantitative information

At year-end 2024, GNB Sudameris Group held sufficient liquidity levels to cover all its requirements, as explained in the chart below showing the figures in December 2024 compared to year-end 2023.

December 31, 2024

Entity	Amount	Percentage
Banco GNB Sudameris	7,611,964	68.33%
Banco GNB Perú	1,880,775	16.88%
Banco GNB Paraguay	1,334,059	11.97%
Servibanca	258,007	2.32%
Servitrust GNB Sudameris	41,314	0.37%
Corporación Financiera GNB	3,949	0.04%
Fondo de Capital Privado Inmobiliario Servivalores	7,871	0.07%
Servivalores GNB Sudameris	2,345	0.02%
Fondo de Capital Privado Inmobiliario Servitrust	376	0.00%
Total	**11,140,660**	**100.00%**
Maximum	$ 11,140,660	
Minimum	$ 10,158,836	
Average	$ 10,592,634	

At the end of December 31, 2023, the following summary of the Group's liquidity analysis was presented in accordance with the provisions established for such purpose by the Financial Superintendence of Colombia.

December 31, 2023

Entity	Amount	Percentage
Banco GNB Sudameris	6,085,971	65.33%
Banco GNB Perú	1,652,220	17.74%
Banco GNB Paraguay	1,098,343	11.79%
Servibanca	282,523	3.03%
Servitrust GNB Sudameris	44,926	0.48%
Corporación Financiera GNB	104,060	1.12%
Fondo de Capital Privado Inmobiliario Servivalores	41,811	0.45%
Servivalores GNB Sudameris	5,126	0.06%
Fondo de Capital Privado Inmobiliario Servitrust	405	0.00%
Total	**9,315,385**	**100.00%**
Maximum	$ 9,825,178	
Minimum	$ 8,656,283	
Average	$ 9,265,615	

(Stated in millions of COP,
except exchange rates and nominal share prices)

At the end of December 31, 2024 and 2023, the Parent Company performed the analysis of maturities for financial liabilities showing the following consolidated contractual maturities:

Analysis of maturities of consolidated financial liabilities at December 31, 2024

Financial liabilities	< 1 month	1-3 months	3-12 months	More than 12 months
Customer deposits	8,262,795	5,808,148	6,186,432	19,195,264
Short-term financial obligations	2,129,800	2,428,523	651	3,779
Outstanding investment securities	652	92,655	205,145	3,263,014
Bank loans	82,994	607,072	437,701	1,346,132
Total financial liabilities	**10,476,241**	**8,936,398**	**6,829,929**	**23,808,189**

Analysis of maturities of consolidated financial liabilities at December 31, 2023

Financial liabilities	< 1 month	1-3 months	3-12 months	More than 12 months
Customer deposits	6,864,281	4,204,247	4,966,440	19,195,665
Short-term financial obligations	1,714,160	1,962,481	59,388	3,814,935
Outstanding investment securities	562	-	-	3,080,624
Bank loans	66,658	439,814	488,363	1,553,181
Total financial liabilities	**8,645,661**	**6,606,542**	**5,514,191**	**27,644,405**

5. Operating risk

i. Operating risk management model

For the Group, operating risk is a key aspect for management, which permanently monitors the different events that may or may not imply losses resulting from failures in internal processes, human resources, infrastructure and technology, or derived from external circumstances.

1. Operating Risk Management

During 2024, the Operational Risk Department, which reports to the Parent Company's National Risk Management Department, in compliance with the provisions of current regulations, continued managing Operational Risk by performing the following activities, among others:

1.1. Banco GNB Sudameris and National Subsidiaries:

1.1.1. Banco GNB Sudameris

- ✓ The Operational Risk matrices were updated jointly with the respective areas. In this way, the risks to which the Entity is exposed and the controls that allow mitigating them were determined and identified, maintaining exposure levels within tolerable limits.

- ✓ During said period, the Board of Directors approved an update to the operating risk appetite limit, which is documented in the Entity's Risk Appetite Framework (RAP).

- ✓ The Board of Directors of Banco GNB Sudameris approved an update to the Operating Risk Management Rules of Procedure, and the Rules of the Risk Committee regarding the periodicity of meetings.

- ✓ Authorization was received from the Financial Superintendence of Colombia to use the Operating Risk event record to determine the Loss Component (CP) in the calculation of the operating value at risk at the entity, according to the defined methodology.

- ✓ Additionally, calculation of the Value of Exposure to Operating Risk (OpVaR) for the Entity was automated in the tool for this effect, thereby improving the efficiency and accuracy of the process.

- ✓ Operating Risk indicators were calculated and analyzed, which allowed monitoring the behavior of operating risk events and validated the timely, effective and efficient functioning of controls.

- ✓ As an important part of strengthening the risk culture within the Entity, training sessions were performed periodically for employees in the Entity's departments. These sessions helped reinforce knowledge on Operating Risk, as well as the GNB ORMS tool's functionality and usage, highlighting the importance of reporting operating risk events.

- ✓ The various requirements of the Statutory Auditor and Internal Auditor regarding follow-up on the Entity's Management and Administration of the Operational Risk Management System (ORMS) were addressed.

- ✓ Lastly, a training program was implemented for third-party providers on topics related to Operating Risk (ORMS), Business Continuity (PCN) and Information Security and Cybersecurity.

At the domestic subsidiaries, in addition to the above, other specific activities were carried out, as described below:

1.1.2. Servitrust

- ✓ A request for information by the credit rating agency Valúe and Risk was addressed, in connection with the periodic review of the collective investment fund GNB Abierto y Cash managed by Servitrust GNB Sudameris.

- ✓ Once the operating risk matrices were updated, the Business Typology forms were updated to comply with internal assessments performed by these areas and to align them with the updated risks and controls.

- ✓ Lastly, support and assistance was provided for various projects at the Entity, regarding the identification of possible operating risks.

1.1.3. Servivalores

- ✓ Requests for information by the credit rating agency Valúe and Risk were addressed, in connection with the annual credit rating review at the securities broker company and at the collective investment fund Rentaval managed by Servivalores.

1.1.4. Servibanca

- ✓ Support and assistance was provided for various projects at the Entity, regarding the identification of possible operating risks. Specifically in connection with the Correspondent Banking project, which received authorization from the Financial Superintendence of Colombia to update the rules of procedure of the Small Amount Payment System managed by Servibanca.

1.1.5. Corporación Financiera GNB Sudameris

- ✓ Authorization was received from the Financial Superintendence of Colombia to use the Operating Risk event record to determine the Loss Component (CP) in the calculation of the operating value at risk (OpVaR) at the entity, taking into consideration the procedures established by the Control Body.

1.2. International Subsidiaries

- ✓ We continued to monitor and follow up on compliance with the methodology, standards, policies and procedures issued by the Group's Parent Company, as well as monitoring operating risk events in the GNB ORMS tool.

1.2.1. Banco GNB Perú

The Operating Risk Management System is considered a fundamental effort at Banco GNB Peru, based on the risk culture and internal control of the Entity, through the Risk Coordinators, Managers and employees, with the guidance provided by the Operating Risk area, maintaining the identification, measurement, control and monitoring of operating risks in compliance with the local regulatory framework and corporate policies.

During 2024, the following activities were carried out:

- ✓ The operating risk appetite limit was constantly monitored based on the Entity's Operating Risk appetite, as well as the main loss events includes fines and provisions for litigation, and other operating losses.

- ✓ The Risk Matrices were also reviewed and updated in line with the established timetable.

- ✓ The Regulatory Capital Requirement due to Exposure to Operating Risk was calculated every month.

- ✓ Operating risk indicators were calculated and reviewed, with results within normal levels.

- ✓ Lastly, projects continued to be reviewed and/or classified in order to identify those classified as important changes or new products. The area also participated in the review and changes of regulatory documents.

1.2.2. Banco GNB Paraguay

For Banco GNB Paraguay, Operating Risk plays a significant role in the development of its activity, because thanks to the constant monitoring of operational events, focal points of possible financial losses can be detected, as well as internal weaknesses in the control systems.

During 2024, the following activities were carried out:

- ✓ Monitoring continued of usage of operating risk appetite limits and of the behavior and identification of loss events, including details and plans of action for relevant events.

- ✓ In order to strengthen the culture and awareness of Operating Risk and Business Continuity management, a training and awareness-raising program is constantly transmitted through the Bank's training area.

- ✓ Also during this period the Operating Risk area provided training on topics related to the Operating Risk Management System to Operating Risk Managers.
- ✓ Lastly, the activities related to updating the operating risk matrix are in progress.

2. Operating Value at Risk (OpVaR)

Pursuant to the provisions issued by the Financial Superintendence of Colombia in Chapter XXXI of the Basic Accounting Public Notice, in Decrees 415/2018 and 1421/2019, which issue instructions related to the calculation of the Operating Value at Risk, the following are the results of each applicable Entity and at the consolidated level:

2.1. Banco GNB Sudameris

The average OpVaR of Banco GNB Sudameris during the period from December 31, 2023 to December 31, 2024, was COP 253,982 million, with a maximum value of COP 306,475 million in September and a minimum value of COP 145,042 million in October 2024.

(Stated in millions of COP,
except exchange rates and nominal share prices)

Figures in COP million	
OpVaR Banco GNB Sudameris	
Period	**OpVaR**
December 2023	244,658
December 2024	148,193

Figures in COP million	
OpVaR Banco GNB Sudameris	
Maximum	306,475
Minimum	145,042
Average	253,982

OpVaR at December 31, 2023 decreased compared to December 31, 2024, by -39%, mainly due to the approval by the Financial Superintendence of Colombia to calculate the Loss Component (LC) based on risk event records using an internal loss indicator (ILI) that decreased from 1.5 to 0.7.

2.2. Servitrust GNB Sudameris

The average OpVaR of Servitrust GNB Sudameris during the period from December 31, 2023 to December 31, 2024, was COP 2,075,678,000 (pesos), with a maximum value of COP 2,178,075,000 (pesos) in December 2024 and a minimum value of COP 1,975,360.000 (pesos) in January 2023.

Figures in COP million	
OpVaR Servitrust GNB Sudameris	
December 2023	1,958
December 2024	2,178

Figures in COP million	
OpVaR Servitrust GNB Sudameris	
Maximum	2,178
Minimum	1,958
Average	2,066

The OpVaR at December 31, 2023 compared to December 31, 2024 displays a change of COP 220 million, equivalent to 11.23%, arising primarily from the evolution of the business of the trust fund company.

2.3. Servivalores GNB Sudameris

The average OpVaR of Servivalores GNB Sudameris S.A. during the period from December 31, 2023 to December 31, 2024, was COP 1,601,543,000 (pesos), with a maximum value of COP 1,755,687,000 (pesos) in December 2024 and a minimum value of COP 1,488,785.000 (pesos) in December 2024:

Figures in COP million	
OpVaR Sociedad Comisionista Servivalores GNB Sudameris	
Average	1,601
Maximum	1,755
Minimum	1,488

Figures in COP million	
OpVaR Sociedad Comisionista Servivalores GNB Sudameris	
December 2023	1,489
December 2024	1,755

The OpVaR at December 31, 2023 compared to December 31, 2024 displays a change of COP 266 million, equivalent to 17.93%, arising primarily from the evolution of the business of the securities broker Servivalores GNB Sudameris.

2.4. Corporación Financiera GNB Sudameris

Average OpVaR of Corporación Financiera between December 31, 2023 and December 31, 2024 was COP 19,036,582,000 (pesos), with a maximum value in September 2024 of COP 29,629,157,000 (pesos) and a minimum of COP 13,426,866,000 (pesos) in January 2024:

(Stated in millions of COP,
except exchange rates and nominal share prices)

Figures in COP million	
OpVaR Corporación Financiera	
December 2023	10,562
December 2024	24,240

Figures in COP million	
OpVaR Corporación Financiera	
Maximum	29,629
Minimum	13,426
Average	19,036

OpVaR at December 31, 2023 decreased compared to December 31, 2024, by COP 12,635 million, equivalent to 92%, mainly due to the evolution of Corporación Financiera´s performance and the approval by the Financial Superintendence of Colombia to calculate the Loss Component (LC) based on risk event records using an internal loss indicator (ILI) that decreased from 1.5 to 0.7.

According to the analyses performed, OpVaR has impacted each entity's solvency margin; however, it remains above the thresholds defined by applicable regulations.

2.5. OpVaR of the Group

According to current regulations in Colombia regarding capital adequacy for operating risk and Chapter XXXI of the Basic Accounting and Financial Public Notice issued by the Financial Superintendence of Colombia, the following are the comparative figures of OpVaR for the Group between December 2023 and December 2024:

Figures in COP million	
OpVaR of the Group	
December 2023	285,231
December 2024	349,750

3. Operating Risk Events

During 2024, the events with greatest impact were related to Banco GNB Paraguay for COP 703 million. This amount is within the established operating risk limit, and is related to attorney fees to address proceedings, unawareness of transactions made using debit and credit cards, as well as failures in technology, execution and management of transactions, which were corrected in a timely manner.

At Banco GNB Sudameris, Type A events impacted the financial statements in the amount of COP 225 million. This amount is within the established operating risk limit. Type B events were related to failure in the execution and management of processes, which did not require action plans and were addressed in a timely manner.

At Banco GNB Perú, events took place for an amount of COP 211 million. This amount is within the established operating risk limit.

During the same period in Servibanca S.A., operating risk events took place that impacted the financial statements of Servibanca in the amount of COP 115 million. This amount is within the established operating risk limit. Type B events also occurred, associated mainly with effects and physical damages in automatic teller machines, which were remedied in a timely manner.

At Servitrust GNB Sudameris events were reported that affected the financial statements by COP 0.8 million, related to failure of execution of processes.

Lastly, at the subsidiaries Servivalores and Corporación Financiera GNB Sudameris, no events took place with an economic impact on the financial statements.

The following are the type “A” operating risk events as of year-end 2024 as a percentage of total events:

(Stated in millions of COP,
except exchange rates and nominal share prices)

Figures in COP million		
2024		
Entity	**Amount**	**Percent of Total**
Banco GNB Paraguay*	COP 723,39	55.93%
Banco GNB Sudameris	COP 226,40	18%
Banco GNB Perú*	COP 211,70	16.83%
Servibanca	COP 115,32	9.17%
Servitrust	COP 0,83	0.07%
CorfiGNB	COP -	0%
Servivalores	COP -	0%
	COP1,257.65	**100%**

Source: GNB ORMS application

***** *Calculations made with the average exchange rate in 2024 for each country.*

4. Risk Profile

The Financial Group has defined a conservative risk appetite in the development of its operations. During 2024, considering the risks identified in each of the Entities, we report that the residual risk level for the Group is LOW.

ii. Business Continuity Plan (BCP)

1. Business Continuity Plan (BCP) management

1.1. Banco GNB Sudameris and Subsidiaries in Colombia

In accordance with the Business Continuity Plan defined and approved by the corresponding authorities, during 2024, the Operating Risk Management Department carried out the following activities, among others:

- ✓ Regarding the risk assessment for the Business Continuity Plan and its associated strategies, an update was made in 2024, during which new interruption risks and controls were identified to mitigate their impact in the event they materialize.

- ✓ During the year, the Business Impact Assessment (BIA) and Operations Contingency Plan (PCO) were updated for critical areas of the Entity.

- ✓ The "Backup Matrix of Critical Operating Positions" was also updated.

- ✓ The Rules of Procedure of the Business Continuity Committee were updated regarding the Committee's members.

- ✓ The NP - Business Continuity Planning procedure was updated to strengthen aspects related to the process of determining criticality and the evaluation of new third-party providers.

- ✓ During the period a requirements by Internal Auditing was addressed regarding the annual assessment of the Business Continuity Plan, obtaining an "Excellent" result with no pending action plans.

- ✓ Regarding the management of critical third-party providers that support the processes of Banco GNB Sudameris and its subsidiaries, the following activities were carried out based on the established methodology:

- Participation in the process of selecting new providers.
- Identification of critical third-party providers during the reporting period.
- Evaluations were carried out of third-party providers classified as critical regarding minimum compliance aspects related to the Business Continuity Plan (BCP), Operating Risk and Information Security and Cybersecurity.

✓ During the year, support and assistance was provided for various projects at the Entity, regarding the identification of possible interruption and business continuity risks.

✓ The scheduled training programs were delivered, with sessions targeted at all the Entity's employees. Special training was also delivered to Senior Management and the Continuity Committee.

✓ Training was completed for third-party providers on topics related to Operating Risk, Business Continuity and Information Security and Cybersecurity. The area also actively participated in industry association training for third parties provided by Asobancaria.

✓ During this period, training, support and alignment with the methodology, rules, policies and procedures continued, following the guidelines of the Parent Company for International subsidiaries and support was provided in topics related to business continuity to all Group Entities.

