Itaú Colombia S. A. and its subsidiaries

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022.

Itaú Colombia S. A.

Consolidated financial statements for the years ended December 31, 2023 and 2022.

Contents | **Page**

USD	=	Figures expressed in U.S. dollars.
MUS	=	Figures expressed in thousands of U.S. dollars.
MMUS	=	Figures expressed in millions of US dollars.
COP	=	Figures expressed in Colombian pesos.
MCOP	=	Figures expressed in thousands of Colombian pesos
MMCOP	=	Figures expressed in millions of Colombian pesos.

Certification of the Statutory Auditor

To the members of the Administration of
Itaú Colombia S.A.

March 21, 2023

The undersigned statutory auditor of Itaú Colombia S.A. certify that the consolidated financial statements of the Bank (Itaú Colombia S.A.) as of December 31, 2023 accompanying this certification have been prepared in accordance with the accounting and financial information standards accepted in Colombia and present fairly the financial situations and the results of the operation of the Bank and its subsidiaries as of December 31, 2023.

The original financial statements in Spanish include our audit report dated February 27, 2024, prepared in accordance with International Auditing Standards, in which we have expressed an unqualified opinion.

Carolina González Rodríguez
Statutory Auditor
Partner
Designated by PwC Contadores y Auditores S. A. S.

Itaú Colombia S. A.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Amounts expressed in thousands of Colombian pesos - MCOP)

Note	Assets	As of December 31, 2023	As of December 31, 2022
5	Cash and cash equivalents	**2.462.976.264**	**2.801.565.421**
6	**Investments**	**5.041.332.279**	**4.092.544.180**
	Investments measured at amortized cost	1.617.503.336	1.711.854.094
	Investments measured at fair value through profit or loss	1.318.058.072	1.069.377.350
	Investments measured at fair value with changes in ORI	2.072.810.871	1.282.725.663
	Investments to equity variation with changes in ORI	32.960.000	28.587.073
7	Derivative instruments	977.370.123	1.058.558.352
8	Loan portfolio and financial leasing operations, net	19.639.077.848	21.534.537.548
9	Trade accounts receivable and other accounts receivable, net	328.822.485	292.910.644
10	Property and equipment, net	118.720.786	132.277.562
11	Right-of-use asset, net	70.581.515	75.543.980
12	Investment Properties	19.930.799	19.056.611
13	Intangible assets other than goodwill, net	170.081.612	168.691.838
14	Current tax assets, net	305.279.757	212.966.364
14	Deferred tax assets, net	453.411.565	399.884.625
15	Non-current assets held for sale, net	51.295.497	24.810.841
16	Other non-financial assets	71.426.864	91.642.801
	Total assets	**29.710.307.394**	**30.904.990.767**
	Liabilities and shareholders' equity		
	Liabilities		
17	**Deposits and demands**	**19.367.774.774**	**18.366.162.510**
	Demand deposits	9.263.690.524	10.002.559.557
	Fixed term deposits	10.104.084.250	8.363.602.953
18	**Other financial liabilities**	**3.566.852.171**	**5.183.332.829**
	Financial instruments at amortized cost	2.614.678.047	4.203.589.816
	Derivative instruments	952.174.124	979.743.013
19	Provisions for employee benefits	235.284.648	213.840.158
20	Other Provisions	120.414.698	160.094.266
21	Trade accounts payable and other accounts payable	464.142.229	429.492.943
22	Securities issued	2.977.063.016	3.493.686.285
23	Other non-financial liabilities	111.151.629	175.121.978
	Total shareholders' liabilities	**26.842.683.165**	**28.021.730.969**
24	**Equity**		
	Subscribed and paid-in stockholders' equity	396.356.291	396.356.291
	Bonus on placement of shares	1.908.266.494	1.908.266.494
	Income for the year	(36.904.646)	51.423.356
	Accumulated losses	(928.997.243)	(978.502.900)
	Other comprehensive income	186.069.510	159.731.924
	Reserve for first-time application of IFRS	170.541.776	170.541.776
	Reserves	1.171.174.884	1.171.174.884
	Equity attributable to owners of the parent company	**2.866.507.066**	**2.878.991.824**
	Non-controlling interests	**1.117.163**	**4.267.973**
	Shareholders' equity	**2.867.624.229**	**2.883.259.798**
	Total liabilities and equity	**29.710.307.394**	**30.904.990.767**

Notes 1 to 38 are an integral part of these consolidated financial statements.

HECTOR AUGUSTO PACHON RAMIREZ
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Héctor A. Pachón Ramírez
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Accounting Manager

JUAN MARIA CANEL
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Juan Maria Canel
Legal Representative

Carolina González Rodríguez
Colombian CPA Registration No. 73002-T
Statutory Auditor
Appointed by PwC Contadores y Auditores S. A. S.
See attached report

Itaú Colombia S.A.
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts expressed in thousands of Colombian pesos – MCOP)

Note		From January 1 to December 31, 2023	2022
25	**Net margin and valuation of financial instruments**		
	Financial income portfolio and financial leasing	3.074.838.854	2.282.740.982
	Financial income money market operations	120.360.526	67.003.611
	Income from financial investment instruments	501.081.584	81.067.849
	Valuation of derivatives and cash operations	(339.712.676)	221.011.571
	Sub-Total	**3.356.568.288**	**2.651.824.013**
26	**Interest expense**		
	Expenditures for deposits and obligations	(2.504.387.266)	(1.382.440.214)
	Total interest expense	**(2.504.387.266)**	**(1.382.440.214)**
	Total net margin and valuation of financial instruments	**852.181.022**	**1.269.383.799**
27	Impairment expenses for loan portfolio and financial leasing transactions	(632.557.791)	(351.084.873)
27	(Expense) recovery for impairment of other non-financial assets	(14.773.064)	5.784.797
27	**Total impairment expense**	**(647.330.855)**	**(345.300.076)**
	Net interest margin and valuation net of impairment	**204.850.167**	**924.083.723**
28	**Other income**		
	Income from commissions and other services	304.068.282	290.232.970
	Expenses for commissions and other services	(149.659.598)	(183.195.161)
	Total income from commissions and other services, net	**154.408.684**	**107.037.809**
29	Other operating income	265.993.100	236.001.631
30	Result derived from net monetary position	342.693.821	(107.851.247)
	Dividends on investments in equity securities	8.236.488	6.756.870
	Total other income	**771.332.093**	**241.945.063**
32	**Other expenses**		
	Employee benefit expenses	(416.738.542)	(461.961.645)
	Other expenses	(602.135.496)	(577.631.291)
	Depreciation and amortization expense	(78.020.863)	(78.193.061)
	Total other expenses	**(1.096.894.901)**	**(1.117.785.997)**
	(Loss) income before taxes	**(120.712.641)**	**48.242.789**
14	Tax income	83.985.657	3.379.117
	(Loss) income from continuing operations	**(36.726.984)**	**51.621.906**
	(Loss) income for the year	**(36.726.984)**	**51.621.906**
	Income attributable to owners of the controlling company	**(36.904.646)**	**51.423.356**
	Income, attributable to non-controlling interests	177.662	198.550
	(Loss) earnings per share	**Common shares COP**	**Common shares COP**
24	(Loss) earnings per basic share		
	Basic (loss) earnings per share from continuing operations	(48,89)	68,13
	Total basic earnings per share	**(48,89)**	**68,13**

Notes 1 to 38 are an integral part of these consolidated financial statements.

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Accounting Manager

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Juan Maria Canel
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Itaú Colombia S.A.
CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts expressed in thousands of Colombian pesos – MCOP)

	From January 1 to December 31	
Statement of comprehensive income	**2023**	**2022**
(Loss) income for the year	**(36.726.984)**	**51.621.906**
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss for the period, net of taxes		
Gains on investments in equity instruments	7.326.004	3.816.018
Gains (losses) on revaluation of property	5.757.907	(10.957.435)
(Loss) gain on remeasurement of defined benefit plans	(15.925.213)	6.224.530
Total other comprehensive income not to be reclassified to income for the period, net of taxes	**(2.841.302)**	**(916.887)**
Components of other comprehensive income to be reclassified to profit or loss for the period, net of taxes		
Foreign exchange translation differences		
(Loss) gain on foreign exchange translation differences, net of taxes	(87.680.041)	56.162.897
Sub total	**(87.680.041)**	**56.162.897**
Gains (losses) on remeasurements of investments measured at fair value through ORI, net of taxes	72.109.354	(10.718.079)
Reclassification adjustments, investments measured at fair value with changes in ORI, net of taxes	(13.653.802)	7.919.429
Sub total	**58.455.552**	**(2.798.650)**
Cash flow hedges		
(Loss) Gain on cash flow hedges, net of taxes	8.765.684	(12.013.463)
Sub total	**8.765.684**	**(12.013.463)**
Gain (loss) on hedges of net investments in foreign operations, net of taxes	49.637.693	(27.335.897)
Sub total	**49.637.693**	**(27.335.897)**
Total other comprehensive income to be reclassified to the income statement for the period, net of taxes	**29.178.888**	**14.014.887**
Total other comprehensive income	**26.337.586**	**13.098.000**
Total comprehensive income	**(10.389.398)**	**64.719.906**
Comprehensive income attributable to owners of the controlling company	(10.567.060)	64.521.356
Income, attributable to non-controlling interests	177.662	198.550

Notes 1 to 38 are an integral part of these consolidated financial statements.

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Itaú Colombia S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts expressed in thousands of Colombian pesos -MCOP)

	Issued capital	Additional paid-in capital	Reserves: Legal reserve	Reserves: Occasional reserve	Reserves: Total	Other comprehensive income	Reserve for first-time application of IFRS	Income for the year	Retained losses	Equity attributable to owners of the controlling company	Non-controlling interest	Total equity
Stockholders' equity at the beginning of the period January 1, 2023	**396.356.291**	**1.908.266.494**	**1.171.141.791**	**33.093**	**1.171.174.884**	**159.731.924**	**170.541.776**	**51.423.356**	**(978.502.901)**	**2.878.991.824**	**4.267.973**	**2.883.259.797**
Loss of Period	-	-	-	-	-	-	-	(36.904.646)	-	**(36.904.646)**	177.662	**(36.726.984)**
Other comprehensive income	-	-	-	-	-	26.337.586	-	-	-	**26.337.586**	-	**26.337.586**
Comprehensive income	**-**	**-**	**-**	**-**	**-**	**26.337.586**	**-**	**(36.904.646)**	**-**	**(10.567.060)**	**177.662**	**(10.389.398)**
Increases (decreases) due to other changes, shareholders' equity	-	-	-	-	-	-	**-**	**(51.423.356)**	**49.505.658**	**(1.917.698)**	**(3.328.472)**	**(5.246.170)**
Reclassification of profit	-	-	-	-	-	-	-	(51.423.356)	51.423.356	**-**	-	**-**
Reclassification ORI sale of shares Risk Chamber	-	-	-	-	-	-	-	-	(1.131.039)	**(1.131.039)**	-	**(1.131.039)**
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	**-**	(3.328.472)	**(3.328.472)**
Withholding tax on dividends from support companies	-	-	-	-	-	-	-	-	(786.659)	**(786.659)**	-	**(786.659)**
Total increase (decrease) in equity	**-**	**-**	**-**	**-**	**-**	**26.337.586**	**-**	**(88.328.002)**	**49.505.658**	**(12.484.758)**	**(3.150.810)**	**(15.635.568)**
Shareholders' equity at the end of the period December 31, 2023	**396.356.291**	**1.908.266.494**	**1.171.141.791**	**33.093**	**1.171.174.884**	**186.069.510**	**170.541.776**	**(36.904.646)**	**(928.997.243)**	**2.866.507.066**	**1.117.163**	**2.867.624.229**

Notes 1 to 38 are an integral part of these consolidated financial statements.

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Juan Maria Canel
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See attached report

Itaú Colombia S.A.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(Amounts expressed in thousands of Colombian pesos – MCOP)

	Capital issued	Additional paid-in capital	Reserves			Other comprehensive income	Reserve for first-time application of IFRS	Income for the year	Retained losses	Equity attributable to owners of the controlling company	Non-controlling interest	Total equity
			Legal reserve	Occasional reserve	Total							
Shareholders' equity at the beginning of the period January 1, 2022	**396.356.291**	**1.908.266.494**	**1.171.141.791**	**33.093**	**1.171.174.884**	**146.633.924**	**170.541.776**	**112.231.830**	**(1.090.295.934)**	**2.814.909.265**	**4.621.904**	**2.819.531.169**
Profit for the period	-	-	-	-	-	-	-	51.423.356	-	51.423.356	198.550	51.621.906
Other comprehensive income	-	-	-	-	-	13.098.000	-	-	-	13.098.000	-	13.098.000
Comprehensive income	**-**	**-**	**-**	**-**	**-**	**13.098.000**	**-**	**51.423.356**	**-**	**64.521.356**	**198.550**	**64.719.906**
Increases (decreases) due to other changes, shareholders' equity	-	-	-	-	-	-	-	(112.231.830)	111.793.034	(438.796)	(552.481)	(991.277)
Reclassification of profit	-	-	-	-	-	-	-	(112.231.830)	112.231.830	-	-	-
Movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(552.481)	(552.481)
Withholding tax on dividends from support companies	-	-	-	-	-	-	-	-	(438.796)	(438.796)		(438.796)
Total increase (decrease) in equity	**-**	**-**	**-**	**-**	**-**	**13.098.000**	**-**	**(60.808.474)**	**111.793.034**	**64.082.560**	**(353.931)**	**63.728.629**
Shareholders' equity at the end of the period December 31, 2022	**396.356.291**	**1.908.266.494**	**1.171.141.791**	**33.093**	**1.171.174.884**	**159.731.924**	**170.541.776**	**51.423.356**	**(978.502.900)**	**2.878.991.825**	**4.267.973**	**2.883.259.798**

Notes 1 to 38 are an integral part of these consolidated financial statements.

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Juan Maria Canel
Legal Representative

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Statutory Auditor
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See attached report

Itaú Colombia S.A.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts expressed in thousands of Colombian pesos – MCOP)

	December 31, 2023 MCOP	December 31, 2022 MCOP
Net (loss) income	(36.726.984)	51.621.906
Adjustments to reconcile net income for the year to net cash:		
Depreciation and amortization	78.020.863	78.193.061
Impairment of assets held for sale	(4.187.168)	(7.129.011)
(Recovery) impairment of investments	(881.071)	(2.151.514)
Impairment of investment properties	-	239.318
Impairment of loan portfolio	627.278.888	348.910.165
Impairment accounts receivable	5.278.903	2.174.708
Interest accrued on loan portfolio	(3.074.838.854)	(2.282.740.982)
Interest accrued on customer deposits	1.742.595.929	888.935.886
(Recovery) impairment of other assets	(752)	(1.383.399)
Financial cost of leases IFRS 16	5.417.516	5.229.140
Project Expenses	1.086.245	5.151.360
Impairment (Impairment recovery) contingent credits IFRS 9	20.660.958	5.366.199
Profit on sale of portfolio	(56.440.451)	(23.474.826)
(Gain) loss on sale of securities measured at Fair Value	(40.893.852)	10.831.403
Loss on sale of debt securities held to maturity	151.236	283.445
Gain on sale of property and equipment	-	(1.620.419)
(Gain) loss on sale of assets held for sale	3.359.036	5.211.812
(Gain) loss on valuation of marketable debt securities	(187.905.338)	46.510.741
Gain on valuation of debt securities held to maturity	(277.699.914)	(141.513.963)
Gain on sale of equity securities	(779.748)	-
Loss (gain) on valuation of derivatives	356.393.510	(218.382.429)
(Gain) on valuation of investment properties	(874.188)	(24.819)
Gain on sale of investment properties	-	(1.454.434)
Interest accrued by international organizations	65.825.640	19.863.028
Financial cost of debt securities issued	379.578.137	358.162.954
Unrealized foreign exchange difference on long-term financial liabilities	(273.245.680)	232.996.513
Deferred tax assets, net	(100.169.548)	(14.033.326)
Current income tax provision	16.183.891	10.654.209
Total fair value to reconcile net (loss) income for the year to net cash:	**(716.085.812)**	**(675.195.180)**
Variation in operating assets and liabilities:		
Purchase of marketable debt securities	(60.433.654.134)	(24.778.181.862)
Sale of marketable debt securities	60.261.895.544	24.870.988.724
Decrease in loan portfolio and financial leasing operations	1.755.673.284	346.573.005
(Increase) other accounts receivable	(49.559.870)	(102.292.935)
(Increase) decrease derivatives	(218.410.221)	217.781.007
Decrease in other assets	13.054.164	3.953.300
Increase (decrease) deposits	382.986.264	(2.125.629.281)
(Decrease) receivables from banks and other liabilities	(1.287.871.581)	(169.231.170)
Increase in accounts payable	33.862.627	100.600.036
(Decrease) other liabilities and provisions	(127.231.601)	(70.710.335)
Payment of interest on loan portfolio	2.951.448.828	2.201.191.786
Dividends received	8.236.488	6.756.870
Payment of interest on financial obligations	(196.943.675)	(97.365.795)
Payment of interest on deposits	(1.118.856.339)	(374.724.543)
Variation in current income tax	(108.497.284)	(51.182.467)
Total change in operating assets and liabilities	**1.866.132.494**	**(21.473.660)**
Net cash provided by (used in) operating activities	**1.113.319.698**	**(645.046.934)**

Itaú Colombia S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts expressed in thousands of Colombian pesos – MCOP)

	December 31, 2023 MCOP	December 31, 2022 MCOP
Cash from investing activities:		
Purchase of investments:		
Available-for-sale debt securities	(7.229.655.042)	(2.768.168.198)
Investments to maturity	(742.075.209)	(756.282.404)
Sale of investments:		
Available-for-sale debt securities	6.484.027.097	2.399.574.382
Sale of investments measured at amortized cost	962.893.682	719.218.360
Sale of investments in Risk Chamber	2.381.188	-
Acquisition of property and equipment	(386.365.589)	(840.601.226)
Proceeds from sale of property and equipment	310.706	2.188.464
Proceeds from sale of investment properties	-	1.300.000
Proceeds from sale of assets held for sale	43.799.138	40.668.803
Acquisition of intangible assets	(41.295.249)	(39.690.664)
Net cash flows (used in) investing activities	**(905.979.278)**	**(1.241.792.483)**
Cash from financing activities:		
Payment of leasing fee financial liabilities	(24.885.520)	(26.125.216)
Subordinated loan disbursement Itaú Chile	-	474.504.000
Paid capital loan IFC	-	(501.719.400)
Payment of interest on financial obligations	(63.413.335)	(18.706.102)
Bonus interest payment	(335.399.244)	(713.490.928)
Cancellation of debt securities	(389.100.000)	-
Net cash flows (used in) financing activities	**(812.798.099)**	**(785.537.646)**
Net (decrease) in cash and cash equivalents	**(605.457.679)**	**(2.672.377.063)**
Effect of exchange rate variations on cash and cash equivalents	266.868.522	(72.149.764)
(Decrease) in cash and cash equivalents	**(338.589.157)**	**(2.744.526.827)**
Cash and cash equivalents at the beginning of the year	**2.801.565.421**	**5.546.092.248**
Cash and cash equivalents at end of year	**2.462.976.264**	**2.801.565.421**

Notes 1 to 38 are an integral part of these consolidated financial statements.

HECTOR AUGUSTO PACHON RAMIREZ
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Héctor A. Pachón Ramírez
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JUAN MARIA CANEL
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Statutory Auditor
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See attached report

Contents

NOTE 1 - REPORTING ENTITY

General Information - Background of Itaú Colombia S. A. and its subsidiaries

Itaú Colombia S. A. is a private corporation, incorporated by public deed No. 721 of October 5, 1912, organized under the laws of the Republic of Colombia and supervised by the Financial Superintendency of Colombia (SFC). This company (hereinafter referred to as "Bank" or "Itaú Colombia S.A. has as its corporate purpose the collection of funds in current accounts, as well as the collection of other demand and term deposits, with the main purpose of carrying out active credit operations. In addition, it may execute the acts and make all the investments that are legally authorized to banking establishments.

On February 22, 2022, the shareholder structure of Itaú Colombia S.A. was modified as a result of the acquisition of all the shares of CG Financial Colombia S.A.S., Corpgroup Interhold SpA and Corpgroup Banking S.A. by Itaú (Chile) and Itaú Holding Colombia S.A.S., see note 25 Shareholders' equity with the new shareholding.

The Bank's main domicile is the city of Bogotá, D.C., Republic of Colombia.

The Consolidated Financial Statements of Itaú Colombia S.A. and its Subsidiaries as of December 31, 2023 were approved by the Board of Directors on February 23, 2024 and placed at the disposal of the Shareholders' Meeting of March 21, 2024.

Going Concern

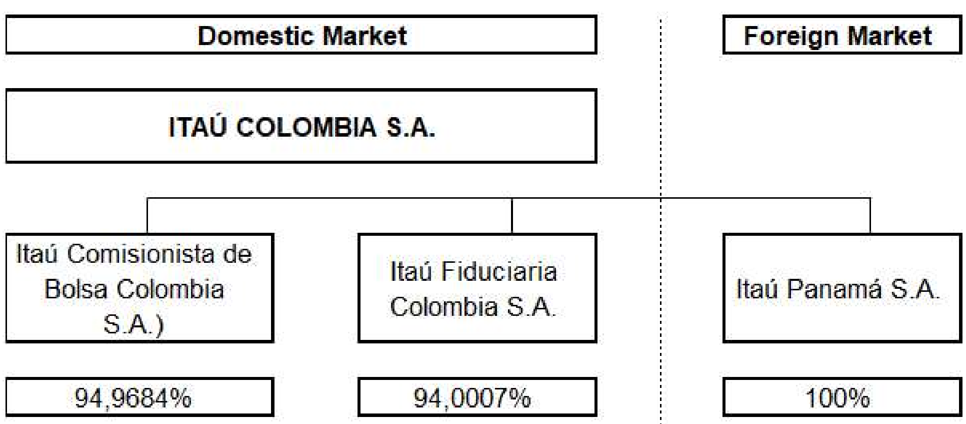
As of December 31, 2023 in Colombia we continue with the uncertainty in economic matters, mainly due to the high levels of inflation, the quite high interest rates, the deceleration of the economy, the contraction registered by industry and commerce, the fall in investment, the tax reform and additionally the uncertainty in the country due to the outcome of the reforms proposed by the National Government, such as the pension, agrarian, health and labor reforms: The pension, agrarian, health and labor reforms; we also have to take into account the impacts that may be generated by the world situation in the economic field due to the increase in inflation and interest rates and in the political field due to the possible consequences of the war between Russia and Ukraine. Consequently, the Group continues to monitor internal and external factors that may affect the normal development of the Group's operations in order to take the appropriate measures. In the particular situation of Itaú during the year 2023, the Group has had a stable behavior, maintaining the same portfolio levels, above 19.6 trillion pesos and with deposits in the order of 19.4 trillion pesos, which leads us to conclude that the Group continues to operate under the going concern assumption.

Itaú Colombia S.A. y its Subsidiaries.

The history of the subsidiaries and/or branches in Colombia and abroad are summarized as follows:

Parent Company and Subsidiaries in Colombia

Itaú Colombia S.A. Parent company of a diverse group of subsidiaries, which are engaged in different activities. Consequently, **Itaú Colombia** is required to prepare consolidated financial statements that integrate its subsidiaries and also include investments in business support entities, among others. The following is a description of the domestic and foreign markets covered.



The following is a summary of the financial statements of the subsidiaries of Itaú Colombia S.A. as of December 31, 2023:

	MCOP	MCOP	MCOP
Name of subsidiary	**Itaú Comisionista de Bolsa Colombia S.A.**	**Itaú Fiduciaria Colombia S.A.**	**Itaú Panamá S.A.**
Subsidiary's principal place of business	**Bogotá -Cra 7 No 27-18 Piso 21**	**Bogotá -Cra 7 No 27-18 Piso 21**	**Edificio Midtown Piso 18 Calle 74 Este San Francisco (Ciudad de Panamá)**
Country where the subsidiary is incorporated	Colombia	Colombia	Panamá
Proportion of ownership interests in subsidiaries	97.78%	99.98%	100.00%
Proportion of voting rights held in subsidiaries	97.78%	99.98%	100.00%
Profit (loss), attributable to controlling interests	4,138,690	12,428,095	117,081,426
Current assets	55,463,319	79,560,927	2,350,368,461
Non-current assets	2,974,784	2,308,311	4,427,860
Current liabilities	1,728,355	6,375,388	1,943,804,394
Non-current liabilities	7,280,809	6,622,972	11,664,002
Income from ordinary activities	30,604,436	36,513,094	171,462,711
Gain (loss)	4,232,699	12,430,490	117,081,426
Comprehensive income	242,089	151,253	(72,677,892)
Date of end of the reporting period of the subsidiary's financial statements	31/12/2023	31/12/2023	31/12/2023
Description of reasons for using different reporting dates or reporting periods for subsidiaries	Not applicable	Not applicable	Not applicable

Itaú Comisionista de Bolsa Colombia S. A. Comisionista de Bolsa (subsidiary since September 1997, with a 97.78% shareholding), which carries out investment banking and brokerage activities, S. A., with its main domicile in Bogota. In September 2014, the merger of this entity (as absorber) and Itaú Comisionista de Bolsa Colombia S. A. (as absorbed) was materialized, remaining with the name of the latter, but with the tax identification of the absorbing company.

Itaú Fiduciaria Colombia S. A. (formerly Itaú Asset Management Colombia S. A.) It is a financial services company whose corporate purpose is the development of trust business entrusted to it and, in general, the performance or execution of all operations legally permitted to trust companies, subject to the requirements, restrictions and limitations imposed by the laws of the Republic of Colombia. The Parent Company has a 99.98% participation.

Subsidiaries in Panamá

Itaú Panamá S. A. It is organized under the laws of the Republic of Panama and has been operating since April 15, 1998 in that location with an international license, granted by the Superintendency of Banks through Resolution 2297 of October 17, 1997, which allows it to conduct banking business abroad.

This institution is supervised by the Superintendency of Banks of Panama.

NOTE 2 - MAIN ACCOUNTING POLICIES USED

a) Accounting period

The Statement of Income and the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Shareholders' Equity cover the years ended December 31, 2023 and 2022. The Statement of Financial Position is presented as of December 31, 2023, compared to December 31, 2022.

Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia, based on the International Financial Reporting Standards (IFRS), together with their interpretations, conceptual reference framework, the basis for conclusion and the application guides authorized and issued by the International Accounting Standards Board (IASB) published in Spanish until 2018, except for IFRS 17 on Insurance Contracts.

The preparation of these Consolidated Financial Statements in accordance with IFRS requires the use of estimates and critical assumptions that affect the reported amounts of certain assets and liabilities, as well as certain income and expenses. It also requires Management to exercise its judgment in the process of applying the Bank's accounting policies. Subparagraph dd) discloses the areas that imply a greater degree of judgment or complexity or the areas where the assumptions and estimates are significant for the consolidated financial statements.

The main accounting policies adopted in the preparation of these financial statements are described below:

b) Principles of Consolidation

These Consolidated Financial Statements comprise the Separate Financial Statements of the Bank and the various companies (Controlled Entities as well as Subsidiaries) under IFRS, which participate in the consolidation as of December 31, 2023 and 2022.

Intercompany balances and any unrealized income or expenses arising from intercompany group transactions are eliminated during the preparation of the Consolidated Financial Statements.

For consolidation purposes, the Financial Statements of the company in Panama have been translated into Colombian pesos at the exchange rate of COP 3,822.05 per USD 1 as of December 31, 2023, and COP 4,810.20 per USD 1 as of December 31, 2022, in accordance with International Accounting Standard No. 21, related to the valuation of foreign investments in countries with economic stability and the average exchange rate of COP 4,310.53 per USD 1 and COP 4,246.08 per USD 1 as of December 31, 2023 and 2022, respectively.

c) Controlled entities

Itaú Colombia S.A. regardless of the nature of its involvement in an entity (the investee), will determine whether it is a controller by evaluating its control over the investee.

Itaú Colombia S.A. will control an investee when it is exposed, or entitled, to variable returns arising from its involvement in the investee and has the ability to influence those returns through its power over the investee.

In accordance with the foregoing, it will control an investee if and only if it meets all of the following elements:

a) Power over the investee, which refers to the existing rights that grant the current capacity to direct the relevant activities, these being the ones that significantly affect the performance of the investee.

b) Exposure, or right, to variable returns from its involvement in the investee.

c) Ability to use its power over the investee to influence the amount of investor returns.

When the Bank has less than a majority of the voting rights over an investee, but such voting rights are sufficient to have the ability to unilaterally direct the relevant activities, then it is concluded that the Bank has control. The Bank considers all relevant factors and circumstances in assessing whether the voting rights are sufficient to obtain control, these include:

- The amount of voting rights held by the Bank in relation to the amount and dispersion of those held by other vote holders.
- Potential voting rights held by the investor, other vote holders or other parties.
- Rights arising from other contractual agreements.
- Any additional facts and circumstances indicating that the investor has, or does not have, the present ability to conduct the relevant activities at the time such decisions need to be made, including voting behavior patterns at previous shareholders' meetings.

The Bank reassesses whether or not it has control over an investee when the facts or circumstances indicate changes in one or more of the control elements listed above.

The Financial Statements of the Controlled Companies are consolidated with those of the Bank using the global integration method (line by line). Accordingly, all balances and transactions between consolidated companies are eliminated through the consolidation process. Consolidated Financial Statements shall therefore refer to the assets, liabilities, equity, income, expenses and cash flows of the controller and its subsidiaries presented as if they were a single economic entity. A controller shall prepare consolidated financial statements using uniform accounting policies for transactions and other events which, being similar, have occurred in similar circumstances.

Additionally, Itaú Colombia S.A. (formerly Itaú CorpBanca Colombia S.A.) presents non-controlling interests in the Consolidated Statement of Financial Position within equity under the caption "non-controlling interest" separately from equity attributable to the Bank's equity holders. Changes in ownership interest in a subsidiary that do not result in a loss of control are equity transactions (i.e., transactions with the owners).

The result for the period presented in the Consolidated Statement of Income and in the Consolidated Statement of Comprehensive Income is shown in relation to those attributed to the owners of the Bank and to non-controlling interests.

Below are the entities over which Itaú Colombia SA (formerly Itaú CorpBanca Colombia SA) has the ability to exercise control, therefore, they are part of the consolidation perimeter.

			As of December 31, 2023			As of December 31, 2022		
Subsidiary	**Country**	**Functional currency**	**Direct %**	**Indirect %**	**Total %**	**Direct %**	**Indirect %**	**Total %**
Itaú Comisionista de Bolsa S. A.	Colombia	COP	94,97	2,81	97,78	94,97	2,81	97,78
Itaú Securities Services Sociedad en Liquidación	Colombia	COP	-	-	-	94,50	-	94,50
Itaú Fiduciaria Colombia S. A.	Colombia	COP	94,00	5,98	99,98	94,00	5,98	99,98
Itaú Panamá S. A.	Panamá	USD	100	-	100	100	-	100

d) Investment in other companies

The shares or rights in other companies are those in which the Group has no control or significant influence. The companies involved are the following:

	As of December 31, 2023	As of December 31, 2022
	%	%
ACH Colombia	4,21	4,21
Cámara de Riesgo Central de Contraparte S. A.	-	1,55
BVC	6,39	6,39
Redeban Multicolor S. A.	1,60	1,60
Credibanco	6,37	6,37

These investments are measured at fair value with changes in other comprehensive income.

e) Administration of Funds, Trust and Related Businesses.

The Bank and its subsidiaries manage and administer assets held in mutual funds and other investment means on behalf of the participants or investors, receiving remuneration according to the service provided and in accordance with market conditions. Managed resources are owned by third parties and, therefore, are not included in the Consolidated Statement of Financial Position.

In accordance with IFRS 10 "*Consolidated Financial Statements*", for consolidation purposes it is necessary to evaluate the role played by the Bank and its Subsidiaries with respect to the funds they manage, determining whether such role is that of Agent[1] or Principal. This evaluation must consider the following aspects:

i. The scope of its authority to make decisions about the investee.
ii. The rights held by other parties.

[1] In accordance with IFRS 10, an agent is a party primarily engaged in acting on behalf of and for the benefit of another party or parties (the principal(s)) and, therefore, does not control the investee when it exercises its decision-making authority. An investor that is an agent does not control an investee when it exercises decision-making rights delegated to it.

iii. The remuneration to which it is entitled under the remuneration agreements.
iv. The exposure of the decision maker to the variability of returns from other interests held in the investee.

The Bank does not control or consolidate any fiduciary and related business. Itaú Colombia S.A. and its Subsidiaries manage on behalf of and for the benefit of investors, acting in such relationship only as Agent. The assets managed by Itaú Fiduciaria Colombia S.A. are owned by third parties. Under such category, and as provided by the aforementioned rule, they do not control such funds when exercising their decision-making authority.

f) Non-controlling interest

Represents the portion of income and net assets of which, directly or indirectly, the Bank does not own. It is presented separately in the Consolidated Statements of Income, and within shareholders' equity in the Consolidated Statement of Financial Position and in the statement of changes in shareholders' equity.

g) Functional and presentation currency

The Bank and its Colombian Subsidiaries have defined as their functional and presentation currency the Colombian peso, which is the currency of the primary economic environment in which it operates, as well as the currency that influences the structure of costs and revenues. Therefore, all balances and transactions denominated in currencies other than the Colombian peso are considered as "foreign currency".

h) Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rate of the functional currency in effect at the end of the reporting period.

All differences arising from the settlement or translation of monetary items are recognized in income, except for those corresponding to monetary items that are part of the hedge of a net investment, at which time the accumulated difference is recognized in other comprehensive income.

The tax effects attributable to exchange differences on such monetary items are also recorded in other comprehensive income.

Non-monetary items in foreign currency, which are measured in terms of their historical cost, will be translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date at which the fair value is measured. Gains or losses arising from the translation of non-monetary items measured at fair value are recognized on the basis of how gains and losses arising from the change in fair value are recognized in other comprehensive income or in profit or loss, in accordance with IAS 21.

The Bank grants loans and receives deposits in amounts expressed in foreign currencies, mainly in U.S. dollars and Colombian pesos.

Balances in the Financial Statements of consolidated entities whose functional currency is different from the Colombian peso are translated to the presentation currency as follows:

- Assets and liabilities, by application of the closing exchange rates of the Financial Statements.
- Income and expenses and cash flows are translated at the average rate.
- Shareholders' equity, at historical exchange rates.

Exchange differences arising from the translation to Colombian peso of balances in the functional currencies of consolidated entities whose functional currency is different from the Colombian peso are recorded as "Translation differences" under the equity caption "Other comprehensive income - Translation differences" until the corresponding item is removed from the statement of financial position, at which time they are recorded in income.

The amount of net foreign exchange gains and losses includes the recognition of the effects of exchange rate changes on assets and liabilities denominated in foreign currencies and foreign exchange gains or losses on current and future transactions undertaken by the Bank.

Assets and liabilities in foreign currency are shown at their equivalent value in Colombian pesos, presented as follows:

	As of December 31, 2023	As of December 31, 2022
Foreign currency exchange rates	COP per dollar	
Closing foreign currency exchange rate USD	3.822,05	4.810,20
Average closing foreign currency exchange rate USD	4.310,53	4.246,08

Balances in foreign exchange results, shown in the Consolidated Income Statement, include the recognition of the effects of exchange rate fluctuations on foreign currency assets and liabilities or those that can be adjusted by the exchange rate, and the result realized on the Bank's foreign exchange operations.

	From January 1 to December 31	
	2023	**2022**
	MCOP	**MCOP**
Foreign currency exchange result, net		
Net foreign exchange result foreign exchange position	342.693.870	(107.851.029)
Other exchange results	(49)	(218)
Total	**342.693.821**	**(107.851.247)**

i) Operating segments

The Bank provides financial information by operating segments in accordance with IFRS 8 "Operating Segments", to disclose information that enables users of the financial statements to evaluate the nature and financial effects of the business activities it carries out and the economic environments in which it participates for a:

- Better understanding of the Bank's performance.
- Better assessment of future cash projections.
- Making better judgments about the Bank as a whole.

In order to comply with IFRS 8, the Bank identifies the operating segments, the results of which are the basis for senior management to perform the corresponding management analyses and make decisions regarding the Bank's operating, financing and investment businesses, according to the following elements:

i. The nature of the products and services;
ii. The nature of the production processes;
iii. The type or category of clients for which its products and services are intended;
iv. The methods used to distribute its products or provide the services; and
v. If applicable, the nature of the regulatory framework, e.g., banking, insurance, or utilities.

The Bank reports separately on each of the operating segments that reaches one of the following quantitative thresholds:

(i) Its reported income from ordinary activities, including both sales to external customers and inter-segment sales or transfers, are the same or greater than 10 percent (10%) of the combined revenue from ordinary activities, internal and external, of all operating segments.

(ii) The absolute amount of its reported results is, in absolute terms, equal to or greater than 10 percent (10%) of the amount that is greater between (i) the combined profit reported by all operating segments that have not presented losses; (ii) the combined loss reported by all operating segments that have reported losses.

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

The Bank has determined that its operating segments are its reported segments. Non-operating segments have not been aggregated to arrive at reported segments.

The 6 segments are 1) Retail Banking 2) Wholesale Banking, 3) Treasury 4) Other Financial Services, and 5) Corporate Activities and 6) Panama. The Board of Directors manages these operating segments through the use of an internal profitability reporting system and reviews its segments based on gross operating margin and only uses average balances to evaluate performance and allocate its resources. In addition to the above, a geographic disclosure on the operations presented by the Entity in Panama is added.

Regarding the foreign market, Panama has been identified as a separate segment, based on the business activities described; its operating results are regularly reviewed by the highest decision-making authority of said entity, being the basis for deciding on the resources that should be assigned to the segment and evaluating its performance; and for which differentiated financial information is available.

Further details of the relevant descriptions of each segment are presented in Note 4 *Business Segment*.

j) Criteria for valuation of financial assets and liabilities

The measurement or valuation of assets and liabilities is the process of determining the monetary amounts at which the elements of the Consolidated Financial Statements are recognized and accounted for, for their inclusion in the Statements of Financial Position and the Statements of Comprehensive Income. To do so, it is necessary to select a particular measurement basis or method.

Financial assets and liabilities are initially recorded at their fair value, which, unless there is evidence to the contrary, is the transaction price. Instruments not valued at fair value through profit or loss are adjusted with transaction costs.

Financial assets, except for held-to-maturity investments and placements, are valued at fair value without deducting any transaction costs for their sale.

Financial liabilities are generally measured at amortized cost, except for financial liabilities designated as hedged items (or as hedging instruments) and financial liabilities held for trading, which are measured at fair value.

The measurement criteria for assets and liabilities recorded in the accompanying Consolidated Statements of Financial Position are as follows:

A. Classification of financial instruments

Below is the classification of financial instruments for Itaú Colombia and its subsidiaries:

- **Assets and liabilities measured at amortized cos:**

The concept of amortized cost of a financial asset or liability is the initial measurement of such financial asset or liability adjusted by incremental costs (plus or minus as appropriate) for the portion systematically charged to the profit and loss accounts of the difference between the initial amount and the corresponding redemption value at maturity.

In the case of financial assets, the amortized cost includes, in addition to the value adjustments due to impairment that they have experienced.

In the case of financial instruments, the portion systematically charged to the profit and loss accounts is recorded by the effective interest rate method. The effective interest rate is the discount rate that exactly matches the estimated cash flows receivable or payable over the expected life of the financial instrument (or, where appropriate, a shorter period) with the net book value of the financial asset or liability. To calculate the effective interest rate, the Bank determines the cash flows taking into account all the contractual terms of the financial instrument without considering future credit losses.

The calculation of the effective interest rate includes all fees and other items paid or received that form part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

- **Assets and liabilities measured at fair value:**

"Fair value" is defined as the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value is a market-based measurement, not a Bank-specific measurement. For some assets and liabilities, observable market transactions or market data may be available. For other assets and liabilities, observable market transactions and market data may not be available.

However, the objective of a fair value measurement in both cases is the same: to estimate the price at which an orderly transaction would occur to sell the asset or transfer the liability between market participants at the measurement date under current market conditions (i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability)

When a price for an identical asset or liability is unobservable, the Bank shall measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Valuation techniques include the use of recent arm's length market transactions between knowledgeable, willing parties, if available, as well as references to the fair value of another financial instrument that is substantially the same, discounted cash flows and option pricing models. Accordingly, the Bank's intention to hold an asset or to settle or otherwise satisfy a liability is not relevant when measuring fair value.

A fair value measurement is for a specific asset or liability. Therefore, in measuring fair value, the Bank considers the characteristics of the asset or liability in the same way that market participants would consider them in pricing that asset or liability at the measurement date.

To increase the consistency and comparability of fair value measurements and related disclosures, the Bank uses and discloses fair value hierarchies that classify into three levels of inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

In cases where it is not possible to determine the fair value of a financial asset or liability, it is measured at amortized cost.

The Consolidated Financial Statements have been prepared based on the general criterion of amortized cost, except for:

- Derivative financial instruments have been measured at fair value.
- Available-for-sale instruments are measured at fair value.
- Trading instruments are measured at fair value.
- Financial assets and liabilities participating in accounting hedges have been measured at fair value.

B. Financial Assets

Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- Fair value through profit or loss
- Fair value through other comprehensive income; or
- Amortized cost

The classification requirements for debt and equity instruments are described below.:

Debt instruments
Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds, and trade receivables acquired from clients in non-recourse factoring arrangements.

The classification and subsequent measurement of debt instruments depend on:

(i) the Group's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following measurement categories:

- Amortized cost: Assets held for collection of contractual cash flows where such cash flows represent only payments of principal and interest, and which are not designated at fair value through profit or loss, are measured at amortized cost. The book value of these assets is adjusted for any estimate of expected credit loss recognized. Interest income from these financial assets is included in "interest and similar income" using the effective interest rate method.

- Fair value through other comprehensive income: financial assets that are held to collect contractual cash flows and to sell the assets, where the cash flows from the assets represent only payments of principal and interest, and that are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. Movements in the book value are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and exchange gains and losses in the amortized cost of the instrument, which are recognized in the statement of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the income statement. Interest income from these financial assets is included in "interest income" using the effective interest rate method.

- Fair value through profit or loss: assets that do not qualify for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the statement of income for the period in which it arises, unless it arises from debt instruments that were designated at fair value or are not held for trading. Interest income from these financial assets is included in "interest income" using the effective interest rate method.

Business model: the business model reflects how the Group manages the assets to generate cash flows. That is, whether the Group's objective is to collect only the contractual cash flows from the assets or whether the objective is to collect both the contractual cash flows and the cash flows arising from the sale of the assets.

If none of these apply (e.g. financial assets held for trading), then the financial assets are classified as part of the "other" business model and measured at fair value through profit or loss. Factors considered by the Group in determining the business model for a group of assets include past experience of how cash flows for these assets were collected, how asset performance is assessed and reported to key management personnel, how risks are assessed and managed and how managers are remunerated.

Securities measured at fair value through profit or loss are held primarily for the purpose of selling in the short term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. These securities are classified in the "other" business model and are measured at fair value through profit or loss. Principal and interest payments only (SPPI): When the business model is used to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the cash flows from financial instruments represent only principal and interest payments (the "SPPI" test).

In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. the interest includes only the consideration for the time value of money, credit risk, other basic credit risks and a profit margin consistent with a basic lending arrangement. When the contractual terms introduce exposure to risk or volatility and are inconsistent with a basic loan agreement, the related financial asset is classified and measured at fair value through profit or loss.

The Group reclassifies investments in debt instruments when and only when it changes its business model for managing those assets. The reclassification is carried out from the beginning of the first reporting period following the change. Such changes are expected to be very infrequent and are not expected to have occurred during the reporting period.

Equity instruments

Equity instruments are those instruments that meet the definition of equity from the issuer's perspective, i.e., instruments that do not have a contractual obligation to pay and evidence a residual interest in the net assets of the issuer.

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, on initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments at fair value through other comprehensive income when such investments are held for purposes other than generating returns.

When this election is used, fair value gains and losses are recognized in other comprehensive income and are not classified subsequently to the income statement, including gains or losses on sales. Impairment losses (and the reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when they represent a return on such investments, continue to be recognized in the income statement as other income when the Group's right to receive payments is established.

Gains and losses on equity investments at fair value through profit or loss are included in "results from financial operations" in the statement of income.

C. Loan Modification

The Group sometimes renegotiates or modifies the contractual cash flows of loans to customers. When this occurs, the Group assesses whether the new terms are materially different from the original terms. The Group does so by considering, among other factors, the following factors:

- If the borrower is in financial difficulty, whether the modification simply reduces contractual cash flows to amounts that the borrower is expected to be able to pay.
- If substantial new terms are introduced, such as a share/earnings-based return that materially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant changes in the interest rate.
- Changes in the currency in which the loan is denominated.
- Insertion of collateral, other securities or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognizes the original financial asset and recognizes a "new" asset at fair value and recalculates a new effective interest rate for the asset. Accordingly, the renegotiation date is considered as the initial recognition date for calculating impairment, including determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the newly recognized financial asset is considered credit-impaired on initial recognition, especially in circumstances where the renegotiation was triggered by the debtor's failure to make the originally agreed payments. Differences in the book value are also recognized in profit or loss as a gain or loss on derecognition.

If the terms are not materially different, the renegotiation or modification does not result in a derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a change in gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the discounted cash flows at the original effective interest rate (or credit-adjusted effective interest rate for credit and non-credit financial assets acquired or originated.

D. Deregistration in accounts other than a modification

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive cash flows from the assets have expired, or when they have been transferred and (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and has not retained control. The Group enters into transactions in which it retains the contractual rights to receive cash flows from assets, but assumes the contractual obligation to pay those cash flows to other entities and transfers substantially all the risks and rewards. These transactions are accounted for as transfers which result in derecognition if the Group:

(a) It is not obligated to make payments unless it collects equivalent amounts from assets;
(b) It is prohibited from selling or pledging the assets; and
(c) Has the obligation to remit any cash received from the assets without significant delay.

Collateral (shares and bonds) provided by the Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognized because the Group retains substantially all risks and rewards on the basis of the predetermined repurchase price, and therefore the derecognition criteria are not met. This also applies to certain securitization transactions in which the Group retains a subordinated residual interest.

Financial liabilities

A. Classification and subsequent measurement
Financial liabilities are classified as subsequently measured at amortized cost, except for the following:

- Financial liabilities at fair value through profit or loss: this classification applies to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of the change in the fair value of the financial liability attributable to changes in the credit risk of that liability, which is determined as the amount not attributable to changes in market conditions that increase market risks) and partially in profit or loss (the remaining amount of the change in the fair value of the liability). This is unless such presentation creates, or amplifies, an accounting inconsistency, in which case gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss;

- Financial liabilities arising from the transfer of financial assets that did not qualify for derecognition, whereby a financial liability is recognized for the compensation received for the transfer. In subsequent periods, the Group recognizes any expense incurred on the financial liability; and

- Financial guarantee contracts and loan commitments.

B. Derecognition

Financial liabilities are derecognized when they are cancelled (i.e. when the obligation specified in the contract is fulfilled, cancelled or expires).

k) Trading instruments

Trading instruments correspond to securities acquired with the intention of generating profits from price fluctuations in the short term or through intermediation margins, or which are included in a portfolio in which there is a pattern of short-term profit taking.

Trading instruments are valued at fair value based on market prices or valuations obtained from the use of models at the closing date of the statement of financial position. Profits or losses arising from fair value adjustments, as well as results from trading activities, interest and other income and expenses, are recognized in the statement of financial position.

All purchases and sales of instruments for trading that must be delivered within the term established by market regulations or conventions are recognized on the trade date, which is the date on which the purchase or sale of the asset is committed. Any other purchase or sale is treated as a derivative (forward) until settlement occurs.

l) Investment instruments

This category of investments includes only those instruments in which the Bank has the ability and intent to hold to maturity.

Investment instruments are initially recognized at cost, which includes transaction costs.

Investments at maturity are recorded at cost plus accrued interest and indexation, less provisions for impairment when the amount recorded exceeds the estimated recoverable amount.

Investment instruments that are the subject of accounting hedges are adjusted according to the hedge accounting rules.

Purchases and sales of investment instruments that must be delivered within the term established by market regulations or conventions are recognized on the trade date on which the purchase or sale of the asset is committed.

The Bank has evaluated its portfolio classified under this caption, to verify whether there are indicators of impairment. This evaluation includes economic evaluations, credit rating of debt issuers and the intention and ability of Management to hold these investments to maturity. Based on management's evaluation, it is considered that these investments do not present evidence of impairment.

m) Financial derivative contracts for trading or accounting hedging purposes

Financial derivative contracts, which include foreign currency forwards, interest rate futures, currency and interest rate swaps and other financial derivative instruments, are initially recognized in the Statement of Financial Position at cost (including transaction costs) and subsequently measured at fair value. Fair value is derived from market quotations, discounted cash flow models and option pricing models as appropriate. Derivative contracts are reported as an asset when their fair value is positive and as a liability when their fair value is negative. In addition, the fair value of derivatives includes the valuation adjustment for credit risk CVA (Credit Valuation Adjustment) and DVA (negative counterparty valuation adjustment), so that the fair value of each instrument includes the credit risk of its counterparty.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risk and characteristics are not closely related to those of the host contract and the host contract is not recorded at fair value with unrealized gains and losses included in income.

At the time a derivative contract is entered into, it must be designated by the Bank as a derivative instrument for trading or accounting hedging purposes.

Financial derivatives contracts designated as trading instruments

Changes in the fair value of financial derivative contracts held for trading are included in the caption "valuation of derivatives - trading" in the Statement of Income.

Financial derivative contracts designated as accounting hedging instruments

If the derivative instrument is classified for hedge accounting purposes, the derivative instrument can be:

- A hedge of the fair value of existing assets or liabilities or firm commitments. (Exposure to variation in the fair exchange price of CDs, Mortgage Loan Portfolio, Available-for-Sale portfolio securities and Subordinated Credit).
- A hedge of cash flows related to existing assets or liabilities or expected transactions. (TES indexed to the UVR and liabilities in Dollars.
- Hedge of the net investment in a foreign operation as defined in IAS 21 (Investment in Itaú Panama).

A hedging relationship for hedge accounting purposes must meet all of the following conditions:

- At the time the hedging relationship is initiated, the hedging relationship has been formally documented;
- The hedge is expected to be highly effective;
- The effectiveness of the hedge can be effectively measured; and
- The hedge is highly effective relative to the hedged risk on an ongoing basis throughout the entire hedging relationship.

Certain derivative transactions that do not qualify for hedge accounting are treated and reported as trading derivatives, even though they provide an effective hedge for the management of risk positions.

When a derivative hedge the exposure to changes in the fair value of an existing asset or liability item, the latter is recorded at its fair value in relation to the specific risk hedged. Gains or losses arising from the measurement at fair value of both the hedged item and the hedging derivative are recognized in profit or loss for the period.

If the hedged item in a fair value hedge is a firm commitment, changes in the fair value of the commitment with respect to the hedged risk are recorded as an asset or liability with effect in the results for the period. Gains or losses arising from the fair value measurement of the hedging derivative are recognized in profit or loss for the period. When an asset or liability is acquired as a result of the commitment, the initial recognition of the asset or liability acquired is adjusted to incorporate the cumulative effect of the fair value valuation of the firm commitment that was recorded in the Statement of Financial Position.

When a derivative hedge the exposure to changes in cash flows of existing assets or liabilities, or expected transactions, the effective portion of the changes in fair value with respect to the hedged risk is recorded in equity. Any ineffective portion is recognized directly in profit or loss for the period. Amounts recorded directly in equity are recorded in profit or loss in the same periods in which the hedged assets or liabilities affect profit or loss.

When an interest rate fair value hedge is entered into for a portfolio, and the hedged item is a currency amount rather than individualized assets or liabilities, the gains or losses arising from the fair value measurement of both the hedged portfolio and the hedging derivative are recognized in profit or loss for the period, but the fair value measurement of the hedged portfolio is presented in the Statement of Financial Position under "Other Assets" or "Other Liabilities", depending on the position of the hedged portfolio at a point in time.

Financial derivative contracts are offset, that is, they are presented in the Statement of Financial Position for their net amount, only when the subsidiaries have both the legally enforceable right to offset the amounts recognized in the aforementioned instruments, such as the intention to settle the net amount, or to realize the asset and pay the liability simultaneously.

n) Loan and accounts receivable placements

Loans and receivables originated and purchased are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term; they are initially measured at cost plus incremental transaction costs and then measured at amortized cost using the effective interest rate method.

When the Bank is the lessor in a lease contract and transfers substantially all the risks and rewards incidental to the leased asset, the transaction is presented within loans and receivables.

o) Factoring placements

The Bank carries out factoring transactions with its customers, whereby it receives invoices and other credit instruments, with or without the liability of the assignor, and advances to the assignor a percentage of the total amounts receivable from the debtor of the assigned documents. These placements are valued at the amounts disbursed by the Bank in exchange for the invoices or other credit instruments that the assignor delivers to the Bank. The price difference between the amounts disbursed and the actual face value of the receivables is recorded in the Statement of Income as interest income, using the effective interest rate method, during the financing period. The liability for the payment of the loans is the responsibility of the assignor.

p) Leasing placements

Accounts receivable from leasing contracts, included in the caption "Loan Portfolio and Financial Leasing Operations", correspond to the periodic lease installments of contracts that meet the requirements to be classified as financial leasing and are presented at their nominal value net of unearned interest at the end of the period.

Assets leased between consolidated companies are treated as for own use in the financial statements.

q) Write-offs

Write-offs are those obligations that have been written off from the Bank's assets because they are considered difficult to recover. The debt nevertheless continues to exist for the client and the Bank keeps control of it in memorandum accounts.

Conditions for the write-off of an obligation:

a. Obligations must be 100% provisioned for principal and interest at the date of the write-off.

b. Obligations must be more than 180 days past due, or less if there is certainty that recovery is difficult.

c. In legal cases, the status of the process will be reviewed to determine the viability of the process.

Write-offs must always be booked against the credit risk provisions recorded, regardless of the reason for the write-off.

After the write-off has been made, the Bank continues with the collection actions aimed at recovering the written-off amounts.

d. Loans that meet these conditions are submitted to the consideration of the Bank's Board of Directors, which authorizes such write-offs.

e. The Bank sells written-off loans and recognizes this fact as income from the sale of written-off loans.

f. Write-offs are made against the allowance and the respective accounting adjustments are made, additionally informing the credit bureaus.

i. Recoveries of written-off assets

Subsequent payments obtained for written-off transactions by the same client will be recognized in the income statement for the period as recoveries of written-off loans, under the caption "Provision expenses for loan portfolio and financial leasing transactions", net of the provision expense for the year.

In the event that there are recoveries in goods, income will be recognized in income for the amount by which they are incorporated to the asset, as indicated in the accounting practice x) The same criterion will be followed if the leased goods are recovered after the write-off of a leasing operation, when such goods are incorporated to the asset.

ii. Renegotiation of written-off operations

Any renegotiation of a written-off loan will not give rise to income as long as the transaction continues to be impaired, and the actual payments received will be treated as recoveries of written-off loans.

r) Property and equipment

Components of property and equipment, except land and buildings, are measured at cost less accumulated depreciation and impairment losses.

The aforementioned cost includes expenses that have been directly attributed to the acquisition of such assets. The cost at the construction stage includes the costs of materials and direct labor, and any other costs directly attributable to the process of bringing the asset to a condition in which it can be used.

In the event that part of an item of property and equipment has a different useful life, these will be recorded as separate items (major components of the fixed asset caption).

Depreciation is recognized in the Statement of Income on the straight-line method over the useful lives of each part of an item of fixed assets. Assets associated with leased property are depreciated over the shorter of the lease period and their useful lives, unless it is certain that the property will be obtained at the end of the leased period. The Bank and its subsidiaries apply the following average useful lives to the physical property comprising assets:

Item	Average useful life (years)
Buildings	100
Computer equipment and vehicles	5
Office equipment	10

For improvements in leased properties, depreciation is made according to the term of the contract.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized at the date of revaluation. Revaluations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ significantly from its book value.

At the end of each reporting period, the Bank and its subsidiaries analyze whether there is any indication that the net value of its tangible assets exceeds their recoverable amount, in which case they write down the book value of the asset to its recoverable amount and adjust future depreciation charges in proportion to their adjusted book value and to their new remaining useful life, if re-estimation is necessary.

Similarly, when there is an indication of a recovery in the value of a tangible asset, the Bank and its subsidiaries record the reversal of the impairment loss recognized in prior periods and adjust future depreciation charges accordingly. In no case may the reversal of an impairment loss on an asset increase its book value above that which it would have had if no impairment losses had been recognized in prior periods.

Residual values, useful lives and depreciation methods and rates for property and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Investment properties

The Bank recognizes as investment property real estate held for rental income, asset appreciation, or both, rather than for use for the Bank's own purposes. Investment properties are recorded at fair value, which is normally the transaction or receipt value of the real estate and are subsequently measured at fair value through profit or loss. Such fair value is determined based on appraisals performed annually by independent appraisers.

s) Leases

A lease contract 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.

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 counterparty.

1.1.1. 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 finance cost. The finance 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 useful life of the asset 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
- Penalty payments for terminating the lease, if the term 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.

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

- The amount of the initial measurement of the lease liability
- Any lease payments made on or before the commencement date.
- Any direct initial cost, and
- Dismantling and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized under the straight-line method as an expense in the statement of income. Short-term leases have a term of 12 months or less.

1.1.2. Lessor’s Accounting

When assets are leased under finance leases, the present value of future lease payments is recognized as a receivable. The difference between the gross amount receivable and the present value of the receivable is recognized as finance income.
The account receivable is amortized by allocating each of the fees between financial income and capital amortization in each accounting period, in such a way that the recognition of financial income reflects in each of the periods, a constant rate of return on the net financial investment that the lessor has made in the finance lease.

When assets are leased under operating leases, the asset is included in the 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.

t) Intangible Assets

Intangible assets are identified as non-monetary assets (separated from other assets) without physical substance that arise as a result of a legal transaction or are developed internally by the consolidated entities. They are assets whose cost can be reliably estimated and for which the consolidated entities consider it probable that future economic benefits will be recognized. The cost of intangible assets acquired in business combinations corresponds to their fair value at the date of acquisition.

These intangible assets are initially recognized at acquisition or production cost and are subsequently measured at cost less accumulated amortization and less any accumulated impairment losses.

An entity shall assess whether the useful life of an intangible asset is finite or indefinite and, if finite, shall assess the duration or number of production or similar units that constitute its useful life. An entity shall consider an intangible asset to have an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the entity.

The accounting for an intangible asset is based on its useful life. An intangible asset with a finite useful life is amortized using the straight-line method over its economic useful lives and are reviewed to determine whether they had any indication that the intangible asset may have suffered any impairment, the amortization period and method are reviewed at least at the end of each reporting period. Intangible assets with an indefinite useful life are not amortized and the entity shall test whether it has experienced an impairment loss by comparing its recoverable amount with its carrying amount annually, and at any time during the year when there is an indication that the asset may be impaired.

Amortization is recognized in the income statement on a straight-line basis over the useful lives of each intangible asset. The useful lives of software intangibles are determined between 2 and 15 years.

u) Impairment

Assets are acquired for the interest in the benefit they will generate. For this reason, impairment is applied whenever the value at which the assets are recorded exceeds their recoverable value; the assets are tested for impairment to demonstrate on an accounting basis how the initial investment is not equivalent to the benefit expected to be obtained.

The Bank and its Subsidiaries use the following criteria to assess impairments, if any, as follows:

Trade accounts receivable and other receivables

The Bank recognizes the value correction for expected credit losses during the life of the asset, for accounts receivable that do not contain a significant financial component and with a maturity of less than 12 months using the simplified approach allowed by IFRS 9 "Financial Instruments" . Below are the percentages applied in the simplified model:

Timeliness	% 12/30/2023	% 12/31/2022
0-30 days	1,90%	2,06%
31-90 days	17,79%	19,50%
91-180 days	56,23%	61,71%
More than 180 days	100,00%	100,00%

For accounts receivable from the Bank's subsidiaries, the percentages vary according to the conditions of each business.

Non-financial assets

The carrying amounts of the Bank's non-financial assets, excluding investment property and deferred taxes, are reviewed regularly or at least at each reporting date to determine whether there is any indication of impairment. If such indications exist, then the recoverable amount of the asset is estimated. The recoverable amount of an asset is the higher of the fair value less costs to sell of an asset or a cash-generating unit (CGU) and its value in use. This recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent of the cash flows of other assets or group of assets.

When the carrying amount of an asset or a CGU exceeds its recoverable amount, the asset is considered impaired and its value is reduced to its recoverable amount. If we assess the value in use of an individual asset or CGU, the estimated cash flows are discounted to their present value by applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Bank assesses, at the end of each reporting period, whether there is any indication that the impairment loss recognized in prior periods for an asset other than goodwill no longer exists or may have decreased. If such an indication exists, the entity re-estimates the recoverable amount of the asset.

In assessing whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill no longer exists or may have decreased in amount, an entity shall consider at least external sources (the value of the asset has increased significantly, significant changes in the legal, economic, ecological or market environment in which the asset operates or in the market for which the asset is intended); market interest rates or other market rates of return on investments have experienced decreases that are likely to affect the discount rate used to calculate the asset's value in use, such that its recoverable amount has increased significantly) and internal sources of information during the period (in the immediate future, significant changes in the extent or manner in which the asset is used or is expected to be used, with a favorable effect on the entity; evidence from internal reports indicating that the economic performance of the asset is, or will be, better than expected; these changes include costs incurred during the period to improve or develop the asset's performance or restructure the operation to which the asset belongs).

In the case of goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the amounts to be recovered are estimated at each reporting date.

Impairment losses recognized in prior periods are tested at each reporting date for any indication that the loss has decreased or disappeared. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

v) Assets received or awarded in payment

Assets received or foreclosed in payment of "Loan Portfolio and Financial Leasing Transactions" are recorded, in the case of dations in payment, at the price agreed between the parties or, on the contrary, in those cases where there is no agreement between the parties, at the amount at which the Bank is awarded such assets in a judicial auction. In both cases an independent evaluation of the assets' market value is determined on the basis of the condition in which they are acquired. These values approximate their market value, and are determined on the basis of market-based evidence through appraisals performed by qualified professionals at the time the assets are received.

Subsequently, these assets are valued for the amount that is lower between the initial value (described above), and the net realizable value, that is, the fair value (independent appraisal) less the costs necessary to maintain and dispose of it.

That net realizable value of an asset will be determined based on current market conditions or the asset's starting price, and must correspond to its fair value less the costs necessary to maintain and dispose of it.

For these assets to be recognized as Non-current assets held for sale, their disposal must be highly probable and within the year in which they were classified as held for sale in accordance with IFRS 5, otherwise they are recognized as Other Assets.

w) Non-current assets held for sale

The Bank classifies non-current assets and disposal groups as held for sale or distribution to owners, if their carrying amount will be recovered primarily through a sale or distribution transaction, rather than by its continued use. Such assets are measured at the lower of their book value and fair value less costs to sell or distribute. Selling or distributing costs are the incremental costs directly attributable to selling or distributing, excluding finance costs and income tax expense.

The requirements for classification of these assets are considered to be met only when such sale or distribution is highly probable and the asset or group of assets is available, in its present condition, for immediate sale or distribution, as appropriate. The activities necessary to complete the sale or distribution should indicate that it is unlikely that significant changes to such sale or distribution can be made or cancelled. Senior management should be committed to complete the sale or distribution and finalize it within one year from the date of classification. Property, plant and equipment, intangible assets and other assets, when applicable, are not subject to depreciation and amortization once they are classified as held for sale or for distribution to owners. Assets and liabilities classified as held for sale or distribution to owners are presented on a separate line in the statement of financial position.

A group of assets for disposal (sale or distribution) qualifies as a discontinued operation if it is:

- A component of the Bank that is a cash-generating unit or a group of cash-generating units;
- Classified as held for sale or distribution to owners, or if it has already been disposed of in such a manner; and

- Represents a business line or geographic area relevant to the operation, or is a subsidiary acquired solely for the purpose of resale.

All other notes to the financial statements include mainly amounts from continuing operations, unless otherwise indicated.

x) Contingent assets and liabilities

A contingent asset or liability is any obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not under the control of the Bank.

- **Contingent assets.**

Assets of a possible nature, arising from past events, whose existence is to be confirmed only by the occurrence or non-occurrence of one or more uncertain events in the future, which are not entirely under the Bank's control, are not recognized in the statement of financial position; instead they are disclosed as contingent assets when their occurrence is probable. When the contingent event is certain, the asset and the associated income are recognized in profit or loss for the period.

Provisions and contingent liabilities

Provisions are reserves in which there is uncertainty about their amount or expiration. Said provisions are recognized in the Statement of Financial Position when the following requirements are met cumulatively:

It is a present obligation (legal or constructive) as a result of past events and,

At the time of the financial statements, it is likely that the Bank will have to divest resources in order to cancel the obligation and the amount of these resources can be measured reliably.

A contingent liability is any obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not under the control of the Bank.

Provisions (which are quantified on the basis of the best information available on the consequences of the event giving rise to them and are re-estimated at each accounting close) are used to meet the specific obligations for which they were originally recognized and are reversed, in whole or in part, when these obligations cease to exist or decrease. Provisions are classified based on the obligations covered, being for the purposes of these Financial Statements provisions for contingencies.

y) Income tax and deferred income taxes

There are two components to the provision for income taxes: current tax and deferred tax.

The current tax corresponds to the amount payable to the tax authority, which is determined by adjusting the accounting profit or loss in accordance with the tax regulations in force in Colombia for each taxable period and applying the rate for the year. The rates used to compute these values are those approved at the end of the reporting period.

Deferred tax assets and liabilities are recognized on temporary differences arising from the estimated future tax and accounting effects attributable to differences between assets and liabilities in the statement of financial position and their tax base, as well as on temporary differences in the income statement due to tax and accounting realization in different periods.

Deferred tax assets and liabilities are measured based on the tax rate that, according to the country's tax legislation, is expected to be in force at the time of recovery (liquidation) of the book value of the assets. (liabilities) that have been recognized in the statement of financial position of the entity.

Deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries are recognized except when the Bank is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets, identified as temporary differences, are only recognized if it is considered probable that the Bank will have sufficient future taxable income to recover them. Deferred tax is recognized in the statement of income, except for amounts recognized directly in comprehensive income or in equity.

Regulatory changes in tax legislation and tax rates are recognized in the statement of income under income tax and deferred income tax in the period in which the standard becomes effective. Interest and penalties are recognized in the statement of income under general and administrative expenses.

The Bank periodically evaluates the positions taken in the tax returns with respect to situations in which the applicable tax regulation is subject to interpretation and adjusts the values recorded, as appropriate, based on the amounts expected to be paid to the tax authorities; in accordance with the concept issued by the tax advisors.

Deferred tax assets and liabilities are considered as a critical accounting policy, since their determination includes estimates of income, future income and expenses that may be affected by changes in the economic conditions of the country, constant regulatory changes, different interpretations of the tax regulations by the taxpayer and the tax authorities, and additionally the rates applied are variable over time.

z) Derecognition of financial assets and liabilities

The accounting treatment of transfers of financial assets is conditioned by the degree and manner in which risks and benefits associated with the transferred assets are transferred to third parties:

1. Whether the risks and benefits are substantially transferred to third parties, case of unconditional sales, sales under repurchase agreements at fair value at the date of repurchase, sales of financial assets with a purchased call option or written put option deeply out of the money, of uses of assets in which the transferor does not retain subordinated financing or grant any type of credit enhancement to the new holders and other similar cases, the transferred financial asset is derecognized from the balance sheet, with simultaneous recognition of any rights or obligations retained or created as a result of the transfer.

2. If substantially all the risks and benefits associated with the transferred financial asset are retained, as in the case of sales of financial assets with a repurchase agreement for a fixed price or for the sale price plus interest, securities lending contracts in which the borrower has the obligation to return the same or similar assets and other similar cases, the transferred financial asset is not derecognized and continues to be valued using the same criteria used prior to the transfer. On the other hand, the following are recognized for accounting purposes:

   a) An associated financial liability for an amount equal to the consideration received, which is subsequently measured at amortized cost.

   b) Both the income from the transferred (but not derecognized) financial asset and the expenses of the new financial liability.

3. If the risks and rewards associated with the transferred financial asset will not be substantially extended or retained, such as in the case of sales of financial assets with a purchased call option or written put option that are neither deeply in the money nor out of the money, uses where the transferor assumes subordinated financing or other credit enhancements for a portion of the transferred asset, and other similar cases, a distinction is made between:

   a) If the transferor does not retain control of the transferred financial asset: it is derecognized from the statement of financial position and any right or obligation retained or created as a result of the transfer is recognized.

   b) If the transferor retains control of the transferred financial asset: it continues to recognize it in the statement of financial position for an amount equal to its exposure to changes in value that it may experience and recognizes a financial liability associated with the transferred financial asset. The net amount of the transferred asset and the associated liability is the amortized cost of the rights and obligations retained, if the transferred asset is measured at amortized cost, or the fair value of the rights and obligations retained, if the transferred asset is measured at fair value.

Accordingly, financial assets are only derecognized from the statement of financial position when the rights to the cash flows they generate have been extinguished or when the risks and benefits they entail have been substantially transferred to third parties. Similarly, financial liabilities are only derecognized from the statement of financial position when the obligations they generate have been extinguished or when they are acquired with the intention of cancelling them or repositioning them again.

aa) Employee benefits

I. Short-term benefits

The Bank grants its employees short-term benefits corresponding, among others, to salaries, social security contributions, severance payments, insurance, bonuses, subsidies, variable compensation and school allowances; which are expected to be fully settled within twelve months after the end of the annual reporting period in which the employees have rendered the related services. Short-term benefits are recognized as the employees render the service, at the amount expected to be paid.

I. Other long-term benefits

These benefits correspond to the seniority bonuses granted to the Bank's employees. These benefits have a payment period that exceeds twelve months following the end of the annual period in which the employees have rendered their services.

The cost of this long-term benefit is distributed over the time between the employee's income and the expected date of obtaining it. This benefit is projected until the payment date and is discounted through the projected credit unit method.

II. Pensions and other post-employment benefits

1. Defined contribution plans

These are the monthly contributions made by the Bank to a pension fund (Pension Fund Administrators in Colombia). Basically, it is an obligation that is limited to the amount that the Bank is legally obligated or agreed to pay or contribute to a fund and does not have to make additional contributions.

Contributions to defined contribution plans are recognized as an expense in the statement of income as the contribution is accrued.

2. Defined benefit plans

Post-employment benefit plans are those in which the Bank has the legal or implicit obligation to respond for the payment of benefits for which it is responsible.

Corresponds to pensioners who are the Bank's responsibility and must assume both the actuarial and investment risk on such obligations, in addition to the bonus for pension recognition, including senior executives and severance payments under the previous regime, for which it performs the actuarial calculation using the projected credit unit method and the TES rate, related to the characteristics and time of the benefit, to discount such obligation.

III. Termination benefits.

They are provided for the termination of the employment period as a result of the entity's decision to terminate the employee's contract before the normal retirement date; or the employee's decision to accept an offer of benefits in exchange for the termination of an employment contract. Termination benefits will be measured in accordance with the provisions of the legal regulations and the agreements established in the collective bargaining agreement between the Bank and the employees at the time the decision to terminate the employment relationship with the employee is officially published.

bb) Debt instruments issued

Financial instruments issued by the Bank and its Subsidiaries are classified in the Consolidated Financial Statement under the heading "Issued Securities" through which the Bank is required to deliver cash or other financial assets to the bearer, or meet the obligation by exchanging the amount of fixed cash or other financial asset for a fixed number of equity shares, if applicable.

After initial measurement, the obligation is measured at amortized cost using the effective interest rate method. The amortized cost is calculated considering any discount, bonus or cost directly related to the issue.

cc) Cash and cash equivalents

For the preparation of the Consolidated Statement of Cash Flows, the indirect method has been used, showing the changes in cash and cash equivalents derived from operating activities, investing activities and financing activities during the period.

For the purposes of the statement of cash flows, cash and cash equivalents have been considered as cash and cash equivalents, the balances of "Cash and cash equivalents" plus (minus) the net balance of transactions in liquidation in progress, plus highly liquid trading instruments with insignificant risk of change in value, whose maturity does not exceed 87 days from the date of acquisition and repurchase agreements that are in this situation. It also includes investments in mutual investment funds, which are presented in the Statement of Financial Position together with trading instruments. Cash and cash equivalents balances and their reconciliation to the Statement of Cash Flows are detailed in Note 5 *Cash and Cash Equivalents*.