✓ The Business Continuity Committee monitored the continuous improvement of the Business Continuity Plan at its quarterly meetings.

✓ The Entity also continued to strengthen the Business Continuity Plan through technical tests, operation functionality tests and contingency drills carried out at the Alternate Computer Center (ACC) and the Contingency Operations Center (COC), to ensure the functionality of all management processes and guarantee the normal operation of the Organization's services, either remotely or on-site, to contribute to the provisions adopted by the Bank and its subsidiaries.

Activities Carried Out - International Subsidiaries

1.1.1. Banco GNB Perú

Business Continuity Management is a process, carried out by the Board of Directors, Management and staff, that implements effective responses so that the Bank's operations continue in a reasonable manner, in order to safeguard the interests of its main stakeholders, in the occurrence of events that may cause an interruption or instability in the Bank's operations.

Based on the above, the following activities were carried out during 2024, among others:

✓ The Risk Assessment Matrix that is part of the Business Continuity Plan was updated, along with its associated strategies.

✓ During the year, the Business Impact Assessment (BIA) and Operations Contingency Plan (PCO) and the "Backup Matrix for Critical Operating Roles" were updated.

✓ Regarding management of third parties, the scheduled performance evaluations were performed of providers that could substantially affect the Bank's operations if their activities are interrupted (critical providers).

✓ Lastly, back-up personnel assigned to the COC of Chacarilla were validated, and the information of alternate users assigned to the Contingency Operations Center (COC) was updated.

1.1.2. Banco GNB Paraguay

In accordance with the Business Continuity Plan defined and approved by the relevant bodies, during 2024 the following activities were carried out:

- ✓ Risks that may cause interruptions to operations and business continuity were identified. Once this task was completed, workshops were carried out in the areas to identify the existing control procedures to mitigate these risks, or to create new controls.

- ✓ The matrix of back-ups for critical positions and the call tree were defined. This task is 90% complete and is expected to be completed during the first quarter of 2025 to therefore move forward to the verification of the internal rules of procedures and the respective functions manuals.

- ✓ Also during the period, contingency tests and operations were carried out, both internal and external, following the established schedule at the Entity.

- ✓ Technology incidents continue to be monitored, applying solution alternatives to each event.

- ✓ With the support of Human Resources, mass dissemination was made of training for the Entity's employees on the Business Continuity Plan.

- ✓ Lastly, jointly with the Technology area, workshops were held to identify the areas and activities on which to perform testing, taking the following aspects into consideration:

  - Identification of tools and processes.
  - Coordination with the areas on the assignment of assistants to perform the tests.
  - Definition of the Contingency Operations Center (COC).
  - Technical visits to survey the COC and adapt the facilities.
  - Advisory to the areas on the related topics.

- ✓ The Physical Security area, as established in its regulatory framework, carried out an employee evacuation drill and the head office in July, with the participation of the Volunteer Firefighter Corps and police officers from the 6th Police Station of the Jurisdiction

a) Information security and cybersecurity

1. Information security and cybersecurity management

In 2024, the Information Security and Cybersecurity Office, which reports to the National Risk Management Department, in compliance with the provisions of current regulations, performed the following activities, among others, for the GNB Sudameris Group:

- ✓ In compliance with Public Notice 007/2018 issued by the Financial Superintendence of Colombia, through which instructions related to the minimum requirements to manage cybersecurity risk are provided, monitoring and fine-tuning activities were performed in the services of the Security Operations Center (SOC), which allowed warning and preventing security and cybersecurity events.

- ✓ The Paraguayan subsidiary's critical infrastructure exposed to the cyberspace was integrated into the service of the Security Operations Center (SOC).

- ✓ An analytical tool was implemented to assess vulnerabilities of production assets at the Peruvian subsidiary.

- ✓ The Group's infrastructure exposed to the cyberspace was controlled and monitored without any information security or cybersecurity Incidents.

- ✓ The brand was monitored in the social media, and no negative effects to the reputation of Group were found.

- ✓ Banco GNB Sudameris renewed its subscription to the Financial CSIRT (Computer Security Incident Response Team) of Asobancaria, which acts as observatory of cybernetic threats at the global, regional and local level for the banking institutions in the ecosystem, thereby managing alerts and their associated compromise indicators for the protection of the Entity's infrastructure.

- ✓ The virtual 2024 Information Security and Cybersecurity and Fraud Risk Management training session was performed, which allowed reinforcing concepts on these topics and encouraging the participation of all the employees of Banco GNB Sudameris and its Colombian subsidiaries in new cybersecurity and fraud threats. The corresponding evaluation was applied in order to get feedback on the topic's level of understanding.

- ✓ The Boards of Directors and the Risk Committees of each of the Group's entities received training on Information Security and Cybersecurity, covering definitions, new types of cyber-attacks and how to prevent them.

- ✓ During 2024, the team of the Information Security and Cybersecurity Office participated in different events and webinars on topics related to Cybersecurity and Fraud.

- ✓ In order to assure information security and protection and to promote an ordered and efficient workplace, the "Clean Desk" policy was reinforced, along with the "Management of Passwords in Daily Operations," among others, as defined in the "Information Security and Cybersecurity Management" procedure.

- ✓ Support was provided to the National Product Development and Marketing Department to send out communications to the customers with security recommendations on how to avoid becoming a victim of cybersecurity and fraud threats.

- ✓ On the home page of the Banco GNB Sudameris website, a button/link was implemented named "How to Prevent Fraud," which describes fraud modalities, available security tools, and recommendations for protection in each of the Bank's channels.

- ✓ With the support of Senior Management, a "Fraud Risk Management Video" was transmitted throughout the Group to enable employees to identify potential risks, learn how to prevent them and know how to effectively report suspicious activities.

- ✓ The process of reviewing and updating the matrices for classifying information from all of departments of Banco GNB Sudameris and its local subsidiaries was completed, determining and applying the corresponding protection measures according to the classification.

- ✓ In compliance with internal regulations and Notices 042 and 033 of the Financial Superintendence of Colombia, vulnerability analyses were performed on the productive infrastructure, as well as the Ethical Hacking analysis on specific internal targets exposed to the cyberspace of Banco GNB Sudameris, and local and international subsidiaries.

- ✓ Critical third-party providers were evaluated according to the established schedule, regarding business continuity, information security risks, operating risk and fraud management.

- ✓ In order to assess the awareness of the employees of Banco GNB Sudameris, local subsidiaries and the Peruvian subsidiary on Information Security and Cybersecurity related to phishing type attacks, a social engineering test was carried out using a phishing-ransomware e-mail sent to all the Entity's employees, obtaining satisfactory results.

- ✓ In compliance with Public Notice 033/2020 issued by the Financial Superintendence of Colombia, which issues instructions related to the Unified Taxonomy of Cybernetic Incidents (TUIC, for the Spanish original), information security and cybersecurity metrics were reported quarterly in the respective forms.

- ✓ Fraud Risk Administration and Management activities were carried out, with quarterly reports to the Board of Directors and the Risk Committee on the events and indicators, finding that they remained within the green alert status for the Bank and its local subsidiaries.

- ✓ Inquiries by the Financial Superintendence of Colombia, the Statutory Auditor, the General Auditor and Credit Rating Agency in connection with reviews of the Entity's Information Security and Cybersecurity management and fraud risk management at the Group were addressed.

b) ESG including climate matters

In line with the sustainability strategy and the importance of protecting and preserving the environment for GNB Sudameris Group, the Board of Directors of Banco GNB Sudameris, as parent company, approved in December 2023 the policies related to management of ESG (Environment, Social and Governance) matters, including climate matters, as set out in Public Notice 031/2021 issued by the Financial Superintendence of Colombia.

In developing these policies, Banco GNB Sudameris, as parent company, performed the double materiality assessment aimed at identifying the most relevant ESG matters for GNB Sudameris Group in Colombia, on which the first report was submitted to the National Securities and Issuers Registry (RNVE, for the Spanish original) and the Financial Superintendence of Colombia in the first quarter of 2024, which represents a guideline that defines the importance of each matter for the entities that are part of GNB Sudameris Group, and their stakeholders.
During 2024, the following activities, among others, were carried out on ESG (Environment, Social and Governance) matters, including climate, duly aligned with the policies approved by the Board of Directors of the Parent Company:

- ✓ Work plans were structure to develop and implement the ESG strategy.
- ✓ All employees of GNB Sudameris Group in Colombia and Banco GNB Perú received training on topics related to ESG, including climate.
- ✓ A website was implemented on the intranet of GNB Sudameris Group in Colombia dedicated to ESG matters.
- ✓ Quarterly reports aimed at the corresponding Control Entities were structured, among others.
- ✓ ESG factors were included in the rules of the Collective Investment Funds managed by Sociedad Comisionista Servivalores GNB Sudameris and Sociedad Fiduciaria Servitrust GNB Sudameris.

c) Country Risk

For GNB Sudameris Group, country risk is the possibility that the Parent Company will incur in losses arising from financial transactions abroad due to deteriorating economic and/or socio-political conditions in the receiving country of such transactions, either due to limitations for transferring funds or factors not attributable to the business and financial conditions of the receiving country of the transaction. This definition includes, among others, Sovereign Risk (SR) and Transfer Risk (TR) associated with these factors.

GNB Sudameris Group periodically reviews the country risk in the jurisdictions where it holds investments using the methodology established and in accordance with the rules set out in Chapter XXXI of the Basic Accounting and Financial Notice 100 of the Financial Superintendence of Colombia.

The model takes into consideration sovereign and transfer risks, among others, and uses statistical tools to adequately identify, measure, control and monitor Country Risk, for the possibility that investments abroad may be affected due to deteriorating economic and/or socio-political conditions of the receiving country of such transactions through risk classifications.

The National Risk Management Office, which reports to the Financial Risk and Control Vice-presidency of the Parent Company, monitors country risk in the jurisdictions where in holds capital investments abroad, currently namely Paraguay and Peru.

(Stated in millions of COP,
except exchange rates and nominal share prices)

Taking into consideration the qualitative and quantitative information defined in the country risk measurement methodology, the following are the results on December 31, 2024:

Country Risk Rating	Paraguay Status	Comments
a. Has a favorable economic, financial and socio-political situation, and its legal framework does not prevent fulfillment of the agreed investment terms.	Favorable/Stable	Displays a satisfactory economic, financial and socio-political situation.
b. Fulfills and has fulfilled its international obligations.	Complies	Total debt/GDP ratio was not above 80% during the latest year; maximum total debt/GDP: 38.48% (1Q - 2024)
c. Has no restrictions on international financial transactions related to profits.	None reported	In the short term, there are no restrictions on international financial transfers of profits and/or delays in payment of financial obligations abroad, and there are no effects on investment values and/or availability of profits and/or intermittent interventions in the foreign exchange market.
d. Sovereign debt external rating assigned by well-known international credit rating agencies is “investment grade.”	Moody's Baa3 (Investment grade)	
e. The condition of item a. of this category tends to consolidate, particularly because its economic growth outlook, financial and socio-political stability remain stable for the next two years.	Favorable/Stable	2026 forecasts (IMF) - Inflation: 3.6% - GDP: 3.0% - Unemployment: 6.0% -Debt/GDP: 42.2%

Result: **Category A**

Peru Country Risk Rating	Status	Comments
a. Has a favorable economic, financial and socio-political situation, and its legal framework does not prevent fulfillment of the agreed investment terms.	Favorable/Stable	Displays a satisfactory economic, financial and socio-political situation.
b. Fulfills and has fulfilled its international obligations.	Complies	Total debt/GDP ratio was not above 80% during the latest year; maximum total debt/GDP: 33.70% (1Q -2024)
c. Has no restrictions on international financial transactions related to profits.	None reported	In the short term, there are no restrictions on international financial transfers of profits and/or delays in payment of financial obligations abroad, and there are no effects on investment values and/or availability of profits and/or intermittent interventions in the foreign exchange market.
d. Sovereign debt external rating assigned by well-known international credit rating agencies is “investment grade.”	Moody's Baa1 (Investment grade)	

(Stated in millions of COP,
except exchange rates and nominal share prices)

e. The condition of item a. of this category tends to consolidate, particularly because its economic growth outlook, financial and socio-political stability remain stable for the next two years.	Favorable/Stable	2026 forecasts (IMF) - Inflation: 2.4% - GDP: 3.8% - Unemployment: 6.2% -Debt/GDP: 35.3%
Result:	**Category A**	

Based on the implemented Country Risk methodology, which determines the perceived risk level in economic, financial and socio-political terms in each jurisdiction, the results obtained lead to the conclusion that it is not necessary to set aside any provisions.

NOTE 8. - OPERATING SEGMENTS

The consolidated operations of Banco GNB Sudameris are segmented by geographic location in the countries in which it operates. The segments are components of the parent company responsible for performing commercial activities that generate income and expenses, and their results are periodically reviewed by the Board of Directors.

The parent company is organized into three business segments: Colombia, Peru and Paraguay. All the companies that make up these segments provide services related to the financial sector, and each complies with the laws of their country of residence and with the guidelines from the parent company.

Colombia
The Colombia segment is comprised by Banco GNB Sudameris and its domestic affiliates: Servitrust GNB Sudameris, Servibanca S.A. and Servivalores GNB Sudameris. Banco GNB Sudameris, with over 100 years of experience in the country, offers a portfolio of products and services to its customers in different economic sectors, including consumer, commercial and institutional services, complemented by those offered by its domestic affiliates. The trust company Servitrust GNB Sudameris has broad experience in managing Collective Investment Funds and Management and Guarantee Trusts. The affiliate Servibanca S.A. is a strategic partner for the Bank in implementing technology-based products and has a network of over 2,751 ATMs nationwide in close to 822 cities and municipalities. Servivalores GNB Sudameris is the parent company’s stock broker, with over 20 years of experience, exclusively devoted to stock trading in Colombia. Corporación GNB Sudameris began operations in late 2018 investing in the hotel and mass media industries (equity securities).

Peru
This segment is comprised by Banco GNB Perú, which was acquired in 2013 from Banco HSBC. It began operations in 2007 and is increasingly consolidating its position as a key player in the Peruvian banking system. GNB Perú operates in the consumer, commercial and corporate segments.

Paraguay
This segment is comprised by Banco GNB Paraguay, a bank with a long track record in Paraguay, in operation since 1920, and acquired by Banco GNB Sudameris from Banco HSBC in 2013. The Bank’s activities focus on two business segments: retail banking and commercial and corporate banking.

The segmentation by country is based on the parent company’s strategic organization in terms of its product and service offerings, aimed at meeting the needs of its customers in various economic sectors in the countries where it operates.

The Board of Directors receives both consolidated and separate financial reports from each company included in the segments, and monitors their performance based on the results obtained under the various items of the balance sheet and income statements, as well as various performance indicators that complement the information.

(Stated in millions of COP,
except exchange rates and nominal share prices)

The following is the summarized financial information by segment at December 2024 compared to December 2023, and the comprehensive income statement at December 2024 compared to December 2023:

Consolidated Statement of Financial Position at December 31, 2024

Assets	**Colombia**	**Peru**	**Paraguay**	**Eliminations**	**Consolidated**
Cash and cash equivalents	8,679,035	747,048	2,466,699	(86,552)	11,806,230
Financial assets at fair value	13,486,104	1,100,601	706,812	(5,482,927)	9,810,590
Financial assets at amortized cost	1,324,640	314,422	279,801	-	1,918,863
Portfolio	13,608,468	4,581,003	9,560,215	(78,811)	27,670,875
Other accounts receivable	381,541	7,333	9,770	(90,122)	308,522
Non-current assets held for sale	-	142	125,443	-	125,585
Tangible assets	1,256,429	42,260	308,138	(26,249)	1,580,578
Intangible assets	130,308	5,226	344,766	288,919	769,219
Income tax assets	993,320	104,848	4,550	(83,001)	1,019,717
Other assets	225,568	7,577	57,197	-	290,342
Total Assets	**40,085,413**	**6,910,460**	**13,863,391**	**(5,558,741)**	**55,300,521**
Liabilities					
Financial liabilities at fair value	15,494	3,203	75,950	(86,552)	83,182
Customer deposits	23,918,847	5,004,485	10,615,858	(5,482,927)	39,452,638
Short-term liabilities	4,213,914	344,169	4,670	-	4,562,753
Loans from development entities	1,734,733	269,024	549,259	(78,811)	2,473,899
Long-term loans	3,323,478	66,816	171,173	(90,122)	3,561,467
Finance lease liabilities	72,797	28,346	10,145	-	111,288
Employee benefits	60,134	6,211	30,769	(26,249)	97,114
Provisions	34,361	752	17,716	288,919	52,829
Income tax	111,379	-	6,924	(83,001)	6,924
Other liabilities	325,015	47,695	328,690	-	611,278
Total Liabilities	**33,810,152**	**5,770,701**	**11,811,154**	**(378,634)**	**51,013,372**

Statement of Income

	Colombia	**Peru**	**Paraguay**	**Eliminations**	**Consolidated**
Interest and valuation income	2,419,641	441,182	895,784	(7,682)	3,748,925
Interest expenses:					
Interest expense on deposits	2,212,154	259,410	270,198	(7,682)	2,734,080
Financial debt and other interest	608,503	33,974	44,725	-	687,201
Total interest expenses	2,820,657	293,384	314,923	(7,682)	3,421,281
Net interest and valuation income	**(401,016)**	**147,798**	**580,861**	-	**327,644**
Impairment on financial assets	456,673	15,299	211,095	-	683,067
Net interest and valuation income	**(857,689)**	**132,499**	**369,766**	**-**	**(355,423)**
Net fee and commission income	171,417	9,265	52,034	134	232,850
Net income from valuation at fair value	1,242,167	71,387	(37,396)	(57,159)	1,218,999
Other income	1,171,812	16,048	147,712	(912,364)	423,208
Other expenses	806,072	162,660	250,120	(57,378)	1,161,475
Net pre-tax profit	**921,635**	**66,539**	**281,996**	**(912,011)**	**358,159**
Income taxes	(26,048)	(154)	19,485	-	(6,719)
Net profit	**947,683**	**66,693**	**262,511**	**(912,011)**	**364,878**

(Stated in millions of COP,
except exchange rates and nominal share prices)

Consolidated Statement of Financial Position on December 31, 2023

Assets	**Colombia**	**Peru**	**Paraguay**	**Eliminations**	**Consolidated**
Cash and cash equivalents	11,636,625	731,930	2,066,475	(193,782)	14,241,248
Financial assets at fair value	10,786,164	906,718	705,093	(4,281,532)	8,116,443
Financial assets at amortized cost	1,258,588	275,941	147,882	-	1,682,411
Portfolio	13,853,861	3,628,721	7,864,771	-	25,347,353
Other accounts receivable	318,884	7,771	15,318	(3,096)	338,877
Non-current assets held for sale	229	-	55,413	-	55,642
Tangible assets	1,192,884	25,796	306,046	(23,807)	1,500,919
Intangible assets	130,571	5,722	329,040	250,673	716,006
Income tax assets	863,038	81,245	7,266	(224,938)	726,611
Other assets	221,865	10,335	32,912	-	265,112
Total Assets	**40,262,709**	**5,674,179**	**11,530,216**	**(4,476,482)**	**52,990,622**
Liabilities					
Financial liabilities at fair value	22,624	734	87,787	(17,203)	93,942
Customer deposits	22,170,580	4,301,958	8,951,877	(193,782)	35,230,633
Short-term liabilities	7,269,821	33,096	248,047	-	7,550,964
Loans from development entities	1,996,338	247,894	303,784	-	2,548,016
Long-term loans	3,023,271	57,916	-	-	3,081,187
Finance lease liabilities	58,426	9,116	11,679	-	79,221
Employee benefits	45,764	4,971	29,736	-	80,471
Provisions	26,998	(924)	11,217	-	37,291
Income tax	251,122	-	12,778	(251,122)	12,778
Other liabilities	338,257	42,589	80,897	(3,096)	458,647
Total Liabilities	**35,203,201**	**4,697,350**	**9,737,802**	**(465,203)**	**49,173,150**

Statement of Income

	Colombia	**Peru**	**Paraguay**	**Eliminations**	**Consolidated**
Interest and valuation income	2,676,715	394,561	936,409	(13,524)	3,994,161
Interest expenses:					
Interest in expense on deposits	2,452,292	258,515	250,186	(13,524)	2,947,469
Financial debt and other interest	725,060	40,115	28,897	-	794,072
Total interest expenses	3,177,352	298,630	279,083	(13,524)	3,741,541
Net interest and valuation income	(500,637)	95,931	657,326	-	252,620
Impairment on financial assets	149,417	50,925	215,888	-	416,230
Net interest and valuation income	**(650,054)**	**45,006**	**441,438**	**-**	**(163,610)**
Net fee and commission income	159,504	12,043	62,770	86	234,403
Net income from valuation at fair value	955,815	109,793	(14,606)	(127,551)	923,451
Other income	753,795	(4,177)	198,820	(442,542)	505,896
Other expenses	711,407	137,368	287,890	(54,563)	1,082,102
Net pre-tax profit	507,653	25,297	400,532	(515,444)	418,038
Income taxes	45,879	(8,972)	22,365	-	59,272
Net profit	**461,774**	**34,269**	**378,167**	**(515,444)**	**358,766**

The following are the main eliminations of total income, expenses, assets and liabilities arising from the consolidation of the segments of the Bank and its Subsidiaries:

- Investments in term deposits and bonds outstanding in other segments.
- Investments in subsidiary eliminations and records of non-controlling interests.
- Fee income and expenses.

Analysis of income by products and services

The income of the Bank and its Subsidiaries is broken down by products and services in the statement of income.

(Stated in millions of COP,
except exchange rates and nominal share prices)

Income by country

The table below displays the income of the Bank and its Subsidiaries in each country with significant income, for the years ended on December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Colombia	1,693,570	1,872,507
Paraguay	895,784	936,408
Peru	411,183	394,561
Panama	653,537	701,969
British Virgin Islands	64,851	88,716
Total consolidated profit	**3,748,925**	**3,994,161**

The above analysis is based on the customer's domicile, where the offshore income of Colombian customers is reported as Colombian income. The profit includes income from interest, commissions, fees and other operating income.

Assets per country

The table below displays the significant non-current assets of the Bank and its Subsidiaries in each country for the years ended on December 31, 2024 and 2023:

December 31, 2024	Tangible assets	Intangible assets
Colombia (1)	1,256,429	130,308
Peru	42,260	5,224
Paraguay	308,138	344,767
Eliminations of intercompany transactions	(26,249)	288,920
Total	**1,580,578**	**769,219**

December 31, 2023	Tangible assets	Intangible assets
Colombia	1,192,884	130,572
Peru	25,796	5,722
Paraguay	306,046	329,040
Eliminations of intercompany transactions	(23,807)	250,672
Total	**1,500,919**	**716,006**

(1) The increase is mainly in right of use assets acquired by the Bank.

During the years ended on December 31, 2024 and 2023, the Bank and its Subsidiaries did not report any concentration of income in customers accounting for more than 10% of income from ordinary activities.

NOTE 9. - CASH AND CASH EQUIVALENTS

The following is the breakdown of cash and cash equivalents:

	December 31, 2024	December 31, 2023
Local currency		
Cash	366,411	367,057
Central Bank	1,947,901	1,424,402
Banks and other financial entities	8,069	16,119
Interbank funds	192	80,107
Simultaneous transactions (with repurchase agreements) (1)	4,634,982	7,714,422

(Stated in millions of COP,
except exchange rates and nominal share prices)

Subtotal	**6,957,555**	**9,602,107**
Foreign currency		
Cash	248,637	213,276
Central Bank	2,272,194	1,859,840
Banks and other financial entities	2,112,183	2,245,385
Checks on hold	73,273	22,554
Remittances in transit	37	26
Interbank funds	142,351	298,060
Subtotal	**4,848,675**	**4,639,141**
Total	**11,806,230**	**14,241,248**

(1) The change is mainly due to the Bank’s active operations arising from overall market trends.

There are no restrictions to cash and cash equivalents. The cash and cash equivalents are held in central banks and financial institution counterparties that are rated at least AA- to AA+, based on Standard & Poor’s ratings. No items were pending reconciliation.

At December 31, 2024 and 2023, the financial investments in debt securities are guaranteeing repos and simultaneous operations for a total amount of COP 4,777,524 and COP 8,092,9591, respectively.

NOTE 10. – FINANCIAL ASSETS (INVESTMENTS)

10 (a) At fair value through profit or loss

The balance of financial assets in debt instruments and shares is as follows at December 31, 2024 and 2023:

Debt securities	**December 31, 2024**	**December 31, 2023**
Denominated in local currency		
Securities issued or guaranteed by the National Government	5,898,151	5,513,149
Securities issued or guaranteed by national public entities	157,813	213,257
Securities issued or guaranteed by financial entities	594,924	401,856
Other securities	3,591	-
Total denominated in local currency	**6,654,479**	**6,128,262**
Denominated in foreign currency		
Securities issued by foreign governments	1,731,833	1,753,180
Total denominated in foreign currency	**1,731,833**	**1,753,180**
Total debt securities, net	**8,386,312**	**7,881,442**
Equity securities, net	69,844	66,037
Investment funds, net	1,284,583	27,954
Total equity instruments (1)	**1,354,427**	**93,991**
Total investment securities, net	**9,740,739**	**7,975,433**

(1) The increase mainly reflects the investment in shares by CorfiGNB in Nutresa.

(Stated in millions of COP,
except exchange rates and nominal share prices)

At fair value by rating

The following are details of credit quality, as defined by independent risk rating agencies, for the issuers of debt securities of interest for the Bank:

Fair value	December 31, 2024	December 31, 2023
Issued or guaranteed by governments and central banks	7,787,797	7,231,152
Investment grade	594,924	401,856
Speculative transactions	3,591	-
Not classified / not available	1,354,427	342,425
Total	**9,740,739**	**7,975,433**

10 (b) Derivatives

Traded derivatives

The following table shows the fair value at the end of the period of interest rate forward, future and swap contracts, securities and foreign currencies in which the Bank and its subsidiaries hold commitments.

The derivative financial instruments taken by the Bank and its Subsidiaries are traded on offshore and national financial markets. The fair value of derivatives has positive or negative variations as a result of fluctuations in the exchange rates of foreign currencies, interest rates or other risk factors, depending on the type of instrument and the underlying variables.

	December 31, 2024			December 31, 2023		
	Amount in USD	Amount in local currency	Fair value	Amount in USD	Amount in local currency	Fair value
ASSETS		**TRM 4,409.15**			**TRM 3,822.05**	
Spot foreign currency	250,269	1,104	1,104	763,334	2,918	2,918
Foreign currency forwards	15,061,373	66,408	66,408	35,592,623	136,037	136,037
Interest rate swaps	530,694	2,339	2,339	537,982	2,055	2,055
Hedging forwards	-	-	-	-	-	-
TOTAL ASSETS	**15,842,336**	**69,851**	**69,851**	**36,893,939**	**141,010**	**141,010**
LIABILITIES						
Currency forwards	15,515,232	68,409	68,409	23,240,926	88,828	88,829
Interest rate swaps	659,748	2,909	2,909	552,535	2,112	2,112
Spot foreign currency	250,000	1,102	1,102	750,000	2,867	2,867
Foreign currency futures	2,440,835	10,762	10,762	35,597	135	135
Hedging forwards	-	-	-	-	-	-
TOTAL LIABILITIES	**18,865,815**	**83,182**	**83,182**	**24,579,058**	**93,942**	**93,943**
NET POSITION	**(3,023,479)**	**(13,331)**	**(13,331)**	**12,314,881**	**47,068**	**47,067**

(Stated in millions of COP,
except exchange rates and nominal share prices)

10 (c) In debt securities at amortized cost

The following breakdown presents the carrying value of investments in debt securities, net of allowances for investment losses, as of the indicated dates:

Debt securities	**December 31, 2024**	**December 31, 2023**
Denominated in pesos		
Securities issued or guaranteed by the National Government	335,443	337,219
Securities issued or guaranteed by national public entities	989,775	921,690
Total denominated in local currency	**1,325,218**	**1,258,909**
Denominated in foreign currency		
Securities issued by national public entities	42,076	75,569
Securities issued or guaranteed by financial entities	8,742	4,645
Securities issued by foreign governments	344,700	285,934
Other securities	199,412	58,357
Total denominated in foreign currency	**594,930**	**424,505**
Total debt securities	**1,920,148**	**1,683,414**
Impairment of investments as per IFRS 9	(1,285)	(1,003)
Total investments, net	**1,918,863**	**1,682,411**

a) Maturities of financial assets

The following is the summary of financial assets by maturity dates:

December 31, 2024

Description	**0 to 30 days**	**31 to 180 days**	**181 to 360 days**	**361 to 720 days**	**>720 days**	**Impairment**	**Balance**
Investments in debt securities at fair value	144,846	3,339,949	1,849,872	1,210,566	1,841,079	**-**	8,386,312
Investments in debt securities at amortized cost	293,075	802,932	274,564	120,492	429,085	(1,285)	1,918,863
Cash transactions and derivatives	69,851	-	-	-	-	**-**	69,851
Total investments	**507,772**	**4,142,881**	**2,124,436**	**1,331,058**	**2,270,164**	**(1,285)**	**10,375,026**

December 31, 2023

Description	**0 to 30 days**	**31 to 180 days**	**181 to 360 days**	**361 to 720 days**	**>720 days**	**Impairment**	**Balance**
Investments in debt securities at fair value	146,124	3,165,452	1,833,441	2,190,295	546,130	**-**	7,881,442
Investments in debt securities at amortized cost	209,219	673,105	657,937	49,847	93,306	(1,003)	1,682,411
Cash transactions and derivatives	141,010	-	-	-	-	**-**	141,010
Total investments	**496,353**	**3,838,557**	**2,491,378**	**2,240,142**	**639,436**	**(1,003)**	**9,704,863**

(Stated in millions of COP,
except exchange rates and nominal share prices)

b) Offsetting of financial assets and financial liabilities

The following is a breakdown of the financial instruments subject to contractual offsetting at December 31, 2024 and 2023:

December 31, 2024

	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position
Assets			
Derivatives	133,269	(64,521)	68,748
Repos and simultaneous operations (with repurchase agreements)	1,103	-	1,103
Total	**134,372**	**(64,521)**	**69,851**

	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position
Liabilities			
Derivatives	(136,976)	54,896	(82,070)
Repos and simultaneous operations (with repurchase agreements)	(1,102)	-	(1,102)
Total	**(138,074)**	**54,896**	**(83,182)**

December 31, 2023

	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the consolidated statement of financial position	Net amount of financial assets presented in the consolidated statement of financial position
Assets			
Derivatives	661,131	(523,039)	138,092
Repos and simultaneous operations (with repurchase agreements)	2,918	-	2,918
Total	**664,049**	**(523,039)**	**141,010**

	Gross amounts of recognized financial assets	Gross amounts of recognized financial liabilities offset in the consolidated statement of financial position	Net amount of financial liabilities presented in the consolidated statement of financial position
Liabilities			
Derivatives	(139,249)	48,174	(91,075)
Repos and simultaneous operations (with repurchase agreements)	(2,867)	-	(2,867)
Total	**(142,116)**	**48,174**	**(93,942)**

(Stated in millions of COP,
except exchange rates and nominal share prices)

Hedging Financial Instruments

The Bank and its Subsidiaries opted for managing hedge accounting at the following affiliates abroad: Banco GNB Perú and Banco GNB Paraguay with non-derivative instruments (obligations in foreign currency).

These operations seek to protect the Parent Company from the exchange rate risk generated by the structural positions of its foreign affiliates.

The primary position to be hedged was net initial investments abroad (cost of the investment).

In 2017, the hedge was extended to include the goodwill originated by acquiring the foreign affiliates.

Banco GNB Sudameris hedges its initial investments and the goodwill on these investments abroad by means of subordinated bonds with maturity in 2027 at 100% and bonds with maturity in 2031 at 41.32%.

The following information is the breakdown of the total investments with hedging and type of hedge used outside of Colombia.

December 31, 2024	Foreign currency (millions)		Colombian pesos (millions)		
Investment details	**Hedged amount**	**Amount of hedge for USD investments - net**	**Accumulated adjustment on translation of obligations in foreign currency**	**Hedging Obligations - net**	**OCI account**
Investment in Banco GNB Perú (Soles)	994	195	(360,593)	304,364	(114,530)
Investment in Banco GNB Paraguay (Guaranís)	1,809,219	308	(550,131)	511,009	(180,809)
Total		503	**(910,724)**	**815,373**	**(295,339)**

December 31, 2023	Foreign currency (millions)		Colombian pesos (millions)		
Investment details	**Hedged amount**	**Amount of hedge for USD investments - net**	**Accumulated adjustment on translation of obligations in foreign currency**	**Hedging Obligations - net**	**OCI account**
Investment in Banco GNB Perú (Soles)	1,083	284	220,571	189,833	280,712
Investment in Banco GNB Paraguay (Guaranís)	1,705,642	209	337,613	330,199	206,494
Total		493	**558,184**	**520,032**	**487,206**

Hedge effectiveness tests

The IFRS 9 Standard, in terms of the effectiveness of a hedge, is derived from the requirements of the IAS 39 Standard. In this sense, it considers that a hedge is highly effective if it exists at the beginning of the period, and during subsequent periods it offsets the changes in the fair value or cash flows attributable to the hedged risk.