The following concepts are taken into consideration in the preparation of the cash flow statement:

a) **Cash flows:** Cash inflows and outflows and cash equivalents, understood as short-term highly liquid investments with a low risk of changes in value, balances in items such as: deposits in the Bank of the Republic, deposits in National Banks and deposits abroad.

b) **Operational activities:** Correspond to the normal activities carried out by the Banks and their subsidiaries, as well as other activities that cannot be classified as investment or financing.

c) **Investment activities:** Correspond to the acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

d) **Financing activities:** Activities that result in changes in the size and composition of shareholders' equity and liabilities that are not part of operating or investing activities.

For presentation purposes, in the statement of cash flows for the year ended December 31, 2022, the Bank reclassified the amount of the consolidation effect line that was presented in the income statement, to present it in the line of effects of exchange rate changes on cash and cash equivalents, taking into account that this item corresponds mainly to the translation of the cash flows of the foreign currency subsidiary Itaú Panama. The reclassification is made for the purpose of having a better presentation in the cash flow statement and to be comparative with the figure recorded as of December 31, 2023. The change did not generate an impact in the net cash movement of the year 2022.

dd) Use of estimates and judgments

The preparation of consolidated financial statements requires the Administration to make some estimates, judgements and assumptions that affect the application of accounting policies and reported balances of assets and liabilities, disclosures of contingencies for assets and liabilities as at the date of the Consolidated Financial Statements, as well as income and expenses during the period. Actual results may differ from these estimates. In certain cases generally accepted accounting principles require assets or liabilities to be recorded or presented at fair value.

The relevant estimates and assumptions are reviewed regularly by the Bank's management in order to quantify certain assets, liabilities, income, expenses and commitments. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, the information on the most significant areas of estimation of uncertainties and critical judgments in the application of accounting policies that have the most important effect on the amounts recognized in the Consolidated Financial Statements, are described as concepts or used in the notes and are the following:

- Useful lives of property, plant and equipment and intangible assets (notes 10, 11 and 13)
- Provisions (notes 19-20)
- Provisions for credit risk (notes 8 - 27)
- Fair value of financial assets and liabilities (note 34)
- Contingencies and commitments (note 20)
- Impairment losses on certain assets (notes 10-11-13-27)
- Current and deferred taxes (note 14).

Group leasing activities and how they are accounted for

The Group leases various property and equipment. Lease agreements are normally entered into for fixed periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain different 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 on the date on which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and the finance 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.

Extension and termination options

Extension and termination options are included in several of the Company'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 by the lessor.

Lease terms

In 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 occurs, or a significant change in circumstances occurs that affects this assessment.

Residual value guarantees

The Group does not provide residual value guarantees related to leases.

Measurement of impairment of financial assets

The measurement of the allowance for expected credit losses for financial assets measured at amortized cost and at fair value through other comprehensive income is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g., the probability of default by clients and resulting losses).

Several significant judgments are also required when applying accounting requirements to measure expected credit loss, such as:

- Determine criteria for a significant increase in credit risk;
- Appropriately choose models and assumptions for the measurement of expected credit loss;
- stablish the number and relative weights of prospective scenarios for each product/market type and associated expected credit loss; and
- Establish groups of similar financial assets in order to measure expected credit loss.

Note: Determining the appropriate business model and assessing whether the cash flows generated by an asset constitute solely payments of principal and interest are sometimes complex and may require significant judgment. Depending on the level of judgment and the amount of financial assets affected by the conclusion, the SPPI and/or business model assessment may require disclosure as a significant judgment.

The portfolio provisions of the Separate Financial Statements are calculated under the regulations of the Financial Superintendency of Colombia given in Chapter II of the Basic Accounting and Financial Circular, which establishes general models for all financial entities, with parameters established by the regulator for the different types of consumer, commercial and housing portfolios.

For the Consolidated Financial Statements, the Bank has developed an internal methodology that complies with the guidelines of the IFRS9 international standards for the calculation of the expected loss; for its construction it is necessary to generate internal models for the estimation of the various components of credit risk, based on the historical information of the entity itself, reflecting differences in the calculation between the two methodologies.

ee) Fiduciary activities

The Group provides trust commissions and other fiduciary services that result in the participation or investment of assets on behalf of clients. Assets held in a fiduciary activity are not reported in the Financial Statements, since they are not assets of the Group as there is no control. Contingencies and commitments of a principal nature arising from this activity are disclosed in Note No.21 *Contingencies, Commitments and Liabilities, letter a) on Commitments and liabilities recorded in off-balance sheet memorandum accounts*.

ff) Client loyalty program

The Group maintains a loyalty program to provide incentives to its customers, which allows them to acquire goods and/or services, which are granted based on purchases made mainly with the Bank's credit cards and compliance with certain conditions established in the program for such purpose.

The Group has provisions to reflect the expense associated with the collection of such awards.

gg) Dividends

In Colombia, dividends are distributed with the Separate Financial Statements.

hh) Earnings per share

Basic earnings per share is determined by dividing the net income attributed to the Bank in a period by the weighted average number of shares outstanding during that period.

Diluted earnings per share is determined similarly to basic earnings, but the weighted average number of shares outstanding is adjusted to account for the potential dilutive effect of stock options, warrants, and convertible debt.

As of December 31, 2023 and 2022, the Bank does not have instruments that generate dilutive effects on equity.

ii) Consolidated Statement of Changes in Equity

This part of the Statement of Changes in Equity presents all movements in equity, including those arising from changes in accounting policies and corrections of errors. This statement therefore shows a reconciliation of the book value at the beginning and end of the period of all the items comprising consolidated equity, grouping the movements that have occurred according to their nature in the following items:

a) Adjustments for changes in accounting policies and correction of errors: which include changes in consolidated equity arising from the retrospective restatement of balances in the consolidated financial statements due to changes in accounting policies or correction of errors.

b) Revenues and expenses recognized in the period: includes, in aggregate, the total of the items recorded in the consolidated statement of recognized income indicated above.

This information is presented in two statements: the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Changes in Equity.

This part of the Consolidated Statement of Changes in Equity presents the income and expenses generated by the Bank as a result of its activity during the period, distinguishing between those recorded as results in the consolidated statement of income for the period and other income and expenses recorded directly in consolidated equity.

Therefore, in this statement is presented:

a) Consolidated income for the period.

b) The net amount of income and expenses recognized temporarily in equity as adjustments recorded as comprehensive income.

c) Deferred income tax arising from the items indicated in letters a) and b) above, except for exchange difference adjustments and hedging derivatives on investments abroad.

d) Increases or decreases in reserves by resolution of the shareholders' meeting.

e) Total recognized consolidated income and expenses, calculated as the sum of letters a) b) and c), showing separately the amount attributed to the Bank and the amount corresponding to non-controlling interest.

jj) Revenue and expense recognition

The most significant criteria used by the Bank to recognize its income and expenses are summarized below:

i. *Interest income, interest expense and similar items*

In general, interest income, interest expense and similar items are recognized on an accrual basis using the effective interest rate method.

ii. *Dividends received*

Dividends received from investments in companies are recognized in income when the right to receive them arises.

iii. Revenues from contracts with clients (Commissions, fees and charges and income from services and sale of goods)

Financing components

The Group adjusts transaction prices to the time value of money for contracts where the period between the transfer of promised goods or services to the client and payment by the client is greater than one year.

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

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

- Step 2. Identifying performance obligations in the contract: A performance obligation is a promise in a contract with a client for the transfer of a good or service to the latter.

- Step 3. Determining 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 promised goods or services to a client, without taking into account the 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 amount of the consideration to which the group expects to be entitled in exchange for meeting each performance obligation.

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

The group meets a performance obligation and recognizes revenue over time, if any of the following criteria are met:

- Group performance does not create an asset with an alternative use for 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 client controls as the asset is created or enhanced.
- The client simultaneously receives and consumes the benefits resulting from 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 promised goods or services, it creates a contract asset in the amount of performance consideration. When the amount of consideration received from a customer exceeds the amount of revenue recognized, this creates a contract liability.

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

The Group evaluates its income plans based on specific criteria to determine whether it acts as a principal or as an 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.

Below is a description of the main activities through which the Group generates income from contracts with clients:

A. Bank (financial services)

Banks sign contracts that cover several different services. Said contracts may contain components that are within or outside the scope of IFRS 15. For this reason, banks only apply the indications of IFRS 15 when all or part of their contracts are outside the scope of IFRS 9.

The sources of income obtained by banks through contracts with clients are the following:

- Credit cards: Interchange fees, general fees (annual, quarterly, monthly), loyalty schemes.

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 goods/services for free or at a discount 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.
  - Protection against fraud.
  - 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 sales prices of the goods or services provided to the client. The allocation of the transaction price to each individual performance obligation is not entirely necessary when there is more than one performance obligation, but all are fulfilled at the same time or equally during the period.

- Commissions

  The Bank receives insurance commissions when they refer new clients to third party insurance vendors, when the bank is not itself the insurer of the policy. Said commissions are usually paid periodically (monthly, for example) to the banks based on the volume of new policies (and/or renewal of existing policies) generated with clients presented 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, in order to include it in the transaction price only when it is highly probable that the resolution of such uncertainty will not lead to a significant 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 the commitment will not be measured at fair value through profit or loss.

  IFRS 15 covers loan syndication fees received by a bank that arranges a loan and retains no portion of the loan package for itself (or retains a portion to the same EIR for purposes of comparable risk with other participants).

- Savings and checking accounts: Transactional and account collections.

  Savings and checking account agreements generally allow clients access to a number of services, including the processing of electronic transfers, use of ATMs for cash withdrawals, issuance of debit cards, and generation of bank statements. Other benefits are sometimes included. Charges are made on a periodic basis and allow the client access to banking services and additional benefits.

- Investment banking: Placement and consulting fees

  Consulting contracts with clients are not standardized. Such contracts may constitute different promises made to clients, which typically include variable consideration that takes into account contingent fees that are only payable upon meeting agreed targets.

B. Asset management

Asset management revenue consists of basic management fees, consulting fees, incentive distribution and performance-based incentive fees resulting from the provision of services.

Revenues from basic management fees, consulting fees and incentive distributions are recorded on an accrual basis based on the amounts receivable as of the balance sheet date.

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Revenues from performance-based incentive fees and profit sharing arrangements are recorded on an accrual basis taking into account the amount that would be payable under the formula set forth in the contract when such amount is no longer subject to adjustment as a result of future events.

If the amount requested by the asset manager is variable, the variable consideration included in the transaction price is limited to the amount for which it is «highly probable that there will not be a significant reversal of the amount of accrued income recognized upon resolution of the uncertainty». In making this assessment, the Group takes into account both the likelihood and magnitude of revenue reversal. Factors that could increase the likelihood or magnitude of a revenue reversal include, among others: (i) the amount of consideration is highly susceptible to factors outside the entity's influence, (ii) the uncertainty relating to the amount of consideration is not expected to be resolved over a long period of time, and (iii) the contract has a large number and wide range of possible amounts relating to the consideration.

Management fees are generally based on net assets under management, while performance fees are based on earnings generated from underlying investments held by funds subject to certain limits.

The contractual measurement period for performance fees for traditional fund managers is typically the end of the month, the quarter and, in some isolated cases, a longer period. In some cases, performance fees are restricted until the contractual measurement period is completed. This means that full revenue will generally not be recognized in interim periods. However, management should determine whether there is a portion (a minimum amount) of the variable consideration that should be recognized before the end of the contractual measurement period.

The full amount of the charge is likely to be recognized at the end of the contractual measurement period when the asset manager becomes entitled to a fixed amount. In certain cases, the full amount of the charge is recognized when there is a payment since the amount becomes fixed at that time and is no longer subject to reversal.

C. Client loyalty programs

Financial entities administer many loyalty programs in which customers accumulate points for their purchases, which entitle them to redeem those points under the policies and reward plan in effect at the redemption date. Reward points are recognized as an identifiable component separate from revenue for services rendered, at fair value. Revenue from loyalty programs is deferred and recognized in the income statement when the entity has fulfilled its obligations to provide the products under the terms of the program or when it is not probable 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 Group acts as a principal in a client loyalty program if it obtains control of the goods or services from another party in advance, or if it transfers control of those goods or services to a client. The Group acts as an agent if its performance obligation is to arrange for another party to provide the goods or services.

iv. Non-financial income and expenses

They are recognized for accounting purposes on an accrual basis.

kk) Impairments for risky assets

Losses due to portfolio impairment are determined as follows:

The Group assesses, on a prospective basis, expected credit losses associated with debt instruments carried at amortized cost and at fair value through other comprehensive income and exposure arising from loan commitments and financial guarantee contracts. The Group recognizes a loss allowance for such losses at each reporting date. The measurement of expected credit losses reflects:

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

ll) Changes in accounting policies

New regulations incorporated into the accounting framework accepted in Colombia

a) New standards issued by the International Accounting Standards Board (IASB), whose application is mandatory as of January 1, 2023.

Decree 1611 of 2022 updated the technical frameworks of the Accounting and Financial Reporting Standards accepted in Colombia by mainly incorporating amendments to the standards that had already been compiled by Decrees 938 of 2021, 2270 of 2019 and 1432 of 2020, which considered the regulations incorporated by Decrees 2420 and 2496 of 2015, 2131 of 2016, 2170 of 2017 and 2483 of 2019

Amendment to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current

The modifications issued in January 2020 clarify the criteria for classifying liabilities as current or non-current, based on the rights that exist at the end of the reporting period. The classification is not affected by the entity's expectations or events after the reporting date. The changes also clarify what is meant by "settlement" of a liability in terms of the standard. The Group has no impact from this modification.

Modification to IAS 16 Property, Plant and Equipment - Amounts Obtained Prior to Intended Use

The amendment published in May 2020 prohibits the deduction from the cost of an item of property, plant and equipment of any amounts from the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity would recognize the amounts of those sales in profit or loss for the period. The Group has no impact from this modification.

Modifications to IFRS 3 Business Combinations - Reference to the Conceptual Framework

The modification published in May 2020 addressed 3 amendments to the standard in order to: update the references to the Conceptual Framework; add an exception for the recognition of contingent liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 21 Liens; and confirm that contingent assets should not be recognized at the acquisition date. The Group has no impact from this modification.

Modification to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Cost of Contract Performance

The purpose of this amendment, which was also published in May 2020, is to specify the costs that an entity includes in determining the "cost of performing" a contract for the purpose of assessing whether a contract is onerous; it clarifies that the direct costs of performing a contract include both the incremental costs of performing a contract and an allocation of other costs that relate directly to the performance of the contract. Before recognizing a separate provision for an onerous contract, for an onerous contract, an entity must recognize impairment losses on the assets used to fulfill the contract. The Group has no impact from this modification.

Reform of the reference interest rate

Following the financial crisis, the reform and replacement of benchmark interest rates such as GBP LIBOR and other interbank offered rates (IBOR) has become a priority for global regulators. There is currently uncertainty about the precise timing and nature of these changes. In order to transition existing contracts and agreements that reference LIBOR, term spread and credit spread adjustments may need to be applied to allow the two reference rates to be economically equivalent in the transition

The modifications made to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures provide certain alternatives in relation to the benchmark interest rate reform. The alternatives relate to hedge accounting and have the effect that the reforms generally should not cause hedge accounting to end. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the widespread nature of hedges involving interbank rate-based contracts (IBORs), the alternatives will affect companies in all industries.

Accounting policies related to hedge accounting will need to be updated to reflect the alternatives. Fair value disclosures may also be affected due to transfers between fair value hierarchy levels as markets become more or less liquid.

The Group has defined the SOFR (Secured Overnight Financing Rate) as the reference rate, which is based on daily financial transactions compiled by the New York Federal Reserve and is published on the next business day.

The Group has impacts mainly in the loan portfolio, money market operations, investments in debt securities and derivatives, for which the Group has been preparing technologically by making the necessary developments for the implementation of the SOFR reference rate in the applications; additionally, customers have been informed of this situation. During the year 2023 and 2022 for new operations this new reference rate is already being contemplated. The SOFR reference rate closed at December 31, 2023 at 5.38%.

Annual Improvements to IFRS Standards 2018-2020 cycle

The following improvements were completed in May 2020:

- IFRS 9 Financial Instruments: clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases: modifies illustrative example 13 of the standard to eliminate the illustration of lessor payments related to leasehold improvements, to eliminate any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at the carrying amounts recorded in their parent's accounts to also measure cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures under certain conditions.
- IAS 41 Agriculture: eliminates the requirement for entities to exclude tax cash flows when measuring fair value under IAS 41.

The Group has no material impact from this modification.

Conceptual Framework

The IASB has issued a revised Conceptual Framework to be used in standard-setting decisions with immediate effect. Key changes include:

- Increasing the importance of management in the objective of financial reporting;
- Restoring prudence as a component of neutrality;
- Defining a reporting entity, which can be a legal entity or a part of an entity;
- Revise the definitions of an asset and a liability;
- Remove the probability threshold for recognition and add guidance on derecognition;
- Add guides on different measurement bases, and
- Indicate that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled when this improves the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework to determine their accounting policies for transactions, events or conditions that are not otherwise addressed in the accounting standards will be required to apply the revised Framework as of January 1, 2020. These entities will need to consider whether their accounting policies continue to be appropriate under the revised Framework.

b) New standards issued by the International Accounting Standards Board (IASB), whose application is mandatory as of January 1, 2024.

Decree 1611 of 2022 updated the technical frameworks of the Accounting and Financial Reporting Standards accepted in Colombia by mainly incorporating amendments to the standards that had already been compiled by Decrees 2420 and 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2019, 2270 of 2019, 1438 of 2020, 938 of 2021.

Amendments to IAS 1 Presentation of Financial Statements and Practice Statement 2 of IFRS-Making Materiality Judgments-Disclosure of accounting policies:

The amendments issued to IAS 1 and IFRS Statement of Practice 2 in February 2021 seek to replace the term "significant" with "material" to require entities to disclose material information about their accounting policies, rather than their significant accounting policies. Thus, information about accounting policies may be considered material when considered together with other information in a complete set of financial statements. In the Board's view, information about accounting policies is expected to be material if disclosure is necessary for primary users to understand the information provided about material transactions, other events or conditions in the financial statements; this update amends IAS 34 Interim Financial Reporting, IAS 26 Accounting and Reporting by Retirement Benefit Plans and IFRS 7 Financial Instruments: Disclosures.

The Group does not expect any significant impact from this modification, however, it is evaluating the impact that these changes could have on the financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimate:

In February 2021, the IASB issued amendments to IAS 8 to include the definition of accounting estimates in paragraph 5 and to include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies.

The Group does not expect any significant impact from this modification, however, it is evaluating the impact that these changes could have on the financial statements.

Amendments to IAS 12 Income Taxes - Deferred Tax Assets and Liabilities Arising from Single Transactions:

In May 2021, the IASB issued amendments to IAS 12 to amend paragraphs 15, 22 and 24 which define that the exemption from initial recognition of deferred tax does not apply to transactions that at that time give rise to the same taxable and deductible temporary differences.

The Group does not expect any significant impact from this modification, however, it is evaluating the impact that these changes could have on the financial statements.

Modification to IFRS 16 Leases - Considerations related to COVID 19

The modification includes the retroactive application for rent reductions related to Covid-19, recognizing the initial cumulative effect as an adjustment to the opening balance of retained earnings.

The Group does not expect significant impacts from this modification, in any case it is evaluating the impact that these could have on the financial statements.

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

IFRS 17 Insurance Contracts: IFRS 17 does not apply to the bank.

Sale or contribution of assets between an investor and its associate or joint venture: Amendments to IFRS 10 and IAS 28.

The IASB has made limited amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment of sales or contributions of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-cash assets sold or contributed to an associate or joint venture constitute a "business" (as defined in IFRS 3 Business Combinations).

When nonmonetary assets constitute a business, the investor recognizes the entire gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the investor recognizes the gain or loss only to the extent of the other investor's interest in the associate or joint venture. These amendments are applied prospectively.

In December 2015, the IASB decided to defer the application date of this modification until the IASB has completed its research project on the equity method.
The Bank is evaluating the possible impacts that may arise as a result of this change.

IAS 12 - International tax reform - Pillar 2 model rules

In May 2023, the IASB made limited-scope modifications to IAS 12 that provide temporary relief from the requirement to recognize and disclose deferred taxes arising from enacted or substantively enacted tax law implementing the Pillar Two model rules, including tax law implementing the qualifying rules. supplementary minimum domestic taxes described in those rules.

The modifications also require affected companies to disclose:

- The fact that they have applied the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes
- Their current tax expense (if any) related to Pillar Two income taxes, and
- During the period between enactment or substantive enactment of the legislation and the effective date of the legislation, known or reasonably estimable information that would assist users of financial statements in understanding an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or cannot be reasonably estimated, entities should disclose a statement to that effect and information about their progress in assessing the exposure.

The Bank is evaluating the possible impacts that may arise as a result of this change.

IAS 7 and IFRS 7 Supplier Financing

These modifications require disclosures to improve the transparency of supplier financing arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investor concerns that some companies' supplier financing arrangements are not sufficiently visible, making it difficult for investors to analyze.

The Bank is evaluating the potential impacts that may arise from this change.

IFRS 16 - Sale and leaseback leases

These modifications include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the transaction date. Sale and leaseback transactions where some or all of the lease payments are variable lease payments that are not index or rate dependent are more likely to be affected.

The Bank is evaluating the potential impacts of this change.

IAS 1 - Non-current liabilities with covenants

These modifications clarify how the conditions that an entity must meet within twelve months after the reporting period affect the classification of a liability. The modifications also aim to improve the information that an entity provides in relation to liabilities subject to these conditions.

The Bank is evaluating the possible impacts that may arise as a result of this change.

IFRS S1 - General requirements for sustainability-related financial disclosures

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

The Bank is evaluating the possible impacts that may arise as a result of this new standard.

IFRS S2 - Climate-related disclosures

This is the first thematic standard issued that establishes requirements for entities to disclose information on climate-related risks and opportunities. The Bank is evaluating the possible impacts that may arise from this new standard.

NOTE 3 – RELEVANT EVENTS

As of December 31, 2023, the following significant events have been recorded that have influenced the Group's operations:

ITAÚ COLOMBIA S. A.

a. Earning reclassification 2022

Considering that in the accounting year 2022 the Bank presented a profit for the amount of $50,807,536, the distribution of profits is submitted for approval. On the occasion of the foregoing, in the 2022 financial statements, the profit for the year 2022 in the amount of $50,807,536 was approved as results of previous years.

b. Appointment and resignations

On March 24, 2023, the Board approved the termination of Ignacio Giraldo's employment contract by mutual agreement as Vice President of Retail Strategy and Product. This Vice-Presidency is abolished and the areas that comprise it will be distributed between the Vice-Presidency of Retail Banking and the Vice-Presidency of Digital.

On March 30, 2023, at the Bank's Ordinary General Shareholders' Meeting, the Board of Directors was re-elected for the period 2023-2024, and will be composed of the following members:

Principal Members Line

First	Gabriel Amado de Moura
Second	Eduardo Neves
Third	Mauricio Baeza
Fourth	Julian Acuña
Fifth	Mónica Aparicio Smith *
Sixth	Roberto Brigard Holguín *
Seventh	Diego Fresco

* Independent Directors under the terms set forth in Law 964 of 2005.

On March 30, 2023, the Shareholders' Meeting re-elected the firm PwC Contadores y Auditores S. A. S., as Statutory Auditor of Itaú Colombia S.A. for the period 2023-2024 and set its fees and appropriations.

On November 21, 2023, the Board approved the termination of the employment contract by mutual agreement of Liliana Suarez, Vice President of Operations and Legal Representative of the Bank, effective March 31, 2024. Frederico Buril, currently Vice President of Technology, will add to his responsibilities this important challenge as of the aforementioned date.

a. Earning sharing

In March 2023, the Shareholders' Meeting of Itaú Comisionista de Bolsa Colombia S.A. was held, where the distribution of profits was agreed as follows:

	MCOP
Net profit	8.589.338
Retained earnings prior years	4.891.460
Total at the disposal of the Assembly	**13.480.798**
To keep in retained earnings	13.480.798
Dividend payments	-

b. Appointment of members of the Board of Directors

In March 2023, at the Shareholders' Meeting, the Board of Directors was elected: The Board of Directors was re-elected for the period 2023-2024, and is composed of the following members and their fees were approved.

	Principal	Alternate
First Line	Daniel Wionn Brasil	Santiago Linares
Second Line	Jorge Alberto Villa	Camila Victoria Vásquez
Third Line	Juan Ignacio Castro	No designation
Fourth Line	Dolly Murcia Borja	Carlos Martínez Merizalde
Fifth Line	Félix Buendía Ángel	Andrés Felipe Piedrahita

c) Resolution of labor contingency

The labor lawsuit filed by the former employees before the Labor Court 10 of Bogota, Rad. 2016-015, against the Commissioner ended in May 2023, the Supreme Court of Justice (closing body) issued a cassation sentence, which confirmed the sentences handed down in the first instance sentence and imposed additional sentences.

On June 29, 2023 a payment was made in the amount of COP 1,987,787,744, corresponding to the liquidation of social benefits, moratory interest and the payment of the procedural costs imposed by the Supreme Court of Justice, pending the payment of the re-settlement of the pension contributions to be made by the pension funds to which the plaintiffs are affiliated and the procedural costs of the Tribunal and the Court.

ITAÚ PANAMÁ

During the month of March 2023, Itaú Panama's Shareholders' Meeting was held, taking into account that in the accounting year 2022 the Bank presented a profit of USD 14,111,114.24, the following distribution project for said profit was approved:

	US	MCOP
Net profit	14.111.114,24	65.561.366
Retained earnings prior years	-	-
Total at the disposal of the Assembly	**14.111.114,24**	**65.561.366**
Dividend payments	14.111.114,24	65.561.366

ITAÚ FIDUCIARIA COLOMBIA S.A. (BEFORE ITAÚ ASSET MANAGEMENT S.A.) TRUST COMPANY

a. Earning sharing

During the month of March 2023, the Shareholders' Meeting of Itaú Asset Management Colombia Sociedad Fiduciaria S.A. was held, where it was agreed to distribute and pay dividends of 100% of the profits for the year 2022.

Therefore, the following proposal for distribution and payment of dividends was approved:

	MCOP
Net profit	5.964.664
Retained earnings prior years	-
Total at the disposal of the Assembly	**5.964.664**
Dividend payments	5.964.664

ITAÚ SECURITIES SERVICES SOCIEDAD EN LIQUIDACIÓN

b. Profit sharing

During March 2023, the Shareholders' Meeting of Itaú Securities Services, a company in liquidation, was held at which it was agreed to distribute profits as follows:

	MCOP
Net profit	120.617
Retained earnings prior years	519.958
Total at the disposal of the Assembly	**640.575**
To maintain in retained earnings	640.575

i. Run-off and liquidation of the Itaú Securities Services Company

The General Shareholders' Meeting of Itaú Securities Services, at a meeting held on May 21, 2021, unanimously approved the Run-off program for the subsequent initiation of voluntary liquidation proceedings of the Company before the Colombian Superintendency of Finance.

On February 28, 2022, the Extraordinary General Assembly of Shareholders unanimously decided to dissolve and liquidate the Trust. Likewise, the above-mentioned was notified to the Colombian Financial Superintendence in a communication dated March 17, 2022; on September 2, we received authorization from the Superintendence for the liquidation; On 19 October 2022, the Superintendency ordered the voluntary cancellation of the registration of the Trust in the National Register of Securities Market Agents - RNAMV; On November 3, 2022, the resolution of the liquidation and the corresponding deed of the statutory reform of early dissolution were notarized before the Chamber of Commerce in order to change the corporate name to "in liquidation"; on December 6, 2022, the Superintendency of Finance cancelled the Trust's operating certificate and the Trust formalized it on December 29, 2022 before the Chamber of Commerce. The Trust expects to complete the legal and financial liquidation process during the first quarter of 2023. As of December 31, 2022, Itaú Securities Services completed the "Run Off" operational shutdown process of the company, therefore, at the indicated date it does not have any business in execution nor does it have obligations with the public.

At the end of the year 2022 and after the authorization of the Board of Directors with Minute 74 of December, we proceeded to make an advance payment to the Bank, for the concept of advance distribution of yields and equity, creating a reciprocal account receivable with the Bank.

During the month of June 2023, we have received the confirmation from the Chilean Superintendence authorizing the cancellation of the investment. A contract was signed with Itaú Fiduciaria Colombia creating an autonomous patrimony (Remainder Trust Itaú Securities Services) with the purpose of canceling some contingencies that Itaú Securities Services has in liquidation; after that, the objective is to file said liquidation with the Chamber of Commerce to make the corresponding payment for liquidation and later send the final balance sheet to cancel the commercial license before this entity.

As of September 30, 2023, the active employees of Itaú Securities Services in liquidation were liquidated, thus terminating all labor ties for the company.

A change of legal representation was made to adjust the liquidator's labor relationship and assigning a labor representation from the Bank.

As of November 17, the transfer of economic funds to cover post-liquidation commitments to the Autonomous Patrimony (Itaú Securities Services Remaining Assets Trust) in the amount of MCOP2,132,749 was carried out.

Approval of the cancellation of the commercial registration by the Shareholders' Meeting.

On November 17, 2023, all shareholders present unanimously approved the proposal to cancel the commercial registration.

On November 17, 2023, Itaú Securities was liquidated in favor of the shareholders.

NOTE 4 - BUSINESS SEGMENTS

Segment reporting is determined by the Bank on the basis of its operating segments, which are differentiated mainly by the risks and returns that affect them.

a. Geographic information

Itaú Colombia S.A.'s reportable segments disclose revenues from ordinary activities from external customers.:

(i) Attributed to the entity's country of domicile, and
(ii) Attributed, in aggregate, to all foreign countries in which the entity derives revenue from ordinary activities.

When revenues from ordinary activities from external customers attributed to a particular foreign country are significant, they are disclosed separately. Accordingly, the Group operates in two main geographical areas: Colombia and Panama. The detail of non-segmented assets associated with each geographical area is as follows

Non-segmented assets	Note	Colombia MCOP	Panamá MCOP	31.12.23 MCOP	Colombia MCOP	Panamá MCOP	31.12.22 MCOP
Cash and bank deposits	5	1.527.621.195	321.413.108	1.849.034.303	1.529.431.770	488.376.439	2.017.808.209
Operations with settlement in progress	5	3.973.163	-	3.973.163	816.342	-	816.342
Investments in supporting companies	6	32.960.000	-	32.960.000	28.587.073	-	28.587.073
Intangibles	13	169.741.466	340.146	170.081.612	168.125.021	566.817	168.691.838
Property and equipment	10	117.118.121	1.602.665	118.720.786	129.863.422	2.414.140	132.277.562
Right-of-use assets	11	70.493.101	88.414	70.581.515	74.976.439	567.541	75.543.980
Investment properties	12	19.930.799		19.930.799	19.056.611		19.056.611
Current taxes	14	305.279.757	-	305.279.757	212.966.364	-	212.966.364
Deferred taxes	14	453.411.565	-	453.411.565	399.884.625	-	399.884.625
Other assets	16	69.547.648	1.879.216	71.426.864	89.707.336	1.935.465	91.642.801
Total		**2.770.076.815**	**325.323.549**	**3.095.400.364**	**2.653.415.003**	**493.860.402**	**3.147.275.405**

The detail of non-segmented liabilities associated with each geographic area is as follows:

Non-segmented liabilities	Nota	Colombia MCOP	Panamá MCOP	31.12.23 MCOP	Colombia MCOP	Panamá MCOP	31.12.22 MCOP
Other accounts payable	21	453.517.679	10.624.550	464.142.229	423.353.894	6.139.049	429.492.943
Provisions	19-20	353.912.175	1.787.171	355.699.346	368.612.212	5.322.212	373.934.424
Other liabilities and lease liabilities	18-23	189.830.313	-	189.830.313	258.765.962	-	258.765.962
Total		**997.260.167**	**12.411.721**	**1.009.671.888**	**1.050.732.068**	**11.461.261**	**1.062.193.329**

The information in this note is presented in accordance with the analysis and identification of:

Assets:
December 31, 2023

	Notes	Retail Banking MCOP	Wholesale Banking MCOP	Treasury MCOP	Other Services MCOP	Colombia MCOP
Placements:						
Housing	8	3.498.910.101	-	-	-	3.498.910.101
Consume	8	3.765.899.912	501.205	-	-	3.766.401.117
Commercial	8	1.171.523.599	12.299.415.732	-	-	13.470.939.331
Placements before provisions	**8**	**8.436.333.612**	**12.299.916.937**	**-**	**-**	**20.736.250.549**
Provisions made on placements	8	(322.156.433)	(775.016.268)	-	-	(1.097.172.701)
Placements net provisions	**8**	**8.114.177.179**	**11.524.900.669**	**-**	**-**	**19.639.077.848**
Accounts receivables	9	96.550.232	232.272.253	-	-	328.822.485
Non-current assets available for sale	15	-	-	-	51.295.497	51.295.497
Trading instruments	6	-	-	1.318.058.072	-	1.318.058.072
Back-purchase agreements and securities loans	5	-	-	604.006.679	-	604.006.679
Highly liquid financial instruments	5	-	-	5.962.119	-	5.962.119
Financial derivative contracts	7	-	-	977.370.123	-	977.370.123
Available-for-sale investment instruments	6	-	-	2.072.810.871	-	2.072.810.871
Held-to-maturity investment instruments	6	-	-	1.617.503.336	-	1.617.503.336
Assets not included in segments		-	-	-	3.095.400.364	3.095.400.364
Total		**8.210.727.411**	**11.757.172.922**	**6.595.711.200**	**3.146.695.861**	**29.710.307.394**

December 31, 2022

	Notes	Retail Banking MCOP	Wholesale Banking MCOP	Treasury MCOP	Other Services MCOP	Colombia MCOP
Placements:						
Housing	8	3.671.018.975	-	-	-	3.671.018.975
Consume	8	4.417.473.376	587.923	-	-	4.418.061.299
Commercial	8	1.259.265.927	13.220.591.691	-	-	14.479.857.618
Placements before provisions	**8**	**9.347.758.278**	**13.221.179.614**	**-**	**-**	**22.568.937.892**
Provisions made on placements	8	(303.724.950)	(730.675.394)	-	-	(1.034.400.344)
Placements net provisions	**8**	**9.044.033.328**	**12.490.504.220**	**-**	**-**	**21.534.537.548**
Accounts receivables	9	86.005.647	206.904.997	-	-	292.910.644
Non-current assets available for sale	15	-	-	-	24.810.841	24.810.841
Trading instruments	6		-	1.069.377.350	-	1.069.377.350
Back-purchase agreements and securities loans	5	-	-	725.901.292	-	725.901.292
Highly liquid financial instruments	5	-	-	57.039.578	-	57.039.578
Financial derivative contracts	7	-	-	1.058.558.352	-	1.058.558.352
Available-for-sale investment instruments	6	-	-	1.282.725.663	-	1.282.725.663
Held-to-maturity investment instruments	6	-	-	1.711.854.094	-	1.711.854.094
Assets not included in segments		-	-	-	3.147.275.405	3.147.275.405
Total		**9.130.038.975**	**12.697.409.217**	**5.905.456.329**	**3.172.086.246**	**30.904.990.767**

Liabilities
December 31, 2023

	Notes	Retail Banking MCOP	Wholesale Banking MCOP	Treasury MCOP	Other Services MCOP	Colombia MCOP
Current accounts	17	1.870.854.577	1.279.046.779	-	-	3.149.901.356
Other demand balances	17	1.666.810.070	4.446.979.098	-	-	6.113.789.168
Other deposits	17	3.616.079.654	6.488.004.596	-	-	10.104.084.250
Back-purchase agreements and securities loans	18	-	-	199.725.933	-	199.725.933
Financial derivative contracts	18	-	-	952.174.124	-	952.174.124
Obligations with banks	18	-	-	2.336.273.430	-	2.336.273.430
Debt instruments issued	22	-	-	2.977.063.016	-	2.977.063.016
Liabilities not included in segments (*)		-	-	-	1.009.671.888	1.009.671.888
Equity	24	-	-	-	2.867.624.229	2.867.624.229
Total		**7.153.744.301**	**12.214.030.473**	**6.465.236.503**	**3.877.296.117**	**29.710.307.394**

December 31, 2022

	Notes	Retail Banking MCOP	Wholesale Banking MCOP	Treasury MCOP	Other Services MCOP	Colombia MCOP
Current accounts	17	2.108.645.710	1.441.617.397	-	-	3.550.263.107
Other demand balances	17	1.759.097.739	4.693.198.711	-	-	6.452.296.450
Other deposits	17	2.993.191.043	5.370.411.910	-	-	8.363.602.953
Back-purchase agreements and securities loans	18	-	-	455.742.715	-	455.742.715
Financial derivative contracts	18	-	-	979.743.013	-	979.743.013
Obligations with banks	18	-	-	3.664.203.117	-	3.664.203.117
Debt instruments issued	22	-	-	3.493.686.285	-	3.493.686.285
Liabilities not included in segments (*)		-	-	-	1.062.193.329	1.062.193.329
Equity	24	-	-	-	2.883.259.798	2.883.259.798
Total		**6.860.934.492**	**11.505.228.018**	**8.593.375.130**	**3.945.453.127**	**30.904.990.767**

NOTE 5 – CASH AND CASH EQUIVALENTS

Additional cash flow disclosures:

a) **Cash flow:** The statement of cash flows has been prepared using the indirect method, which is based on the net loss for the year and adjusted for the effects of transactions and non-cash items, as well as gains and losses attributable to investing and financing activities.

b) **Accounting policy for the determination of the components of cash and cash equivalents:** For the purposes of the statement of cash flows, cash and cash equivalents are considered to be the balances of "Cash and cash equivalents" plus (minus) the net balance of operations in liquidation in progress, plus highly liquid trading instruments with low risk of significant change in value, whose maturity does not exceed 3 months from the date of acquisition and repurchase agreements that are in that situation. It also includes investments in mutual funds, which are presented together with trading instruments in the Statement of Financial Position.

c) **Acquisition of an entity by means of capital increase:** During the period the Bank did not make any capitalizations.

d) **Conversion of debt into equity:** The Bank did not carry out this type of operations.

e) **Significant cash flows and cash equivalents that are not available for the Bank's use:** The items that the Bank classified as cash and cash equivalents are unrestricted.

f) **Additional information on the entity's financial position and liquidity:** No additional information

Detail of cash and cash equivalents

Cash includes both cash and demand bank deposits, i.e. savings and checking accounts in both local and foreign currencies.