The Group, according to regulations, performs prospective tests quarterly to establish the stability of economic conditions and ensure the efficacy of hedges. Moreover, it performs a correlation analysis for the exchange rate flows that verifies historical behavior. In this way, it complements the prospective analyses with actual behaviors.

For the year ending December 31, 2024, the portion of the gain or loss of the hedging instrument determined to be an effective hedge was recognized in other comprehensive income.

(Stated in millions of COP,
except exchange rates and nominal share prices)

The Group has documented the effectiveness of the hedge of its net investments in foreign currency. The net value of investment fluctuates during the year and, consequently, the Group evaluates the hedge and the results of the effectiveness test every quarter.

The type of hedge is Net investment abroad. The risk management strategy is based on the exchange rate variability in the investments and goodwill of GNB Peru and GNB Paraguay, whose functional currencies are the Nuevo Sol and the Guarani, respectively, being hedged by the variation in the Subordinated Bonds in dollars recorded by the hedge accounting method. This objective is achieved by maintaining in the market the placement of subordinated bonds, for which the renewal of such instruments before their maturity will be managed and, if necessary, new issues will be made to guarantee the hedges in the future.

Hedge accounting applies to the exchange difference arising between the functional currency of the investment in GNB Peru (Nuevo Sol) and GNB Paraguay (Guarani) and the Colombian peso (COP), which is the functional currency of Banco GNB Sudameris.

The Group demonstrates the economic link between the hedged item and the hedge instrument by determining the positive correlation between COPUSD – COPPYG, and COPUSD – COPPEN, which indicates that if one rate increases, the other rate increases as well. In this sense, the following are the effects both of the hedged item and the hedge instruments in the financial statements:

Hedged Item: Exchange difference in OCI arising from the consolidation.

Hedge Instrument: Exchange difference on the debt (Bonds in USD)

Hedge of Corporación Financiera GNB

The purpose of these operations is to protect Corporación from foreign exchange risk arising from structural positions in its deposits and/or investments abroad. However, at December 2024 and 2023, Corporación had no hedging forwards in place.

NOTE 11 – LOAN PORTFOLIO

The following is an analysis of the loan portfolio.

Loan portfolio by modality

The following is a breakdown of the loan portfolio of the Bank and its Subsidiaries at amortized cost:

Description	December 31, 2024	December 31, 2023
Payroll Loans	7,698,384	7,117,731
Ordinary loans **(1)**	18,018,305	16,378,008
Loans with funds from development entities	741,956	861,166
Overdrafts	162,593	108,520
Credit cards	264,286	221,527
SME loans	568,590	477,143
Mortgage (housing) loans **(2)**	989,611	890,245
Vehicle loans	78,335	66,846
Gross total of loan portfolio financial assets	**28,522,060**	**26,121,186**
Impairment allowance	(851,185)	(773,833)
Net total of loan portfolio financial assets	**27,670,875**	**25,347,353**

(1) Includes consumer loans to employees for:	10,475	7,700
(2) Includes mortgage (housing) loans to employees for:	44,289	39,063

(Stated in millions of COP,
except exchange rates and nominal share prices)

The following were the movements of the specific impairment allowances on the loan portfolio during the years ended on December 31, 2024 and 2023:

	December 31, 2024			
Specific impairment allowances	**Commercial**	**Consumption**	**Mortgage**	**Total**
Balance at December 31, 2023	**486,746**	**207,492**	**79,594**	**773,833**
Current period impairment loss:				
Current period charges	774,235	581,845	67,387	1,423,467
Recoveries	(439,596)	(246,464)	(56,923)	(742,983)
Effect of foreign currency fluctuations	(145,568)	(39,496)	2,133	(182,931)
Write-offs	(167,642)	(150,017)	(3,098)	(320,757)
Sales	(29,043)	(70,400)	-	(99,444)
Subtotal impairment allowances - Customers	**479,132**	**282,960**	**89,093**	**851,185**

	December 31, 2023			
Specific impairment allowances	**Commercial**	**Consumption**	**Mortgage**	**Total**
Balance at December 31, 2022	**593,578**	**267,293**	**88,214**	**949,085**
Current period impairment loss:				
Current period charges	701,619	340,847	37,814	1,080,280
Recoveries	(425,313)	(193,242)	(45,650)	(664,205)
Effect of foreign currency fluctuations	(301,593)	-	-	(301,593)
Write-offs	(81,545)	(207,405)	(784)	(289,734)
Subtotal impairment allowances - Customers	**486,746**	**207,493**	**79,594**	**773,833**

The following is a breakdown of the loan portfolio of the Bank and its Subsidiaries by maturities:

December 31, 2024

	Up to 1 year	**From 1 to 3 years**	**From 3 to 5 years**	**More than 5 Years**	**Total**
Commercial	8,027,632	6,695,383	6,695,383	1,826,187	19,088,172
Consumption	126,890	734,274	734,274	6,341,877	8,444,277
Mortgage	11,600	26,663	26,663	896,507	989,611
Total gross loan portfolio	**8,166,122**	**7,456,320**	**7,456,320**	**9,064,571**	**28,522,060**

December 31, 2023

	Up to 1 year	**From 1 to 3 years**	**From 3 to 5 years**	**More than 5 Years**	**Total**
Commercial	9,409,740	4,465,429	1,520,420	2,089,895	17,485,484
Consumption	109,213	570,255	1,056,304	6,009,685	7,745,457
Mortgage	10,661	18,411	39,218	821,955	890,245
Total gross loan portfolio	**9,529,614**	**5,054,095**	**2,615,942**	**8,921,535**	**26,121,186**

The following is a breakdown of the loan portfolio of the Bank and its Subsidiaries by status:

December 31, 2024

	Loans by Status			
	Status 1	**Status 2**	**Status 3**	**Total**
Commercial	18,172,202	315,904	600,066	19,088,172
Consumption	8,088,123	193,501	162,653	8,444,277
Mortgage	566,410	352,327	70,874	989,611
Total loan portfolio	**26,826,735**	**861,732**	**833,593**	**28,522,060**

December 31, 2023

Loans by Status

(Stated in millions of COP,
except exchange rates and nominal share prices)

	Status 1	Status 2	Status 3	Total
Commercial	16,574,244	222,311	688,929	17,485,484
Consumption	7,238,257	415,386	91,814	7,745,457
Mortgage	684,459	131,863	73,923	890,245
Total loan portfolio	**24,496,960**	**769,560**	**854,666**	**26,121,186**

December 31, 2024

Impairment				
	Status 1	**Status 2**	**Status 3**	**Total**
Commercial	198,738	27,381	253,013	479,132
Consumption	131,592	28,354	123,013	282,960
Mortgage	16,690	25,127	47,277	89,093
Total loan portfolio	**347,020**	**80,861**	**423,303**	**851,185**

December 31, 2023

Impairment				
	Status 1	**Status 2**	**Status 3**	**Total**
Commercial	158,874	26,813	301,059	486,746
Consumption	94,159	46,455	66,878	207,492
Mortgage	15,892	14,424	49,278	79,594
Total loan portfolio	**268,925**	**87,692**	**417,216**	**773,833**

Loan portfolio by maturity:

The following is a summary of the loan portfolio by maturity on December 31, 2024 and 2023:

December 31, 2024	**0 to 30 days**	**31 to 60 days**	**31 to 90 days**	**More than 91 days**	**Total**
Commercial	18,680,471	98,432	18,401	290,868	19,088,172
Consumption	8,240,471	58,163	37,746	107,897	8,444,277
Mortgage	874,910	43,844	16,758	54,098	989,611
Total Portfolio	**27,795,852**	**200,439**	**72,905**	**452,863**	**28,522,060**

December 31, 2023	**0 to 30 days**	**31 to 60 days**	**31 to 90 days**	**More than 91 days**	**Total**
Commercial	17,049,603	55,718	26,963	353,201	17,485,484
Consumption	7,544,878	84,527	26,648	89,403	7,745,457
Mortgage	778,647	36,194	21,315	54,088	890,245
Total Portfolio	**25,373,128**	**176,439**	**74,926**	**496,692**	**26,121,186**

1. No reclassifications between status groups were made in the period
2. All loans were assessed using the global model, which implies that no individual evaluations are available for the period.

(Stated in millions of COP,
except exchange rates and nominal share prices)

NOTE 12. – OTHER ACCOUNTS RECEIVABLE

The following is a breakdown of other accounts receivable on December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Commissions and fees	635	475
Leases	142	143
Sales of goods and services	20,679	27,811
Deposits	12,986	13,417
Taxes	431	229
Advance payments to suppliers	1,880	1,091
Advance payments to employees	2,254	1,908
Payments on behalf of customers	11,171	12,929
Promise to sell (1)	-	19,110
Insurance claims	34,190	56,994
Abandoned accounts of ICETEX	8,617	8,878
National Treasury Direction	2,381	2,333
Servibanca clearing	288	107
Others (1)	252,612	213,812
Subtotal	**348,266**	**359,237**
Impairment	(39,744)	(20,361)
TOTAL	**308,522**	**338,876**

(1) The change is due to the cancellation of the advance payment for the aircraft for USD 5 million.

(2) It includes legal proceedings for COP 96,192, Finance Ministry for COP 2,380, with more than 90 days COP 132,393, sundry accounts receivable in Peru for COP 6,216 and Paraguay for COP 10,453, and other accounts receivable for COP 4,978 in Colombia.

The following is a breakdown of the impairment movements of other accounts receivable at December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Balance at the beginning of period	20,361	22,087
Current period charges	179,894	61,469
Recoveries	(36,172)	(28,350)
Write-offs	(124,339)	(34,844)
Final balance	**39,744**	**20,361**

The accounts receivable model uses the simplified impairment approach that assumes that the assets are classified under stage 2, to then perform an analysis of the remaining useful life of the account receivable. However, since they are normally for less than 1 year, the analysis is not different from the assets classified under stage 1.

NOTE 13. – NON-CURRENT ASSETS HELD FOR SALE

The following is a breakdown of non-current assets held for sale at December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Assets received as payment		
Chattel assets	841	1,182
Real estate properties (1)	130,169	56,562
Subtotal	131,010	57,744
Impairment	(5,425)	(2,102)
TOTAL	**125,585**	**55,642**

(Stated in millions of COP,
except exchange rates and nominal share prices)

(1) The change arises from new assets awarded in Peru and Paraguay, which have assigned areas dedicated to the sale of real estate properties. The sale is expected to be completed within the next year.

The following is the movement of impairment of non-current assets held for sale for the years ended on December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Initial balance	**(2,102)**	**(9,780)**
Acquisitions and disposals of properties	(996)	7,843
Impairment movements through profit or loss	(2,327)	(165)
Final balance	**(5,425)**	**(2,102)**

NOTE 14. – PROPERTY AND EQUIPMENT

The following is a breakdown of property and equipment at December 31, 2024 and 2023:

December 31, 2024	Cost	Accumulated Depreciation	Net
Land	408,210	-	408,210
Buildings	681,013	(93,166)	587,843
Vehicles	7,413	(3,695)	3,718
Furniture and fixtures	70,983	(55,333)	15,650
Computers	229,156	(147,467)	81,689
Total	**1,396,775**	**(299,661)**	**1,097,110**

December 31, 2023	Cost	Accumulated Depreciation	Net
Land	377,456	-	377,456
Buildings	658,223	(88,403)	569,820
Vehicles	5,365	(3,509)	1,856
Furniture and fixtures	64,657	(50,615)	14,042
Computers	198,579	(128,317)	70,262
Total	**1,304,280**	**(270,844)**	**1,033,436**

The Bank and its Subsidiaries reviewed the assets classified as long-life property and equipment for evidence of impairment and found no grounds to perform impairment testing on such assets in the current period. Consequently, no impairment was recognized. There are no restrictions of ownership over the property, plant and equipment.

The lands and buildings managed by FCP Servivalores are carried under the revaluation model, and their value was updated at fair value on December 12, 2024. The Bank and the national subsidiaries made appraisals at November 25, 2024, and at the international subsidiaries made appraisals in 2023. All appraisals were made by a qualified appraiser based on the requirements of IFRS 13.

(Stated in millions of COP,
except exchange rates and nominal share prices)

The following are the movements in carrying values of property and equipment during the years ended on December 31, 2024 and 2023:

	December 31, 2023	Additions	Derecognition	Revaluation	December 31, 2024
Land	377,456	25,982	-	4,772	408,210
Buildings	658,223	3,634	(1,354)	20,510	681,013
Vehicles	5,365	2,048	-	-	7,413
Furniture and fixtures	64,657	6,490	(164)	-	70,983
Computers	198,579	30,574	-	-	229,156
Total	**1,304,280**	**68,728**	**(1,518)**	**25,282**	**1,396,775**

	December 31, 2022	Additions	Derecognition	Revaluation	December 31, 2023
Land	407,219	-	(42,740)	12,977	377,456
Buildings	614,358	20,085	(30,707)	54,487	658,223
Vehicles	5,898	4	(537)	-	5,365
Furniture and fixtures	91,749	1,930	(29,022)	-	64,657
Computers	163,592	36,283	(1,296)	-	198,579
Total	**1,282,816**	**58,302**	**(104,302)**	**67,464**	**1,304,280**

The following are the movements of accumulated depreciation on property and equipment during the years ended on December 31, 2024 and 2023:

	Buildings	Furniture and fixtures	Computers	Vehicles	Total
December 31, 2022	**(88,434)**	**(74,091)**	**(117,493)**	**(4,524)**	**(284,542)**
Current period depreciation charges	(5,022)	(2,591)	(12,905)	(245)	(20,762)
Additions	**5,053**	**26,076**	**2,080**	**1,260**	**34,461**
December 31, 2023	**(88,403)**	**(50,615)**	**(128,318)**	**(3,509)**	**(270,844)**
Current period depreciation charges	(3,961)	(2,746)	(13,408)	(328)	(20,444)
Additions	8,724	7,46	32,558	514	49,260
December 31, 2024	**(93,166)**	**(55,333)**	**(147,468)**	**(3,695)**	**(299,661)**

<u>Right-of-use property and equipment, net of depreciation</u>

The following is a breakdown of right-of-use property and equipment on December 31, 2024 and 2023:

	December 31, 2024		
<u>Assets:</u>	**Cost**	**Depreciation**	**Net**
Buildings	195,077	(94,004)	101,073
Technological equipment	1,315	(1,013)	302
Total	**196,392**	**(95,017)**	**101,375**

	December 31, 2023		
<u>Assets:</u>	**Cost**	**Depreciation**	**Net**
Buildings	159,979	(89,778)	70,201
Technological equipment	4,065	(3,907)	158
Total	**164,044**	**(93,685)**	**70,359**

(Stated in millions of COP,
except exchange rates and nominal share prices)

Assets:

The following is the movement of right-of-use assets on December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Initial balance	70,359	99,314
Contract income	57,801	27,123
Contract derecognition	(6,005)	(26,201)
Depreciation expenses	(20,780)	(29,877)
Final balance	**101,375**	**70,359**

There are no restrictions on the underlying assets of the lease agreements.

Lease liabilities:

The following is the breakdown of other lease liabilities at September 30, 2024 and December 31, 2023 and 2022, which are calculated with effective annual discount rates of 6.84%, 8.01% and 9.53% for the Bank and domestic subsidiaries, and 4.81%, 4.03% and 2.48% EAR for foreign subsidiaries, for the short, medium and long-term, respectively.

	December 31, 2024	December 31, 2023
Initial balance	79,221	108,604
Contract income	57,801	27,123
Contract derecognition	(7,369)	(27,992)
Interest expenses	7,080	6,877
Payments made	(25,445)	(35,391)
Final balance	**111,288**	**79,221**

The following is a breakdown of the minimum future payments on the short and long-term balances of lease liabilities:

December 31, 2024	Balance from amortization less than 12 months	Balance from amortization greater than 12 months
Other lease liabilities	COP 10,018	COP 101,270

December 31, 2023	Balance from amortization less than 12 months	Balance from amortization greater than 12 months
Other lease liabilities	COP 7,131	COP 72,090

NOTE 15. – INVESTMENT PROPERTIES

The following is a summary of the investment properties at December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Cost	133,233	208,034
Fair value	248,861	189,090
Total	**382,094**	**397,124**

During the years ending on December 31, 2024 and 2023, rental income from investment properties amounted to COP 8,366 and COP 1,130, respectively.