Cash equivalents: Itaú Colombia S.A. (formerly Itaú CorpBanca Colombia S.A.) classifies within cash equivalents investments with a maturity of less than 3 months from the date of acquisition, which are easily convertible to cash and have an insignificant change in their value, including participations in mutual, interbank, overnight funds. etc.

The summary of the Bank's cash and cash equivalents is as follows:

	As of December 2023 MCOP	As of December 2022 MCOP
Cash	182.293.363	171.851.609
Deposits in the Bank of the Republic (4)	894.714.942	938.484.515
Deposits in domestic banks (3)	383.044.723	538.330.255
Deposits abroad	388.981.275	369.141.830
Subtotal Cash and bank deposits	**1.849.034.303**	**2.017.808.209**
Transactions with net settlement in progress	3.973.163	816.342
Highly liquid financial instruments (1)	5.962.119	57.039.578
Repurchase agreements (2)	604.006.679	725.901.292
Total cash and cash equivalents (4)	**2.462.976.264**	**2.801.565.421**

(1) Correspond to investments at fair value through profit or loss - equity instruments (mutual funds), whose maturity does not exceed three months from the date of acquisition.

(2) Corresponds to money market and related transactions, including interbank funds, repo transactions and simultaneous transactions, whose maturity does not exceed three months from the date of acquisition and which are presented in the line "Cash and cash equivalents" in the statement of financial position.

(3) National deposits are in Banks rated by independent risk rating agents as investment grade.

The level of funds in cash and in the Central Bank of the Republic corresponds to reserve requirement regulations, which the Bank must maintain as an average in monthly periods.

The details of (1) and (2) are as follows:

(1) Highly liquid financial instruments

	As of December 2023 MCOP	As of December 2022 MCOP
Highly liquid financial instruments (1)		
Mutual funds	5.962.119	57.039.578
Total highly liquid financial instruments (1)	**5.962.119**	**57.039.578**

(2) Back-purchase agreements

	As of December 2023 MCOP	As of December 2022 MCOP
Repurchase agreements (2)		
Interbank funds	27.687.493	160.200.071
Repo operations	-	3.093.832
Simultaneous operations	576.319.186	562.607.389
Total Back-purchase agreements (2)	**604.006.679**	**725.901.292**

Repurchase agreements temporality

As of December 31, 2023

	Less than one month	Total
	MCOP	MCOP
Interbank funds		
Banks*	27.687.493	27.687.493
Simultaneous operations		
Bank of the Republic	576.319.186	576.319.186
Total	**604.006.679**	**604.006.679**

As of December 31, 2022

	Less than one month	Total
	MCOP	MCOP
Interbank funds		
Banks*	160.200.071	160.200.071
Repo operations		
Transfer Commitments Chamber of Risk	3.093.832	3.093.832
Simultaneous operations		
Bank of the Republic	562.607.389	562.607.389
Total	**725.901.292**	**725.901.292**

* As of December 31, 2023 and 2022 the Colombian Banks have a local credit rating of AAA assigned by Fitch or BRC, the international Banks have an international rating of BBB- and BB- according to the evaluation made by Fitch.

Transactions with ongoing settlement

	As of December	As of December
	2023	2022
	MCOP	MCOP
Transactions with settlement in progress		
Exchange	1.500	14.796
Remittances (1)	3.971.663	801.546
Total operations with settlement in progress	**3.973.163**	**816.342**

(1) The increase is due to transactions related to remittances with balances in transit as of December 31, 2023.

NOTE 6 - INVESTMENTS

The detail of financial instruments classified as investments is as follows:

a. Marketable Investments: Under this caption the Bank records investments that were acquired for the purpose of obtaining returns from price variations in the short term.

b. Investments at amortized cost: The investments that the Bank classifies at amortized cost are those in which the Bank has the purpose and the legal, contractual, financial and operating capacity to hold them until maturity, i.e. there is no intention to dispose of them.

c. Investments at fair value with changes in Other Comprehensive Income: The investments that the Bank classifies as investments at fair value with changes in Other Comprehensive Income are mandatory investments, which are those investments that the Bank must have to carry out its operations in accordance with a legal provision.

	As of December 31 2023 MCOP	As of December 31 2022 MCOP
Marketable Investments (a)		
Investments at fair value through profit or loss Debt Instruments	**1.248.206.322**	**933.514.423**
Treasury Securities TES	400.488.540	744.396.723
Other securities issued by the Government	-	60.175
Other domestic issuers	9.301.301	35.651.986
Foreign issuers (1)	838.416.481	153.405.539
Investments at Fair Value through profit or loss delivered in money market operations	**67.757.800**	**37.103.206**
Treasury Securities TES	67.757.800	37.103.206
Investments at Fair Value with exchange results delivered in guarantee of operations with derivative instruments.	**-**	**98.681.314**
Foreign issuers	-	98.681.314
Fair Value Investments at Fair Value through profit or loss - Equity Instruments	**2.093.950**	**78.407**
Domestic Issuers	2.093.950	78.407
Total marketable investments (1)	**1.318.058.072**	**1.069.377.350**
Investments at amortized cost (b)		
Investments at amortized cost	**1.246.335.129**	**1.707.164.148**
Treasury Securities TES	569.511.135	951.395.193
Other securities issued by the Government (2)	353.667.050	348.777.613
Other domestic issuers	892.668.079	1.358.386.535
Investments at amortized cost through profit or loss delivered in money market operations - Debt Instruments (Transfer rights) (2)	**-**	**-**
Treasury Securities TES	-	-
Other domestic issuers	-	-
Investments at amortized cost through profit or loss delivered in derivative transactions - Debt instruments (2)	**371.189.823**	**4.768.101**
Treasury Securities TES	371.189.823	4.768.101
Provisions	**(21.616)**	**(78.155)**
Total investments at amortized cost	**1.617.503.336**	**1.711.854.094**
Investments at fair value through ORI (c)		
Investments at fair value with change in ORI - Debt Instruments	**1.957.930.355**	**807.978.462**
Treasury Securities TES	588.606.580	183.646.405
Other public debt securities	216.091.458	61.492.181
Other domestic issuers	145.485.050	207.543.060
Foreign issuers	1.007.747.267	355.296.816
Investments at Fair Value with change in ORI delivered in money market operations - Debt Instruments	**6.359.990**	**259.173.530**
Treasury Securities TES	6.359.990	259.173.530
Investments at fair value with changes in the ORI delivered as collateral for derivative transactions - Debt Instruments	**63.788.166**	**188.788.915**
Treasury Securities TES	4.913.952	188.788.915
Foreign issuers	58.874.214	-
Investments at fair value with change in ORI - Equity instruments	**44.732.360**	**26.784.756**
Domestic Issuers (3)	44.732.360	26.784.756
Total Investments at fair value with changes in ORI (1)	**2.072.810.871**	**1.282.725.663**
Investments at Equity Variation with changes in ORI (d)		
Investments at Changes in equity with changes in ORI - Equity Instruments	32.960.000	28.587.073
Mandatory in equity instruments	**32.960.000**	**28.587.073**
Total Investments at Changes in equity with changes in ORI	**32.960.000**	**28.587.073**
Total investments (a)+(b)+(c)+(d)	**5.041.332.279**	**4.092.544.180**

(*) The change in fair value of investments measured at fair value through ORI net of tax in other comprehensive income for the years ended December 31, 2023 is $58,455,551 and December 31, 2022 $(2,798,649).

(1) The variations are mainly generated by the purchase of debt securities of the National Government and the United States Government, classified within the Bank's business models measured at fair value through profit or loss and in other comprehensive income, with the objective of taking advantage of market conditions in treasury operations and in order to make the Bank's surpluses profitable in a better way.

(2) Variations correspond to transfers between investment portfolios measured at amortized cost to be used as collateral in money market and derivative transactions.

(3) During the year 2023, the integration process between the Colombian Stock Exchange, the Lima Stock Exchange and the Santiago Stock Exchange began; the Bank did not take advantage of the integration of the Stock Exchanges because it still does not have the authorization of the CMF (Commission for the Financial Market) in Chile, for this reason the Bank continues to value such shares at the market value issued by the Colombian Stock Exchange. The number of shares held by the Bank on the BVC is 3,862,898 at a value of 11,580 per share for a fair value as of December 31, 2023 of MCOP44,732,360.

Timing of investments

As of December 31, 2023

PRODUCT	Up to three months		More than three months and no more than one year	More than one year		
Nominal value	**Up to one month**	**More than one month and no more than three months**		**Between one and five years**	**More than five years**	**Total**
Investments measured at fair value through profit or loss	840.851.000	-	369.300	282.683.488	231.026.816	
investments measured at amortized cost	-	55.958.563	1.047.665.821	230.000.000	286.831.700	
Investments measured at fair value with changes in ORI	57.330.750	135.551.250	572.756.650	588.158.001	151.697.527	
Carrying amount						
Investments measured at fair value through profit or loss	838.366.668	-	385.125	270.730.626	208.575.653	**1.318.058.072**
Investments measured at amortized cost	-	56.760.153	1.108.470.720	201.411.617	250.882.462	**1.617.524.952**
Investments measured at fair value with changes in ORI	57.451.705	247.226.246	806.174.545	763.073.318	198.885.057	**2.072.810.871**
Investments in equity securities	-	-	-	-	32.960.000	**32.960.000**
Impairment of investments	-	-	-	-	(21.616)	**(21.616)**
Total Investments Carrying Amount	**895.818.373**	**303.986.399**	**1.915.030.390**	**1.235.215.561**	**691.281.556**	**5.041.332.279**

As of December 31, 2022

PRODUCT	Up to three months		More than three months and no more than one year	More than one year		
Nominal value	**Up to one month**	**More than one month and no more than three months**		**Between one and five years**	**Up to one month**	**More than one month and no more than three months**
Investments measured at fair value through profit or loss	-	137.144.600	144.306.000	724.311.234	206.644.024	
investments measured at amortized cost	-	90.153.570	642.395.956	683.500.000	286.831.700	
Investments measured at fair value with changes in ORI	89.000.000	69.752.884	52.000.000	618.322.501	50.000.000	
Carrying amount						
Investments measured at fair value through profit or loss	-	140.558.518	141.370.991	620.167.418	167.280.423	**1.069.377.350**
Investments measured at amortized cost	-	91.456.155	664.312.800	709.107.290	247.056.004	**1.711.932.249**
Investments measured at fair value with changes in ORI	92.358.138	203.059.757	237.880.337	684.898.172	64.529.259	**1.282.725.663**
Investments in equity securities	-	-	-	-	28.587.073	**28.587.073**
Impairment of investments	-	-	-	-	-78.155	**(78.155)**
Total Investments Carrying Amount	**92.358.138**	**435.074.430**	**1.043.564.128**	**2.014.172.880**	**507.374.604**	**4.092.544.180**

INVESTMENTS IN COMPANIES

d. Investments at fair value through equity

As of December 31, 2023 and 2022, the main investments in companies are detailed below:

	As of December 31, 2023		As of December 31, 2022	
	%	MCOP	%	MCOP
A.C.H Colombia	4,21	13.570.000	4,21	8.904.000
Cámara de Riesgo Central de Contraparte S.A.	-	-	1,55	1.461.073
Redeban Multicolor S. A.	1,60	4.290.000	1,60	3.642.000
Credibanco	6,37	15.100.000	6,37	14.580.000
Total investments in companies		**32.960.000**		**28.587.073**

e. Movement of investments

Below is the movement in investments in companies as of December 31, 2023 and 2022:

	As of December 31, 2023	As of December 31, 2022
Carrying amount opening balance	28.587.073	24.771.637
Sale of investments Risk chamber	(2.381.188)	-
Loss on sale of shares	779.748	-
Valuation of subsidiaries over support companies	12.960	-
Reclassification to reserves	(1.364.597)	(11.564)
Valuation	7.326.004	3.827.000
Total	**32.960.000**	**28.587.073**

NOTE 7 – DERIVATIVE INSTRUMENTS

A. TRADING DERIVATIVES

The following are the trading derivatives and hedging derivatives for the periods ended December 31, 2023 and 2022:

As of December 31, 2023

Derivative Assets

PRODUCT	Up to one month	More than one month and no more than three months	More than three months and no more than one year	Between one and five years	More than five years	Total
Nominal value						
Forward	1.464.808.914	1.255.908.397	1.278.711.096	1.567.655	-	
Hedging forward	150.807.668	147.975.140	169.613.374	-	-	
Options	-	-	-	-	11.202.471	
Next Day	651.514	-	-	-	-	
Carrying amount						
Forward	93.408.760	141.475.756	135.220.483	85.750	-	370.190.749
Hedging forward	27.541.506	8.607.795	19.800.325	-	-	55.949.626
Swaps	4.368.262	8.497.484	32.968.240	267.192.672	187.643.328	500.669.986
Hedging Swaps	-	233.049	907.412	7.589.507	41.790.759	50.520.727
Options	-	-	-	-	36.910	36.910
Next Day	2.125	-	-	-	-	2.125
Total derivative assets	**125.320.653**	**158.814.084**	**188.896.460**	**274.867.929**	**229.470.997**	**977.370.123**

Derivative Liabilities

PRODUCT	Up to one month	More than three months and no more than one year	Between one and five years	More than five years	Total
Nominal value					
Forward	-	2.755.494.149	70.937.285	-	
Hedging Forward	-	1.737.281.241	380.631.217	-	
Options	-	-	-	24.209.746	
Next day	-	-	-	-	
Carrying amount					
Forward	-	(123.268.980)	(4.122.258)	-	(127.391.238)
Hedging Forward	-	(264.898.303)	(8.060.878)	-	(272.959.181)
Swaps	-	(26.778.024)	(272.134.765)	(242.956.018)	(541.868.807)
Hedging Swaps	-	(20.068.860)	(33.931.869)	-	(54.000.729)
Options	-	-	-	(564.051)	(564.051)
Next day	(50.144)	(23.952)	-	-	(74.096)
Total derivative liabilities (Note 19)	**(50.144)**	**(435.038.119)**	**(318.249.770)**	**(243.520.069)**	**(996.858.102)**

The amount of collateral delivered on December 31, 2023 was $225,850,437.
The amount of collateral received as of December 31, 2023 was $90,002,142.

December 31, 2022

Derivative Assets

Asset	Up to one month	More than one month and no more than three months	More than three months and no more than one year	Between one and five years	More than five years	Total
Nominal value						
Forward	1.952.905.743	1.056.954.761	362.723.117	25.750.414	-	
Hedging Forward	152.175.355	172.646.992	1.272.447.484	-	-	
Swaps	-	-	-	-	-	
Hedging Swaps	-	-	-	-	-	
Options	-	-	-	-	47.460.556	
Next Day	1.176.333	-	-	-	-	
Future	-	-	-	-	-	
Carrying amount						
Forward	45.643.508	34.066.850	43.920.208	3.630.600	-	127.261.166
Hedging Forward	5.069.428	14.096.407	119.368.143	-	-	138.533.978
Swaps	4.774.429	7.458.800	21.078.165	371.615.179	313.069.809	717.996.382
Hedging Swaps	-	-	59.378.096	10.439.953	2.494.457	72.312.506
Options	-	-	-	-	2.442.909	2.442.909
Next Day	11.411	-	-	-	-	11.411
Total derivative assets	**55.498.776**	**55.622.057**	**243.744.612**	**385.685.732**	**318.007.175**	**- 1.058.558.352**

Derivative Liabilities

Liabilities	Up to one month	More than one month and no more than three months	More than three months and no more than one year	Between one and five years	More than five years	Total
Nominal value						
Forward	1.101.487.390	1.868.606.703	618.996.059	26.134.206	-	
Hedging Forward	-	-	856.038.935	-	-	
Options	-	-	-	-	42.240.000	
Next Day	9.108.655	-	-	-	-	
Carrying amount						
Forward	(35.228.452)	(72.117.648)	(38.743.463)	(1.751.457)	-	(147.841.020)
Hedging Forward	-	(367.867)	(21.597.309)	-	-	(21.965.176)
Swaps	(5.992.900)	(12.838.331)	(45.982.205)	(363.459.738)	(306.010.354)	(734.283.528)
Hedging Swaps	(2.617.962)	(1.382.581)	(15.698.196)	(53.291.736)	(2.390.817)	(75.381.292)
Options	-	-	-	-	(219.319)	(219.319)
Next Day	(52.678)	-	-	-	-	(52.678)
Total derivative liabilities (Note 19)	**(43.891.992)**	**(86.706.427)**	**(122.021.173)**	**(418.502.931)**	**(308.620.490)**	**(979.743.013)**

The amount of collateral delivered as of December 31, 2022 was $189,893,758.
The amount of collateral received as of December 31, 2022 was $145,741,439.

B. DERIVATIVES DESIGNATED AS ACCOUNTING HEDGES

The following is the Bank's risk management strategy through accounting hedges of fair value cash flows and net investment in foreign countries for the periods ended December 31, 2022 and 2021:

a) Hedges of net investment abroad.

Itaú Colombia, parent company with functional currency in Colombian pesos, has a business investment abroad corresponding to the acquisition of a subsidiary in Panama. As a result of the accounting treatment that this investment must receive, fluctuations in the value of the investment caused by the variability of the exchange rate between the Colombian peso and the US dollar generate changes in the value of the Parent Company's equity. The purpose of the hedge is to protect the value of the equity by managing the investment's exchange parity risk.

Hedging instrument

The Bank hedges business investment abroad by contracting USD sales forwards, which are periodically renewed. Hedges of a net investment in a foreign operation, including the hedge of a monetary item that is accounted for as part of a net investment, will be recorded similarly to cash flow hedges under IFRS 9 "Financial Instruments".

Accounting hedging

The following is a summary of the coverage of the investment in Panama, as of December 31, 2023:

Hedging instrument	Nominal amount of the hedging instrument	Carrying Amount Hedging Instrument		Fair Value used for the calculation of effectiveness	Hedge ineffectivenes s
		Assets	Liabilities		
	USD	MCOP	MCOP	MCOP	MCOP
Forward	(100.856.000)	54.521.387	-	54.521.387	-

The carrying amount of the hedging instrument corresponds to the forward contracts outstanding as of December 31, 2022.

Hedged item

The following are the items generated as hedged items, as of December 31, 2023:

Hedged item	Carrying amount of hedged item		Hedging impact	
	Assets	Liabilities	Efficiency reclassified to profit or loss	Hedging reserve
	MCOP	MCOP	MCOP	MCOP
Inversión Itaú Panamá	(54.521.387)		-	54.521.387

The reserve of the hedge of the investment in Itaú Panama includes the maturities of the Forward that were destined as hedging instruments of the net investment abroad.

Items that have affected the Statement of Comprehensive Income

Following is the movement of the hedge of the net investment abroad in ORI:

	As of December 31, 2023	As of December 31, 2022
	MCOP	MCOP
Initial balance	(142.618.468)	(115.282.571)
Gains (losses) from hedges of net investments in foreign businesses before taxes	86.879.734	(56.736.627)
Income tax related to hedges of net investments in foreign businesses	(37.242.041)	29.400.730
Final Balance	**(92.980.775)**	**(142.618.468)**

Cash flow Schedule

The following is the maturity of the cash flows of the net foreign investment hedge as of December 31, 2023:

Maturity date Flows	Notional USD
2024	100.856.000

b) Cash flow hedging

Hedging of cash flow liabilities in U.S. Dollars

The nature of the hedged risk is associated with the variability of the exchange rate of the Colombian peso against any other currency with which financing is taken, where in turn the use of the asset will be in Colombian pesos. Given the historical volatility of the Colombian peso, and in general of the currencies of emerging markets, it is necessary to close this exposure in order not to generate effects in the intermediation margin.

Forward accounting hedging

The Bank designated as a hedging instrument for this type of risk an exchange rate forward where Itaú commits to purchase a specific amount of the currency of origin of the financing, at a determined exchange rate and term.

The following is a summary of the accounting cash flow hedge, as of December 31, 2023

Hedging Instrument	Nominal amount of the hedging instrument	Carrying Amount Hedging Instrument		Fair value used for the calculation of effectiveness	Hedge ineffectiveness
		Assets	Liabilities		
	MCOP	MCOP	MCOP	MCOP	MCOP
Forward	1.830.050.487	-	220.917.491	9.646.700	-

Hedged item (Paragraph 24B)

The following are the items generated as hedged items:

Issuance of subordinated debt in U.S. dollars whose interest rate is fixed and payable at maturity, on December 31, 2023.

Hedged item	Carrying Amount of the hedged item		Hedging Impact	
	Assets	Liabilities	Efficiency reclassified to profit or loss	Hedging reserve
	MCOP	MCOP	MCOP	MCOP
Liabilities dollars	-	1.839.697.186	9.646.700	(9.646.700)

Cash flow schedule

The following is the maturity of the cash flows of the liability hedge in dollars, as of December 31, 2023:

Year of maturity	Nominal Value MCOP
2024	1,830,232,843

Cash flow hedging bonds

The nature of the hedged risk is associated with stabilizing the financial intermediation margin resulting from the mismatch of interest rates and terms between assets and liabilities, but also to take care of the economic value of the positions. As part of this objective, fixed rate assets are purchased in IBR (Interbank Rate) and indexed to a variable rate in Pesos through a cash flow accounting hedge.

Accounting hedge

The Bank designated as a hedging instrument for this type of risk a *cross currency swap* where Itaú commits to purchase a specific amount of the currency of origin of the financing, at a determined exchange rate and term.

The following is a summary of the cash flow hedge accounting as of December 31, 2023:

Hedging instrument	Nominal amount of the hedging instrument	Carrying amount of hedging instrument		Fair value used for the calculation of effectiveness	Hedge ineffectiveness
		Assets	Liabilities		
	MCOP	MCOP	MCOP	MCOP	MCOP
Swap	304.157.370	39.483.912	-	(24.852.167)	-

Hedged item (Paragraph 24B)

The following are the items generated as hedged items, as of December 31, 2023:

Bonds issued in pesos indexed to the IBR.

Hedged Item	Carrying Amount of the hedged item		Hedging Impact	
	Assets	Liabilities	Efficiency reclassified to profit or loss	Hedging reserve
	MCOP	MCOP	MCOP	MCOP
Bonds	-	279.305.203	(24.852.167)	24.852.167

Cash flow schedule

The maturity of the IBR bond hedge cash flows as of December 31, 2023 is as follows:

Year of maturity	Nominal Value MCOP
2030	304.157.370

Items that have affected the Statement of Comprehensive Income

The following is the movement of the cash flow hedge in the ORI:

	As of December 31, 2023	As of December 31, 2022
	MCOP	MCOP
Initial Balance	**(2.217.194)**	**8.629.814**
Efficient part reserve accounting hedging	(547.749.325)	248.801.508
Reclassification to the result of the period	566.650.116	(266.415.886)
Income tax	(5.537.985)	6.767.370
Final Balance	**11.145.612**	**(2.217.194)**

The net of tax amount of liability cash flow hedges recognized in Other Comprehensive Income was a gain on December 31, 2023 of $13,362,806 and a loss on December 31, 2022 of $(10,847,008).

Cash flow hedging of highly probable invoices

Itaú Colombia has contractual obligations in dollars with a high probability of occurrence, which, although not recorded in the accounting books, affect the Bank's results at the time of payment, due to the fluctuation of the USD/COP exchange rate.

Accounting hedging

Based on the above definition, a long exchange rate position will be designated as a hedging instrument, either through the purchase of USD in cash or through an exchange rate forward where Itaú commits to purchase a specific amount of the currency of origin of the highly probable transactions, at a specific exchange rate and term. The following is a summary of the cash flow hedge accounting as of December 31, 2023:

Hedging instrument	Nominal amount of the hedging instrument	Carrying amount of hedging instrument		Fair value used for the calculation of effectiveness	Hedge ineffectiveness
		Assets	Liabilities		
	MCOP	MCOP	MCOP	MCOP	MCOP
Spot/Forward	98.821.847	-	1.495.789	6.276.106	-

Hedged item (Paragraph 24B)

The following are the items generated as hedged items, as of December 31, 2023:

Hedged Item	Carrying amount of the hedged item		Hedging impact	
	Assets	Liabilities	Efficiency reclassified to profit or loss	Hedging reserve
	MCOP	MCOP	MCOP	MCOP
Contingent invoices	-	105.097.954	6.276.106	(6.276.106)

Cash flow schedule

The following is the maturity of the cash flows of the liability hedge in dollars, as of December 31, 2023:

Year of maturity	Nominal Value MCOP
2024	98.821.847

Items that have affected the Statement of Comprehensive Income

The following is the movement of the cash flow hedge in the ORI:

	As of December 31, 2023	As of December 31, 2022
	MCOP	MCOP
Initial Balance	(3.268)	1.163.187
Efficient part reserve accounting hedging	(14.416.503)	2.391.838
Reclassification to the result of the period	8.145.841	(4.273.392)
Income Tax	1.673.540	715.099
Final Balance	**(4.600.390)**	**(3.268)**

The net of tax amount of the invoice cash flow hedge recognized in Other Comprehensive Income was a loss at December 31, 2023 of $(4,597,122) and a loss at December 31, 2022 of $(1,166,455).

c) **Fair value hedge**

Instrument hedged for accounting purposes CDT's

The nature of the hedged risk is associated with the stability of interest payments on a liability whose coupon is at a fixed rate. To the extent that the fixed rate remains stable with respect to the variable rates of the bank asset, the result for the period, and subsequent periods, may be affected by a more accelerated repricing of the asset than the liability.

Itaú has contractual obligations in Colombian pesos as a result of liabilities issued to raise funds from the public. These instruments are CDs, subordinated loans and available-for-sale investments. With these issues, Itaú is obliged to pay the investor a fixed interest rate.

The following is a summary of the interest coverage of CDT's, as of December 31, 2023:

Hedging instrument	Nominal amount of the hedging instrument	Carrying amount of hedging instrument		Fair value used for the calculation of effectiveness	Hedge ineffectiveness
		Assets	Liabilities		
	MCOP	MCOP	MCOP	MCOP	MCOP
Swap IRS	3.081.500.000	-	16.511.805	7.368.307	(738.264)

Hedged item

The following are the items generated as hedged items, as of December 31, 2023:

Hedged item	Carrying amount of the hedged item		Fair value of hedged item	
	Assets	Liabilities	Fair value of hedged item	Cumulative impact hedging effectiveness adjustments
	MCOP	MCOP	MCOP	MCOP
Intereses de CDTs	-	3.081.500.000	3.089.606.572	-

Cash flow schedule

The following is the maturity of the cash flows of the CDT's hedge, as of December 31, 2023:

Year of maturity	Nominal Value MCOP
2024	1.862.700.000
2025	804.000.000
2026	381.500.000
2027	33.300.000

Fair value accounting hedging of the UVR mortgage portfolio

The Bank, given the nature of its business, continuously maintains in its balance sheet a mortgage loan portfolio in UVR, issued in Colombian pesos at a fixed rate and maturing in the long term. This portfolio is exposed to changes in fair value due to changes in interest rate levels in the Colombian economy.

Based on the above definition, an interest rate swap was designated as the hedging instrument for this type of hedge, where Itaú Colombia has the right to receive quarterly flows in COP tied to IBR in exchange for having the obligation to pay a fixed rate in COP.

As a financial risk management strategy, the Bank has decided to mitigate such asymmetry through the designation of a fair value hedging relationship, assigning a percentage of the capital flow received in a given period from a mortgage portfolio in UVR identified as hedging object and an interest rate swap (IRS) as hedging instrument.

Through the proposed structure, the Bank expects the strategy to be highly effective in hedging the variability of the fair value of the principal flows of the mortgage loan portfolio, generated by changes in the Bank Reference Indicator (IBR) through an IRS, where the bank receives the average IBR and pays a fixed rate, leaving the Bank finally activated at a floating rate.

The following is a summary of the hedging of the mortgage portfolio interest in UVR

Hedging instrument	Nominal amount of the hedging instrument	Carrying amount of hedging instrument		Fair value used for the calculation of effectiveness	Hedge ineffectiveness
		Assets	Liabilities		
	MCOP	MCOP	MCOP	MCOP	MCOP
Swap IRS	303.000.000	-	6.756.065	8.015.906	67.511

Hedged item

The following are the items generated as hedged items:

Hedged item	Carrying amount of the hedged item		Fair value of hedged item	
	Assets	Liabilities	Fair Value hedged item	Assets
	MCOP	MCOP	MCOP	MCOP
Mortgage portfolio interest	303.000.000	-	295.051.604	(3.306.892)

Cash flow schedule

The maturity of the cash flows of the fair value hedge of the mortgage portfolio interest payable is as follows:

Year of maturity	Nominal Value MCOP
2024	125.000.000
2025	178.000.000

Instrument hedged for accounting purposes TES

The nature of the hedged risk is associated with the stability in the payment of interest on an asset whose coupon is at a fixed rate. To the extent that the fixed rate remains stable with respect to the variable rates of bank liabilities, the result of the period and subsequent periods may be affected by a more accelerated repricing of the liability than the asset.

Itaú has fixed-rate securities in its investment portfolio. The fixed rate of the securities in the investment portfolio is composed of a prime rate plus an issuer risk premium. The latter's prime rate is the monetary policy rate.

By leaving the asset synthetically based on IBR (proxy of the monetary policy rate) with an IBR overnight swap, Itaú is left with a floating rate liability plus a spread. By synthetically switching from a fixed-rate asset to an IBR asset, Itaú sterilizes its interest rate risk to which it is exposed with a reduction in the prime rate, thus protecting the net interest margin and the economic value of the liabilities.

The following is a summary of TES interest hedging:

Hedging instrument	Nominal amount of the hedging instrument	Carrying amount of hedging instrument		Fair value used for the calculation of effectiveness	Hedge ineffectiveness
		Assets	Liabilities		
	MCOP	MCOP	MCOP	MCOP	MCOP
Swap IRS	57.330.750	2.146.147	-	4.296.510	-

Hedged Item

The following are the items generated as hedged items:

Hedged item	Carrying amount of the hedged item		Fair value of hedged item	
	Assets	Liabilities	Fair Value hedged item	Cumulative impact hedging effectiveness adjustments
	MCOP	MCOP	MCOP	MCOP
TES UVR	57.330.750	-	(4.296.510)	(4.296.510)

Cash Flow Schedule

The following is the maturity of the cash flows of the fair value hedge of the interest payable on TES:

Year of maturity	Nominal Value MCOP
2026	57.330.750

NOTE 8 - LOAN PORTFOLIO AND FINANCE LEASE OPERATIONS, NET

Itaú Colombia S.A. and its subsidiaries recognize under this caption all placements in:

A. Composition of portfolio operations by type of loan

As of December 31, 2023

	Consume MCOP	Commercial MCOP	Housing MCOP	TOTAL MCOP
Capital	3.704.118.597	13.096.832.554	3.450.449.916	20.251.401.067
Interests	56.359.771	361.504.217	43.604.748	461.468.736
Other items	5.922.749	12.602.560	4.855.437	23.380.746
Sub total	**3.766.401.117**	**13.470.939.331**	**3.498.910.101**	**20.736.250.549**
Capital provisions	413.268.011	560.660.684	56.200.612	1.030.129.307
Interest provisions	12.208.118	48.189.675	1.425.802	61.823.595
Provisions for other items	1.345.170	3.247.885	626.744	5.219.799
Sub total	**426.821.299**	**612.098.244**	**58.253.158**	**1.097.172.701**
Total	**3.339.579.818**	**12.858.841.087**	**3.440.656.943**	**19.639.077.848**
Guarantees	96.956.633	5.533.061.336	3.431.981.188	9.061.999.157

As of December 31, 2022

	As of December 31, 2022			
	Consume MCOP	Commercial MCOP	Housing MCOP	TOTAL MCOP
Capital (*)	4.359.130.272	14.171.528.702	3.620.741.439	22.151.400.413
Interests	54.900.231	294.222.263	45.014.967	394.137.461
Other items	4.030.796	14.106.653	5.262.569	23.400.018
Sub total	**4.418.061.299**	**14.479.857.618**	**3.671.018.975**	**22.568.937.892**
Capital provisions	365.460.418	565.774.788	53.910.576	985.145.782
Interest provisions	8.559.736	33.191.941	1.541.048	43.292.725
Provisions for other items	837.180	4.548.089	576.568	5.961.837
Sub total	**374.857.334**	**603.514.818**	**56.028.192**	**1.034.400.344**
Total	**4.043.203.965**	**13.876.342.800**	**3.614.990.783**	**21.534.537.548**
Guarantees	106.273.414	5.849.848.334	3.495.115.022	9.451.236.770

* To highlight in 2020, the sale of the property received as dation of payment La 14 was made for a value of $95,000,000; payable $5,000,000 in cash and $90,000,000 through a six-year bullet credit at zero rate, generating a financial cost for the Bank of $24,327,490 determined by discounting the value of the credit at the AAA 6-year bond rate at 5.39% according to information from Precia, which was recognized as a deferred liability. A summary of the transaction is presented below:

	MCOP
Carrying amount	**49.372.367**
Payment	(95.000.000)
Financial cost (deferred liabilities) *	24.327.490
Profit on sale	21.300.143
Total	**-**

* The balance of the financial cost as of December 31, 2023 is $11,809,751, which is a reduction in the value of the loan portfolio.