(Stated in millions of COP,
except exchange rates and nominal share prices)

The investment properties are measured at fair value (as measured or disclosed in the financial statements) based on an appraisal made by an independent expert of recognized professional competence and recent experience in the area and type of investments properties that are appraised.

No commitment to acquire the investment properties was made in 2024.

There are no restrictions on the sale of the investment properties.

The table below provides a reconciliation between the opening and final balances with the fair value measurements classified under Level 3:

Investment properties

December 31, 2022	**289,176**
Transfers	21,906
Fair value update	86,041
December 31, 2023	**397,124**
Transfers	(74,801)
Fair value update	59,771
December 31, 2024	**382,093**

Investment properties:

Investment properties are measured at fair value, based on a valuation carried out at the end of each year by an independent expert. In Colombia, the frequency of market transactions is low, but Management considers that the volume of activities is sufficient to assess the fair value of the investment properties of the Bank and its Subsidiaries based on comparable market transactions. Management has reviewed the key assumptions used by the independent appraisers (such as inflation, interest rates, etc.) and believes that they are consistent with market conditions at the end of each year. However, Management believes that the estimation of the fair value of investment properties depends on a significant level of judgment on the part of independent appraisers, and therefore there is a significant possibility that the actual selling price of a property will be different from such fair value.

(Stated in millions of COP,
except exchange rates and nominal share prices)

NOTE 16. - INTANGIBLE ASSETS

a) Goodwill

The following are the movements of the goodwill account for the periods ending on December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Balance at the beginning of year	**656,197**	**790,650**
Adjustment for exchange difference	58,987	(134,453)
Balance at year end	**715,184**	**656,197**

Impairment testing was performed on goodwill as of December 31, 2024, and no impairment was found. The table below summarizes the amounts observed in the analyses performed at December 31, 2024 and 2023:

December 31, 2024 Cash Generation Unit (CGU)	Goodwill on balance sheet	CGU Carrying value	CGU Recoverable value	Surplus
Banco GNB Perú	281,308	940,688	1,893,561	952,873
Banco GNB Paraguay	311,957	1,960,012	3,814,195	1,854,183
HSBC Colombia	15,756	2,571,163	4,557,429	1,986,266
Charleston Hotels Group	106,163	254,062	262,761	8,699
	715,184	**5,725,925**	**10,527,946**	**4,802,021**

December 31, 2023 Cash Generation Unit (CGU)	Goodwill on balance sheet	CGU Carrying value	CGU Recoverable value	Surplus
Banco GNB Perú	243,851	829,787	1,153,224	323,437
Banco GNB Paraguay	290,427	985,612	1,206,976	221,364
HSBC Colombia	15,756	2,437,890	5,234,259	2,796,369
Charleston Hotels Group	106,163	244,950	261,886	16,936
	656,197	**4,498,239**	**7,856,345**	**3,358,106**

The following are the assumptions used to test for any impairment of goodwill at December 31, 2024 and 2023:

- **December 2024**

Banco GNB Perú

Macroeconomic variables	2024	2025	2026	2027	2028	2029
Annual GDP growth (Real)	3,20%	2.60%	2.60%	3.00%	3.00%	3.00%
Annual inflation	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%
Exchange rate (USD/PEN)	3.74	3.75	3.60	3.55	3.50	3.45
Central Bank interest rate	5.00%	4.25%	4.00%	3.50%	3.50%	3.50%

Average cost of capital USD	8.950%
Average cost of capital PEN	7.393%

Business Assumptions	2024	2025	2026	2027	2028	2029
Loan portfolio growth	3.60%	5.80%	5.50%	6.00%	6.00%	6.00%
Net loan allowance	-125.60%	-317.20%	84.40%	25.80%	7.80%	9.30%
Deposit growth	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Average financial margin	0.00%	41.10%	25.90%	16.80%	10.80%	11.90%

(Stated in millions of COP,
except exchange rates and nominal share prices)

Banco GNB Paraguay

Macroeconomic variables	2024	2025	2026	2027	2028	2029
Annual GDP growth (estimated)	4.10%	4.40%	4.60%	4.60%	4.60%	4.60%
Annual inflation rate	4.10%	3.80%	3.60%	3.60%	3.60%	3.60%
Market Benchmark Interest Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%

Average cost of capital USD	9.643%
Average cost of capital ₲	9.643%

Supuestos de negocio	2024	2025	2026	2027	2028	2029
Crecimiento Cartera Neta	17.70%	14.00%	16.00%	12.00%	9.0%	9.0%
Crecimiento Depósitos	16.70%	14.00%	16.00%	12.00%	9.0%	9.0%
Crecimiento gasto provisión de cartera	5.93%	-15.75%	7.41%	11.16%	11.65%	10.70%
Intermediación financiera	-3.20%	7.92%	15.04%	14.30%	11.48%	10.16%

Banco GNB Colombia

Macroeconomic variables	2024	2025	2026	2027	2028	2029
Annual GDP growth (real)	1.80%	2.60%	3.25%	3.25%	3.25%	3,00%
Annual inflation rate	5.47%	4.30%	3.50%	3.00%	3.00%	3.00%
LIBOR rate - year-end	9.25%	6.00%	4.40%	5.34%	5.34%	5.34%
Exchange rate (year-end)	4,340.00	4,380.00	4,520.00	4,604.00	4,604.00	4,604.00
Central Bank of Colombia interest rate	9.25%	6.00%	4.50%	4.50%	4.00%	4.00%

Average cost of capital USD	10.494%
Average cost of capital PEN	10.494%

(Stated in millions of COP,
except exchange rates and nominal share prices)

Business Assumptions	2024	2025	2026	2027	2028	2029
Net loan portfolio growth	2.65%	2.56%	2.48%	2.40%	2.32%	2.24%
Deposit growth	6.66%	6.44%	6.23%	6.03%	5.83%	5.64%
Increase in allowance expense on loan portfolio	21.09%	48.03%	-0.34%	16.19%	19.80%	19.06%
Financial margin	88.96%	83.71%	36.75%	18.01%	1.17%	15.69%

Charleston Hotels Group

Macroeconomic	2024	2025	2026	2027	2028	2029
Annual GDP growth (real)	1.80%	2.60%	3.25%	3.25%	3.25%	3.00%
Annual inflation rate	5.47%	4.30%	3.50%	3.00%	3.00%	3.00%
Exchange rate (year-end)	4,409.15	4,380.00	4,520.00	4,604.00	4,604.00	4,604.00

Average cost of capital COP	12.81%

Business Assumptions	2024	2025	2026	2027	2028	2029
Occupancy rate	57.14%	65.00%	67.50%	70.00%	72.50%	75.00%
Revenue growth	-0.71%	24.37%	27.01%	8.88%	9.22%	6.66%
Operating margin	18.57%	25.04%	26.71%	28.25%	29.83%	31.04%

- **December 2023**

Banco GNB Perú

Macroeconomic variables	2023	2024	2025	2026	2027	2028
Annual GDP growth (Real)	-0.40%	2.10%	2.80%	2.90%	2.90%	2.90%
Annual inflation	3.24%	2.77%	2.50%	2.50%	2.50%	2.50%
Exchange rate (USD/PEN)	3.71	3.80	3.70	3.60	3.55	3.55
Central Bank interest rate	6.75%	4.50%	4.00%	3.50%	3.00%	3.00%

Average cost of capital USD	8.892%
Average cost of capital PEN	8.764%

Business Assumptions	2023	2024	2025	2026	2027	2028
Loan portfolio growth	5.50%	12.16%	9.92%	10.75%	10.89%	11.75%
Net loan allowance	-17.44%	-16.08%	96.18%	-0.02%	12.80%	0.36%
Deposit growth	-3.13%	-0.88%	11.72%	0.95%	16.91%	8.57%
Average financial margin	-16.60%	28.47%	35.67%	10.40%	10.68%	10.92%

Banco GNB Paraguay

Macroeconomic variables	2023	2024	2025	2026	2027	2028
Annual GDP growth (estimated)	4.50%	4.10%	4.00%	4.00%	4.00%	4.00%
Annual inflation rate	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%
Market Benchmark Interest Rate	6.75%	5.50%	5.50%	5.50%	5.50%	5.50%

Average cost of capital USD	9.879%
Average cost of capital ₲	9.879%

Business Assumptions	2023	2024	2025	2026	2027	2028
Net loan portfolio growth	6.02%	7.09%	9.76%	9.0%	9.0%	9.0%
Deposit growth	-4.55%	10.07%	10.71%	9.0%	9.0%	9.0%
Increase in allowance expense on loan portfolio	17.10%	5.77%	-12.27%	5.0%	5.0%	5.0%
Financial margin	18.87%	0.12%	5.93%	10.71%	9.97%	8.42%

(Stated in millions of COP,
except exchange rates and nominal share prices)

Banco GNB Colombia

Macroeconomic variables	2023	2024	2025	2026	2027	2028
Annual GDP growth (real)	1.00%	0.80%	2.00%	3.00%	3.00%	3,00%
Annual inflation rate	9.38%	6.00%	4.20%	3.50%	3.00%	3.00%
LIBOR rate - year-end	5.34%	4.50%	4.00%	4.00%	4.00%	4.00%
Exchange rate (year-end)	4,285.21	4,050.07	4,238.51	4,433.26	4,604.51	4,604.51
Central Bank of Colombia interest rate	13.00%	9.75%	5.00%	4.75%	4.50%	4.00%

Average cost of capital USD	9.622%
Average cost of capital PEN	9.622%

Business Assumptions	2023	2024	2025	2026	2027	2028
Net loan portfolio growth	11.99%	2.46%	7.02%	8.20%	8.12%	8.16%
Deposit growth	16.36%	3.31%	6.31%	7.59%	7.82%	7.92%
Increase in allowance expense on loan portfolio	-44.18%	57.43%	32.39%	19.89%	23.43%	21.21%
Financial margin	-65.50%	253.91%	35.75%	12.71%	10.71%	17.31%

Charleston Hotels Group

Macroeconomic	2023	2024	2025	2026	2027	2028
Annual GDP growth (real)	0.00%	2.00%	3.00%	3.00%	3.00%	3.00%
Annual inflation rate	6.50%	4.20%	3.50%	3.00%	3.00%	3.00%
Exchange rate (year-end)	$ 3,976	$ 4,137	$ 4,304	$ 4,477	$ 4,658	$ 4,846

Average cost of capital COP	13.49%

Business Assumptions	2023	2024	2025	2026	2027	2028
Occupancy rate	65.83%	69.17%	72.50%	73.33%	74.17%	75.00%
Revenue growth	27.32%	24.99%	12.69%	8.74%	9.03%	8.42%
Operating margin	27.86%	29.69%	31.91%	33.82%	34.33%	34.87%

a. Forecasting period and perpetuity

The cash flows were forecast for a 5-year period, from 2024 to 2029. From this period on, the present value of cash flows in 2029 are forecast to perpetuity using the expected growth rates of Gross Domestic Product of the markets in which the Perú CGU operates, and the long-term inflation rate.

The decision to forecast 5 years is consistent with the time required to deploy the Corporate Integration Plan, the purpose of which is to better capture opportunities to create value at the Bank. The strategy being implemented implies, in addition to changes in the Bank's management arrangement and operating models, a shift towards a new mix of products, customer segments and medium and long-term objectives.

For Colombia and Paraguay, the output multiple method was used for the long-term forecast.

b. Payment of dividends

Dividend payments were made by maximizing the cash flows for shareholders, subject to the restriction of the solvency indicator (ratio of technical equity to risk-weighted assets) not being greater than that required by the regulatory agencies, plus an additional 20%. Based on the above, a 90% dividend was considered for Peru, 70% for Paraguay, and 50% for Colombia.

Conclusions on the key assumptions used, forecast period, perpetuity and payment of dividends

As a result of the impairment assessment described earlier, the Bank concluded that the recoverable amount of the CGU is greater than its carrying value (CV), as follows:

	Colombia	Peru	Paraguay
Recoverable amount/carrying value (%)	177.25	201.30	194.60

Consequently, the Bank has not identified any impairment charges that should be recognized in these financial statements.

Uncertainty and sensitivity of the calculations to changes in the key assumptions

The estimates and judgments involved in the calculation of the recoverable amounts are based on historic experience and other factors, including Management's expectations on future events that are considered reasonable under the current circumstances. However, the assumptions used are subject to a substantial amount of uncertainty and actual future results may differ from the forecasts. For example:

- The model for estimation of the recoverable value of Colombia, Peru and Paraguay CGUs assumes that they are profitable since 2024.

- The above, in combination with other measures, has repercussions on the growth rates of the different loan portfolios that are higher than the system's average. Management believes that a reasonably possible change in the discount rates or perpetuity growth rates used to determine the recoverable amount of the CGU would cause the carrying value of that CGU to be greater than the recoverable value.

The Bank has carried out sensitivity analysis on the discount rate and output multiple ranges for Colombia, Peru and Paraguay, in a combined and interrelated manner, to establish the estimated changes in recoverable amounts. The following are the results of these calculations:

Peru CGU (amounts in millions of COP):

Variable	Sensitivity analysis	Recoverable value	Carrying Value
Discount rate	+1%	1,633,423	931,378
Discount rate	-1%	2,196,305	
Dividend payout	90%		

Paraguay CGU (amounts in millions of COP):

Variable	Sensitivity analysis	Recoverable value	Carrying Value
Discount rate	+1%	3,341,574	1,992,745
Discount rate	-1%	4,242,662	
Dividend payout	70%		

Colombia CGU (amounts in millions of COP):

Variable	Sensitivity analysis	Recoverable value	Carrying Value
Discount rate	+1%	4,052,618	2,571,163
Discount rate	-1%	5,179,361	
Dividend payout	50%		

Charleston Hotels Group CGU (amounts in millions of COP):

Variable	Sensitivity analysis	Recoverable value	Carrying Value
Discount rate	+1%	235,280	254,062
Discount rate	-1%	295,206	

b) Other intangible assets

The following is a breakdown of the balances of computer software and other applications at December 31, 2024 and 2023:

	December 31, 2023	Additions and removals	Amortization	December 31, 2024
Licenses	11,314	-	-	11,314
Acquired programs	70,133	10,001	-	80,134
Programs in transit	15,789	(14,856)	-	933
Finished programs	28,824	3,663	-	32,487
Amortization of licenses	(10,765)	-	(782)	(11,547)
Accumulated amortization of acquired programs	(27,340)	-	(725)	(28,065)
Accumulated amortization of programs in progress	(263)	-	263	-
Accumulated amortization of finished programs	(27,883)	-	(3,338)	(31,221)
Total intangible assets	**59,809**	**(1,192)**	**(4,582)**	**54,035**

	December 31, 2022	Additions and removals	Amortization	December 31, 2023
Licenses	11,314	-	-	11,314
Acquired programs	48,304	21,829	-	70,133
Programs in transit	572	15,217	-	15,789
Finished programs	28,722	102	-	28,824
Amortization of licenses	(5,554)	-	(5,211)	(10,765)
Accumulated amortization of acquired programs	(27,340)	-	-	(27,340)
Accumulated amortization of programs in progress	-	-	(263)	(263)
Accumulated amortization of finished programs	(27,883)	-	-	(27,883)
Total intangible assets	**28,135**	**37,148**	**(5,474)**	**59,809**

NOTE 17. - CURRENT INCOME TAX

Details of the surplus in the calculation of consolidated income tax:

December 31, 2024

Entity	Advance payment	Provision	Assets(liabilities)
Banco GNB Sudameris	731,614	-	731,614
Servitrust	655	(1,325)	(670)
Servibanca	-	(4,780)	(4,780)
Servivalores	1,261	(2,938)	(1,677)
Servitotal	1	(2)	(1)
Fondo Inmobiliario	-	(2,110)	(2,110)

(Stated in millions of COP,
except exchange rates and nominal share prices)

Corporación Financiera	-	(6,436)	(6,436)
Banco GNB Perú	39,768	-	39,768
Total income tax assets	**773,299**	**(17,591)**	**755,708**

Banco GNB Paraguay	13,150	(20,074)	(6,924)
Total income tax liabilities	**13,150**	**(20,074)**	**(6,924)**

December 31, 2023

Entity	Advance payment	Provision	Assets(liabilities)
Banco GNB Sudameris	610,258	-	610,258
Servitrust	385	(2,497)	(2,112)
Servibanca	-	(13,621)	(13,621)
Servivalores	1,226	-	1,226
Servitotal	-	(3)	(3)
Fondo Inmobiliario	-	(4,759)	(4,759)
Corporación Financiera	7,758	-	7,758
Banco GNB Perú	31,962	(546)	31,416
Total income tax assets	**651,589**	**(21,426)**	**630,163**

Banco GNB Paraguay	8,058	(20,836)	(12,778)
Total income tax liabilities	**8,058**	**(20,836)**	**(12,778)**

ii. Components of the income tax expense:

The following is a breakdown of the components of the income tax expense for the periods ending on December 31, 2024 and 2023:

Item	December 31, 2024	December 31, 2023
Current period income tax	78,751	70,254
Subtotal	**78,751**	**70,254**
Deferred tax (See Note 23)	(85,470)	(10,982)
Total	**(6,719)**	**59,272**

Reconciliation of the tax rate in accordance with the tax provisions and effective rate

The tax provisions that apply to income taxes for fiscal years 2024 and 2023 establish the following, among others:

Taxable income is taxed at a rate of 35% plus a 5% surcharge for financial entities in tax year 2024, and in 2023 the tax rate was 35% with a 5% surcharge.

Income from capital gains is taxed at a rate of 15%.

The taxable income of entities that belong to the special free trade zone regime in Colombia is taxed at a rate of 20%.

Tax losses reported before 2017 can be offset in the terms described in the tax laws that were in effect at December 31, 2016, but cannot be readjusted for tax purposes. Tax losses reported after 2017 can be offset against ordinary taxable income reported within the next 12 tax years.

(Stated in millions of COP,
except exchange rates and nominal share prices)

The excess amounts of presumed income reported before 2017 can be offset in the terms described in the tax laws that were in effect at December 31, 2016, but cannot be readjusted for tax purposes. The excess amounts of presumed income reported after 2017 can be offset against ordinary taxable income reported by companies within the next 5 years.

For the effects of determining the income tax, starting on January 1, 2017, the amounts of assets, liabilities, equity, income, costs and expenses shall be determined based on the recognition and measurement systems defined in the accounting technical regulatory standards in effect in Colombia, whenever tax law expressly refers to such standards, and whenever tax law does not regulate such matters. In any case, tax law may expressly provide for a different treatment.

The latest tax reform in effect as of the reporting date of these financial statements is Law 2277/2022, called the Tax Reform for Equality and Social Justice, which replaced Law 2021/2019, called the Economic Growth Law, which in turn replaced Law 1943/2018, named the Financing Law, which was declared unenforceable, effective as of January 1, 2020, by the Colombian Constitutional Court by means of Ruling C-481 of October 2019, although it was in effect for tax year 2019. The Economic Growth Law establishes, among other provisions, the following:

The Tax for Equality and Social Justice includes the following provisions, among others:

The income tax rate in 2024 under law 2277/2022 will remain at 35% with a 5% surcharge.

The audit benefit is made extensive to taxpayers who increase their net income tax for the current tax year compared to the net income tax of the previous year by at least 30% or 20%. The benefit consists in that the income tax return will be deemed final within 6 or 12 months from the filing date, respectively.

The tax returns of taxpayers who report or offset tax losses or are subject to the transfer prices regime will be deemed final in 5 years.

The following is the breakdown of the reconciliation between the total income tax expense of the Bank calculated at the currently valid tax rates and the tax expenses effectively recognized in profit and loss for the years ending December 31, 2024 and 2023.

Item	December 31, 2024	December 31, 2023
Pre-tax profit	358,159	418,038
Theoretical tax expense calculated according to the current tax rates (2024 and 2023 - 40%).	46,445	170,717
Plus or less taxes that increase or decrease the income tax expense		
Non-deductible expenses	60,137	6,258
Interest and other non-taxable income	6,789	(3,918)
Losses in subsidiaries in countries that are tax-free or with different tax rates	(120,090)	(113,785)
Total current period tax expense	**(6,719)**	**59,272**
Effective tax rate	**(1.88%)**	**14.18%**

(Stated in millions of COP,
except exchange rates and nominal share prices)

NOTE 18. – OTHER ASSETS

The following is the breakdown of the balances of other assets on December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Other parts of interest – Repossessed assets (1)	85,467	129,693
Constructions in progress (2)	130,071	82,163
Prepaid expenses	32,012	22,141
Hotel inventories	542	598
Others (3)	55,497	36,901
Art and cultural assets	1,784	1,784
Impairment of other assets	(15,509)	(8,168)
Deferred payment import L/c	478	-
Total	**290,342**	**265,112**

(1) Other parts of interest are rights in stand-alone trusts received by the Bank as dation in payment, on which it holds a percentage.
(2) This is the real estate development undertaken by Namen and Manforce through their affiliates in the United States.
(3) It includes other assets at Banco GNB Paraguay in the amount of COP 49,340 and at Banco GNB Peru for COP 5,936.

The following is the breakdown of impairment movements for other assets at December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Initial balance	**(8,168)**	**(14,354)**
Allowance charged to income	(393)	(503)
Exchange difference	(6,948)	6,699
Final balance	**(15,509)**	**(8,168)**

NOTE 19. – CUSTOMER DEPOSITS

Customer deposits

The following is a breakdown of the customer deposits received by the Bank and its Subsidiaries in the ordinary course of business:

Checking accounts	December 31, 2024	December 31, 2023
Private - active	4,046,756	3,801,397
Private- inactive	16,111	16,543
Government - active	204,778	428,836
Government - inactive	6,731	1,289
Private - abandoned	3,751	3,336
Government - abandoned	31	1
Total checking accounts	**4,278,158**	**4,251,402**

Savings accounts	December 31, 2024	December 31, 2023
Ordinary - active	19,233,067	17,099,100
Ordinary - inactive	660,890	231,058
With term deposit	-	127
Abandoned	4,959	5,589
Total savings accounts	**19,898,916**	**17,335,874**

(Stated in millions of COP,
except exchange rates and nominal share prices)

Term deposits	December 31, 2024	December 31, 2023
Maturities up to 6 months from initial date	9,006,127	7,700,457
6-12 months	2,199,714	1,497,808
12-18 months	3,616,865	3,541,464
18 months or longer	452,858	903,628
Total term deposits	**15,275,564**	**13,643,357**

A summary of effective interest rates earned on customer deposits in Colombia is included below:

	December 31, 2024			
	Local currency		Foreign currency	
	Minimum	Maximum	Minimum	Maximum
	%	%	%	%
Checking accounts	3.63	7.44	-	-
Savings accounts	7.95	11.60	-	-
Term deposits	10.04	13.67	-	-

	December 31, 2023			
	Local currency		Foreign currency	
	Minimum	Maximum	Minimum	Maximum
	%	%	%	%
Checking accounts	5.31	10.90	5.31	10.90
Savings accounts	11.31	13.10	11.31	13.10
Term deposits	12.71	14.41	-	-

Banco GNB Perú can freely set the interest rates on its deposits based on supply and demand and the type of deposit. The rates in effect at December 31, 2024 for the main products were within the following ranges (effective annual rate):

	December 31, 2024		December 31, 2023	
Product	Local currency %	Foreign currency %	Local currency %	Foreign currency %
Term deposits	0.10 – 1.40	0.05 - 0.07	0.10 – 5.50	0.05 - 1.75
Savings deposits	0.25 – 4.25	0.10 – 1.00	0.25 – 4.25	0.10 – 1.00
Checking accounts	3.75 – 5.50	1.30 – 2.00	3.75 – 5.50	1.30 – 2.00

A summary of effective interest rates earned in customer deposits in Paraguay is included below:

	December 31, 2024		December 31, 2023	
	Local currency %	Foreign currency %	Local currency %	Foreign currency %
On-demand deposits	0.95	0.92	0.93	0.46
Term deposits				
180 days	6.57	4.68	5.83	5.02
Up to 365 days	7.18	4.43	6.82	4.81
More than 365 days	7.67	5.96	8.2	5.8

Deposits by economic sector.

The exposure of customer deposits by economic sector according to the classification of the Central Bank of Colombia is presented below, separately indicating the deposits of individuals corresponding to employees and rentiers.

(Stated in millions of COP,
except exchange rates and nominal share prices)

Checking accounts at December 31, 2024

Sector	Colombia	Peru	Paraguay	Total
Agriculture and livestock farming	3,173	1,140	399,955	404,268
Business	318,341	159,113	531,422	1,008,876
Construction	57	116,232	89,301	205,590
Services	536,475	5,642	553,780	1,095,897
Transportation	2,556	4,775	-	7,331
Financial	449,531	39,110	130,005	618,646
Industry	102,767	2,395	243,696	348,858
Mines and energy	46	620	-	666
Solidarity	3,204	-	-	3,204
Others - employees and rentiers	47,482	-	537,340	584,822
Total	**1,463,632**	**329,027**	**2,485,499**	**4,278,158**

Savings accounts at December 31, 2024

Sector	Colombia	Peru	Paraguay	Total
Agriculture and livestock farming	8,540	1,077	294,244	303,861
Business	697,876	182,775	422,617	1,303,268
Construction	1,042	129	35,310	36,481
Services	4,641,003	2,371	973,215	5,616,589
Transportation	33,742	17	-	33,759
Financial	8,916,995	1,014,946	94,645	10,026,586
Industry	238,865	1,523	464,302	704,690
Mines and energy	34,239	79	-	34,318
Solidarity	28,554	-	-	28,554
Others - employees and rentiers	586,346	-	1,224,464	1,810,810
Total	**15,187,202**	**1,202,917**	**3,508,797**	**19,898,916**

Term deposits at December 31, 2024

Sector	Colombia	Peru	Paraguay	Total
Agriculture and livestock farming	18,267	1,099	449,048	468,414
Business	396,198	806,457	427,676	1,630,331
Construction	1,369	2,682	35,970	40,021
Services	2,088,866	4,013	847,773	2,940,652
Transportation	8,688	34,818	-	43,506
Financial	2,961,579	2,504,652	743,988	6,210,219
Industry	100,363	118,820	83,390	302,573
Mines and energy	1,060	1,099	-	1,060
Solidarity	21,112	-	-	21,112
Others - employees and rentiers	1,583,959	-	2,033,717	3,617,676
Total	**7,181,461**	**3,472,541**	**4,621,562**	**15,275,564**

Checking accounts at December 31, 2023

Sector	Colombia	Peru	Paraguay	Total
Agriculture and livestock farming	3,362	982	367,198	371,542
Business	168,741	36,912	481,976	687,629
Construction	34	97,558	78,591	176,183
Services	536,626	38,859	614,038	1,189,523
Transportation	1,825	5,703		7,528
Financial	779,668	60,468	131,600	911,194
Industry	304,091	1,616	178,190	483,897
Mines and energy	301	478	-	779
Solidarity	3,183	-	-	3,183
Others - employees and rentiers	41,811	-	378,133	419,944
Total	**1,839,642**	**242,576**	**2,229,726**	**4,251,402**

(Stated in millions of COP,
except exchange rates and nominal share prices)

Savings accounts at December 31, 2023

Sector	Colombia	Peru	Paraguay	Total
Agriculture and livestock farming	8,429	1,225	271,756	281,410
Business	623,150	16,569	433,411	1,073,130
Construction	643	4,245	51,639	56,527
Services	4,209,231	18,005	892,617	5,119,853
Transportation	27,570	2,009		29,579
Financial	7,815,039	884,060	104,523	8,670,382
Industry	234,358	6,606	397,653	638,617
Mines and energy	30,957	420		31,377
Solidarity	10,662	-		10,662
Others - employees and rentiers	520,275	-	904,062	1,424,337
Total	**13,480,314**	**933,139**	**3,055,661**	**17,335,874**

Term deposits at December 31, 2023

Sector	Colombia	Peru	Paraguay	Total
Agriculture and livestock farming	1,229,668	1,782	407,669	428,221
Business	17,239	490,739	269,968	976,934
Construction	297,237	14,146	25,250	40,624
Services	896	381,895	694,987	2,932,991
Transportation	1,979,968	23,429	-	29,628
Financial	5,208	2,203,470	330,962	5,469,817
Industry	2,475,922	8,111	134,104	529,354
Mines and energy	328,593	2,671	-	24,116
Solidarity	11,692	-	-	13,527
Others - employees and rentiers	13,179	-	1,803,550	3,198,146
Total	**6,359,600**	**3,126,243**	**3,666,490**	**13,643,357**

NOTE 20. - FINANCIAL OBLIGATIONS

Deposits by financial institutions

The following is a breakdown of deposits by financial institutions

Short-term financial obligations

	December 31, 2024	December 31, 2023
Banks	297,801	244,486
Special deposits	43,727	35,831
Services	89,471	69,673
Interbank funds	139,069	239,356
Repo operations	2,331,159	550,737
Commercial checking accounts	-	1,810
Simultaneous operations (with repurchase agreements)	1,661,526	6,409,071
Total	**4,562,753**	**7,550,964**

(Stated in millions of COP,
except exchange rates and nominal share prices)

Obligations with rediscount entities and foreign banks

The following is a summary of the financial obligations of the Bank and its Subsidiaries at December 31, 2024 and 2023:

Entity	Interest rate	December 31, 2024	December 31, 2023
Central Bank		-	29,767
Banco de Comercio Exterior (Bancoldex)	15.04%	109,438	449,539
Fondo para el Financiamiento del Sector Agropecuario "FINAGRO S. A."	10.43%	6,313	8,342
Financiera de Desarrollo Territorial S. A. (FINDETER)	12.66%	405,133	529,988
Foreign banks	6.10%	1,613,557	1,224,309
Other financial obligations		339,458	306,071
Total		**2,473,899**	**2,548,016**

These obligations with rediscount entities are associated with funds that government entities make available to the Bank to make loans to companies in economic sectors that have been targeted by the national government for promotion. This implies that the counterparties of the loans are entities involved in agriculture, livestock farming, national production for export, etc. The loan disbursements have been previously authorized by the rediscount entities and collections on the loans are to be allocated to repaying these financial obligations.

Effective interest rates for short-term financial obligations

A summary of the annual effective interest rates on short-term financial obligations is shown below:

	December 31, 2024				December 31, 2023			
	Rate in Colombian pesos		Rate in Foreign Currency		Rate in Colombian pesos		Rate in Foreign Currency	
	Min %	Max %	Min %	Max %	Min %	Max %	Min %	Max %
Interbank funds **(I)**	9.510%	9.510%	5.45%	5.45%	12.757%	12.799%	5.45%	5.45%
Repo operations **(R)**	9.500%	9.500%			13.000%	13.000%		
Simultaneous operations **(S)**	9.200%	9.800%			12.950%	13.001%		

Long-term financial obligations

Type	December 31, 2024	December 31, 2023
Subordinated bonds outstanding – COP	215,039	337,020
Subordinated bonds outstanding - Foreign currency	3,346,428	2,744,167
Total	**3,561,467**	**3,081,187**

(Stated in millions of COP,
except exchange rates and nominal share prices)

The following is a breakdown of the bond features on a consolidated basis:

					December 31, 2024			
Issue period	**Type of issue**	**Amount of issue**	**Balance**	**Interest rate**	**Interest expense**	**Issue date**	**Maturity date**	**Payment method**
2016 Issuance	Subordinated bonds Peru	USD 15,006,000	66,816	5.437%	3,326	Oct 27, 16	Oct 27, 26	Interest semester in arrears
2017 Issuance	Subordinated Bonds	USD 300,000,000	1,341,995	6.50%	87,512	Apr 03, 17	Apr 03, 27	Interest semester in arrears
2021 Issuance	Subordinated Bonds	USD 400,000,000	1,766,444	7.50%	125,337	Apr 16, 21	Apr 16, 31	Interest semester in arrears
2024 Issuance	Ordinary bonds	PYG 25,000,000,000	14,111	7.55%	33	Dec 20, 24	Nov 30, 28	Monthly
2024 Issuance	Ordinary bonds	PYG 50,000,000,000	28,222	7.70%	68	Dec 20, 24	Nov 29, 28	Monthly
2024 Issuance	Ordinary bonds	PYG 150,000,000,000	84,668	7.75%	206	Dec 20, 24	Dec 30, 31	Monthly
2024 Issuance	Ordinary bonds	USD 5,000,000	22,086	5.50%	38	Dec 20, 24	Nov 30, 27	Monthly
2024 Issuance	Ordinary bonds	USD 5,000,000	22,086	5.60%	39	Dec 20, 24	Nov 30, 29	Monthly
		Total foreign-currency bonds	**3,346,428**					
2017 Issuance	Subordinated Bonds	COP213,200	215,039	4,05%	36,992	Nov 23, 17	Nov 23, 26	Interest quarter in arrears
		Total bonds Local currency	**215,039**					
		Total bonds issued	**3,561,467**					

The amount of the Subordinated Bonds forms part of additional equity and is verified each quarter by the Statutory Auditor.