As of December 31, 2023 and 2022, the following were recognized as financial cost as a result of the redefinition of the loans that benefited from relief in installments for $25,190,061 and $27,574,971, respectively, according to the following table. For the other loans, an increase is generated by the change in the payment term, generating a higher value in the financial cost:

Product	31,12,2023	31,12,2022
	MCOP	MCOP
Leasing	16.086.059	20.813.595
Constructor	-	42.662
Other loans	9.104.002	6.718.714
Total	**25.190.061**	**27.574.971**

B. Portfolio composition by type of activity and currency

	As of December 31, 2023			
	Local loans	Foreign loans	Totals	% Part.
	MCOP	MCOP	MCOP	%
Commercial loans				
Agriculture, livestock, hunting, forestry, and fishing	155.075.098	251.445.365	406.520.463	3,02%
Mining and quarrying	42.577.707	22.314.796	64.892.503	0,48%
Manufacturing industries	1.412.552.790	348.833.939	1.761.386.729	13,08%
Electricity, gas, steam and air-conditioning supply	470.350.286	296.401.129	766.751.415	5,69%
Water distribution; sewage disposal and treatment, waste management and environmental sanitation activities	129.589.944	-	129.589.944	0,96%
Construction	913.309.698	2.032.821	915.342.519	6,79%
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.028.923.393	179.152.797	1.208.076.190	8,97%
Transportation and storage	196.483.248	28.022.887	224.506.135	1,67%
Accommodation and food services	206.866.833	-	206.866.833	1,54%
Information and communications	288.870.696	-	288.870.696	2,14%
Financial and insurance activities	279.234.510	278.059.798	557.294.308	4,14%
Real estate activities	491.116.314	12.764.470	503.880.784	3,74%
Professional, scientific and technical activities	522.348.859	22.186.827	544.535.686	4,04%
Administrative and support service activities	143.665.977	272.468	143.938.445	1,07%
Public administration and defense; compulsory social security schemes	27.347.829	-	27.347.829	0,20%
Education	139.054.621	-	139.054.621	1,03%
Human health care and social work activities	342.689.526	-	342.689.526	2,54%
Artistic, entertainment and recreation activities	13.472.319	-	13.472.319	0,10%
Other service activities	20.649.839	496.334	21.146.173	0,16%
Activities of households as employers	469	-	469	0,00%
Activities of extraterritorial organizations and entities	3.704.228	-	3.704.228	0,03%
Employees	84.534.797	1.567.582	86.102.379	0,64%
Capital investors	5.020.114.489	94.854.648	5.114.969.137	37,97%
Subtotals	**11.932.533.470**	**1.538.405.861**	**13.470.939.331**	**100%**
Mortgage loans	3.498.910.101	-	3.498.910.101	
Consumer loans	3.766.401.117	-	3.766.401.117	
Total	**19.197.844.688**	**1.538.405.861**	**20.736.250.549**	

	As of December 31, 2022			
	Local loans	Foreign loans	Totals	% Part.
	MCOP	MCOP	MCOP	%
Commercial loans				
AGRICULTURE, LIVESTOCK, HUNTING, FORESTRY, AND FISHING	135.204.663	239.611.831	374.816.494	2,59%
MINING AND QUARRYING	37.618.670	194.206.530	231.825.200	1,60%
MANUFACTURING INDUSTRIES	1.461.849.561	469.734.417	1.931.583.978	13,34%
ELECTRICITY, GAS, STEAM AND AIR-CONDITIONING SUPPLY	418.735.261	420.476.822	839.212.083	5,80%
WATER DISTRIBUTION; SEWAGE DISPOSAL AND TREATMENT, WASTE MANAGEMENT AND ENVIRONMENTAL SANITATION ACTIVITIES	228.128.332	-	228.128.332	1,58%
CONSTRUCTION	1.022.503.248	52.607.468	1.075.110.716	7,42%
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	1.011.512.501	542.806.608	1.554.319.109	10,73%
TRANSPORTATION AND STORAGE	246.260.251	48.111.086	294.371.337	2,03%
ACCOMMODATION AND FOOD SERVICES	262.820.952	26.893	262.847.845	1,82%
INFORMATION AND COMMUNICATIONS	51.869.263	-	51.869.263	0,36%
FINANCIAL AND INSURANCE ACTIVITIES	125.442.544	234.630.838	360.073.382	2,49%
REAL ESTATE ACTIVITIES	487.564.566	13.787.269	501.351.835	3,46%
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	629.617.140	4.653.639	634.270.779	4,38%
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	130.134.531	120.659	130.255.190	0,90%
PUBLIC ADMINISTRATION AND DEFENSE; COMPULSORY SOCIAL SECURITY SCHEMES	31.307.348	-	31.307.348	0,22%
EDUCATION	140.841.197	-	140.841.197	0,97%
HUMAN HEALTH CARE AND SOCIAL WORK ACTIVITIES	359.512.923	-	359.512.923	2,48%
ARTISTIC, ENTERTAINMENT AND RECREATION ACTIVITIES	13.074.028	-	13.074.028	0,09%
OTHER SERVICE ACTIVITIES	22.497.460	80.060.304	102.557.764	0,71%
ACTIVITIES OF HOUSEHOLDS AS EMPLOYERS	4.588.029	-	4.588.029	0,03%
ACTIVITIES OF EXTRATERRITORIAL ORGANIZATIONS AND ENTITIES	92.597.829	23.485.456	116.083.285	0,80%
EMPLOYEES	5.026.543.299	215.314.202	5.241.857.501	36,20%
Subtotals	**11.940.223.596**	**2.539.634.022**	**14.479.857.618**	**100%**
Mortgage loans	3.671.018.975	-	3.671.018.975	
Consumer loans	4.418.061.299	-	4.418.061.299	
Total	**20.029.303.870**	**2.539.634.022**	**22.568.937.892**	

C. Composition of portfolio transactions by credit risk

As of December 31, 2023

Stage	Debt Balance	Portfolio impairment	Total Portfolio Net of Provisions
Stage 1	18.591.076.214	357.568.954	18.233.507.260
Stage 2	1.404.373.076	302.393.691	1.101.979.385
Stage 3 (1)	740.801.259	437.210.056	303.591.203
Total portfolio	**20.736.250.549**	**1.097.172.701**	**19.639.077.848**

(1) The increase in stage 3 is mainly due to the deterioration in the credit quality of customers, especially in the personal portfolio.

As of December 31, 2022

Stage	Debt Balance	Portfolio impairment	Total Portfolio Net of Provisions
Stage 1	20.219.200.947	367.239.532	19.851.961.415
Stage 2	1.717.774.810	300.570.065	1.417.204.745
Stage 3	631.962.135	366.590.747	265.371.388
Total portfolio	**22.568.937.892**	**1.034.400.344**	**21.534.537.548**

D. Movement in loan portfolio indebtedness

As of December 31, 2023

	Individual				Group				
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		
	12-Month ECL	Lifetime ECL	Lifetime ECL	Subtotal	12-Month ECL	Lifetime ECL	Lifetime ECL	Subtotal	Total loans
Balances as of January 1, 2022	**-1**	**352.539.408**	**212.061.182**	**564.600.589**	**20.219.200.948**	**1.365.235.402**	**419.900.953**	**22.004.337.303**	**22.568.937.892**
Changes in provisions									
- Transfers to stage 1	-	-	-	**-**	505.410.619	(496.584.153)	(8.826.466)	-	-
-Transfers to stage 2	(72.437.156)	72.437.156	-	**-**	(442.938.720)	450.549.906	(7.611.187)	(1)	(1)
- Transfers to stage 3	(26.243.689)	(1.555.127)	27.798.816	**-**	(288.832.984)	(216.410.105)	505.243.089	-	-
-Write- offs	-	-	(1.711.072)	**(1.711.072)**	-	-	(528.866.660)	(528.866.660)	**(530.577.732)**
- Changes due to modifications that did not result in derecognition of accounts	-	(15.321.697)	42.639.639	**27.317.942**	(1.037.444.113)	(51.176.465)	24.580.431	(1.064.040.147)	**(1.036.722.205)**
New financial assets originated or purchased	-	127.530.857	838.868	**128.369.725**	6.062.348.822	270.833.681	163.046.232	6.496.228.735	**6.624.598.460**
Financial assets that have been derecognized	(16.592.810)	(110.925.429)	(17.876.653)	**(145.394.892)**	(6.007.847.787)	(338.106.112)	(89.312.672)	(6.435.266.571)	**(6.580.661.463)**
Exchange differences and other movements	115.273.657	(4.528.105)	(35.470.552)	**75.275.000**	(418.820.572)	(146.141)	34.367.311	(384.599.402)	**(309.324.402)**
Differences Movements between stages	-	-	-	**-**	-	-	-	-	-
Balances as of December 31, 2023	**1**	**420.177.063**	**228.280.228**	**648.457.292**	**18.591.076.213**	**984.196.013**	**512.521.031**	**20.087.793.257**	**20.736.250.549**

As of December 31, 2022

	Individual				Group				
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3		
	12-Month ECL	Lifetime ECL	Lifetime ECL	Subtotal	12-Month ECL	Lifetime ECL	Lifetime ECL	Subtotal	Total loans
Balances as of January 1, 2022	**-**	**527.935.545**	**325.172.010**	**853.107.555**	**19.405.524.669**	**1.851.325.694**	**563.278.134**	**21.820.128.497**	**22.673.236.052**
Changes in provisions									
- Transfers to stage 1	-	-	-	-	802.523.099	(793.428.342)	(9.094.757)	-	-
-Transfers to stage 2	(10.327.512)	10.327.512	-	-	(539.805.630)	549.651.247	(9.845.617)	-	-
- Transfers to stage 3	-	(33.222.801)	33.222.801	-	(167.280.153)	(174.123.109)	341.403.262	-	-
-Write- offs	-	-	-	-	-	-	(653.392.086)	(653.392.086)	**(653.392.086)**
- Changes due to modifications that did not result in derecognition of accounts	-	(18.752.395)	3.747.709	**(15.004.686)**	(1.543.921.468)	(157.449.313)	(17.598.449)	(1.718.969.230)	**(1.733.973.916)**
New financial assets originated or purchased	-	46.583.523	2.809.495	**49.393.018**	8.125.333.424	316.950.269	144.275.637	8.586.559.330	**8.635.952.348**
Financial assets that have been derecognized	(6.255.997)	(40.145.399)	-	**(46.401.396)**	(6.076.931.641)	(372.000.913)	(93.154.126)	(6.542.086.680)	**(6.588.488.076)**
Exchange differences and other movements	16.583.508	(140.186.577)	(152.890.833)	**(276.493.902)**	213.758.648	144.309.869	154.028.955	512.097.472	**235.603.570**
Balances as of December 31, 2022	**-1**	**352.539.408**	**212.061.182**	**564.600.589**	**20.219.200.948**	**1.365.235.402**	**419.900.953**	**22.004.337.303**	**22.568.937.892**

E. Movement in provisions

Below is the change in provisions as of December 31, 2023 and 2022:

	MCOP	MCOP
Impairment of portfolio as of January 1, 2023 and 2022	**1.034.400.344**	**1.344.294.772**
Provisions	1.284.043.547	1.104.401.596
Uses	(553.291.029)	(653.716.125)
Sale of portfolio	(6.687.650)	(9.379.299)
Recovery	(656.764.659)	(755.491.431)
Difference on exchange	(4.527.852)	4.290.831
Total impairment as of December 31, 2023 and 2022	**1.097.172.701**	**1.034.400.344**

a) Total portfolio impairment by stage

As of December 31, 2023

	Individual				Group				
	Stage 1	Stage 2	Stage 3	Sub-total	Stage 1	Stage 2	Stage 3	Sub-total	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		12-Month ECL	Lifetime ECL	Lifetime ECL		
Balances as of January 1, 2023	-	**111.957.563**	**131.025.155**	**242.982.718**	**367.239.532**	**188.612.502**	**235.565.592**	**791.417.626**	**1.034.400.344**
Changes in allocations									-
- Transfers to stage 1	-	-	-	-	37.348.609	-34.285.270	-3.063.339	-	-
- Transfers to stage 2	(2.232.755)	2.232.755	-	-	(20.649.189)	23.451.942	(2.802.753)	-	-
- Transfers to stage 3	(588.163)	(118.196)	706.359	-	(17.389.207)	(82.594.770)	99.983.977	-	-
- Increases due to changes in credit risk	-	17.996.451	58.234.697	**76.231.148**	76.331.204	78.152.688	412.480.599	**566.964.491**	**643.195.639**
- Decreases due to changes in credit risk	-	(10.823.900)	(2.358.958)	**(13.182.858)**	(81.001.393)	(25.952.298)	(11.913.298)	**(118.866.989)**	**(132.049.847)**
- Write-offs	-	-	(1.711.072)	**(1.711.072)**	-	-	(530.521.462)	**(530.521.462)**	**(532.232.534)**
- Condonations	-	-	-	-	-	-	(21.058.493)	**(21.058.493)**	**(21.058.493)**
- Sale of portfolio	-	-	-	-	-	-	(6.687.651)	**(6.687.651)**	**(6.687.651)**
New financial assets originated or purchased	-	30.528.116	617.725	**31.145.841**	94.779.384	61.194.410	136.391.078	**292.364.872**	**323.510.713**
Financial assets that have been derecognized	(390.753)	(7.768.063)	(13.999.469)	**(22.158.285)**	(93.413.127)	(49.194.872)	(42.611.333)	**(185.219.332)**	**(207.377.617)**
Foreign exchange and other movements	3.211.671	(35.582.005)	(27.447.344)	**(59.817.678)**	(5.676.858)	34.586.638	26.380.046	**55.289.826**	**(4.527.852)**
Balances as of December 31, 2023	-	**108.422.721**	**145.067.093**	**253.489.814**	**357.568.955**	**193.970.970**	**292.142.963**	**843.682.888**	**1.097.172.702**

As of December 31, 2023

	Individual				Group				
	Stage 1	Stage 2	Stage 3	Sub-Total	Stage 1	Stage 2	Stage 3	Sub-Total	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		12-Month ECL	Lifetime ECL	Lifetime ECL		
Balances as of January 1, 2022	-	**176.800.581**	**219.407.565**	**396.208.146**	**360.102.779**	**273.335.027**	**314.648.820**	**948.086.626**	**1.344.294.772**
Changes in allocations									-
- Transfers to stage 1	-	-	-	-	92.954.061	-89.453.313	-3.500.748	-	-
- Transfers to stage 2	(239.639)	239.639	-	-	(19.357.675)	22.907.303	(3.549.628)	-	-
- Transfers to stage 3	-	(12.411.251)	12.411.251	-	(9.072.973)	(58.462.558)	67.535.531	-	-
- Increases due to changes in credit risk	-	11.929.385	29.832.507	**41.761.892**	53.914.358	56.967.709	322.703.765	**433.585.832**	**475.347.724**
- Decreases due to changes in credit risk	-	(18.414.706)	(7.852.259)	**(26.266.965)**	(155.836.025)	(63.395.437)	(6.392.786)	**(225.624.248)**	**(251.891.213)**
- Write-offs	-	-	-	-	-	-	(637.601.951)	**(637.601.951)**	**(637.601.951)**
- Condonations	-	-	-	-	-	-	(16.114.174)	**(16.114.174)**	**(16.114.174)**
- Sale of portfolio	-	-	-	-	-	-	(9.379.299)	**(9.379.299)**	**(9.379.299)**
New financial assets originated or purchased	-	12.649.992	541.396	**13.191.388**	143.171.748	47.638.426	127.706.030	**318.516.204**	**331.707.592**
Financial assets that have been derecognized	(155.203)	(3.852.131)	-	**(4.007.334)**	(100.581.569)	(56.719.924)	(44.945.111)	**(202.246.604)**	**(206.253.938)**
Foreign exchange and other movements	394.842	(54.983.947)	(123.315.306)	**(177.904.411)**	1.944.828	55.795.270	124.455.144	**182.195.242**	**4.290.831**
Balances as of December 31, 2022	-	**111.957.562**	**131.025.154**	**242.982.716**	**367.239.532**	**188.612.503**	**235.565.593**	**791.417.628**	**1.034.400.344**

b) Impairment of commercial portfolio by stage

As of December 31, 2023

Commercial	Individual				Group			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL		12-Month ECL	Lifetime ECL	Lifetime ECL	
Balances as of January 1, 2023	**-**	**111.957.563**	**131.025.155**	**242.982.718**	**146.394.683**	**75.937.081**	**138.200.336**	**360.532.100**
Changes in allocations								
- Transfers to stage 1	-	-	-	-	15.451.934	(15.355.636)	**(96.298)**	**-**
- Transfers to stage 2	(2.232.755)	2.232.755	-	-	(5.892.716)	6.522.842	**(630.126)**	**-**
- Transfers to stage 3	(588.163)	(118.196)	706.359	-	(1.643.678)	(27.751.866)	**29.395.544**	**-**
- Increases due to changes in credit risk	-	17.996.451	58.234.697	**76.231.148**	26.018.081	23.606.936	**137.287.513**	**186.912.530**
- Decreases due to changes in credit risk	-	(10.823.900)	(2.358.958)	**(13.182.858)**	(39.113.422)	(17.906.907)	**(11.307.408)**	**(68.327.737)**
- Write-offs	-	-	(1.711.072)	**(1.711.072)**	-	-	**(118.302.307)**	**(118.302.307)**
- Condonations	-	-	-	**-**	-	-	**(14.622.984)**	**(14.622.984)**
- Sale of active portfolio	-	-	-	**-**	-	-	**(6.687.651)**	**(6.687.651)**
New financial assets originated or purchased	-	30.528.116	617.725	**31.145.841**	40.018.627	18.657.737	30.132.977	88.809.341
Financial assets that have been derecognized	(390.753)	(7.768.063)	(13.999.469)	**(22.158.285)**	(56.076.903)	(34.655.676)	(34.262.109)	(124.994.688)
Changes in models / risk parameters	-	-	-	**-**	-	-	-	-
Foreign exchange and other movements	3.211.671	(35.582.005)	(27.447.344)	**(59.817.678)**	(5.676.859)	34.586.638	26.380.047	55.289.826
Balances as of December 31, 2023	**-**	**108.422.721**	**145.067.093**	**253.489.814**	**119.479.747**	**63.641.149**	**175.487.534**	**358.608.430**

As of December 31, 2023

Commercial	Individual				Group			
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	12-Month ECL	Lifetime ECL	Lifetime ECL	Total	12-Month ECL	Lifetime ECL	Lifetime ECL	Total
Balances as of January 1, 2022	**-**	**176.800.581**	**219.407.565**	**396.208.146**	**162.780.450**	**115.095.108**	**221.777.229**	**499.652.787**
Changes in allocations								
- Transfers to stage 1	-	-	-	-	22.786.912	(22.676.774)	(110.138)	-
- Transfers to stage 2	(239.639)	239.639	-	-	(5.874.463)	6.107.337	(232.874)	-
- Transfers to stage 3	-	(12.411.251)	12.411.251	-	(818.332)	(12.266.872)	13.085.204	-
- Increases due to changes in credit risk	-	11.929.385	29.832.507	41.761.892	10.851.452	13.083.743	103.816.068	127.751.263
- Decreases due to changes in credit risk	-	(18.414.706)	(7.852.259)	(26.266.965)	(56.920.349)	(57.144.436)	(5.674.563)	(119.739.348)
- Cancellations and/or Write-offs	-	-	-	-	-	-	(307.594.047)	(307.594.047)
- Condonations	-	-	-	-	-	-	(11.513.660)	(11.513.660)
- Sales	-	-	-	-	-	-	(9.379.299)	(9.379.299)
New financial assets originated or purchased	-	12.649.992	541.396	13.191.388	67.110.040	11.178.456	43.849.123	122.137.619
Financial assets that have been derecognized	(155.203)	(3.852.131)	-	(4.007.334)	(55.465.857)	(33.234.750)	(34.277.848)	(122.978.455)
Foreign exchange and other movements	394.842	(54.983.947)	(123.315.306)	(177.904.411)	1.944.828	55.795.270	124.455.144	182.195.242
Balances as of December 31, 2022	**-**	**111.957.562**	**131.025.154**	**242.982.716**	**146.394.681**	**75.937.082**	**138.200.339**	**360.532.102**

Housing Portfolio

As of December 31, 2023

Housing	Group			
	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL	
Balances as of January 1, 2023	**19.483.555**	**12.906.363**	**23.638.274**	**56.028.192**
Changes in allocations				
- Transfers to stage 1	6.073.406	(4.290.539)	(1.782.867)	-
- Transfers to stage 2	(343.242)	1.371.749	(1.028.507)	-
- Transfers to stage 3	(117.745)	(2.524.443)	2.642.188	-
- Increases due to changes in credit risk	1.863.070	5.246.250	14.663.338	**21.772.658**
- Decreases due to changes in credit risk	(5.482.910)	(1.658.370)	(211.044)	**(7.352.324)**
- Write-offs	-	-	(11.591.914)	**(11.591.914)**
- Condonations	-	-	(4.421.300)	**(4.421.300)**
New financial assets originated or purchased	2.179.801	1.509.609	6.573.449	**10.262.859**
Financial assets that have been derecognized	(1.239.909)	(730.793)	(4.474.311)	**(6.445.013)**
Balances as of December 31, 2023	**22.416.026**	**11.829.826**	**24.007.306**	**58.253.158**

As of December 31, 2022

Housing	Group			
	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL	
Balances as of January 1, 2022	**24.318.214**	**13.977.288**	**23.453.467**	**61.748.969**
Changes in allocations				
- Transfers to stage 1	6.089.902	(4.747.549)	(1.342.353)	-
- Transfers to stage 2	(663.031)	2.755.595	(2.092.564)	-
- Transfers to stage 3	(94.146)	(3.253.473)	3.347.619	-
- Increases due to changes in credit risk	209.922	5.386.273	16.102.101	**21.698.296**
- Decreases due to changes in credit risk	(12.170.050)	(1.766.048)	(393.672)	**(14.329.770)**
- Cancellations and/or Write-offs	-	-	(11.887.160)	**(11.887.160)**
- Condonations	-	-	(3.502.511)	**(3.502.511)**
New financial assets originated or purchased	4.129.943	1.292.454	5.282.535	**10.704.932**
Financial assets that have been derecognized	(2.337.195)	(738.178)	(5.329.191)	**(8.404.564)**
Balances as of December 31, 2022	**19.483.559**	**12.906.362**	**23.638.271**	**56.028.192**

c) Impairment of consumer portfolio by stage

As of December 31, 2023

Consumer	Group			
	Stage 1	Stage 2	Stage 3	Total
	12-Month ECL	Lifetime ECL	Lifetime ECL	
Balances as of January 1, 2023	**201.361.294**	**99.769.058**	**73.726.982**	**374.857.334**
Changes in allocations				
- Transfers to stage 1	15.823.269	(14.639.095)	(1.184.174)	-
- Transfers to stage 2	(14.413.231)	15.557.351	(1.144.120)	-
- Transfers to stage 3	(15.627.784)	(52.318.461)	67.946.245	-
- Increases due to changes in credit risk	48.450.053	49.299.502	260.529.748	**358.279.303**
- Decreases due to changes in credit risk	(36.405.061)	(6.387.021)	(394.846)	**(43.186.928)**
- Cancellations and/or Write-offs	-	-	(400.627.242)	**(400.627.242)**
- Condonations	-	-	(2.014.209)	**(2.014.209)**
New financial assets originated or purchased	52.580.956	41.027.064	99.684.652	**193.292.672**
Financial assets that have been derecognized	(36.096.315)	(13.808.403)	(3.874.913)	**(53.779.631)**
Balances as of December 31, 2023	**215.673.181**	**118.499.995**	**92.648.123**	**426.821.299**

As of December 31, 2022

Consumer	Group Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Balances as of January 1, 2022	**173.004.115**	**144.262.631**	**69.418.124**	**386.684.870**
Changes in allocations				
- Transfers to stage 1	64.077.247	(62.028.990)	(2.048.257)	-
- Transfers to stage 2	(12.820.181)	14.044.371	(1.224.190)	-
- Transfers to stage 3	(8.160.495)	(42.942.213)	51.102.708	-
- Increases due to changes in credit risk	42.852.984	38.497.693	202.785.596	284.136.273
- Decreases due to changes in credit risk	(86.745.626)	(4.484.953)	(324.551)	(91.555.130)
- Cancellations and/or Write-offs	-	-	(318.120.744)	(318.120.744)
- Condonations	-	-	(1.098.003)	(1.098.003)
New financial assets originated or purchased	71.931.765	35.167.516	78.574.372	185.673.653
Financial assets that have been derecognized	(42.778.517)	(22.746.996)	(5.338.072)	(70.863.585)
Balances as of December 31, 2022	**201.361.292**	**99.769.059**	**73.726.983**	**374.857.334**

G. Movement in contingent provisions

The following is the change in provisions for contingent liabilities as of December 31, 2023 and 2022:

As of December 31, 2023

Impairment	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Balances as of January 1, 2023	**46.061.398**	**3.911.481**	**75.569**	**50.048.448**
Changes in value corrections for impairment losses				
- Transfers to stage 1	550.024	(542.048)	(7.976)	-
- Transfers to stage 2	(998.591)	1.000.471	(1.880)	-
- Transfers to stage 3	(305.941)	(27.944)	333.885	-
- Increases due to changes in credit risk	17.411.304	3.049.863	673.142	**21.134.309**
- Decreases due to changes in credit risk	(10.684.282)	(1.037.078)	(305.092)	**(12.026.452)**
New financial assets originated or purchased	24.719.503	4.063.534	6.828	**28.789.865**
Financial assets that have been derecognized	(14.525.692)	(2.405.644)	(64.745)	**(16.996.081)**
Difference on exchange and other transactions	(240.682)	-	-	**(240.682)**
Balances as of December 31, 2023	**61.987.041**	**8.012.635**	**709.731**	**70.709.407**

Impairment	Stage 1 12-Month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Balances as of January 1, 2022	**39.794.929**	**4.877.219**	**10.101**	**44.682.249**
Changes in value corrections for impairment losses				
- Transfers to stage 1	2.413.166	(2.410.495)	(2.671)	-
- Transfers to stage 2	(821.316)	822.361	(1.045)	-
- Transfers to stage 3	(99.119)	(48.212)	147.331	-
- Increases due to changes in credit risk	11.853.069	1.344.567	56.778	**13.254.414**
- Decreases due to changes in credit risk	(6.618.924)	(956.402)	(145.264)	**(7.720.590)**
New financial assets originated or purchased	15.965.717	1.823.188	15.800	**17.804.705**
Financial assets that have been derecognized	(16.553.633)	(1.540.745)	(5.461)	**(18.099.839)**
Difference on exchange and other transactions	127.509	-	-	**127.509**
Balances as of December 31, 2022	**46.061.398**	**3.911.481**	**75.569**	**50.048.448**

NOTE 9 - TRADE AND OTHER RECEIVABLES, NET

As of December 31, 2023 and 2022, the Group had the following balances in accounts receivable:

a) Gross balance accounts receivable:

	As of December 31, 2023	As of December 31, 2022
	MCOP	MCOP
Interests	1.052.847	1.120.990
Payments on account to customers	2.659.924	7.337.266
Letters of credit (Note 9b)	224.483	6.553
Other banking services (Note 9b)	38.867	31.416
Subsidiary commissions (Note 9b)	5.996.240	3.795.629
Leases	292.507	518.910
Stock Exchange	2.292	36
Abandoned accounts	52.996.046	54.158.263
Guarantee and judicial deposits	235.787.305	198.903.323
Advances to supplier contracts	65.611	198.877
To employees	1.018.545	694.223
District taxes	1.063	12.000
Miscellaneous	29.783.532	27.992.595
Derivative receivables	8.782.592	6.283.906
Other leasing receivables	1.908.858	3.322.220
Guaranteed loans	24.950,00	4.046
National treasury deposits	2.715.513	2.820.195
Impairment of other assets (2)	(14.528.690)	(14.289.804)
Total	**328.822.485**	**292.910.644**

(1) The variation is mainly generated by collateral provided in money market operations and derivatives.

(2) Movement of the impairment fund:

	2023	2022
	MCOP	MCOP
Balance as of January 31	**14.289.804**	**14.782.084**
Impairment expense (*)	15.479.439	8.665.461
Recoveries	(10.200.536)	(6.490.753)
Write-off	(5.040.017)	(2.666.988)
Balance as of December 31	**14.528.690**	**14.289.804**

(*) The variation is mainly due to the increase in the delinquency of other accounts receivable at the Bank and in Itaú Fiduciaria's commissions receivable.

NOTA 9b – CONTRACT ASSETS AND LIABILITIES

The Bank and its subsidiaries have recognized the following items as contract assets and liabilities:

	As of December 2023	As of December 2022
	MCOP	MCOP
Contract Assets		
Letters of credit (a)	224.483	6.553
Other banking services (c)	38.867	31.416
Subsidiary commissions (d)	5.996.240	3.795.629
Subsidiary commissions (d)	**6.259.590**	**3.833.598**
Subtotal assets of contracts	(2.448.771)	(1.787.726)
Impairment of contract assets	**3.810.819**	**2.045.872**
Subtotal assets of contracts		
Contract liabilities	(7.649.834)	(9.644.513)
Client loyalty programs (Note 20)	**(3.839.015)**	**(7.598.641)**

(a) Correspond to accounts receivable generated by the placement of letters of credit.
(b) This item includes all accounts receivable pending collection that are generated by the recognition of revenues in accordance with IFRS 15 in credit card operations; the main item is handling fees.
(c) Includes fees receivable recognized in accordance with IFRS 15 for the placement of availability and syndicated loans and other banking services.
(d) Includes fees receivable recognized in accordance with IFRS 15 for the activities of the Bank's subsidiaries.

NOTE 10 - PROPERTY AND EQUIPMENT, NET

a) The composition of the caption as of December 31, 2023 and 2022 is as follows:

As of December 31, 2023

Item	Years of useful life (1)	Gross ending balance	Depreciation and impairment for the period	Net Ending Balance
		MCOP	MCOP	MCOP
Buildings and land	100	53.977.170	(1.216.435)	52.760.735
Computer and communication equipment	5	203.684.743	(165.985.829)	37.698.914
Leasehold improvements	10	52.605.791	(48.927.812)	3.677.979
Assets to be leased		19.403.352	-	19.403.352
Furniture, vehicles and other	10	33.503.171	(28.323.365)	5.179.806
Totals		**363.174.227**	**(244.453.441)**	**118.720.786**

As of December 31, 2022

Item	Years of useful life (1)	Gross ending balance	Depreciation and accumulated impairment	Net Ending Balance
		MCOP	MCOP	MCOP
Buildings and land	100	54.372.845	(955.526)	53.417.319
Computer and communication equipment	5	186.383.286	(152.337.450)	34.045.836
Leasehold improvements	10	50.772.133	(46.368.427)	4.403.706
Assets to be leased		33.203.555	-	33.203.555
Furniture, vehicles and other	10	35.604.257	(28.397.111)	7.207.146
Totals		**360.336.076**	**(228.058.514)**	**132.277.562**

(1) The useful life presented in the above tables is the remaining useful life of the fixed assets of the Bank and its subsidiaries, it was determined based on the expected use, considering the quality of the original construction, the environment where the assets are located, the quality and degree of maintenance carried out, and appraisals performed by external specialists independent of the Bank and its subsidiaries.

b) Movements of net balance of fixed assets as of December 31, 2023 and 2022, respectively, are as follows:

As of December 31, 2023

	Buildings and Land	Computer and communication equipment	Leasehold improvements	Property plant and equipment operating leases	Furniture, vehicles and other	Total
Balances as of January 1, 2023	53.417.319	34.045.836	4.403.706	33.203.555	7.207.146	132.277.562
Acquisitions	-	18.667.302	1.833.658,00	365.859.083	5.546	386.365.589
Disposals	-	(38.852)	-	-	(271.854)	(310.706)
Depreciation (Note 32c)	(398.158)	(16.592.717)	(2.559.385)	-	(1.670.562)	(21.220.822)
Exchange difference	(258.426)	(75.571)	-	-	(90.470)	(424.467)
Reclassification of intangibles	-	1.692.916	-	-	-	**1.692.916**
Reclassification to loan portfolio	-	-	-	(379.659.286)	-	**(379.659.286)**
Balances as of December 31, 2023	**52.760.735**	**37.698.914**	**3.677.979**	**19.403.352**	**5.179.806**	**118.720.786**

As of December 31, 2022

	Buildings and land	Equipment	Leasehold improvements	Property plant and equipment operating leases	Furniture, vehicles and other	Total
	MCOP	MCOP	MCOP	MCOP	MCOP	MCOP
Balances as of January 1, 2022	75.710.522	46.306.495	9.920.009	25.990.243	9.661.486	167.588.755
Acquisitions	-	3.656.301	-	836.944.925	-	840.601.226
Disposals	(1.656.368)	(34.555)	-	-	(497.541)	(2.188.464)
Depreciation (Note 32c)	(406.003)	(15.938.486)	(5.516.303)	-	(2.054.198)	(23.914.990)
Exchange difference	244.278	56.081	-	-	97.399	397.758
Valuation	(7.873.091)	-	-	-	-	(7.873.091)
Reclassification to investment property	(12.835.968)					(12.835.968)
Gain on sale	1.620.419	-	-	-	-	1.620.419
Reclassification to held for sale	(1.386.470)					(1.386.470)
Reclassification to loan portfolio	-	-	-	(829.731.613)	-	(829.731.613)
Balances as of December 31, 2022	**53.417.319**	**34.045.836**	**4.403.706**	**33.203.555**	**7.207.146**	**132.277.562**

c) Movements of accumulated depreciation of fixed assets as of December 31, 2023 and 2022 are as follows:

As of December 31, 2023

	Buildings	Equipment	Leasehold improvements	Others	Total
	MCOP	MCOP	MCOP	MCOP	MCOP
Balances as of January 1, 2023	955.526	152.337.450	46.368.427	28.397.111	228.058.514
Depreciation for the period (Note 32c)	398.158	16.592.717	2.559.385	1.670.562	21.220.822
Sales and/or disposals for the period	-	(1.724.344)	-	(1.563.400)	(3.287.744)
Difference on translation	(137.249)	(1.219.994)	-	(180.908)	(1.538.151)
Balances as of December 31, 2023	**1.216.435**	**165.985.829**	**48.927.812**	**28.323.365**	**244.453.441**

As of December 31, 2022

	Buildings	Equipment	Leasehold improvements	Others	Total
	MCOP	MCOP	MCOP	MCOP	MCOP
Balances as of January 1, 2022	574.586	141.909.502	40.852.124	31.267.527	214.603.739
Depreciation for the period (Note 32c)	406.003	15.938.486	5.516.303	2.054.198	23.914.990
Sales and/or disposals for the period	(7.664)	(6.496.082)	-	(5.054.897)	(11.558.643)
Difference on translation	87.687	985.544	-	130.283	1.203.514
Reclassification to held for sale	(15.185)	-	-	-	(15.185)
Valuation	(47.815)	-	-	-	(47.815)
Write-off sale Itaú Comisionista	(42.086)	-	-	-	(42.086)
Balance as of December 31, 2022	**955.526**	**152.337.450**	**46.368.427**	**28.397.111**	**228.058.514**

The Bank and its subsidiaries do not have any restrictions on fixed assets as of December 31, 2023 and 2022. In addition, fixed assets have not been pledged as collateral for the fulfillment of obligations. Furthermore, there are no amounts owed on fixed assets by the Bank as of the dates indicated above.

NOTE 11 - RIGHT-OF-USE ASSETS, NET

a) Composition of the caption as of December 31, 2023 and 2022 is as follows:

As of December 31, 2023

Item	Gross ending balance	Accumulated depreciation	Net ending balance
	MCOP	MCOP	MCOP
Assets for right of use of real estate	154.301.262	(83.719.747)	70.581.515
Sub Totals	**154.301.262**	**(83.719.747)**	**70.581.515**

As of December 31, 2022

Item	Gross ending balance	Accumulated depreciation	Net ending balance
	MCOP	MCOP	MCOP
Assets for right of use of real estate	147.445.871	(71.901.891)	75.543.980
Sub Totals	**147.445.871**	**(71.901.891)**	**75.543.980**

b) Movements in the net balance of right-of-use assets as of December 31, 2023 and 2022, respectively, are as follows:

As of December 31, 2023

	Real Estate	Total
	MCOP	MCOP
Balances as of January 1, 2023	75.543.980	75.543.980
Restatements	14.746.479	14.746.479
Exchange difference	(49.623)	(49.623)
Depreciation (Note 32c)	(19.659.321)	(19.659.321)
Balance as of December 31, 2023	**70.581.515**	**70.581.515**

As of December 31, 2022

	Real State	Vehicles	Total
	MCOP	MCOP	MCOP
Balances as of January 1, 2022	93.927.653	183.879	94.111.532
Restatements	1.285.693	(23.895)	1.261.798
Exchange difference	80.906		80.906
Depreciation (Note 32c)	(19.750.272)	(159.984)	(19.910.256)
Balance as of December 31, 2023	**75.543.980**	**-**	**75.543.980**

c) Movements in accumulated depreciation of right-of-use assets as of December 31, 2023 and 2022 are as follows:

As of December 31, 2023

	Real Estate	Total
	MCOP	MCOP
Balances as of January 1, 2023	71.948.248	71.948.248
Depreciation for the period (Note 32c)	19.659.321	19.659.321
Write-off of right-of-use assets	(252.214)	(252.214)
Difference on translation	(7.635.608)	(7.635.608)
Balances as of December 31, 2023	**83.719.747**	**83.719.747**

As of December 31, 2022

	Real Estate	Vehicles	Total
	MCOP	MCOP	MCOP
Balances as of January 1, 2022	**62.225.614**	**539.336**	62.764.950
Depreciation expense (Note 32c)	19.750.272	159.984	19.910.256
Exchange difference	125.975		125.975
Write-offs	(10.199.970)	(699.320)	(10.899.290)
Balance as of December 31, 2022	**71.901.891**	-	**71.901.891**

NOTE 12 - INVESTMENT PROPERTIES

a) Investment property balances

The balances of investment properties are as follows:

As of December 31, 2023

Item	Gross ending balance	Net ending balance
	MCOP	MCOP
Buildings and land	19.930.799	19.930.799
Totals	**19.930.799**	**19.930.799**

As of December 31, 2022

Item	Gross ending balance	Net ending balance
	MCOP	MCOP
Buildings and land	19.056.611	19.056.611
Totals	**19.056.611**	**19.056.611**

b) Movements in investment properties

As of December 31, 2023

Item	Net ending balance
	MCOP
Beginning balance as of January 1, 2023	**19.056.611**
Valuation of investment properties	874.188
Balance as of December 31, 2023	**19.930.799**

As of December 31, 2022

Item	Net ending balance
	MCOP
Beginning balance as of January 1, 2022	9.672.671
Reclassification of property and equipment	12.835.968
Reclassification to held for sale	(1.554.401)
Sale of investment properties	(1.300.000)
Reclassification ORI to income	(1.837.563)
Gain on sale	1.454.434
Impairment	(239.318)
Valuation	24.820
Balance as of December 31, 2022	**19.056.611**

NOTE 13 - INTANGIBLE ASSETS OTHER THAN GOODWILL, NET

a) The composition of the caption as of December 31, 2023 and 2022 is as follows:

December 31, 2023

	Years of useful life	Gross balance	Accumulated amortization	Net assets
		MCOP	MCOP	MCOP
Computer equipment system or software	3	439.178.566	(269.140.894)	170.037.672
Other rights	1	215.000	(171.060)	43.940
Balances as of December 31, 2023		**439.393.566**	**(269.311.954)**	**170.081.612**

December 31, 2022

	Years of useful life	Gross balance	Accumulated amortization	Net assets
		MCOP	MCOP	MCOP
Computer equipment system or software	3	405.428.670	(236.951.832)	**168.476.838**
Other rights	1	215.000	-	**215.000**
Balances as of December 31, 2022		**405.643.670**	**(236.951.832)**	**168.691.838**

b) Movements in the gross balance of intangible assets as of December 31, 2023 and 2022 are as follows:

December 31, 2023

	Computer hardware system or software	Relations with clients	Total
	MCOP	MCOP	MCOP
Balances as of January 1, 2023	168.476.838	215.000	168.691.838
Acquisitions	41.295.249	-	41.295.249
Amortization (Note 32c)	(36.969.660)	(171.060)	(37.140.720)
Project expense	(1.086.245)	-	(1.086.245)
Reclassification to Property and equipment	(1.692.916)	-	(1.692.916)
Translation difference Panama	14.406	-	14.406
Balances as of December 31, 2023	**170.037.672**	**43.940**	**170.081.612**

December 31, 2022

	Computer hardware system or software	Relations with clients	Total
	MCOP	MCOP	MCOP
Balances as of January 1, 2022	**170.323.647**	**215.000**	**170.538.647**
Acquisitions	39.690.664	-	**39.690.664**
Amortization (Note 32c)	(34.367.815)	-	**(34.367.815)**
Project expense	(5.151.360)		**(5.151.360)**
Reclassification to prepaid expense	(1.934.998)	-	**(1.934.998)**
Translation difference Panama	(83.300)	-	**(83.300)**
Balances as of December 31, 2022	**168.476.838**	**215.000**	**168.691.838**

c) Movements in accumulated amortization and impairment of intangible assets as of December 31, 2023 and 2022 are as follows:

December 31, 2023

	Software	Others	Total
	MCOP	MCOP	MCOP
Balance as of January 1, 2023	236.951.832	-	236.951.832
Amortization (Note 32c)	36.969.660	171.060	37.140.720
Difference on translation	(1.099.915)	-	(1.099.915)
Write-offs	(3.680.683)	-	(3.680.683)
Balance as of December 31, 2023	**269.140.894**	**171.060**	**269.311.954**

December 31, 2022			
	Software	Relations with clients	Total
	MCOP	MCOP	MCOP
Balance as of January 1, 2022	202.166.044	-	202.166.044
Amortization (Note 32c)	34.367.815	-	34.367.815
Difference on translation	728.021	-	728.021
Account reclassification	(310.048)		(310.048)
Balance as of December 31, 2022	**236.951.832**	**-**	**236.951.832**

NOTE 14 - CURRENT AND DEFERRED TAXES

a) Current tax

Income tax and supplementary income taxes

On December 13, 2022, Law 2277 was issued with the purpose of adopting a set of tax measures aimed at strengthening the taxation of those with greater taxpaying capacity, strengthening the State's revenues, reinforcing the fight against evasion, abuse and avoidance, and promoting the improvement of public health and the environment.

Among the main provisions is the modification of the income tax rate for corporations and similar entities, which increases to 35% as from the taxable year 2023.

Additionally, paragraph 2 of Article 240 of the National Tax Statute is amended, which establishes the obligation of financial institutions, insurance and reinsurance companies, stock exchange brokerage companies, agricultural and livestock brokerage companies, agricultural, agro-industrial or other commodities goods and products exchanges and stock market infrastructure providers to liquidate additional income and complementary tax points for the following five (5) taxable years, as follows:

Year	General Rate	Additional points	Total Rate
2023 a 2027	35%	5%	40%

These additional points in the income tax rate are only applicable to legal entities that, in the corresponding taxable year, have a taxable income equal to or greater than 120,000 Tax Value Unit (UVT per its acronym in Spanish).

For the six-month period ended December 31, 2023, no current tax is generated for the Bank, since it is offsetting tax credits and its net income is zero (0) as well as the result obtained under the presumptive income system for this period.

As of December 31, 2023, the Group presents tax losses to be offset in the amount of$63.467.919, $58.227.183, MCOP$224.082.131 and $480.521.239 originated during the years 2014, 2016, 2017 and 2023 respectively.

The maturity of tax losses and excess presumptive income is as follows:

Maturity (Years)	Tax losses MCOP
2029	63.467.919
2034	58.227.183
No Maturity	224.082.131
No Maturity	480.521.239
Total	**826.298.472**

The Financial Group at the end of each year presents the tax provision net of recoverable taxes as assets as of December 31, 2023 and 2022, the net current tax asset position is as follows:

	As of December 31, 2023	As of December 31, 2022
	MCOP	MCOP
Income tax	16.183.891	10.327.855
Less:		
Deductible credits- Self-withholdings	(190.032.418)	(6.989.562)
Income tax- advance payments for previous years	-	(3.181.118)
Excess payment - Prior year credit balance	(131.306.323)	(212.985.344)
Other	(124.907)	(138.195)
Total	**(305.279.757)**	**(212.966.364)**

Uncertainty over income tax treatments

Income tax and supplementary capital gains tax returns that are open to review by the Colombian Tax Authorities (DIAN, per its Spanish acronym) are as follows:

Period	Tax Return	Filing Date	Amount	Observations
2019	Income tax return	2020	84.071.992	Credit balance offset against income tax return year 2017
2020	Income tax return	2021	92.095.287	Tax audit by DIAN
2021	Income tax return	2022	84.062.270	Tax audit by DIAN
2022	Income tax return	2023	130.667.813	Tax audit by DIAN

Of the above tax returns, the Tax Authority has not initiated review processes for tax years 2020, 2021, and 2022.

From the review process of the income tax and supplementary capital gains tax returns no comments and/or adjustments are expected from the Tax Authorities implying a higher tax payment.

b) Income tax results

For the determination and recognition of deferred taxes, the rates used are in accordance with the provisions of Law 2277 of 2022, which modified the income tax rates for corporations and the additional income tax points for financial institutions to 40%.

For the periods ended December 31, 2023 and 2022 the deferred tax expense was recognized based on the best estimate between the actual rate and the weighted average tax rate expected for the year.

	From January 1 to January 31	
	2023	2022
	MCOP	MCOP
Income tax expense:		
Current year income tax	16.183.891	10.327.855
(Charge) credit for deferred taxes:		
Origination and reversal of temporary differences current year.	(100.169.548)	(13.706.972)
Net charge to income for income tax	**(83.985.657)**	**(3.379.117)**

c) Reconciliation of the effective tax rate

The detail of the reconciliation of the effective tax rate applicable as of December 31, 2023 and 2022 is as follows:

The main tax effects, according to the nominal tax rates of the consolidated reporting entities, are as follows:

	As of December 31, 2023		As of December 31, 2022	
	MCOP		MCOP	
(Loss) income before income tax		**(120.712.641)**		**48.242.789**
Theoretical tax (1)	40	(48.358.514)	38	18.312.336
Non-tax deductible expenses:				
Permanent difference (2)	29,1	(35.179.154)	(17.9)	(8.635.334)
Temporary differences	0,37	(447.989)	(27.0)	(13.012.438)
Tax reform rate differential	0.0	-	(0.1)	(43.681)
Effective rate - (income) from taxation	**70%**	**(83.985.657)**	**(7,0%)**	**(3.379.117)**

(1) For all Group entities in the year 2022 the theoretical rate is 40% except for Itaú Securities which is 35%, because it does not have the UVT required for the application of the surtax and Itaú Panama which does not have an income tax rate.

(2) The main changes in the effective tax rate are as follows:

1. Equity method MCOP$(53.637.245)
2. Non-deductible taxes MCOP$6.204.906
3. Fraud expenses MCOP$3.261.497

Transfer pricing

Since taxable year 2004, taxpayers who have entered into transactions with foreign related parties are required to determine for income and supplementary tax purposes their ordinary and extraordinary income, their costs and deductions, and their assets and liabilities, considering for these transactions the prices or profit margins that would be agreed upon by independent third parties (market value principle).

To date, the Bank's management and its advisors consider that based on the results of the study corresponding to the taxable year 2021, no additional income tax provisions derived from the price analysis will be required for 2023, which will affect the results of the period.

Minimum Tax Rate

With the entry into force of Law 2277 of 2022, which in its Article 10 adds Paragraph 6 to Article 240 of the Colombian Tax Statute, the minimum tax rate regime is included in Colombia. It is important to point out that this minimum tax rate in Colombia has substantial differences with respect to the OECD's minimum taxation proposal in the framework of Pillar II. Accordingly, the Bank has carried out the procedure established in paragraph 6 of article 240 of the Tax Statute and has obtained a debugged tax rate (TTD per its initials in Spanish), thus obtaining a result equivalent to zero. For the subsidiaries at the end of this year, the result of the minimum tax calculation was lower than ordinary income.

a) **d) Effect of deferred taxes**

	As of December 31	
	2023	2022
Deferred tax assets	508.052.361	561.054.440
Deferred tax liabilities	(54.640.796)	(105.872.863)
Deferred tax assets (liabilities), net	**453.411.565**	**455.181.577**

The deferred tax effects presented in the Bank's assets and liabilities are presented below:

Deferred tax assets through profit or loss	As of December 31,2023 MCOP	As of December 31, 2022 MCOP
Portfolio	41.454.476	22.906.431
Amortizable assets (software and other intangible assets)	7.385.358	11.700.307
Difference between tax and accounting fixed assets	2.577.938	2.715.100
Provision for assets leased	223.357	342.697
Other assets	(43.125)	2.048.151
Investments measured at amortized cost and at fair value with changes in ORI	(147.719)	31.175
Provisions for labor bonuses, seniority premium and other employee benefits	19.239.301	38.094.722
Investments, derivative transactions and repos	-	(331.193)
Effect of IFRS 16 leases	3.040.085	2.989.167
Administrative and other provisions	21.894.413	26.575.468
Effect of exchange differences	12.978.327	167.719.183
Valuation of derivatives	2.740.102	-
Tax credits (2)	330.519.388	130.346.964
Total deferred tax assets	**441.861.901**	**405.138.172**

(1) The difference is generated by the exchange rate restatement of the portfolio and liabilities.

(2) The recognition of this asset depends on the Company's ability to generate sufficient future taxable income to allow it to be recovered before its maturity. Given the economic projections of the Bank's results for the next two (2) years, it has been determined that the tax credits will be utilized gradually during 2024 and 2025.

Deferred tax assets to equity	As of December 31 2023 MCOP	As of December 31 2022 MCOP
Debt securities	(6.798)	21.986.742
Cash flow hedges	-	1.480.308
Investment Hedges Panama	39.101.239	76.343.280
Actuarial and Employee Benefits	27.096.019	18.656.019
Total equity assets	**66.190.460**	**118.466.349**
Total deferred tax assets	**508.052.361**	**523.604.521**

Deferred tax liabilities to income	As of December 31 2023 MCOP	As of December 31 2022 MCOP
Amortizable assets (software and other intangible assets)	201.726	245.939
Other	28.579.445	17.796.518
Market value of instruments (1)	6.520.200	80.837.510
Investments in companies	1.440.498	1.440.498
Property, plant and equipment	384.900	252.125
Total liabilities	**37.126.769**	**100.572.590**

(1) The difference is generated because the derivative position as of December 31, 2023 is on the liability side.

Deferred tax liabilities to equity	As of December 31 2023 MCOP	As of December 31 2022 MCOP
Financial investments and hedges	1.522.716	2.270.273
Valuation of assets	13.607.171	20.877.033
Actuarial and LP employee benefits	2.384.140	-
Total equity liabilities	**17.514.027**	**23.147.306**
Total deferred tax liabilities	**54.640.796**	**123.719.896**
Total deferred assets, net	**453.411.565**	**399.884.625**

e) Movement, deferred taxes

The following is the movement in taxes for the years ended December 31, 2023 and 2022:

Deferred tax assets

	2023	2022
	MCOP	MCOP
Balance as of January 1	**523.604.521**	**408.018.308**
Income (charge) with effect on profit or loss	36.723.727	(2.880.136)
(Charge) income with effect in ORI	(52.275.887)	118.466.349
Balance as of December 31	**508.052.361**	**523.604.521**

Deferred tax liabilities

	2023	2022
	MCOP	MCOP
Balance as of January 1	**123.719.896**	**51.514.415**
(Income) charge with effect on profit or loss	(63.445.821)	(16.913.462)
(Income) charge with effect on ORI	(5.633.279)	89.118.943
Balance as of December 31	**54.640.796**	**123.719.896**

NOTE 15 - NON-CURRENT ASSETS HELD FOR SALE

The following is a detail of non-current assets held for sale, most of which are assets received in lieu of payment or restituted. The sale of these assets is expected to be completed in a period of less than one year from the adjudication date:

a) Balance of non-current assets held for sale

	As of December 31,2023		
Item	Gross ending balance	Accumulated impairment	Net ending balance
	MCOP	MCOP	MCOP
Real Estate	49.133.911	-	49.133.911
Vehicles	1.052.465	-	1.052.465
Other	1.109.121	-	1.109.121
Totals	**51.295.497**	**-**	**51.295.497**

	As of December 31,2022		
Item	Gross ending balance	Accumulated impairment	Net ending balance
	MCOP	MCOP	MCOP
Real Estate	21.105.216	-	21.105.216
Vehicles	3.345.523	-	3.345.523
Other	360.102	-	360.102
Totals	**24.810.841**	**-**	**24.810.841**

b) Net movement

As of December 31, 2023	Real estate	Vehicles	Others	Total
	MCOP	MCOP	MCOP	MCOP
Balances as of January 1, 2023	21.105.216	3.345.523	360.102	24.810.841
Reclassification- lieu of payment and restitutions	60.754.429	3.184.435	-	63.938.864
Disposals	(26.745.153)	(10.787.129)	(6.266.856)	(43.799.138)
Provision for the period	(1.834.077)	105.629	5.915.616	4.187.168
Decrease in valuation due to sale	(1.511.555)	-	-	(1.511.555)
Gain on sale	(8.647.044)	5.288.008	-	(3.359.036)
Reclassification to other assets	6.145.867	(84.001)	1.100.259	7.162.125
Exchange difference	(133.772)	-	-	(133.772)
Balances as of December 31, 2023	**49.133.911**	**1.052.465**	**1.109.121**	**51.295.497**

As of December 31, 2022	Real estate	Vehicles	Others	Total
	MCOP	MCOP	MCOP	MCOP
Balances as of January 1, 2022	**32.607.731**	**1.656.404**	-	34.264.135
Reclassification- lieu of payment and restitutions	25.425.281	10.673.049	259.076	36.357.406
Disposals	(12.362.307)	(13.068.837)	(15.237.659)	(40.668.803)
Recovery of impairment for the period	(y4.861.292)	86.486	11.903.817	7.129.011
Reclassification from investment property	1.554.401	-	-	1.554.401
Gain or loss on sale	(9.209.999)	3.998.187	-	(5.211.812)
Reclassification to other assets	(13.547.301)	234	3.434.868	(10.112.199)
Reclassification from property and equipment	1.386.470	-	-	1.386.470
Exchange difference	112.232	-	-	112.232
Balances as of December 31, 2022	**21.105.216**	**3.345.523**	**360.102**	**24.810.841**

c) Movement in the allowance for impairment of non-current assets held for sale

The movement in the allowance for impairment of non-current assets held for sale as of December 31, 2023 and 2022, respectively, is as follows:

As of December 31, 2023	Real Estate	Vehicles	Others	Total
	MCOP	MCOP	MCOP	MCOP
Balance as of January 1, 2023	-	-	-	-
Reclassification	(1.834.077)	105.629	5.915.616	4.187.168
Impairment expense	1.834.077	(105.629)	(5.915.616)	(4.187.168)
Balance as of December 31, 2023	-	-	-	-

As of December 31, 2022	Real estate	Vehicles	Others	Total
	MCOP	MCOP	MCOP	MCOP
Balance as of January 1, 2022	-	-	-	-
Reclassification	(4.861.292)	86.486	11.903.817	7.129.011
Impairment expense	4.861.292	(86.486)	(11.903.817)	(7.129.011)
Balance as of December 31, 2022	-	-	-	-

NOTE 16 – OTHER NON-FINANCIAL ASSETS

Other non-financial assets for the Bank and its subsidiaries are prepaid expenses, art and cultural property, sundry assets including the fair value of fair value accounting hedges and unpaid checks, which are detailed below:

	As of December 31 2023 MCOP	As of December 31 2022 MCOP
Prepaid expenses	40.918.068	60.002.521
Art and cultural assets	9.183.194	9.191.272
Assets received in lieu of payment (a)	33.582.013	94.032.685
Efficiency accounting hedges	8.015.906	2.009.092
Sundry	55.231	24.076
Impairment of assets received in lieu of payment (a)	(20.227.257)	(73.515.804)
Impairment of other assets	(100.291)	(101.041)
Totals	**71.426.864**	**91.642.801**

(a) Correspond to assets received in lieu of payment that do not meet the recognition criteria of IFRS 5 "Non-current assets held for sale", since their disposal is not highly probable. These assets are impaired considering their market value. The decrease is mainly generated by the write-off of assets amounting to MCOP$45.367.194.

NOTE 17 – DEPOSITS AND OTHER CURRENT LIABILITIES

	As of December 31 2023 MCOP	As of December 31 2022 MCOP
Checking accounts	3.149.901.356	3.550.263.107
Term Deposit Certificates	10.104.084.250	8.363.602.953
Savings deposits	5.865.565.250	6.257.018.326
Correspondent banks	142.393	756.766
Special Deposits	22.696.506	23.561.878
Liabilities for services	225.385.019	170.959.480
Totals (1)	**19.367.774.774**	**18.366.162.510**

The average rate for term deposits as of December 31, 2023 is 14.24% effective annual rate and as of December 31, 2022 is 6.96% effective annual rate.

(1) The increase is mainly generated by the increase in the allocation of Term Deposit Certificates due to the increase in interest rates.

Maturity of deposits and other current liabilities

The following are the balances of deposits and other current liabilities by time bands for the December 31, 2023 and 2022 cutoff dates:

December 31, 2023

	Up to 1 month MCOP	From 1 to 3 months MCOP	From 3 to 6 months MCOP	From 6 to 12 months MCOP	From 12 to 36 months MCOP	From 36 to 60 months MCOP	More than 60 months MCOP	Total MCOP
Checking accounts	3.149.901.356							3.149.901.356
Term Deposit Certificates	1.204.812.144	2.263.774.925	1.983.853.549	2.627.327.703	1.790.432.057	199.055.510	34.828.362	10.104.084.250
Savings deposits	5.865.565.250							5.865.565.250
Correspondent banks	142.393							142.393
Special Deposits	22.696.506							22.696.506
Liabilities for services	225.385.019							225.385.019
Totals	**10.468.502.668**	**2.263.774.925**	**1.983.853.549**	**2.627.327.703**	**1.790.432.057**	**199.055.510**	**34.828.362**	**19.367.774.774**

December 31, 2022								
	Up to 1 month	From 1 to 3 months	From 1 to 3 months	From 6 to 12 months	From 12 to 36 months	From 36 to 60 months	More than 60 months	Total
	MCOP	MCOP	MCOP	MCOP	MCOP	MCOP	MCOP	MCOP
Checking accounts	3.550.263.107							3.550.263.107
Term Deposit Certificates	910.647.326	1.959.144.093	1.172.504.879	1.937.297.042	2.039.285.807	243.536.005	101.187.801	8.363.602.953
Savings deposits	6.257.018.326							6.257.018.326
Correspondent banks	756.766							756.766
Special Deposits	23.561.878							23.561.878
Liabilities for services	170.959.480							170.959.480
Totals	**10.913.206.883**	**1.959.144.093**	**1.172.504.879**	**1.937.297.042**	**2.039.285.807**	**243.536.005**	**101.187.801**	**18.366.162.510**

NOTE 18 - OTHER FINANCIAL LIABILITIES

	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
Ordinary purchased interbank funds	80.107.093	80.074.293
Repo or Repo Transactions	-	-
Simultaneous operations	118.660.830	372.748.803
Commitments originated in short positions	958.010	2.919.619
Financial liabilities leases (a)	78.678.684	83.643.984
Financial instruments at fair value	952.174.124	979.743.013
Bank loans and other financial liabilities (b)	2.336.273.430	3.664.203.117
Totals	**3.566.852.171**	**5.183.332.829**

(a) The following are the lease liabilities for the periods ended December 31, 2023 and 2022:

As of December 31 ,2023	Real estate	Total
	MCOP	MCOP
Balances as of January 1, 2023	83.643.984	83.643.984
Interest expense (Note 26)	5.417.516	5.417.516
Adjustments	14.613.841	14.613.841
Exchange difference	(111.137)	(111.137)
Capital and interest payments	(24.885.520)	(24.885.520)
Balance as of December 31, 2023	**78.678.684**	**78.678.684**

As of December 31, 2022	Real estate	Vehicles	Total
	MCOP	MCOP	MCOP
Balances as of January 1, 2022	**104.625.840**	**206.647**	**104.832.487**
Interest expense	5.224.500	4.640	5.229.140
Adjustments	(426.771)	(23.895)	(450.666)
Exchange difference	158.239	-	158.239
Capital and interest payments	(25.937.824)	(187.392)	(26.125.216)
Balance as of December 31, 2022	**83.643.984**	**-**	**83.643.984**

Lease liability rates

Below, we can see the rates established for lease liabilities according to their temporality:

Range	Average annual effective rate
0-3 years	13,39%
3-7 years	9,01%
7 -10 years	5,97%

(b) At the closing of the financial statements as of December 31, 2023 and 2022, the composition of loans from banks and other financial obligations is as follows:

	As of December 31, 2023	As of December 31, 2022
	MCOP	MCOP
Bank of America	154.333.503	201.573.986
Bank of Montreal	330.735.288	364.422.437
Bank of New York	-	23.871.045
Commerzbank A.G.	158.126.911	427.321.719
Bank of Nova Scotia Toronto	-	73.186.494
Bancoldex	63.103.152	91.933.239
Zuercher Kantonalbank	-	45.098.002
Sumitomo Mitsui	97.846.168	29.136.151
Deutsche Bank AG	220.694.180	511.192.113
Finagro	83.497.816	102.421.983
Findeter - financiera de desarrollo territorial	177.006.337	272.037.457
Banco latinoamericano de export.	154.055.830	409.808.239
COBANK	257.764.362	303.631.219
Banco Itau Chile	384.408.764	483.539.977
Banco de Credito e Inversiones	-	138.775.851
Citibank N.Y	92.545.918	119.121.462
Other Banks	162.155.201	67.131.743
Total	**2.336.273.430**	**3.664.203.117**

The average annual effective interest rate on obligations with banks as of December 31, 2023 was 10.22% and as of December 2022 was 8.83%.

NOTE 19 - PROVISIONS FOR EMPLOYEE BENEFITS

As of December 31, 2023 and 2022, the Group has recorded the following movements in its provisions:

	As of December 31	As of December 31
	2023	2022
	MCOP	MCOP
Payroll payable (1)	445.313	551.591
Severance payments (1)	6.644.702	5.602.100
Interest on severance payments (1)	917.750	774.213
Vacations (1)	14.727.796	13.084.223
Legal bonus (1)	645.591	1.489.298
Extra-legal bonus (1)	153.054	160.795
Bonuses (1)	27.040.870	31.885.216
Current provisions for employee benefits (1)	7.406.880	6.616.488
Non-current provisions for post-employment employee benefits (2)	4.640.635	4.100.606
Other long-term employee benefits (3)	39.658.270	35.111.997
Actuarial calculation of retirement pensions (2)	133.002.357	114.438.038
Other benefits (1)	1.430	25.593
Totals	**235.284.648**	**213.840.158**

		As of December 31	As of December 31
		2023	2022
		MCOP	MCOP
Short-term employee benefits	(1)	57.983.386	60.189.517
Post-employment benefits	(2)	137.642.992	118.538.644
Other long-term employee benefits	(3)	39.658.270	35.111.997
Total		**235.284.648**	**213.840.158**

Movements in employee benefit provisions for retirement pensions and non-current provisions (2) and (3)

As of December 31, 2023 and 2022

	As of December 31 2023 MCOP	As of December 31 2022 MCOP
Balances at beginning of period	153.650.641	175.545.770
Provisions recorded	45.054.623	(1.281.551)
Utilization	(21.404.002)	(20.613.578)
Balances at end of period	**177.301.262**	**153.650.641**

Employee benefits are all forms of compensation granted by the entity in exchange for services rendered by employees or severance payments.

(1) Short-term employee benefits

These are benefits (other than severance payments) that are expected to be paid in full within twelve months after the end of the annual reporting period in which the employees have rendered the related services. Such benefits are: vacation, severance interest, legal bonus, extra-legal bonus and bonuses.

Post-employment benefits

These are benefits (other than severance payments and short-term employee benefits) that are paid after the completion of an employee's employment term. These post-employment benefit plans are arrangements, formal or informal, in which the Bank commits to provide benefits to one or more employees after the termination of their employment period. These plans may be classified as either a) defined contribution plans or b) defined benefit plans, depending on the economic substance of the principal terms and conditions contained therein.

Post- employment benefits comprise:

	Benefit	Actuarial calculation	Plan Assets	Description	Effect on liabilities under IAS 19
Pension plans	Defined benefit plans	YES	N/A	Life Annuity based on the average salary of the last year and subject to a minimum payment equivalent to one minimum monthly salary and a maximum of 25 minimum monthly salaries.	Results: Service, cost and interest OCI: Actuarial calculation result
Severance Pay Plan-Former Scheme	Defined benefit plans	YES	N/A	It corresponds to the payment of a fixed sum in pesos at the time of retirement.	Results: Service, cost and interest OCI: Actuarial calculation result
Retirement Bonus Plan	Defined benefit plans	YES	N/A	The benefit is payable in case of disability, death, voluntary resignation or dismissal by the Company (with or without justification) and retirement. The benefit is equivalent to one month's salary, corrected by the application of the severance factor (defined as the sum of 12 basic salaries plus additional payments that do not constitute salary, over 12 basic salaries), per year of service and corresponding fraction, as of January 1, 1963. For employees with services rendered prior to such date, there is a fixed amount of severance payment which is additional to the benefit previously mentioned.	Results: Service, cost and interest OCI: Actuarial calculation result

Financing: The defined benefit obligations (a) were calculated using the Projected Unit Credit Method. The obligations and expenses will change in the future as a result of future changes in actuarial methods and assumptions, participant information. Plan provisions and applicable laws, or as a result of future gains and losses. None of these changes have been anticipated at this time, but will be reflected in future actuarial valuations.

- **Assumptions used**

The main assumptions used for valuation purposes are as follows:

Summary of economic assumptions:

	Severance pay	Retirement Bonus	Pension
Assumptions and dates	**%**	**%**	**%**
Discount rate 2024/ 2025 and thereafter	7,25	7,75	7,75
Rate of salary increase 2024/ 2025/2026 and thereafter	12/7,3/5,5	-	-
Benefit growth rate beginning 2024/2025/2026 and thereafter	-	11,5/6,8/5,0	-
Pension growth rate	-	-	9,5 / 4,8/3,0
Inflation rate 2024/ 2025 and thereafter	9,5/4,8/3,0	9,5/4,8/3,0	9,5 / 4,8/3,0

Sensitivity analysis

	Base MCOP	Increase 0.5% discount rate MCOP	Diminution 0.5 discount rate MCOP	Increase 0.5% Salary Inc/ pension MCOP	Decrease 0.5% Salary Inc/ pension MCOP
Severance pay	1.444.301	1.433.300	1.455.702	1.462.782	1.426.249
Retirement bonus	3.196.333	3.054.502	3.350.233	3.339.851	3.086.893
Pension	133.002.357	127.739.362	137.983.219	138.523.891	127.239.643

- **Movements produced**

	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
Beginning balance	118.538.643	132.460.066
Current service cost (Note 33a)	660.584	796.438
Net interest cost (Note 33a)	11.017.033	9.644.054
Actuarial (gain) loss	24.365.213	(7.708.751)
Prior period cost adjustment	(261.804)	(932.433)
Benefits paid	(16.676.678)	(15.725.232)
Other	-	4.501
Total	**137.642.991**	**118.538.643**

Other benefits- seniority bonuses

- **Description:** It consists of the annual payment of a certain number of days of salary in the month in which the worker completes years of service.
- **Financing:** The defined benefit obligations (a) were calculated using the Projected Unit Credit Method. The obligations and expenses will change in the future as a result of future changes in actuarial methods and assumptions, participant information. Plan provisions and applicable laws, or as a result of future gains and losses. None of these changes have been anticipated at this time, but will be reflected in future actuarial valuations.

Assumptions used
The main assumptions used for valuation purposes are as follows:
Summary of economic assumptions:

Assumptions and dates	**%**
Discount rate 2024/ 2025 and thereafter	7,75
Rate of salary increase 2024/ 2025 and thereafter	12/7,3/5,5
Inflation rate 2024/ 2025 and thereafter	9,5/4,8/3,0

- **Significant actuarial assumptions and sensitivity analysis**

Defined Benefit Obligation (a)	As of December 31, 2023 Sensitivity analysis (b) Base	Variations	New scenario (c)	MCOP 39.658.271
Discount rate	7,75	0.5% increase	8, 25	38.450.430
	7,75	0.5% decrease	7,25	40.939.810
Salary increase	12/7,3/5,5	0.5% increase	12,5/7,8/6	40.780.328
	12/7,3/5,5	0.5% decrease	11,5/6,8/5	38.589.889
Mortality table	RV-08	Increase in life expectancy by one year	RV-08	-

- **Movements produced**

	As of December 31 2023 MCOP	As of December 31 2022 MCOP
Beginning balance	35.111.998	43.085.704
Current service cost (Note 33a)	3.797.784	2.417.261
Net interest cost (Note 33a)	3.165.137	2.819.903
Actuarial (gains) losses to income	2.310.676	
Benefits paid	(4.727.324)	(4.888.346)
Financial Cost Adjustment Prior Periods	-	(8.322.524)
Total	**39.658.271**	**35.111.998**

The following is a detail of estimated future payments for 2024 and subsequent periods:

Expected future payments	Pension Plan MCOP	Retroactive severance payments MCOP	Seniority bonus MCOP	Retirement bonus MCOP
Fiscal year 2023	13.511.680	953.931	5.298.114	498.950
Fiscal year 2024	13.630.800	214.180	3.569.736	138.138
Fiscal year 2025	13.455.777	108.567	3.808.254	169.265
Fiscal year 2026	13.229.271	5.981	4.704.313	143.759
Fiscal year 2027	12.962.687	102.000	6.413.785	173.403
For fiscal years 2028 to 2032	60.073.265	452.549	23.718.916	968.193

NOTE 20 - OTHER PROVISIONS

Provisions shown under liabilities as of December 31, 2023 and 2022 correspond to the following:

	As of December 31, 2023 MCOP$	As of December 31, 2022 MCOP$
Contributions and affiliations	5.488.177	5.667.912
Maintenance and repairs	5.954	5.507
Fines and penalties- Financial Superintendence	-	1.250.000
Other administrative entities	1.890.538	1.937.109
Labor indemnities (1)	5.946.930	47.400.956
Labor lawsuits (Note 21)	5.940.293	7.582.328
Litigation in executive proceedings (Note 21)	309.476	1.356.794
Other litigation in administrative proceedings (Note 21)	706.248	156.248
Social security contingencies (2)	7.014.364	15.714.363
Provision for IFRS 9 contingencies (3) Note 8	70.709.406	50.048.448
Loyalty program (Note 9b)	7.649.834	9.644.513
Other provisions	14.753.478	19.330.088
Totals	**120.414.698**	**160.094.266**

(1) The decrease is mainly generated by the use of the compensation provision advancing the Bank's transformation process.
(2) The decrease is generated by the release of provisions on probable contingencies with the UGPP that ended their enforceability in 2023.
(3) For the month of December 2023 a provision on contingent credits is recognized for the application of IFRS 9 in the amount of $70,709,406 and for December 31, 2022 in the amount of $50,048,448. The increase is mainly generated by the update of parameters of the provision model and a greater deterioration of credit quality, particularly on the personal loan portfolio.

CONTINGENCIES, COMMITMENTS AND LIABILITIES

a) Commitments and liabilities recorded in off-balance sheet suspense accounts:

The Bank records the following balances in off-balance sheet suspense accounts related to commitments or liabilities inherent to the business: The above list includes only the most significant balances.

	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
CONTINGENT LOANS		
Guarantees and sureties	252.519.712	416.822.325
Documentary letters of credit issued	21.637.964	50.824.104
Guarantee letters	2.179.957.427	2.927.398.056
Lines of credit with immediate availability	3.179.708.665	3.083.512.844
Other credit commitments	618.193.053	798.350.623
Totals	**6.252.016.821**	**7.276.907.952**

Pending lawsuits

Itaú Colombia S. A. and its subsidiaries

The bank and its subsidiaries face civil, labor and administrative lawsuits. Within the 308 existing civil and administrative lawsuits, 218 correspond to banking and trust operations and 90 are derived from owners of leased assets. The claims amount to $128,597,186. Of this group of processes, it is considered that in 8 of them the probability of loss is eventual, 246 processes are remote and 54 with probable qualification. The provisions of the processes with probable qualification in accordance with the requirements of IAS 37 are $1,015,724 as of December 31, 2023 and $1,513,0042 as of December 31, 2022.

Among the latter, there is a popular action that affects the financial sector in common since 2010 and there were no legal proceedings, adverse rulings or legal claims that, due to their amount, may materially affect the Bank's equity situation. The legal processes or proceedings, common to most of the financial sector, will not necessarily be resolved in fiscal year 2023, but possibly in subsequent years.

There are 379 labor lawsuits with a claim amount of $35,601,057, which as of December 31, 2023 are provisioned for $5,935,739, equivalent to 17%. Of these 83 processes have a probable rating and 296 have a remote rating and as of December 31, 2022 $7,582,328, equivalent to 27%. Of these, 90 processes have a probable rating and 224 have a remote rating.