					December 31, 2023			
Issue period	**Type of issue**	**Amount of issue**	**Balance**	**Interest rate**	**Interest expense**	**Issue date**	**Maturity date**	**Payment method**
2016 Issuance	Subordinated bonds Peru	USD 15,006,000	57,917	5.437%	3,523	Oct 27, 16	Oct 27, 26	Interest semester in arrears
2017 Issuance	Subordinated Bonds	USD 300,000,000	1,161,470	6.50%	92,798	Apr 03, 17	Apr 03, 27	Interest semester in arrears
2021 Issuance	Subordinated Bonds	USD 400,000,000	1,524,780	7.50%	132,510	Apr 16, 21	Apr 16, 31	Interest semester in arrears
		Total foreign-currency bonds	**2,744,167**					
2017 Issuance	Subordinated Bonds	COP119,205	123,377	3,85%	19,323	Nov 23, 17	Nov 23, 24	Interest quarter in arrears
2017 Issuance	Subordinated Bonds	COP213,200	213,643	4,05%	33,460	Nov 23, 17	Nov 23, 26	Interest quarter in arrears
		Total bonds Local currency	**337,020**					
		Total bonds issued	**3,081,187**					

(Stated in millions of COP,
except exchange rates and nominal share prices)

NOTE 21. – EMPLOYEE BENEFITS

In accordance with Colombian labor law, labor bargaining agreements and collective agreements, the employees of the Bank and its Subsidiaries receive short-term benefits (salaries, vacations, mandatory bonus, extra-legal bonus, severance fund and interest on severance fund) and long-term benefits, such as seniority bonus and medical care, and post-employment and retirement benefits. The latter include severance pay for employees covered by the regime prior to Law 50/1990, and mandatory and extra-legal pensions. The remuneration for key executives includes salaries, in-kind benefits and contributions to their post-employment benefits plan.

The employees at the subsidiaries in Peru and Paraguay only receive short-term benefits.

The employee benefit plans expose the Bank and its Subsidiaries to several risks (interest rate and operating risks), which they seek to minimize through the application of the defined risk management policies and procedures.

The following is the breakdown of provisions for employee benefits at December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023
Short-term	26,576	16,396
Post-employment	51,607	48,473
Long-term	18,931	15,602
Total	**97,114**	**80,471**

Short-term benefits

The payment of such benefits (other than severance payments) must be made within twelve months following the end of the fiscal year in which the employees rendered their services. These benefits accrue as they are incurred and charged through profit or loss. In accordance with Colombian labor regulations, as well as with the provisions of the Collective Labor Agreement between the Bank and the labor unions, as well as the extra-legal benefits applicable to employees excluded from the aforementioned collective agreement, such benefits are: Basic salaries, all-inclusive salaries, severance payments under Law 50/1990, interest on severance payments, paid vacation, legal bonuses, extra-legal bonuses, allowances, paid leave, as well as contributions to the social security system for pension, healthcare and payroll taxes.

Post-employment benefits

Benefits of this type are paid to employees when they retire or after they complete their employment period (excluding severance payments). Said benefits, in accordance with Colombian labor law and the provisions of the Collective Labor Agreement between the Bank and the labor unions, correspond to retirement pensions (retirees to be paid by the Bank or with pension shared with Colpensiones) and retirement benefits, which are paid to employees whose positions are covered by the Collective Agreement, to whom old-age pensions have been granted.

The post-employment benefits liability is determined based on the present value of estimated future payments to be made to employees whose entitlement to an old-age pension has been recognized. It is calculated based on actuarial studies. Therefore, the expense associated with these benefits is recorded in the Bank’s statement of income, which includes the present cost of service assigned in the actuarial calculation plus the financial cost of the calculated liability.

The Bank does not have assets and/or an insurance policy allocated to covering the payment of post-employment benefits. Therefore, it has fully recognized this liability in its financial statements.

The Bank does not make benefit payments to employees based on shares.

Severance benefits (termination indemnities)

Severance payments are the remunerations payable to employees as a result of:

(a) the company's decision to terminate the employee's contract prior to the normal retirement age; or
(b) the employee's decision to voluntarily accept the termination of the relationship of employment in exchange for such compensation.

The Bank has no retirement plans or programs for its employees. However, in the event of a decision to unilaterally terminate the contract of employment without cause, the Bank, in accordance with Colombian labor legislation, as well as the provisions of the Collective Labor Agreement in effect, shall pay the corresponding indemnity.

Termination benefits are recognized as a liability charged to profit or loss on the earlier of the following dates:

- When the Bank formally informs the employee of its decision to remove him/her from employment.
- When provisions are recognized for restructuring costs for a Bank subsidiary or business involving the payment of termination benefits.

Other long-term benefits

These are all employee benefits other than short-term benefits, post-employment benefits and severance payments. In accordance with Colombian labor regulations, the Collective Labor Agreement between the Bank and labor unions, as well as the extra-legal benefits applicable to employees excluded from the aforementioned collective agreement, these benefits include: the seniority bonus and severance payments to employees under the regime prior to Law 50/1990.

Long-term employee benefit liabilities are determined in the same way as post-employment benefits, i.e. by performing actuarial calculations as described above. Therefore, the corresponding expense for these benefits is recognized in the Bank's statement of income, which includes the present service cost assigned in the actuarial calculation, plus the financial cost of the calculated liability.

The Bank does not have assets and/or an insurance policy allocated to covering the payment of post-employment benefits. Therefore, it has fully recognized this liability in its financial statements.

Actuarial calculations

The measurement of obligations for retirement pensions, retirement benefits, seniority bonuses and severance payments with retroactive effect depends on a variety of premises and long-term assumptions, which are determined on an actuarial basis, including estimates of the present value of future benefit payments, considering the likelihood of future events such as salary increases, as well as changes in staffing, etc. Possible variations in the premises and long-term assumptions may have a significant effect on the amount of the actuarial calculations and therefore, on future payments, with a consequent variation in the interest and service cost of such actuarial calculations.

Actuarial studies are performed using the projected credit unit method, using actuarial assumptions such as percentage of cost of living, mortality rates, average working life, salary increases, employee turnover and discount rates.

The discount rate used in the actuarial calculations to establish the present value of future cash flows is the rate for long-term investments. This rate represents the market rate for fixed income investments or for government bonds denominated in the currency in which the benefit will be paid and considers the timing and amount of the payments of future benefits.

(Stated in millions of COP,
except exchange rates and nominal share prices)

Pension benefits

In Colombia, the retirement pensions received by employees after reaching a certain age and time of service are taken on by public or private pension funds, which are based on defined contributions in which both the companies and the employees contribute monthly amounts defined by law in order for the employee to be entitled to the retirement pension. However, in the case of certain employees who were hired before 1968 and who fulfill the age and years of service requirements, the pensions are taken on directly by the parent company.

The following were the movements of retirement benefits and long-term benefits for the periods ending on December 31, 2024 and 2023:

	Post-employment		Other long-term	
	2024	**2023**	**2024**	**2023**
Initial balance	48,473	56,506	15,602	13,715
Cost of services	230	179	1,614	1,500
Cost of interest	1,829	1,727	952	802
Paid to employees	(3,270)	(2,468)	(2,210)	(2,483)
Changes in actuarial assumptions	2,250	3,936	2,613	2,607
Other long-term Peru and Paraguay	2,095	(11,407)	360	(539)
Final balance	**51,607**	**48,473**	**18,931**	**15,602**

Actuarial assumptions

The variables used for the calculation of the projected obligations of the different employee post-employment and other long-term benefits are shown below:

Actuarial Assumptions	December 31, 2024	December 31, 2023
Discount rate	9.50%	11.25%
Inflation rate	4.5%	4.5%

Employee turnover rate: The SOA 2003 Turnover Table was used for the different actuarial calculations.

The expected life of employees was calculated based on the Colombian mortality table published by the Superintendence, which is based on the mortality experience of several insurers with operations in Colombia.

Other long-term benefits:

The parent company grants its employees long-term extra-legal seniority bonuses over their work life, depending on the number of years of service, every 5, 10, 15 and 20 years, etc., in which each payment is calculated in terms of days of salary (between 15 and 180 days).

The parent company has a group of employees who were entitled to severance payments prior to the issuance of Law 50 of 1990. Such benefits is cumulative and calculated based on the employee's latest salary multiplied by the number of years of service minus any severance advance payments that have been made on the new benefit.

The remuneration of key management personnel in each category of benefits offered are disclosed in Note 30, Related Parties.

Sensitivity analysis

The sensitivity analysis of the employee retirement benefits liability to the different financial and actuarial variables is all follows, maintaining all other variables constant:

(Stated in millions of COP,
except exchange rates and nominal share prices)

December 31, 2024

Post-employment benefits	Change to the Variable	Increase in the variable	Decrease in the Variable
		+50 points	-50 points
Discount rate	9.25%	(529)	561
Salary growth rate	4.50%	265	(249)
Pension growth rate	3.00%	393	(375)
Long-term benefits	**Change to the Variable**	**Increase in the variable**	**Decrease in the Variable**
		+50 points	-50 points
Discount rate	9.50%	(409)	430
Salary growth rate	4.50%	539	(515)

December 31, 2023

Post-employment benefits	Change to the Variable	Increase in the variable	Decrease in the Variable
		+50 points	-50 points
Discount rate	11.00%	(430)	453
Salary growth rate	4.50%	208	(196)
Pension growth rate	3.00%	339	(325)
Long-term benefits	**Change to the Variable**	**Increase in the variable**	**Decrease in the Variable**
		+50 points	-50 points
Discount rate	11.25%	(324)	339
Salary growth rate	4.50%	435	(446)

NOTA 22 - PROVISIONS FOR LEGAL CONTINGENCIES AND OTHER PROVISIONS

The following is the breakdown of provisions at December 31, 2024 and 2023:

For legal contingencies	December 31, 2024	December 31, 2023
Fines and penalties of other administrative authorities	882	865
Labor proceedings	2,510	2,518
Other litigation in legal administration or arbitration proceedings	12,339	12,380
Subtotal for legal contingencies	**15,671**	**15,763**

	December 31, 2024	December 31, 2023
Other provisions	**37,158**	**21,528**

Said provisions are estimated based on the evolution of each proceeding, as well as the opinions of the respective attorneys regarding the probability of a ruling in favor in each case.

Labor Proceedings

On December 31, 2024, provisions for labor proceedings against Banco GNB Sudameris were recognized. Most of these proceedings have historically been resolved in favor of the Bank.

Said provisions are estimated based on payments made during the year and the evolution of each proceeding, as well as the opinions of the respective attorneys regarding the probability of a decision in favor or against in each case.

	December 2024	December 2023
Labor proceedings against the Bank	2,510	2,518

Other proceedings

As of December 31, 2024 and December 31, 2023, the provisions for legal proceedings were as follows: labor proceedings for COP 2,510 and COP 2,518 respectively, judicial proceedings for COP 9,818 and COP 12,380 respectively, and administrative proceedings for COP 822 and COP 865, respectively. According to the opinion of legal counsel, these proceedings will generate disbursements to the Bank. Said provisions are estimated based on the evolution of each proceeding, as well as the opinions of the respective attorneys regarding the probability of a ruling in favor in each case.

NOTE 23. – DEFERRED INCOME TAX

- **Deferred tax on temporary differences**

The difference between the carrying values of assets and liabilities and their values for tax purposes give rise to the following temporary differences. In turn, these differences give rise to deferred taxes, which were calculated and recognized in the years ended on December 31, 2024 and 2023, based on the currently enacted rates for the years in which said differences will revert.

Year ending on December 31, 2024

Stated in millions of COP

	Dec-23	Reclassifications	Credited (charged) to profit and loss	Credited (charged) to OCI	Dec-24
Employee benefits	5,118	-	(2,489)	-	2,629
Exchange difference assets	19,246	-	43,531	-	62,777
Cash flow hedges	14,417	-	-	-	14,417
Generic allowance on loan portfolio	25,993	-	153	7,577	33,723
Surplus in depreciation of facilities	3,543	-	-	-	3,543
Others	(83,412)	-	73,991	117,829	108,715
Financial instruments at fair value	312,200	-	510	-	312,710
Cash and cash equivalents (Exchange Rate Difference)	81,293	-	(78,432)	-	2,861
Derivatives (exchange differences)	(371)	-	2,085	-	1,714
Deferred tax assets	**378,027**	**-**	**39,349**	**(125,713)**	**542,781**
Presumed income	(33)	-	-	-	(33)
Property and equipment	(14,206)	-	1,278	(9,095)	(22,023)
Loan portfolio impairment allowance Full IFRS	(142,966)	-	-	(35,054)	(178,020)
Financial instruments at fair value	(57,250)	-	45,209	-	(12,041)
Loan Portfolio (Exchange Rate Difference)	(5,809)	-	5,809	-	-
Other accounts receivable (Exchange Rate Difference)	(2,932)	-	(6,303)	-	(9,235)
Others	(58,383)	835	128	-	(57,420)
Deferred tax liabilities	**(281,579)**	**835**	**46,121**	**(44,149)**	**(278,772)**
Total	**96,448**	**835**	**85,470**	**81,256**	**264,009**

Year ending on December 31, 2023

Stated in millions of COP

	Dec-22	Reclassifications	Credited (charged) to profit and loss	Credited (charged) to OCI	Dec-23
Presumed income	393	-	(426)	-	(33)
Employee benefits	2,513	-	16	2,589	5,118
Exchange difference assets	19,246	-			19,246
Cash flow hedges	14,417	-			14,417
Generic allowance on loan portfolio	28,519	-	(2,526)	-	25,993

Surplus in depreciation of facilities	4,033	-	(490)	-	3,543
Others	235,527	-	(166,256)	(152,683)	(83,412)
Financial instruments at fair value	315,490	-	(3,290)	-	312,200
Cash and cash equivalents (Exchange Rate Difference)	5,309	-	75,984	-	81,293
Derivatives (exchange differences)	4,411	-	(1,200)	(3,582)	(371)
Deferred tax assets	**629,858**	**-**	**(98,188)**	**(153,676)**	**377,994**
Property and equipment	(36,170)	-	21,972	(8)	(14,206)
Loan portfolio impairment allowance Full IFRS	(107,998)	-	-	(34,968)	(142,966)
Financial instruments at fair value	(1,803)	-	(16,934)	(38,513)	(57,250)
Loan Portfolio (Exchange Rate Difference)	(4,953)	-	(856)	-	(5,809)
Other accounts receivable (Exchange Rate Difference)	(10,228	-	7,296	-	(2,932)
Others	(143,162)	(25,067)	97,691	12,154	(58,384)
Deferred tax liabilities	**(304,314)**	**(25,067)**	**109,169**	**(61,335)**	**(281,547)**
Total	**325,544**	**(25,067)**	**10,982**	**(215,011)**	**96,448**

The Group offsets deferred assets and liabilities for the same entity and tax authority in accordance with applicable tax laws in Colombia and other countries in which the subsidiaries operate, based on the legal right to offset the tax assets and liabilities and other requirements of IAS 12, with the following details:

December 31, 2024	**Gross amounts of Deferred tax**	**Offset**	**Balances Offset**
Deferred income tax assets	358,393	(94,384)	264,009
Deferred income tax liabilities	(94,384)	94,384	-
Net	**96,448**	**-**	**264,009**

December 31, 2023	**Gross amounts of Deferred tax**	**Offset**	**Balances Offset**
Deferred income tax assets	326,690	(230,242)	96,448
Deferred income tax liabilities	(230,242)	230,242	-
Net	**96,448**	**-**	**96,448**

Effect of current and deferred taxes on each component of other comprehensive income in equity.

The following is the effect of current and deferred taxes on each component of other comprehensive income:

Stated in millions of COP

Items that may be subsequently reclassified to profit or loss	**December 31, 2024**	**December 31, 2023**
Differences between the allowance and impairment recorded in the calculation of the separate and consolidated financial statements	(35,054)	(34,968)
Financial instruments at fair value	117,829	(179,042)
Subtotal	**82,775**	**(214,010)**
Items that will not be reclassified to profit or loss		
(Loss) on revaluation of assets	(9,095)	(8)
Loss in employee benefit plans	-	2,589
Gains on exchange differences on derivatives	7,577	(3,582)
Subtotal	**(1,518)**	**(1,001)**
Total other comprehensive income for the period	**81,257**	**(215,011)**

(Stated in millions of COP,
except exchange rates and nominal share prices)

NOTE 24. – OTHER LIABILITIES

The following is the breakdown of other liabilities on December 31, 2024 and 2023:

Item	December 31, 2024	December 31, 2023
Fogafín	50,883	40,822
Closed accounts	2,598	2,522
Commissions and fees	4,596	4,393
Taxes	17,079	13,211
Dividends and surpluses	66,771	3,396
Leases	141	57
Tax on financial transactions	2,262	2,465
Suppliers and services payable (1)	123,488	28,069
Contributions, affiliations and transfers	1,659	1,451
Income tax and payroll tax withholdings	144,961	45,201
Income received in advance	5,149	4,976
Letters of credit - deferred payment (2)	478	76,441
Deferred payments	7,712	10,116
Other contributions	242	28
Others (3)	183,259	225,499
Total	**611,278**	**458,647**

(1) It represents credit assistance balances and ATM transactions pending offsetting in Paraguay.