NOTE 21 – TRADE AND OTHER PAYABLES

As of December 31, 2023 and 2022, the composition of this caption is as follows:

	As of December 31, 2023 MCOP	As of December 31, 2022 MCOP
Commissions and fees	2.210.616	2.132.197
Costs and expenses payable	24.453	26.952
Taxes	16.384.160	13.011.474
Dividends and surpluses	805.681	805.681
Contributions and affiliations	6.819.460	6.161.769
Prospective buyers	2.892.189	12.794.363
Suppliers and services payable	48.401.096	46.671.630
Withholdings and labor contributions	31.558.518	29.774.090
Securitization process	16.478	13.210
Sundry creditors	129.925	-
Compensation of electronic cards	9.172.269	17.691.078
Insurance	32.029.058	35.102.328
Uncollected checks issued	20.559.833	15.987.339
VISA credit balances	1.437.547	1.159.250
National master exchange	22.127.822	14.488.457
Master credit balances	1.229.727	1.084.312
Peace bonds	3.721.867	3.729.078
Gift Bonds	1.204.938	1.760.983
Electronic channels	1.148.810	571.689
Automatic payment PSE (*)	80.450.002	21.358.917
Portfolio payments and disbursements (*)	16.535.297	32.929.160
Other- Treasury and Comex (*)	1.085.928	654.739
Credit balances on cards	9.316.653	7.219.981
Deal Master Card	20.881	766.957
Other USD	545.223	370.834
Payments and consignments (*)	52.021.039	22.881.225
FW liquidation	594.579	1.187.701
Derivatives	107	6.212
Debtors- life insurance	4.042.271	5.307.024
Overpayments Revolving Credit	21.858.267	9.132.990
ACH Transfers (*)	4.406.532	64.923.332
Contractual Life Insurance	599.620	1.494.555
Liens payable	261.623	199.849
National Guarantee Fund	910.619	487.106
Payroll- deduction loans	7.745.775	10.078.028
Life insurance- payroll- deduction loans	2.678.342	2.596.765
Sundry	59.195.024	44.931.688
Totals	**464.142.229**	**429.492.943**

(*) Variations are due to the Bank's normal operations, most of which are carried out in the first days of the following month.

NOTE 22 – SECURITIES

The Bank values the bonds issued at amortized cost, using the effective rate method, including all commissions and other items paid or received that are part of the effective interest rate.

As of December 31, 2023 and 2022, the composition of the item is as follows:

	As of December 31 2023 MCOP	As of December 31 2022 MCOP
Debt instruments issued		
Current bonds	2.159.764.228	2.402.057.826
Subordinated bonds	817.298.788	1.091.628.459
Subtotal	**2.977.063.016**	**3.493.686.285**

As of December 31, 2023 and 2022, interest has been generated on the bonds for $374,870,658 and $340,998,913, respectively (Note 27).

Below are the maturities, rates and structuring costs generated by the bonds issued as of December 31, 2023:

a) Current bonds

	Maturity date	Amount issued MCOP	Incremental cost MCOP	Effective rate
BITU6199C060	21/05/2024	189.909.407	(2.024)	12,86%
BITU0219C036	29/06/2024	157.278.884	(15.731)	11,77%
BITU719SA060	16/10/2024	172.918.539	(14.007)	6,08%
BITU820SA060	27/02/2025	148.957.953	(19.689)	6,02%
BITU920SA060	29/09/2025	165.931.952	(33.821)	4,85%
BITU2169C120	10/08/2026	105.074.027	-	14,37%
BITU7199C084	16/10/2026	51.287.512	(11.607)	12,65%
BITU7199C120	16/10/2029	132.618.437	(44.150)	13,19%
BITU8207U120	27/02/2030	473.181.624	(129.098)	2,71%
BITU0219C120	29/06/2031	142.786.115	(64.388)	14,26%
BITU2169C180	10/08/2031	196.169.007	-	14,73%
BITU3169C180	23/11/2031	223.650.771	-	14,74%
Total current bonds		**2.159.764.228**	**(334.515)**	

b) Subordinated bonds

	Maturity date	Amount issued MCOP	Incremental cost MCOP	Effective rate
BBSA1139AS15	07/02/2028	149.040.402	-	14,56%
US05968TAB17	15/03/2024	668.258.386	(119.458)	10,05%
Total subordinated bonds		**817.298.788**	**(119.458)**	

Debts classified as short-term are those that constitute obligations on demand or that will mature in a period equal to or less than one year. All other debts are classified as long-term. The detail is as follows:

	As of December 31, 2023		
	Long Term	Short Term	Total
	MCOP	MCOP	MCOP
Current bonds	1.639.657.398	520.106.830	**2.159.764.228**
Subordinated bonds	149.040.402	668.258.386	**817.298.788**
Debt instruments issued	**1.788.697.800**	**1.188.365.216**	**2.977.063.016**

	As of December 31, 2022		
	Long Term	Short Term	Total
	MCOP	MCOP	MCOP
Current bonds	2.116.249.384	285.808.442	**2.402.057.826**
Subordinated bonds	985.132.052	106.496.407	**1.091.628.459**
Debt instruments issued	**3.101.381.436**	**392.304.849**	**3.493.686.285**

The following is a further detail of each debt instrument, according to their balances as of December 31, 2023 and 2022:

a) Current bonds

	As of December 31 2023 MCOP	As of December 31 2022 MCOP
Fixed rate	487.808.444	487.764.100
UVR (Real Value Unit)	473.181.624	428.940.256
IBR (Interbank Rate)	-	134.133.384
IPC (Consumer Price Index)	1.198.774.160	1.351.220.086
Total bonds	**2.159.764.228**	**2.402.057.826**

b) Subordinated bonds

	As of December 31 2023 MCOP	As of December 31 2022 MCOP
AS10 Series	-	106.496.407
AS15 Series	149.040.402	149.528.836
Series B in USD	668.258.386	835.603.216
Total subordinated bonds	**817.298.788**	**1.091.628.459**

As of December 31, 2023 and 2022, the Bank had no capital, interest or other defaults with respect to its debt instruments.

NOTE 23 - OTHER NON-FINANCIAL LIABILITIES

This item includes income received in advance and other liabilities that were not recognized in other accounts.

	As of December 31, 2023 MCOP	As of December 31, 2022 MCOP
Prepaid income (1)	12.889.831	23.931.461
Credit memos to be applied	23.562.266	9.460.749
Foreign currency collateral (2)	74.524.544	141.672.010
Cash surpluses	10.648	21.739
Other	164.340	36.019
Totals	**111.151.629**	**175.121.978**

(1) The variation is generated mainly by a lower value drawn by clients as advance payment of installments.

(2) The variation is generated by a higher value of client payments pending application.

(3) The variation corresponds to the balance of collateral received payable as of December 31, 2023 in money market operations.

NOTE 24 - EQUITY

During the periods from January 1 to December 31, 2023 and 2022, the issued and fully paid shares (754,806,213) have not changed.

a. Purchase and sale of own shares

As of December 31, 2023 and 2022 there were no purchase and sale transactions of own shares.

b. Subscribed and paid-in shares

As of December 31, 2023 and 2022, the Bank's paid-in capital is represented by 754,806,213 subscribed and paid-in common shares, par value COP525.11, for a total of COP396.356.291.

c. Profit sharing

For the periods ended December 31, 2023 and 2022, there were no profit distributions.

d. Major shareholders

Below is the shareholding composition of the Bank:

	Ordinary shares Years 2023 and 2022			
	No. of shares	Nominal Value		% Ownership
Banco Itaú Chile	716.990.804	525,11	376.499.041	94,99%
Itaú Colombia Holding SAS *	33.752.474	525,11	17.723.762	4,47%
Minority shareholders	4.062.935	525,11	2.133.488	0,54%
Total	754.806.213		396.356.291	100%

* On February 22, 2022, the shareholder structure of Itaú Colombia S.A. was modified as a result of the acquisition of all the shares of CG Financial Colombia S. A. S., Corpgroup Interhold SpA and Corpgroup Banking S. A. by Itaú Chile and Itaú Holding Colombia S. A. S.

e. Diluted income and basic income

As of December 31, 2023 and 2022, the composition of diluted income and basic income is as follows:

	As of December 31, 2023		As of December 31, 2022	
	No. of weighted shares	Amount	No. of weighted shares	Amount
		MCOP		MCOP
Basic earnings per share				
Net income for the year	-	(36.904.646)	-	51.423.356
Weighted average number of outstanding shares	754.806.213	-	754.806.213	-
Assumed conversion of convertible debt	-	-		-
Adjusted number of shares	754.806.213	-	754.806.213	-
Basic earnings per share (COP)		(48,89)		68,13

f. Non-controlling interest

Corresponds to the portion of the subsidiaries' capital that belongs to shareholders other than the Bank. Movements as of December 31, 2023 are as follows.

	Non-controlling %	31.12.2023	31.12.2022	Variation
		MCOP	MCOP	MCOP
Itaú Comisionista S. A.	2,2210%	1.004.694	985.910	18.784
Itaú Fiduciaria S. A.	0,0193%	10.875	11.995	(1.120)
Itaú Securities S. A.	5,4992%	(76.068,00)	3.270.068	(3.346.136)
Total		**939.501**	**4.267.973**	**(3.328.472)**

Non-controlling income

	Non-controlling %	31.12.2023	31.12.2022
		MCOP	MCOP
Itaú Comisionista S. A.	2,2210%	99.199	190.767
Itaú Fiduciaria S. A.	0,0193%	2.395	1.149
Itaú Securities S. A.	5,4992%	76.068	6.633
Total		**177.662**	**198.549**

g. Valuation accounts

Reserve for additional paid-in capital. Correspond to the values generated by higher amounts paid by the stockholders over the nominal value of the share

Fair value reserve. This includes the accumulated net changes in the fair value of investments available for sale, until the investment is recognized or there is a need to make provisions for impairment.

Translation reserves. Includes the effects of translating the financial statements of the companies in Panama, whose functional currency is the U.S. dollar, to the Bank's presentation currency, which is the Colombian peso.

Cash flow hedge accounting reserves. Includes the hedging effects on exposure to the variation of cash flows attributed to a particular risk associated with a recognized asset and/or liability, which may affect the profit or loss for the period.

Reserves for accounting hedges of foreign investments. Corresponds to the adjustments for hedges of net investment in foreign business, mentioned above.

Proportional equity value reserve. This account records the variations in the equity of mandatory investments for the ordinary course of business, according to the shareholding.

Reserve for first-time application of IFRS. In this item the bank includes the effects of the first application of the International Financial Reporting Standards.

Reserve for profit or loss of controlling interest. Unrealized profits of the Bank's Subsidiaries are included in accordance with the participation in each of them.

Other reserves to equity. This reserve records the unrealized profits arising from actuarial calculations of employee benefits.

It records the appropriate value of the net profits, in accordance with legal provisions, for the purpose of protecting the Bank's equity.

" The credit institutions, financial services companies and capitalization companies must constitute a legal reserve amounting to at least fifty percent (50%) of the subscribed capital, formed with ten percent (10%) of the net profits of each fiscal year.

" The legal reserve may only be reduced when its purpose is to offset accumulated losses exceeding the total amount of the profits obtained in the corresponding fiscal year and the undistributed profits of previous fiscal years, or when the released value is destined to capitalize the entity through the distribution of dividends in shares". (Article 85 Organic Statute of the Financial System).

Notwithstanding the accounting treatment established for the premium on placement of shares, the minimum amount of the legal reserve (50% of the subscribed capital) will only be deemed to be complied with the appropriations of the net profits of each accounting period.

Likewise, only the appropriation of net profits may be reduced to offset losses exceeding the total amount of profits obtained in the corresponding fiscal year and those not distributed in previous fiscal years.

Occasional reserve. It records the amounts appropriated from the net profits for specific and justified purposes, ordered by the general shareholders' meeting or partners' meeting. "The occasional reserves ordered by the assembly will only be obligatory for the fiscal year in which they are made and the same assembly may change their destination or distribute them when they are unnecessary". (Article 453 C. de Co., paragraph 2). The following reserves are included in this section:

Other reserves. Corresponds to other reserves not contemplated in previous items.

NOTE 25 - INTEREST INCOME AND VALUATION OF FINANCIAL INSTRUMENTS

This caption includes the main income generated by the ordinary activities of the Bank and its subsidiaries, the following is a list of the main items:

	From January 1 to December 31			
	2023		2022	
	Income		Income	
	MCOP	%	MCOP	%
Financial Income- Financial Portfolio and Financial Leasing (1)	3.074.838.854	91,6%	2.282.740.982	86,1%
Financial Income -Money Market Operations	120.360.526	3,6%	67.003.611	2,5%
Financial Income- Investments Amortized Cost	277.699.914	8,3%	142.276.922	5,4%
Fair Value Investments Valuation	187.905.338	5,6%	(47.273.702)	-1,8%
FICs (mutual funds) Valuation	10.634.802	0,3%	(191.381)	0,0%
Profit on sale of investments	41.522.364	1,2%	(11.114.848)	-0,4%
Short Positions Valuation	(16.680.834)	-0,5%	(2.629.142)	-0,1%
Derivatives and Cash Transactions Valuation (2)	(339.712.676)	-10,1%	221.011.571	8,3%
Total income from ordinary operations	**3.356.568.288**		**2.651.824.013**	

(1) Below is a summary of financial income from loan portfolio and financial leasing:

	From January 1 to December 31			
	2023		2022	
	Income		Income	
	MCOP$	%	MCOP$	%
Commercial loan portfolio	1.753.920.917	57,0%	1.155.659.293	50,6%
Consumer loan portfolio	697.830.465	22,7%	608.274.276	26,6%
Housing and residential leasing loan portfolio	195.228.581	6,3%	171.859.671	7,5%
Ordinary portfolio Leasing	427.858.891	13,9%	346.947.742	15,2%
Total Financial Income Portfolio and Financial Leasing	**3.074.838.854**		**2.282.740.982**	

* The increase in loan portfolio interest as of December 31, 2023 is mainly due to the increase in interest rates.

(2) The variation is mainly generated by the negative result of currency hedging derivatives.

NOTE 26 - INTEREST EXPENSE

The composition of interest expense on financial instruments measured at amortized cost is as follows:

	From January 1 to December 31	
	2023	2022
	MCOP	MCOP
Interest on deposits and other current liabilities	1.742.595.928	888.935.885
Interest on loans from banks and other financial obligations	254.939.494	110.842.757
Interest from money market transactions and other interest	126.563.670	36.433.519
Interest on lease liabilities (Note 18)	5.417.516	5.229.140
Interest on bonds (Note 21)	374.870.658	340.998.913
Totals	**2.504.387.266**	**1.382.440.214**

* The increase in interest on deposits and securities issued as of December 31, 2023 is generated by the increase in average CDT balances and higher interest rates.

NOTE 27– IMPAIRMENT OF LOAN PORTFOLIO AND OTHER NON-FINANCIAL ASSETS

The impairment expense as of December 31, 2023 and 2022 is as follows:

	From January 1 to December 31	
	2023	2022
	MCOP	MCOP
Financial assets		
Accounts receivable loan portfolio (a)	627.278.888	348.910.165
Accounts receivable other receivables (b)	5.278.903	2.174.708
Subtotal - -	**632.557.791**	**351.084.873**
Non-financial assets	-	
Assets received in payment and returned (c)	(4.187.168)	(7.129.011)
Other assets (d)	(752)	(1.383.399)
Investment properties	-	239.318
Contingents (e)	20.660.958	5.366.199
Due from banks	(818.903)	(726.390)
Investments	(881.071)	(2.151.514)
Subtotal - -	**14.773.064**	(5.784.797)
Totals	**647.330.855**	**345.300.076**

(a) Accounts receivable

The variation is due mainly to the deterioration in the credit quality of customers, especially in the personal portfolio.

(b) Accounts receivable

Corresponds to the impairment expense generated by the application of IFRS 9 simplified model applied to sundry accounts receivable.

(c) Non-current assets or assets held for sale

The Bank and its subsidiaries recognize an impairment loss due to initial or subsequent reductions in the value of the asset to fair value less costs to sell.

(d) Other assets

Corresponds to the provision estimated in accordance with the policy of the Bank and its subsidiaries according to the expert model based on experience in accounting for assets such as trust rights and judicial deposits. Itaú Colombia S.A. and its subsidiaries assess at the end of each reporting period whether there is any indication of impairment of any asset. If such an indication exists, or when an impairment test is required, the entity estimates the recoverable amount of the asset.

(e) Contingents

The increase is mainly generated by the updating of parameters of the allowance model and a greater deterioration of credit quality, particularly in the personal portfolio.

NOTE 28 - COMMISSION AND OTHER SERVICES INCOME, NET

The following is a summary of commission and other services income and expense, net for the annual periods ended December 31, 2023 and 2022:

	From January 1 to December 31	
	2023	2022
	MCOP	MCOP
Income -Fees and Commissions		
Income- Commissions and Fees	304.068.281	290.232.970
Fees and commissions		
- Banking	(80.581.932)	(104.671.672)
- Loyalty programs	(27.393.163)	(28.504.492)
- Legal and financial advisory services	(37.852.827)	(46.956.157)
- Statutory auditors	(2.296.068)	(2.272.329)
- Others	(1.535.609)	(790.512)
Subtotals	**(149.659.599)**	**(183.195.162)**
Total	**154.408.682**	**107.037.808**

NOTE 29 - OTHER OPERATING INCOME (EXPENSE)

The composition of other operating income for the following periods is as follows

	From January 1 to December 31	
	2023	2022
	MCOP	MCOP
Operating risk recoveries		
Insurance recoveries - risk	30.136	231.903
Other	2.203.566	1.207.732
Subtotals	**2.233.702**	**1.439.635**
Leases		
Real estate	54.972	61.214
Other	5	115
Subtotals	**54.977**	**61.329**
Other income		
Profit on sale of portfolio (*)	56.440.451	22.474.826
Sale of checkbooks	1.260.628	1.572.660
Collections and recoveries	122.251.849	141.176.892
Consortiums or temporary joint ventures	99.896	20.818
Indemnities for breach of contract	14.662	235.358
Franchise commissions	9.072.679	8.995.180
Optirent income	2.262.812	2.375.201
Policy administration and control	26.867.303	26.008.125
Franchise compensation	2.907.375	3.104.683
Revenue Invoice coverage	3.046.199	5.584.518
Investment property valuation	874.188	139.605
Proceeds	1.313.351	3.200.582
Participation in insurance agreements	94.798	184.798
Income/expense from sale of property, plant and equipment, BRDP (assets in lieu of payment, per its Spanish initials) and restitutions	187.366	(1.546.165)
Other	37.010.864	20.973.586
Subtotals	**263.704.421**	**234.500.667**
Totals	**265.993.100**	**236.001.631**

(*) Sale of written-off portfolio in the amount of 56,440,451, whose obligation had an indebtedness of 580,451,614.

NOTE 30 – RESULTS DERIVED FROM NET MONETARY POSITION

These include the results obtained on the purchase and sale of foreign currencies, the differences arising from the translation of monetary items in foreign currencies into the functional currency and those arising from non-monetary assets in foreign currencies at the time of their disposal. The detail of exchange results at the end of the year is as shown below:

	From January 1 to December 31	
	2023	2022
	MCOP	MCOP
Net foreign exchange result		
Net foreign exchange result foreign exchange position	342.693.098	(107.851.030)
Other foreign exchange results	723	(217)
Total	**342.693.821**	**(107.851.247)**

NOTE 31 – DIVIDEND INCOME FROM EQUITY SECURITIES

As of December 31, 2023 and 2022, income from dividends received from supporting companies in which the Bank has an interest is as follows:

	From January 1 to December 31	
	2023	2022
	MCOP	MCOP
Central Counterparty Risk Clearing House	133.236	86.946
Redeban	-	73.424
ACH	3.940.866	4.023.529
Credibanco	787.687	304.115
Stock exchange	3.374.699	2.268.856
Total dividends received	**8.236.488**	**6.756.870**

NOTE 32 – OTHER OPERATING EXPENSES

The composition of other expenses for the following periods is as follows:

a) Employee benefits

	From January 1 to December 31	
	2023	2022
	MCOP	MCOP
Personnel remuneration	286.573.827	261.574.102
Actuarial computation of retroactive severance payments (Note 19)	756.156	863.373
Premiums	51.632.797	47.045.851
Seniority premium actuarial computation (Note 19)	3.797.784	2.417.261
Indemnity for years of service (Note 19)	5.475.813	2.819.903
Indemnities (1)	7.642.383	86.803.062
Retirement pension	640.441	306.528
Actuarial computation of retirement pension (Note 19)	10.542.551	9.150.059
Bonuses	35.075.216	37.053.399
Actuarial computation of retirement bonus (Note 19)	378.910	427.060
Other personnel expenses	14.222.664	13.501.047
Totals	**416.738.542**	**461.961.645**

(1) The variation is due to the recording of severance expenses in 2022 as a result of the transformation faced by the bank.

b) Other expenses

	From January 1 to December 31	
	2023	2022
	MCOP	MCOP
Taxes and fees		
- Industry and commerce	17.855.801	16.718.810
- VAT deductible from income	71.848	270.094
- Other taxes and fees	131.998.848	114.538.106
Subtotals	**149.926.497**	**131.527.010**
Leases		
- Real Estate	114.027	123.766
- Others	7.770.689	7.664.321
Subtotals	**7.884.716**	**7.788.087**
Insurance		
- Deposit insurance	49.868.458	62.279.504
- Vehicle insurance	2.906.182	2.315.808
- Restructuring cost	6.981.433	8.467.175
Subtotals	**59.756.073**	**73.062.487**
Other expenses.		
- Legal expenses	3.716	977
- Loss from operational risk claims	8.533.222	7.232.900
- Contributions, affiliations and transfers	34.371.081	34.256.815
- Maintenance and repairs	109.289.191	100.732.181
- Adequacy and installations	2.285.427	2.881.303
- Fines and penalties *	4.576.025	12.604.449
Cleaning and security services	10.496.427	9.590.058
Advertising and publicity	9.422.881	14.264.460
Public Relations	338.241	163.469
Utilities	5.514.677	5.478.265
Travel expenses	1.931.900	1.550.331
Transportation	8.656.249	9.112.719
Supplies and stationery	2.207.989	2.245.553
Donations	312.353	271.143
Interest reimbursement administrative act	-	4.871.695
Other expenses TC	11.589.604	11.545.077
Franchise card and Servibanca administration costs	12.421.439	12.243.207
Electronic data processing	47.212.036	47.655.136
Temporary services	20.962.154	15.528.475
Collection expenses	20.898.047	16.966.760
- Other expenses	73.545.551	56.058.734
Subtotals	**384.568.210**	**365.253.707**
Totals	**602.135.496**	**577.631.291**

c) Depreciation and amortization expense

The amounts corresponding to depreciation, amortization and impairment charges to income or loss for the period ended December 31, 2023 and 2022 are as follows:

	From January 1 to December 31	
	2023	2022
	MCOP	MCOP
Depreciation and amortization		
Depreciation of fixed assets (Note 10)	21.220.822	23.914.990
Depreciation of right-of-use assets (Note 11)	19.659.321	19.910.256
Amortization and depreciation of intangibles (Note 12)	37.140.720	34.367.815
Depreciation and amortization	**78.020.863**	**78.193.061**

NOTE 33 – RELATED PARTIES

a) Group Information

Banco Itaú Colombia S.A. is controlled by Itaú Chile (its parent company) which has included it in its public Financial Statements since 2012, being its ultimate controller Itaú Unibanco. Below are the percentages of shareholding:

In relation to the controlled companies, the business network related to the banking line of business as of December 31, 2023:

Shareholders - Banco Itaú Colombia	% Ownership
Itaú Chile	94,99%
Itaú Colombia Holding S.A.S	4,47%
Minority shareholders	0,54%
Total	**100,00%**

Shareholders - Banco Itaú CorpBanca Chile	Ownership %
Itaú Unibanco	67,42%
Stock Brokers	18,24%
Holders of ADRs in Inv. Foreign institutions	6,21%
Local Institutions Investors	7,01%
Other investors	1,12%
Total	**100,00%**

b) Related party transaction disclosures

In relation to the controlled companies, the business network related to the banking line of business is as follows::

The following are the main related party transactions carried out by the entity related to its main operations:

(1) Operations with Subsidiaries

The following are the reciprocal items with the Bank's subsidiaries:

As of December 31, 2023

	Right-of-use assets	Banks	Deposits	Financial liabilities - leases	Overnight
Itaú Fiduciaria	587.038	-	38.785.297	534.719	-
Itaú Comisionista	649.760	-	3.477.981	544.304	-
Itaú Panamá	-	12.284.923	-	-	97.164.208

Name or corporate name	Income		Expenses	
	Lease	Commissions and services	Lease	Interest and commissions
	MCOP	MCOP	MCOP	MCOP
Itaú Securities	-	580	-	503.569
Itaú Fiduciaria	363.305	93.392	-	2.539.415
Itaú Comisionista	409.034	18.526	-	518.620
Itaú Panamá	43.048	722.017	-	6.685.974

As of December 31, 2022

	Right-of-use assets	Banks	Deposits	Accounts payable	Financial liabilities - leases	Overnight
Itaú Securities	-	-	8.133.313	52.806.160	-	-
Itaú Fiduciaria	742.960	-	5.877.662		718.888	-
Itaú Comisionista	912.060	-	6.632.151		806.667	-
Itaú Panamá	167.906	20.634.249	1		147.736	242.404.016

Name or corporate name	Income		Expenses	
	Lease	Commissions and services	Lease	Interest and commissions
	MCOP	MCOP	MCOP	MCOP
Itaú Securities	-	1.251	- -	3.179.693
Itaú Fiduciaria	281.291	83.199	- -	647.994
Itaú Comisionista	385.260	16.397	- -	320.847
Itaú Panamá	96.688	-	- -	3.035.558

Between subsidiaries

As of December 31, 2023

Itaú Comisionista

	Account receivable	Revenue Commissions and services
Itaú Fiduciaria	399.765	4.320.733

As of December 31, 2023

Itaú Comisionista

	Account receivable	Revenue Commissions and services
Itaú Fiduciaria	222.283	2.814.193

Itaú Fiduciaria

	Revenue Commissions and services
Itaú Securities	1.000

Contract/Agreement/Service (indicate the companies subscribing the document)	Brief Description of the Contract/Agreement/Service
Network Use Agreement between Itaú Colombia S.A. and Itaú Fiduciaria Colombia S.A. (formerly Itaú Asset Management Colombia S.A.)	Network Use Agreement between Itaú Colombia S.A. and Itaú Fiduciaria Colombia S.A. (formerly Itaú Asset Management Colombia S.A.)
Lease Agreements between Itaú Colombia S.A. and Itaú Comisionista de Bolsa Colombia S.A.	Lease agreements on the offices that Itaú Comisionista de Bolsa Colombia S.A. occupies in Bogotá and Medellín.
Lease Agreements between Itaú Colombia S.A. and Itaú Fiduciaria Colombia S.A. (formerly Itaú Asset Management Colombia S.A.)	Lease agreements on the offices that Itaú Fiduciaria Colombia S.A. (formerly Itaú Asset Management Colombia S.A.) occupies in Bogotá, Cali, Barranquilla and Medellín.
Lease agreements between Itaú Colombia S.A. and Itaú (Panamá) S.A.	Lease agreements with respect to the offices used by this subsidiary in the city of Bogotá.
Lease Agreements between Itaú Colombia S.A. and Itaú Corredor de Seguros S.A.	Lease agreements with respect to offices located in the cities of Bogotá, Medellín, Cali and Barranquilla.
Network Use Services Agreement between Itaú Comisionista de Bolsa (Network Provider) and Itaú Fiduciaria Colombia S.A. (formerly Itaú Asset Management Colombia S.A.) (Network User)	Network Use Services Contract
Network Use Services Agreement between Itaú Fiduciaria Colombia S.A. (formerly Itaú Asset Management Colombia S.A.) (Network Provider) and Itaú Comisionista de Bolsa (Network User)	Network Use Services Contract
Bond Placement Agreement - Banco Itaú Colombia on behalf of Itaú Comisionista de Bolsa S.A.	Lead Agent for Banco Itaú Colombia S.A.'s Bond Placement.

Contract/Agreement/Service (indicate the companies subscribing the document)	Brief Description of the Contract/Agreement/Service
Correspondent Agreement between Itaú Comisionista de Bolsa and Itaú BBA USA Securities INC.	Itaú Comisionista de Bolsa Renders the services of Correspondent, for the commission agreement in dollars of Itaú BBA USA Securities INC.
Itaú Comisionista de Bolsa and Itaú Colombia S.A.	Itaú Colombia Provides service as General Clearing Member of Itaú Comisionista de Bolsa.
IB Agreement between Itaú Comisionista de Bolsa Colombia S.A. and Itaú Unibanco Holding.	Itaú Comisionista de Bolsa Colombia reimburses Brazil the fees or commissions for the services provided by Investment Banking under the agreement and, in turn, Itaú Unibanco Holding reimburses the costs and expenses associated with the line of business.

(2) Payment of subsidiary dividends to Itaú Colombia

As of December 31, 2023 and 2022, Itaú has received the following dividends from its subsidiaries:

	As of December 31, 2023	As of December 31, 2022
	MCOP	MCOP
Itaú Fiduciaria Colombia S.A. (formerly Itaú Asset Management Colombia S.A.)	5.606.829	7.703.743
Itaú Comisionista de Bolsa	-	23.044.796
Itaú Panamá	67.793.602	234.194.437
Total	**73.400.431**	**264.942.976**

(1) Loans granted to related parties

As of December 31, 2023 and 2022, loans granted to related parties are composed as follows:

Loans to key personnel:

December 31, 2023	Individuals
	MCOP
Loans and accounts receivable:	
Commercial loans	-
Housing loans	4.206.207
Consumer loans	3.883.347
Gross loans	**8.089.554**
Provision for loans	(163.639)
Net loans	**7.925.915**
Contingent loans	3.331.466

December 31,2022	Individuals
	MCOP
Loans and receivables:	
Commercial loans	-
Housing loans	5.638.639
Consumer loans	3.311.045
Gross loans	**8.949.684**
Provision for loans	(139.640)
Net loans	**8.810.044**
Contingent loans	3.127.956

Loans to other related parties:

December 31, 2023	Legal Entities	Individuals
	MCOP	MCOP
Loans and accounts receivable:		
Commercial loans	495.521	-
Housing loans	-	1.241.171
Consumer loans	-	174.952
Gross loans	**495.521**	**1.416.123**
Provision for loans	(4.341)	(17.691)
Net loans	**491.180**	**1.398.432**
Contingent loans	300.000	209.800

December 31, 2022	Legal Entities	Individuals
	MCOP	MCOP
Loans and accounts receivable:		
Commercial loans	595.261	-
Housing loans	-	1.099.814
Consumer loans	-	186.628
Gross loans	**595.261**	**1.286.442**
Provision for loans	(5.322)	(16.461)
Net loans	**589.939**	**1.269.981**
Contingent loans	10.183.555	532.586

(2) Deposits with related parties

Deposits to key personnel:

Liabilities	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
Demand deposits	2.642.885	3.767.508
Time deposits and other time deposits	5.133.676	3.162.063

Deposits to other related parties:

Liabilities	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
Demand deposits	1.510.464	6.987.081
Time deposits and other time deposits	1.444.545	721.597

Itaú Holding Deposits:

Liabilities	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
Demand deposits	756.811	805.516

(3) **Interest income**

Interest income to key personnel:

	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
Credit cards	209.869	121.641
Consumer	297.436	228.203
Mortgage	210.612	380.422
Leasing	73.623	81.192

Interest income to other related parties

	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
Credit cards	19.436	25.972
Consumer	18.374	16.968
Commercial	105.957	1.003.429
Mortgage	69.179	56.935
Leasing	50.560	34.646

(5) Profit or loss from deposits

Interest expense net of commissions to key personnel:

	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
Demand deposits	(43.460)	(116.197)
Time deposits and other time deposit	(446.171)	(155.338)

Interest expense to other related parties

	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
Demand deposits	(24.306)	(547.300)
Time deposits and other time deposit	(129.215)	(169.617)

Interest expense to Itaú Holding

	As of December 31 2023	As of December 31 2022
	MCOP	MCOP
Demand deposits	(706)	(666)

(6) Other intragroup transactions

December 31,2023

	Right-of-use assets	Banks	Deposits	Obligations	Lease Financial liabilities	Lease income	Commissions and services interest	Financial expense
Itaú Chile	-	-	-	384.408.764	-	-	-	65.825.640
Itaú New York	-	220.728.156	-	-	-	-	2.968.250	-
Itaú Corredor	283.961	-	427.156		160.501	141.388	4.992	34.808

	Forward Assets	Forward Liabilities	Guarantees received	Forward assets Income	Forward income realized	Forward liabilities expense	Forward expense realized
Itaú Nassau	13.994.047	8.033.883	6.803.249	13.994.047	118.191.276	8.033.883	98.628.577

Itaú Comisionista

Name or corporate name	As of December 31	
	2023	2022
	MCOP	MCOP
Company 475 - Itaú International Securities Miami		
Assets	**1.275.203**	**642.462**
Commissions receivable	1.275.203	642.462
Revenues	**3.935.654**	**2.750.963**
Correspondent	3.935.654	2.750.963
Company 217 - Itaú Securities New York		
Assets	**-**	**759.555**
Commissions receivable (1)	-	759.555
Revenues	**3.081.344**	**2.564.554**
Operating income	3.081.344	2.564.554

(1) This item is not recorded for December due to the termination of the agreement as of July 2023.

Name or corporate name	As of December 31	
	2023	2022
	MCOP	MCOP
Company 702 - Banco Itaú Suisse		
Assets	**19.264**	**-**
Commissions receivable	19.264	-
Revenues	**122.731**	-
Correspondent contract commissions	122.731	-
Company 776 - Itaú New York Branch		
Assets	**13.775**	**-**
Commissions receivable	13.775	-

December 31, 2022

	Right-of-use assets	Banks	Deposits	obligations	Lease Financial liabilities	Lease income	Commissions and services interest	Financial expense
Itaú Chile	-	-	-	483.539.977	-	-	-	2.492.812
Itaú New York	-	600.088	-	-	-	-	1.103.273	-
Itaú Corredor	507.260	-	441.950		380.349	311.421	4.184	20.198

	Forward Assets	Forward Liabilities	Guarantees received	Forward assets income	Forward income realized	Forward liabilities expense	Forward expense realized
Itaú Nassau	266.670	6.691.774	-	266.670	20.065.097	6.691.774	33.134.612

(7) **Composition of key personnel**

As of December 31, 2023 and 2022, the composition of key personnel for the Bank is as follows:

Position	Number of Executives As of December 31 2023	As of December 31 2022
President	1	1
Vice Presidents	12	12
General Manager	4	4
Division Manager	55	51

(8) Personnel benefits

	From January 1 to December 31 2023	2022
	MCOP	MCOP
Short-term employee benefits	52.592.000	47.775.000
Totals	**52.592.000**	**47.775.000**

(10) **Board of Directors' Fees**

During the years ended December 31, 2023 and 2022, fees paid to directors for attendance to Board of Directors meetings and Support Committees amounted to $808 million and $765 million, respectively.

NOTE 34 - FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

The preparation of this disclosure is based on the application of local and international regulatory guidelines, always taking into account compliance with both. It applies both to financial assets and/or liabilities and to non-financial assets and/or liabilities measured at fair value (recurring and non-recurring). The main guidelines and definitions used by the Group are presented below:

Fair value The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The transaction is carried out in the principal [2] or most advantageous [3] market and is not forced, i.e., it does not consider factors specific to the Group that could influence the actual transaction.

.

[2] Market with the highest volume and level of activity for assets or liabilities.

[3] Market that maximizes the amount that would be received for selling the asset or minimizes the amount that would be paid for transferring the liability, after taking into account transaction and transportation costs..

Market participants Buyers and sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:

a. They are independent of each other, i.e. they are not related parties as defined in IAS 24 "Related Party Disclosures", although the price of a related party transaction may be used as an input to a fair value measurement if the entity has evidence that the transaction was conducted at arm's length.

b. Are duly informed, have a reasonable understanding of the asset or liability, and use all available information in the transaction, including information that can be obtained through usual and customary due diligence efforts.

c. Are competent to enter into a transaction for the asset or liability.

d. They have the will to carry out a transaction with the asset or liability, that is, they are motivated, but not forced or obligated in any way to do so.