(2) It arises from the use of a letter of credit for imports under the deferred payment modality.

(3) It includes Bank electronic card transactions for COP 13,827, in local currency and agreements COP 13,263, uncollected cashier's checks COP 2,206, life insurance COP 6,654, payroll loans COP 5,191, advances received real estate properties COP 3,682, sundry Bank items COP 16,726, at Servibanca in the amount of COP 36,831, at CorfiGNB COP 4,847, at Banco GNB Perú 27,214 and at Banco GNB Paraguay COP 52,763 of sundry accounts payable.

NOTE 25. - EQUITY

Capital

The shares of the parent company have a nominal value of COP 400 (pesos) each at December 31, 2024 and 2023, with the following breakdown:

	December 31, 2024	December 31, 2023
Number of authorized shares	250,000,000	250,000,000
Number of shares to be subscribed	62,585,559	62,585,559
Total subscribed and paid-in shares	**187,414,441**	**187,414,441**
Authorized capital	100,000	100,000
Capital to be subscribed	(25,034)	(25,034)
Total subscribed and paid-in shares	**74,966**	**74,966**

(Stated in millions of COP,
except exchange rates and nominal share prices)

Reserves

Legal Reserve (Mandatory)

Banks are required to establish a "Legal Reserve" by appropriating at least 10% of their net profits each year until the reserve reaches at least 50% of subscribed capital. The reserve may be decreased below this level in order to cover losses that are greater than non-distributed profits. This reserve cannot be used to pay dividends nor to cover expenses or losses if the bank has non-distributed profits.

Appropriation of retained earnings

The following is a breakdown of the appropriation of retained earnings on December 31, 2024 and 2023:

Reserves	December 31, 2024	December 31, 2023
Legal	1,640,712	1,640,712
Occasional	14,391	-
Total reserves	**1,654,503**	**1,640,712**

Declared Dividends

Dividends are declared and paid to shareholders based on the net profit recognized in the separate financial statements of the previous year.

The following is the calculation of earnings per share for the periods ending on December 31, 2024 and 2023:

Basic earnings per share	December 31, 2024	December 31, 2023
Net profit for the fiscal year	364,878	358,766
Less: Non-controlling interests	151,903	176,036
Current period's income attributable to controlled interests	**212,975**	**182,730**
Weighted average of ordinary shares used for the calculation of basic net earnings per share	187,414,441	187,414,441
Net basic earnings per share of controlled interests (pesos)	**1,136**	**975**

NOTE 26. – COMMISSIONS AND FEE INCOME AND EXPENSES

The following is the breakdown of commissions and fee income and expenses for the years ended on December 31, 2024 and 2023:

Item	December 31, 2024	December 31, 2023
Banker's acceptances	60	70
Letters of credit	118	146
Bank guarantees	643	1,413
Bank services	175,080	161,951
Debit and credit card affiliated establishments	13,297	9,850
Use of means of payment other than cash	229,484	217,004
Credit card handling fees	658	699
Others (1)	50,455	49,484
SUBTOTAL	**469,799**	**440,617**
Bank services	(127,234)	(113,995)
Bank guarantees	(6,059)	(6,011)
Collective investment funds management	(10,929)	(9,628)
Commissions on sales and services	(606)	-
Board of Directors	(314)	(262)
Statutory Auditor and external auditing (2)	(3,474)	(3,754)
Appraisals	(46)	(15)

(Stated in millions of COP,
except exchange rates and nominal share prices)

Legal counsel	(7,376)	(4,188)
Others (3)	(80,911)	(68,361)
SUBTOTAL	**(236,949)**	**(206,214)**
TOTAL	**232,850**	**234,403**

(1) It includes fees at Servitrust for trust businesses in the amount of COP 18,986; at Servivalores securities and investment fund management fees for COP 17,046; and payment of insurance at Banco GNB Peru for COP 14,825.

(2) It includes the expense of the Bank and its domestic and international subsidiaries.

(3) It includes fees and sundry items paid by the Bank for COP 40,324, and COP 36,951 paid by Servibanca and COP 4,142 for payment of fees and commissions at affiliates abroad.

NOTE 27. – OTHER INCOME

The following is the breakdown of other income for the years ended on December 31, 2024 and 2023:

Item	December 31, 2024	December 31, 2023
Sales of Investments	57,511	66,730
Dividends	18,146	2,886
Sale of property and equipment	8,825	2,498
Leases	8,366	9,138
Industrial and service income	119,143	54,583
Exchange difference	53,797	52,470
Income from share issuance (1)	-	73,886
Others (2)	157,420	243,705
Total	**423,208**	**505,896**

(1) It represents the gain reported by Corporación Financiera GNB in the issuance of shares at the subsidiaries Manforce and Namen in November and December 2023, respectively.
(2) It includes income from the recovery of written-off assets for COP 15,347; reimbursements on assets received in lieu of payment COP 29,332, other reimbursements COP 4,982; on returns of insurance banking management for COP 23,688; sundry items at the Bank and national affiliates for COP 31,058; valuation of assets received as payment in Peru and Paraguay for COP 53,013 and sundry items for COP 52,927 at December 31, 2024.

NOTE 28. – OTHER EXPENSES

The following is the breakdown of other expenses for the years ended on December 31, 2024 and 2023:

Item	December 31, 2024	December 31, 2023
Employee benefits	**370,656**	**349,554**
Loss on sale of investments	**15,740**	**32,008**
Automation	61	-
Legal expenses	465	75
Leases	66,946	57,724
Contributions, affiliations and transfers	86,991	89,446
Insurance	94,310	78,106
Repairs and maintenance	75,765	69,946
Upgrades and installations	2,503	3,309
Joint operations	253	217
Total general administrative expenses	**327,294**	**298,823**
Depreciation of property and equipment	**20,444**	**20,762**
Depreciation of right-of-use	**20,779**	**29,877**
Amortization of intangible assets	**4,582**	**5,474**
Cost of production – Hotels	**21,195**	**20,316**
Management and brokerage services	357	469

(Stated in millions of COP,
except exchange rates and nominal share prices)

Loss from operating risks	553	1,446
Taxes and levies	100,553	87,738
Penalties, fines, litigation, indemnities, operating risks	220	1,380
Others (1)	279,102	234,255
Other expenses	**380,785**	**325,288**
Total other expenses	**1,161,475**	**1,082,102**

(1) The "other" item mainly consists of payments for cleaning and security services for COP 21,751, publicity and advertising COP 22,214, public utilities and data processing COP 36,246, travel and transportation expenses COP 20,553, stationery and office supplies COP 5,076, donations and representation expenses COP 2,347, sundry expenses at the Bank for COP 43,976, CorfiGNB COP 12,270, Peru for COP 59,923 and Paraguay for COP 54,746.

NOTE 29. – COMMITMENTS AND CONTINGENCIES

Credit commitments

As part of its normal course of operations, the Bank grants guarantees and letters of credit to customers in which the Group irrevocably commits to making payments to third parties in the event that the customers fail to fulfill their obligations with said third parties, with the same credit risk as the financial assets of the loan portfolio. Granting the guarantees and letters of credit is subject to the same policies for the approval of loan disbursements in terms of the customers' credit quality and the customers are required to establish the guarantees deemed appropriate in the circumstances.

The commitments for extending credits represent unused portions of authorizations to extend credits in the form of loans, use of credit cards, overdraft limits and letters of credit. Regarding the credit risk of commitments to extend lines of credit, the parent company is potentially exposed to losses in an amount equal to the total of the unused commitments, if the unused amount were withdrawn in full. However, the amount of the loss is less than the total unused commitments because most of the commitments to extend credits are contingent once the customer maintains the specific standards of the credit risks. The parent company monitors the terms of maturity of the commitments in terms of the credit limits, because long-term commitments have a greater credit risk than short-term commitments.

The outstanding balances of the unused lines of credit and guarantees do not necessarily represent future cash requirements because these limits can expire if they are not used fully or in part.

The following is the breakdown of guarantees, letters of credit and credit commitments in unused lines of credit at December 31, 2024 and 2023:

Commitments in unused lines of credit:

	December 31, 2024	**December 31, 2023**
Guarantees	2,174,155	1,985,924
Credit line opening	700,893	612,988
Approved and not disbursed loans	85,971	82,394
Others	1,387,291	1,200,542
Total	**4,348,310**	**3,791,848**

Contingencies

Legal contingencies

At December 31, 2024 and 2023, the parent company was addressing administrative and judicial proceedings against it. The claims of the proceedings were assessed based on analysis and opinions from the responsible attorneys, and the following contingencies were established:

Labor Proceedings

At December 31, 2024 and 2023, claims related to labor proceedings totaled COP 806 and COP 1,032 million, respectively. The contingent proceedings are still at a stage in which their outcome is uncertain. Even though historically, most decisions in these proceedings have been in favor of the parent company and its subsidiaries, the legal area has not assigned any probability that would enable their recognition.

Civil proceedings

At December 31, 2024 and 2023, the assessment of legal claims in civil proceedings, excluding those with remote probability, totaled COP 2,781 and COP 5,931, respectively. These contingent procedures are still at a stage in which their outcome is uncertain, and the legal area has not yet assigned a probability that would enable their recognition.

Administrative and other proceedings

Claims from administrative and judicial tax proceedings, initiated by national and regional tax authorities, establish in some cases penalties in which the parent company would incur derived from performing its activities as National and Territorial tax collector. In other cases, higher taxes are determined in its condition as taxpayer. At December 31, 2024 and 2023, the amount of the various claims totaled COP 878 and COP 850, respectively.

NOTE 30. – RELATED PARTIES

The following are considered related parties:

a. Shareholders that individually own over 10% of the parent company's share capital and those whose individual share is less than 10%, but with respect to whom there are operations that exceed 5% of the technical equity.

Shareholders with over 10% of share capital:

- GILEX HOLDING S.A.

Shareholders with less than a 10% share, but with transactions that exceed 5% of technical equity. At December 31, 2024 and 2023, there were no transactions at the parent company for more than 5% of the parent company's technical equity with shareholders with less than a 10% share.

b. Key management personnel: people who have the authority and responsibility to directly or indirectly plan, direct and control the entity's activities, including any director or manager (whether or not they are executives) of the parent company. This includes members of the Board of Directors, the president and vice-presidents.

c. Subsidiaries controlled by the parent company.

- Banco GNB Perú

(Stated in millions of COP,
except exchange rates and nominal share prices)

- Banco GNB Paraguay
- Servitrust GNB Sudameris
- Servivalores GNB Sudameris
- Servibanca S. A
- Servitotal
- Fondo de Capital Privado Inmobiliario Servivalores
- Fondo de Capital Privado Inmobiliario Servitrust

- Corporación Financiera GNB Sudameris

Entities over which Corporación Financiera has control:

- Charleston Hotels Group S. A. S
- Namen Finance Limited
- Manforce Overseas Limited
- Inversiones GNB Comunicaciones S. A. S
- GNB Holding S. A. S

d. Other non-subsidiary related parties

Transactions with related parties:

The parent company may engage in transactions, agreements or contracts with related parties, with the understanding that any such transactions shall be made at fair value and on an arm's length basis in terms of market terms and rates.

There were none of the following between the parent company and its related parties during the periods ending December 31, 2024 and 2023:

- Loans that imply an obligation for the borrower that does not correspond to the essence or nature of the loan agreement.
- Loans with interest rates different to those regularly paid or charged to third parties in similar term, risk and other conditions.

During the periods ending December 31, 2024 and 2023, fees were paid to directors worth COP 314 and COP 262, respectively, for attending Board of Directors and Committee meetings.

The Bank, in developing its commercial operations, performs transactions with its related parties, such as with shares in said entities, loan portfolios and financial liabilities, which are presented below:

December 31, 2024	**Shareholders**	**Members of the Board**	**Key Executives**
Assets			
Loan portfolio	-	2,425	243
Accounts receivable	-	16	16
Liabilities		-	-
Deposits	-	-	3,587

	Shareholders	**Members of the Board**	**Key Executives**
Interest income	-	16	90
Fee income	-	-	11
Financial expenses	-	-	219
Fee expenses	-	237	6
Other income	-	-	1

Other expenses	-	19	10

December 31, 2023	**Shareholders**	**Members of the Board**	**Key Executives**
Activos			
Cartera de créditos	**-**	8	93
Pasivos			
Depósitos	**-**	-	816

	Shareholders	**Members of the Board**	**Key Executives**
Interest income	**-**	**-**	68
Fee income	**-**	**-**	8
Financial expenses	**-**	**-**	94
Fee expenses	**-**	262	-
Other expenses	-		5

(Stated in millions of COP,
except exchange rates and nominal share prices)

The most significant balances at December 31, 2024 and 2023 with other related parties are included in the following table:

ASSETS	**December 31, 2024**	**December 31, 2023**
Cash	-	1,432,667
Loan portfolio and financial lease transactions	5	530,863
Other accounts receivable	6	8
Total Assets	**11**	**1,963,538**
LIABILITIES		
Financial liabilities	19,979	9,363
Total liabilities	**19,979**	**9,363**
INCOME		
Interest	85	88,970
Commissions and other services	46	97,469
Other income	1	100
Total Income	**132**	**186,539**
EXPENSES		
Financial expenses	802	785
Commission expenses and other services	-	236
Other expenses	10	8
Total Expenses	**812**	**1,029**

Key personnel employee benefits

There is no exclusive benefit plan at Banco GNB Sudameris that applies to the Bank's key Senior Management personnel that is different from the benefits for all employees excluded from the current Collective Labor Agreement.

Some key executives of the parent company are at the same time key executives in certain subsidiaries.

The compensation key management personnel receive is composed of the following:

Items	**December 31, 2024**	**December 31, 2023**
Salaries	6,067	5,339

The compensation of key management personnel includes salaries, benefits other than cash and contributions to a defined benefit post-employment plan.

NOTE 31. – NON-CONSOLIDATED STRUCTURED ENTITIES

The term "non-consolidated structured entities" refers to all the structured entities not controlled by the Bank. The Bank engages in transactions with structured entities within the regular course of business to facilitate customer transactions and for specific investment opportunities.

The following table shows the total assets of structured entities in which the Bank has a share as of the date of the report and its maximum exposure to loss with respect to those shares.

(Stated in millions of COP,
except exchange rates and nominal share prices)

December 31, 2024

	Funds managed by the Bank in FIC
Interest - Bank´s assets	
Investments at fair value through profit or loss	12,164
Total assets related to Bank interests in unconsolidated structured entities	**12,164**
Bank´s maximum exposure	**12,164**

December 31, 2023

	Funds managed by the Bank in FIC
Interest - Bank´s assets	
Investments at fair value through profit or loss	9,390
Total assets related to Bank interests in unconsolidated structured entities	**9,390**
Bank´s maximum exposure	**9,390**

Within the normal course of operations, the Bank has a trust company and stock broker, which manage collective investment funds and the assets of third parties on which trust management fees are received.

In managing these assets, these entities take on only obligations of means, and they do not guarantee results. Their maximum exposure to the risk of loss is determined by any possible failures in managing the funds under management in connection with the yields and the income earned from the customer's assets.

NOTE 32. ASSETS IN TRUST AND ASSETS UNDER MANAGEMENT

The Group carries the accounts of its trust funds it management in memorandum accounts. The following is a summary of the net assets in trust under management:

	2024	**2023**
Assets under management	3,721,033	3,727,736

NOTE 33 - SUBSEQUENT EVENTS

We are not aware of any subsequent events that occurred between the reporting date of the consolidated financial statements and their date of issuance, which is March 10, 2025, that would require changing the figures presented at December 31, 2024.

NOTE 34. – APPROVAL OF FINANCIAL STATEMENTS

The consolidated end-of-year financial statements and their accompanying notes were authorized for issuance by the Board of Directors of the Bank on February 28, 2025.

BANCO GNB SUDAMERIS S.A. AND SUBSIDIARIES

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended on December 31, 2024 and December 31, 2023

The undersigned Registered Agent and Public Accountant, under whose responsibility the consolidated end-of-year financial statements were prepared, certify:

That prior to issuing the consolidated statement of financial position at December 31, 2024, the consolidated statement of income, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year ended on December 2024, which according to the rules of procedure are made available to the shareholders and third parties, we have verified the assertions contained therein and the figures taken faithfully from the books.

Given in Bogotá on the 28th day of February, 2025.

Ricardo Díaz Romero
Registered Agent

David Cardoso Canizales
Public Accountant
Professional Card 47878–T