Fair value measurement. When measuring this value, the Group takes into account the characteristics of the asset or liability in the same way that market participants would take them into account when setting the price of said asset or liability on the measurement date.

Transaction aspects. A measurement of such a value assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions. Said measurement assumes that the sale transaction of the asset or transfer of the liability takes place: (a) in the main market of the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability.

Market participants. The measurement of said value measures the fair value of the asset or liability using the assumptions that market participants would use to set the price of the asset or liability, assuming that the participants are acting in their best economic interest.

Pricing. Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Maximum and best use of non-financial assets. The measurement of said value measures the fair value of the asset or liability using the assumptions that market participants would use to set the price of the asset or liability, assuming that the participants are acting in their best economic interest.

Liabilities and equity instruments of the Group . Measurement at fair value assumes that these items are transferred to a market participant at the measurement date. The transfer of these items assumes that:

a. A liability would remain outstanding and the market participant receiving the transfer would be required to satisfy the obligation. The liability would not be settled with the counterparty or otherwise extinguished at the measurement date.

b. An own equity instrument would remain outstanding and the transferee market participant would bear the rights and liabilities associated with the instrument. The instrument would not be canceled or otherwise extinguished at the measurement date..

Non-performance risk. The fair value of a liability reflects the effect of default risk. This risk includes, but may not be limited to, an entity's own credit risk. The aforementioned risk assumes that it is the same before and after the transfer of the liability.

Initial Recognition. At the time of acquiring an asset or assuming a liability in an exchange transaction for that asset or liability, the transaction price is the price paid to acquire the asset or received to assume the liability (an entry price). Conversely, the fair value of the asset or liability is the price that would be received to sell the asset or paid to transfer the liability (an exit price). Entities do not necessarily sell assets at the prices paid to acquire them. Similarly, liabilities are not necessarily transferred at the prices received to assume them

Valuation techniques. The techniques that are appropriate to the circumstances and for which there is sufficient data available to measure fair value shall be used, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. In this regard, the following approaches are highlighted, the first two being the most commonly used by the Group:

a. Market approach. Uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.

b. **Income approach**. Converts future amounts (e.g., cash flows or revenues and expenses) into a single (i.e., discounted) present amount. The fair value measurement is determined on the basis of the value indicated by present market expectations about those future amounts.

c. **Cost approach.** Reflects the amount that would be required at the present time to replace the serviceability of an asset (often referred to as current replacement cost).

Present value techniques. Discount rate adjustment technique and expected cash flows (expected present value). The present value technique used to measure fair value will depend on the specific facts and circumstances of the asset or liability being measured and the availability of sufficient data.

Components of present value measurement. Present value is a tool used to link future amounts (e.g., cash flows or securities) to a present amount using a discount rate. A fair value measurement of an asset or liability using a present value technique captures all of the following elements from the perspective of market participants at the measurement date:

a. An estimate of future cash flows for the asset or liability being measured.

b. Expectations about possible variations in the amount and timing of cash flows that represent the uncertainty inherent in the cash flows.

c. The time value of money, represented by the rate on risk-free monetary assets that have maturity dates or durations that coincide with the period covered by the cash flows and do not pose either uncertainty in the timing or risk of default for the holder (i.e. risk-free interest rate).

d. The price for bearing the uncertainty inherent in the cash flows (i.e., a risk premium).

e. Other factors that market participants would take into account under the circumstances.

f. For a liability, the default risk related to that liability, including the entity's own credit risk (i.e., that of the obligor).

Fair value hierarchy. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Level 2 input data are other than quoted prices included in level 1 that are observable for assets or liabilities, directly or indirectly.

The fair values of the main financial assets and liabilities as of December 31, 2023 and 2022, including those that are not presented at fair value in the Statement of Financial Position, are summarized below.

		As of December 31, 2023		As of December 31, 2022	
	Note	**Book value**	**Estimated fair value**	**Book value**	**Estimated fair value**
		MCOP	**MCOP**	**MCOP**	**MCOP**
Subtotal Cash and bank deposits	5	1.849.034.303	1.849.034.303	2.017.808.209	2.017.808.209
Net operations with settlement in progress	5	3.973.163	3.973.163	816.342	816.342
Highly liquid financial instruments	5	5.962.119	5.962.119	57.039.578	57.039.578
Repurchase agreements	5	604.006.679	604.006.679	725.901.292	725.901.292
Instruments measured at fair value through profit and loss	6	1.318.058.072	1.318.058.072	1.069.377.350	1.069.377.350
Investments measured at fair value through equity	6	32.960.000	32.960.000	28.587.073	28.587.073
Financial derivative contracts	7	977.370.123	977.370.123	1.058.558.352	1.058.558.352
Loan portfolio	8	19.639.077.848	19.382.350.549	21.534.537.548	20.170.156.016
Accounts receivable	9	328.822.485	328.822.485	292.910.644	292.910.644
Non-current assets held for sale	15	51.295.497	51.295.497	24.810.841	24.810.841
Investments at fair value with changes in ORI	6	2.072.810.871	2.072.810.871	1.282.725.663	1.282.725.663
Investments at amortized cost	6	1.617.503.336	1.619.728.230	1.711.854.094	1.598.858.148
Deposits and other demand obligations	17	9.263.690.524	9.263.690.524	10.002.559.557	10.002.559.557
Ordinary purchased interbank funds	18	80.107.093	80.107.093	80.074.293	80.074.293
Simultaneous operations	18	118.660.830	118.660.830	372.748.803	372.748.803
Commitments arising from short positions	18	958.010	958.010	2.919.619	2.919.619
Deposits and other time deposits	17	10.104.084.250	10.167.261.094	8.363.602.953	8.068.945.023
Financial derivative contracts	18	952.174.124	952.174.124	979.743.013	979.743.013
Obligations with banks	18	2.336.273.430	2.461.280.796	3.664.203.117	3.914.201.037
Debt instruments issued	22	2.977.063.016	2.895.605.063	3.493.686.285	3.453.131.409

The fair value estimates presented above are not intended to estimate the value of the Bank's earnings generated by its business, nor future business activities, and therefore do not represent the value of the Bank as a going concern.

The methods used to estimate the fair value of financial instruments are detailed below:

a) Cash and deposits with banks and financial instruments included in other liabilities

The recorded value of cash and deposits in banks and financial instruments included in other liabilities approximates their estimated fair value due to the nature of the interbank and repo transactions, since the transactions are carried out at market and their maturities are on demand.

b) Trading instruments, available-for-sale investment instruments and held-to-maturity investments.

The estimated fair value of these financial instruments was determined using information from the authorized price vendor.

The price vendor is responsible for determining the daily prices at which the financial assets of all financial institutions such as banks, brokerage firms, insurance companies, mutual funds, afores, among others, are valued.

c) Repurchase agreements and securities loans

This item corresponds to securities pledged as collateral for repo transactions. These financial instruments are classified as available-for-sale investments and their fair value was determined based on the information provided by the price vendor.

d) Financial derivative contracts

The estimated fair value of these financial instruments was determined using available market values by the authorized price vendor.

The price vendor determines them according to public market information and information obtained from transactions carried out by brokers.

e) Loans, leasing advances, imports in process and accounts receivable from customers

The fair value of the loan portfolio was estimated as of December 31, 2023 and 2022, using the reference curves for indexed liquid markets.

f) Deposits, other demand obligations and time deposits

The disclosed fair value of non-interest bearing deposits and savings accounts is the amount payable at the reporting date and, accordingly, is equal to the carrying amount.

The fair value of time deposits is calculated using information obtained by the pricing vendor for this class of instrument.

g) Debt instruments issued

The fair value of time deposits is calculated using information obtained by the pricing vendor for this class of instrument.

h) Obligations with banks and other financial obligations

The estimated fair value for obligations with banks and other financial obligations was calculated using analogous valuation instruments such as debt instruments issued and their reference curves are provided by the price vendor.

In addition, the fair value estimates presented above do not attempt to estimate the value of the Group's earnings generated by its business, nor future business activities, and therefore do not represent the value of the Group as a going concern.

Cash and short-term assets and liabilities

The fair value of these transactions approximates book value due to their short-term nature. These include:

- Cash and deposits with banks
- Transactions with settlement in progress
- Repurchase agreements and securities loans
- Deposits and other demand obligations
- Other financial obligations

Placements

The fair value of loans was determined using a discounted cash flow analysis, using the Group's funding cost rate in the different countries in which it has a presence, plus an adjustment for the expected loss of debtors based on their credit quality. The adjustment for credit risk is based on observable market variables and the Group's qualitative and quantitative credit risk methodologies in accordance with its policy. The items included are:

- Loans and receivables from customers.

Financial instruments at maturity

The estimated fair value of these financial instruments was determined using quotations and transactions observed in the principal market for identical instruments, or in the absence of identical instruments, similar instruments. In estimating the fair value of debt instruments or debt securities, additional variables and inputs are taken into account, to the extent applicable, including estimated prepayment rates and issuer credit risk.

Medium and long-term liabilities

The fair value of medium and long-term liabilities was determined through discounted cash flows, using an interest rate curve that reflects current market conditions at which the Entity's debt instruments are traded. Medium and long-term liabilities include:

- Deposits and other time deposits
- Deposits and other time deposits
- Debt instruments issued

Instruments measured at fair value on a recurring basis

	Note	As of December 31, 2023 MCOP	As of December 31, 2022 MCOP
Assets			
Subtotal cash and bank deposits	5	1.849.034.303	2.017.808.209
Net operations with settlement in progress	5	3.973.163	816.342
Repurchase agreements	5	604.006.679	725.901.292
Highly liquid financial instruments	5	5.962.119	57.039.578
Investments measured at fair value through profit or loss	6	1.318.058.072	1.069.377.350
Investments measured at fair value with changes in ORI	6	2.072.810.871	1.282.725.663
Financial derivative contracts	7	977.370.123	1.058.558.352
Total assets		**6.831.215.330**	**6.212.226.786**
Liabilities			
Ordinary purchased interbank funds	18	80.107.093	80.074.293
Simultaneous operations	18	118.660.830	372.748.803
Commitments originated in short positions	18	958.010	2.919.619
Financial derivative contracts	18	952.174.124	979.743.013
Total liabilities		**1.151.900.057**	**1.435.485.728**

Financial instruments

The estimated fair value of these financial instruments was determined using quotations and transactions observed in the principal market for identical instruments, or in the absence of identical instruments, similar instruments. In estimating the fair value of debt instruments or debt securities, additional variables and inputs are taken into account, to the extent applicable, including estimated prepayment rates and issuer credit risk. These financial instruments are classified as:

- Instruments for trading
- Available-for-sale investment instruments

Financial derivative contracts

The estimated fair value of derivative contracts is calculated using quoted market prices of financial instruments with similar characteristics.

Fair value hierarchy. To increase the consistency and comparability of fair value measurements and disclosures. The IFRS establishes a fair value hierarchy that classifies the inputs to valuation techniques used to measure fair value into three levels.

The fair value hierarchies are as follows:

- Level 1: the data correspond to unadjusted quoted prices in markets for identical assets or liabilities that are available to the Entity at the measurement date. The inputs necessary to mark to market the instruments in this category are available daily and are used directly. The information comes from the official price vendor.

- Level 2: The specific instrument does not have daily quotations. However, it is possible to observe similar instruments: for example, for the same issuer the instrument has a different maturity date, the issuer is not the same but the maturity and risk rating are the same, in general various combinations. Although the inputs are not directly observable, observable inputs are available with the necessary periodicity and/or informed by the official price provider.

- Level 3: used when the prices, inputs or inputs required are not observable, either directly or indirectly for similar instruments for the asset or liability at the valuation date. These fair value valuation models are subjective in nature. Therefore, they base their price estimates on a series of assumptions that are widely accepted by the market. The official price provider does not report prices.

The ranking of the positions at each level in the hierarchy will depend on the quality of the inputs that are obtained for valuation.

The following table presents the assets and liabilities that are measured at fair value on a recurring basis (Investments and Derivatives), as of December 31, 2023.

		Fair value measurement as of the reporting date			
	Note	Fair Value Amount	Quoted Prices in Active Markets for identical assets (Level 1)	Other Significant Observable Inputs (Level 2)	Other significant unobservable inputs (Level 3)
ASSETS		**MCOP**	**MCOP**	**MCOP**	**MCOP**
Cash	5	1.849.034.303	1.849.034.303	-	-
Operations with settlement in progress	5	3.973.163	3.973.163	-	-
Retropurchase agreements	5	604.006.679	604.006.679	-	-
Highly liquid financial instruments	5	5.962.119	-	5.962.119	-
Investments measured at fair value through profit or loss	6	1.318.058.072	1.307.246.378	10.811.694	-
Investments measured at fair value with changes in ORI	6	2.072.810.871	1.919.655.199	153.155.672	-
Financial derivative contracts	7	**977.370.123**	**-**	**977.370.123**	-
Forwards		426.142.500	-	426.142.500	-
Swaps		551.190.713	-	551.190.713	-
Call Options		36.910	-	36.910	-
Total		**6.831.215.330**	**5.683.915.722**	**1.147.299.608**	**-**
LIABILITIES					
Ordinary purchased interbank funds	18	80.107.093	80.107.093		-
Repo operations	18	-	-	-	-
Simultaneous operations	18	118.660.830	118.660.830	-	-
Commitments arising from short positions	18	958.010	958.010	-	-
Financial derivative contracts	18	**952.174.124**	**-**	**952.174.124**	-
Forwards		458.250.297	-	458.250.297	-
Swaps		493.451.796	-	493.451.796	-
Call Options		447.044	-	447.044	-
Other		24.987	-	24.987	
Total		**1.151.900.057**	**199.725.933**	**952.174.124**	**-**

NOTE 35 RISK MANAGEMENT

The Bank, through its business, is exposed to various types of risks mainly related to the loan portfolio and financial instruments. A description of the Bank's main business activities and risk management policies is presented below.

Comprehensive Risk Management System

By means of External Circular 018 of September 22, 2021, the Superintendence of Finance of Colombia (hereinafter, the "SFC") created the Comprehensive Risk Management System (hereinafter, "SIAR per its acronym in Spanish") for the management of the risks to which financial and insurance entities are exposed: Credit, market, operational, liquidity, counterparty, guarantee, insurance and country, which allows the entity to have a global vision of the risks to which it is exposed and includes the adoption of guidelines related to risk governance, risk appetite and data aggregation.

The instructions contained in these new chapters came into force on June 1, 2023, except for the provisions of chapter XXXI of the SIAR related to the aggregation of data on risks and reporting, which came into force on December 31, 2023. For this purpose, the entity identified the different regulatory requirements set forth in the SIAR for the different types of risks and carried out the implementation plan, complying with the requirements of the standard, which covered governance issues, risk appetite and stress test, with the application scope in credit risk, operational risk, market risk, liquidity risk and country risk.

In accordance with CE018 on country risk issues, the impairment impact of the investment in Itaú Panama is disclosed in the Bank's Separate Balance Sheet.

1. Corporate Governance

a. Corporate Governance Structure

The Bank's governance structure is composed of the following authorities:

General Shareholders' Meeting

It is the supreme body of Itaú Colombia S.A. and is the primary mechanism for the provision of information to shareholders.

Board of Directors

The highest administrative body of the Bank, in matters within its competence. The Board of Directors acts as a liaison between the Bank and its shareholders and investors. The Board of Directors meets at least once a month and reviews not only the matters that it is legally required to inspect and/or approve, but also any other matter that the management or this body may consider. Among the reports reviewed monthly by the Board of Directors are the Economic Report, the Credit Risk Report and the Financial Risk Report. It is elected annually by the Bank's Shareholders' Meeting and is currently comprised of nine principal members, four of whom are independent.

Among the functions established for the Board of Directors in its Regulations is the approval of the Bank's Strategic Plan, its supervision and execution control, identifying risks and establishing reasonable mechanisms to mitigate them, supporting the Bank's presence in the country.

Committees

One of the functions of the Board of Directors is to create committees to which it delegates some functions on different issues, which is why there are currently several committees to support the Board of Directors. Some of these Committees have the participation of one or two members of the Board of Directors. The most representative committees of the Bank are the following: Audit Committee, Risk Management Committee, Executive Risk Committee, Regulatory Compliance Committee, Committee for the Prevention of Asset Laundering and Terrorism Financing (CPLAFT per its acronym in Spanish), Assets and Liabilities Committee (CAPA), Remuneration Committee, Corporate Governance Committee and the Crisis Management Committee.

2. Quantitative and qualitative information about credit risk

a. General background

Within the Risk Vice-Presidency, the Bank has specific areas that participate in the complete cycle of the relationship with customers, from the origin of credit to the control and follow-up of operations. For this purpose, the Vice Presidency has functional, independent areas with specific responsibilities that define policies, the origination process, the control and follow-up of the portfolio and its recovery, which allows guaranteeing a safe growth in the different portfolios. These specialized areas are divided for the Personal and SME Credit portfolio and for the Business, Corporate, Government and Institutional Credit portfolios.

The Bank assumes daily credit risk on two fronts: the commercial banking activity and the Treasury activity. Despite being independent businesses, the nature of counterparty insolvency risk is equivalent and therefore the criteria with which they are managed are similar.

The basic principles and rules for risk management in the Bank are set forth in the Credit Risk Management System (SARC per its acronym in Spanish) and the Market and Liquidity Risk Management System (SARML) manuals, designed for the traditional banking and Treasury activities. The evaluation criteria for measuring credit risk follow the instructions issued by the Financial Superintendency of Colombia on this matter.

In relation to the monitoring and control activities of the Corporate portfolio that are performed in areas independent from the origin, Itaú continued to advance in the use of different methodologies such as decision trees, qualitative choice models, analysis of transition matrices, among others that allow the identification of risk factors on which risk management is built.

Additionally, significant progress was made in the consolidation of information for the Bank in order to guarantee the generation of both regulatory and internal reports and monitoring of the portfolio at the segment, product and sector level. The Group complied with the portfolio evaluation processes in the May and November cut-offs and strengthened the Special Surveillance tool that allows better management of alert clients in the entity.

Within this area, the client's risk was measured on a monthly basis through the reference models of the commercial portfolio that contemplate delinquency and the level of risk associated with the debtor. Likewise, it complied with the regulations of the parent company through the measurement of risk with the established models and the assignment of the rating according to the level of risk of each debtor.

b. Elements that compose the SARC

Itaú Colombia S.A. has implemented the Credit Risk Management System (SARC) with which it evaluates, assumes, rates, controls and hedges its credit risk.

The credit risk management system has the following basic components: credit risk management policies, credit risk management processes, internal or reference models for estimating or quantifying expected losses, a system of provisions to cover credit risk and internal control processes.

It also provides instructions on the accounting aspects concerning the credit risk management system, the availability and reporting requirements of information on credit risk assessment, special rules for some supervised entities and credit risk management in transactions with local authorities and public entities.

c. Credit risk management policies

The Board of Directors adopts the credit risk management policies, clearly and precisely defining the criteria under which the organization must evaluate, assume, rate, control and cover credit risk, as well as establishing the mechanisms and controls necessary to ensure strict compliance with said policies and the standards applicable to the credit risk management process.

d. Models for the estimation or quantification of expected losses under IFRS 9

The Bank assesses, on a prospective basis, expected credit losses associated with debt instruments carried at amortized cost and at fair value through other comprehensive income and exposure arising from loan commitments and financial guarantee contracts. The Bank recognizes a loss allowance for such losses at each reporting date. The measurement of expected credit losses reflects:

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

The value of provisions for the Bank is defined as the amount equivalent to the expected credit losses, estimated under internal risk parameter models. Thus, the variation in provisions between reporting dates will be equivalent to the variation in the estimate of expected credit losses within the same reporting dates.

Expected credit losses are estimated based on the present value of the difference between contractual cash flows and expected cash flows of part of the instrument.

In the case of contingent products, the expected credit losses will be associated additionally to the expectation of materialization of the instrument within the expected flows.

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

- Modality. Two modalities are distinguished regarding the construction of the parameters of the provisions model, which identify the main type of portfolio within the Entity: Legal Entity, Individual. Although the parameters are applied in a homogeneous manner to all modalities, the risk parameters for the estimation of the expected credit loss contemplate differences according to the type of modality.

- Segment/Product. By means of a second segmentation criterion, the portfolio is further differentiated, so that the applicable risk parameters reflect a better fit of the model on the instruments. For the legal entity portfolio, a segmentation is made against the size of the client, obtaining eight segments (segments 0 to 7), which increasingly indicate the significant value of the client within the portfolio.

- Similarly, for natural persons, a segmentation is made at the product level, recognizing a differentiated behavior of the instrument according to its contractual characteristics, use and purpose. Seven segments are defined, characterized by the type of product in the portfolio: Orders of Payment (LIB), Leasing (LEA), Revolving (ROT), Overdrafts (SOB), Others (OTR). The last segment defined is the Restructuring segment (RST), which is defined according to the characteristic of whether the instrument is restructured at the reporting date.

According to the characteristics of the segments/products, the estimation of the risk parameters specified in the specialized documents is performed.

Depending on the condition or risk classification of the instrument, different models are applied to estimate the expected credit losses, which also depend on parameters according to the risk of the instrument. It should be noted that the risk classification for the Bank is defined based on the comparison of the risk between the time of origination and the presentation date, in accordance with the requirements of IFRS 9.

The segmentation at the instrument characteristics level is complemented, according to the risk classification, based on the Significant Increase in Credit Risk (SICR) model included in IFRS 9. A differentiated methodology is defined depending on the risk of the instrument:

- Stage 1 (STG1). Financial instruments that do not present a decrease in their credit quality from the initial recognition or that have low credit risk at the end of the reporting period. The expected credit loss will be recognized over a 12-month time horizon and interest income on the gross book value of the instrument.

- Stage 2 (STG2). Financial instruments that have significantly increased their credit risk since their initial recognition (except that they have a low credit risk at the reporting date) but that do not present objective evidence of an event of loss, default or impairment. The expected credit loss will be recognized for the life of the instrument and interest income will also be calculated on the gross book value of the asset.

- Stage 3 (STG3). Instruments with objective evidence of impairment (EOD, per its Spanish Initials) in the reporting period. The expected credit loss will be recognized for the life of the asset and interest income will be calculated on the net book value of the asset.

Thus, segmentation by instrument characteristics for all portfolio types allows the definition and estimation of specific parameters, while segmentation by risk rating defines a model of expected credit loss according to risk rating and the use, as per rating, of specific parameters.

Expected loss estimation parameters:

The expected loss measurement parameters are as follows:

Probability of Default (PD)

It is defined as the estimated probability of occurrence of default of an instrument. IFRS 9 proposes the specification of this parameter and its discriminate application according to the risk status of the instrument:

- PD 12 months (PD12m). It is the estimated probability of occurrence of default in the next 12 months of life of the instrument from the date of analysis. The Bank, according to the standard, defines its use for the sound portfolio that does not present any evidence of impairment.

- PD Lifetime (PDLT). It is the estimated probability of occurrence of default over the remaining life of an instrument, being the remaining life of the instrument dependent on the conditions of the specific product to be analyzed. The probability of default lifetime is applied to those instruments that have presented a SICR at the date of presentation. The PD lifetime may have different types of presentation, depending on its use in the methodological models:

  - PD lifetime depending on the estimation date. Since the staging model requires a comparison between the credit risk at the time of initial recognition and the credit risk at the reporting date, it is necessary to quantify the risk in a comparable manner between the two dates, which is why a PD lifetime at origin (initial recognition) (PDLT-ORG) and a PD lifetime at the reporting date (PDLT-ACT) are defined.

  - PD lifetime depending on the application. With respect to the integral model of Expected Credit Loss under IFRS 9, the PD lifetime can be differentiated according to its application: the risk classification (staging) or the estimate of the Expected Credit Loss. In the case of risk classification, since the PD lifetime at the reporting date is compared with the PD lifetime at origination, the PD lifetime value for these two points in time will be the total PD over the remaining life (the remaining life being the difference between the term and the maturity of the loan)

On the other hand, for the expected credit loss estimation model, the PD must be segmented according to the periodicity of the projected exposure flows, so that an expected credit loss associated with each point in time of the instrument can be estimated. This lifetime PD is defined as the marginal lifetime PD, PD that constitutes a set of values corresponding to the lifetime PD in each observation period of the instrument, during its remaining life. This PD lifetime is referred to as the marginal PD lifetime (PDLT-MARG n, where it refers to the specific observation period.

Estimated Loss Given Default (LGD)

It is based on the difference between the contractual cash flows and those the Bank expects to receive, taking into account the cash flows from the realization of any guarantee. LGD models for secured assets consider future collateral valuation forecasts, taking into account the sale discounts, the time of completion of the collateral and the age of the request, the cost of collateral realization and the cure rates (i.e., exit from default).

LGD models for unsecured assets consider recovery time, recovery rates and seniority of claims, the calculation is made on a discounted cash flow basis, where cash flows are discounted against the current interest rate.

Exposure at Default (EAD)

It is defined for the ECL model under IFRS 9 as the exposure of a financial instrument at the time of default. In other words, it is the value to which the Entity is exposed to a possible default by the counterparty (the value of the exposure must consider the balances drawn down and the balances available for the products).

Characteristics of the instrument

A model is defined for the Bank's portfolio that allows identifying and managing in a more adequate manner the expected credit loss estimate based on the intrinsic characteristics of the instrument. In this order of ideas, a segmentation is made in accordance with the Bank's current risk management.

The segmentations described above are carried out subsequently, so that the segmentation criteria constitute a single applicable segmentation model:

Modification

The Bank sometimes renegotiates or modifies the contractual cash flows of loans to customers. When this occurs, the Bank assesses whether the new terms are materially different from the original terms. The Bank does so by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification simply reduces the contractual cash flows to amounts the borrower is expected to be able to repay.

- If substantial new terms are introduced, such as an equity/earnings-based shared yield that substantially affects the risk profile of the loan.

- Significant extension of the loan term when the borrower is not in financial difficulty.

- Significant interest rate changes.

- Changes in the currency in which the loan is denominated.

- Insertion of guarantees, other securities or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Bank derecognizes the original financial asset and recognizes a "new" asset at fair value and recalculates a new effective interest rate for the asset. Accordingly, the renegotiation date is considered as the initial recognition date for impairment calculations, including the determination of whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the newly recognized financial asset is considered credit-impaired on initial recognition, especially in circumstances where the renegotiation was driven by the fact that the debtor was unable to make the originally agreed payments. Differences in the carrying amount are also recognized as a profit or loss on derecognition.

If the terms are not materially different, the renegotiation or modification does not result in a derecognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognizes a change in profit or loss.

The new gross carrying amount is recalculated by projecting the discounted cash flows at the original effective interest rate (or credit-adjusted effective interest rate for credit and non-credit financial assets acquired or originated).

Derecognition other than modification

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive cash flows from the assets have expired, or when they have been transferred and (i) the Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and has not retained control.

The Bank enters into transactions in which it retains the contractual rights to receive cash flows from assets, but assumes the contractual obligation to pay those cash flows to other entities and transfers substantially all the risks and rewards. These transactions are accounted for as transfers resulting in derecognition if the Bank:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it receives from the assets without significant delay.

Collateral (stocks and bonds) provided by the Bank under standard repurchase agreements and securities lending and borrowing transactions are not derecognized because the Bank retains substantially all of the risks and rewards based on the predetermined repurchase price, and therefore the derecognition criteria are not met. This also applies to certain securitization transactions in which the Bank retains a subordinated residual interest.

e. Significant increase in credit risk

Under the expected loss estimation (ECL) approach and in compliance with the regulatory requirements derived from IFRS 9, Itaú Bank estimated risk parameters such as probabilities of default at 12 months (PD), probability of default over the life of the instrument (PD Life Time), loss given default (LGD) and exposure at default (EAD) and included prospective criteria (Forward Looking) in the probabilities of default taking into account macroeconomic expectations.

For customer credit risk analysis, the bank assigns each debtor a risk rating through statistical models that incorporate payment behavior variables, financial analysis, macroeconomic components, among other factors; without forgetting the assignment of qualifications under evaluation criteria and expert judgment classification that allow collecting information not available in the models.

Likewise, Banco Itaú establishes a risk classification model based on quantitative and qualitative criteria, the purpose of which is to measure and identify the significant increase in credit risk (SICR) of financial instruments.

For Itaú Colombia and its portfolio in Panama, a transversal ECL estimation model is defined, which depends both on the segmentation or characterization of the product, as well as on the corresponding risk rating included in the new model under the IFRS 9 approach and a model of individual analysis for debtors with particular conditions of complexity and/or size of their exposure.

The value of provisions for the Entity is defined as the amount equivalent to the Expected *Credit Losses* (ECL), estimated under the aforementioned internal risk parameter models.

Said expected credit loss (ECL) is estimated based on the present value of the difference between contractual cash flows and expected cash flows of part of the instrument for individual evaluation. The amount of ECL and, therefore, of provisions, will be estimated and updated on each date of presentation of financial statements, which in the case of Panama is defined on a monthly basis, in order to reflect changes in the credit risk of instruments frequently."

The following table summarizes by type of asset the range above which a significant increase in the life of the instrument is determined, as well as some qualitative indicators evaluated:

Portfolio type		absolute % increase over the life of the asset (lifetime)	% relative increase over the life of the asset (lifetime)	Qualitative indicators
Corporate				
No information	0	2,19%	347,09%	• Restructured loans • Increase in credit risk of other financial instruments
Small companies 1	1	31,41%	246,22%	
Small companies 2	2	25,04%	628,24%	
Medium-sized companies 1	3	22,72%	1049,44%	
Medium- sized companies 2	4	16,47%	486,83%	
Large companies	5	4,67%	774,07%	
Companies with low risk of non-compliance	6	1,71%	1114,94%	
Government	7	0,02%	561,17%	

Portfolio type		absolute % increase over the life of the asset (lifetime)	% relative increase over the life of the asset (lifetime)	Qualitative indicators
Individuals				
Leasing	1	61,14%	292,83%	• Increase in credit risk of other financial instruments
Payroll loan maturity 1	2	0,94%	1390,96%	
Payroll loan maturity 2	3	0,94%	1511,98%	
Payroll loan maturity 3	4	33,88%	216,11%	
Payroll loan maturity 4	5	8,65%	106,65%	
Revolving	6	47,92%	125,27%	
Overdraft	7	0,74%	299,86%	
Card	8	40,09%	171,69%	
Mortgage maturity 1	9	6,70%	81,44%	
Restructured maturity 1	10	14,20%	402,52%	
Restructured maturity 2	11	33,95%	0,84%	
Restructured maturity 3	12	0,53%	57,92%	
Restructured maturity 4	13	71,85%	334,42%	
Other loans maturity 1	14	38,93%	71,83%	
Other loans maturity 2	15	46,05%	86,44%	
Other loans maturity 3	16	47,04%	119,98%	
Other loans maturity 4	17	37,97%	3,51%	

The following are the criteria used for the calculation of forward looking:

As of December 31, 2023	2022	2023	2024
GDP growth			
Base scenario	2,9	1,4	2,8
Positive scenario	2,9	2,2	3,9
Negative scenario	2,9	-0,3	1,9
Unemployment indicator			
Base scenario	10,8	9,2	8,2
Positive scenario	10,8	7,2	6,4
Negative scenario	10,8	11,7	10,0
Monetary policy intervention rate			
Base scenario	12	12,5	7
Positive scenario	12	10,75	5,5
Negative scenario	12	14,25	8,5
Exchange rate			
Base scenario	4810	4100	4300
Positive scenario	4810	3901	3957
Negative scenario	4810	4315	4707
Inflation			
Base scenario	13,1	9,3	4,5
Positive scenario	13,1	8,3	2,9
Negative scenario	13,1	10,3	6,1

g. Impairment coverage on the portfolio

The following table shows the impairment coverage ratio on the portfolio and the results of the sensitivity scenarios of the expected credit loss:

As of December 31, 2023

	MCOP%
Expected credit loss allowance (ECL)	**1.097.172.701**
Total loan portfolio before impairment	**20.736.250.549**
Percentage of coverage (ECL/Total loan portfolio before impairment)	3,73%
Percentage of coverage optimistic scenario (ECL optimistic scenario / Total loan portfolio before impairment)	3,45%
Percentage of coverage medium scenario (ECL medium scenario / Total loan portfolio before impairment)	3,70%
Percentage of coverage pessimistic scenario (ECL pessimistic scenario / Total loan portfolio before impairment)	3,97%

As of December 31, 2022

	MCOP%
Expected credit loss allowance (ECL)	**1.034.400.344**
Total loan portfolio before impairment	**22.568.937.892**
Percentage of coverage (ECL/Total loan portfolio before impairment)	4,58%
Percentage coverage optimistic scenario (ECL optimistic scenario/Total loan portfolio before impairment)	4,40%
Percentage coverage medium scenario (ECL medium scenario / Total loan portfolio before impairment)	4,57%
Percentage coverage medium scenario (ECL medium scenario / Total loan portfolio before impairment)	4,73%

The following is the temporality of the portfolio according to delinquencies:

	As of December 31, 2023	
	Gross carrying amount	Impairment
	MCOP	MCOP
0-29 days	19.796.256.240	592.818.062
30-59 days	160.805.163	51.095.600
60-89 days	103.991.559	53.384.480
90-180 days	211.312.944	123.230.699
More than 181 days	463.884.643	276.643.860
Totals	**20.736.250.549,00**	**1.097.172.701,00**

	As of December 31, 2022	
	Gross carrying amount	Impairment
	MCOP	MCOP
0-29 days	21.735.930.015	600.932.933
30-59 days	169.540.995	53.151.140
60-89 days	104.378.004	49.706.684
90-180 days	156.071.938	94.686.436
More than 181 days	403.016.940	235.923.151
Totals	**22.568.937.892**	**1.034.400.344**

h. Financial derivative contracts

The Bank maintains strict controls over open positions in derivative contracts negotiated directly with its counterparties. In any case, the credit risk is limited to the fair value of those contracts favorable to the Bank (asset position), which represents only a small fraction of the notional values of these instruments. This credit risk exposure is managed as part of the customer lending limits, together with potential exposures due to market fluctuations. In order to mitigate the risks, counterparty deposit margins are often used to mitigate the risks.

i. Contingent commitments

The Bank operates with various instruments that, although they involve exposure to credit risk, are not reflected in the Balance Sheet: guarantees and sureties, documentary letters of credit, letters of guarantee and commitments to grant credits.

Guarantees and sureties represent an irrevocable payment obligation. In the event that a guaranteed client does not fulfill its obligations to third parties guaranteed by the Bank, the Bank will make the corresponding payments, so that these transactions represent the same exposure to credit risk as a common loan.

Documentary letters of credit are commitments documented by the Bank on behalf of the customer that are guaranteed by the shipped goods to which they relate and, therefore, have a lower risk than a direct indebtedness. Guarantee bonds correspond to contingent commitments that become effective only if the customer does not comply with the performance of works agreed with a third party, guaranteed by them.

In the case of commitments to extend credit, the Bank is potentially exposed to losses in an amount equal to the unused amount of the commitment. However, the probable amount of loss is less than the unused commitment total. The Bank monitors the maturity period of lines of credit because long-term commitments generally have a higher credit risk than short-term commitments.

j. Financial instruments

The Bank, for this type of assets, measures the probability of uncollectibility to issuers using internal and external ratings such as risk evaluators independent from the Bank.

k. Maximum credit risk exposure

The distribution by financial asset of the Bank's maximum exposure to credit risk, as of December 31, 2023 and 2022, for the various components of the balance sheet, including derivatives, without deducting collateral and other credit enhancements received, is as follows:

	As of December 31, 2023	As of December 31, 2022
Loan portfolio	19.639.077.848	21.534.537.548
Trade and other receivables	328.822.485	292.910.644
Financial derivative contracts	977.370.123	1.058.558.352
Repurchase agreements	604.006.679	725.901.292
Investments at fair value with changes in ORI	2.072.810.871	1.282.725.663
Investments at amortized cost	1.617.503.336	1.711.854.094
Other assets	71.426.864	91.642.801
Totals	**25.311.018.206**	**26.698.130.394**

For further details of the maximum credit risk exposure and concentration for each type of financial instrument, refer to the specific notes. An analysis of credit risk concentration by industry of financial assets is as follows:

	As of December 31, 2023		
	Maximum gross exposure	Maximum net exposure	%
	MCOP	MCOP	
Agriculture, livestock, forestry and fishing	406.520.463	394.017.542	3,02%
Mining and quarrying	64.892.503	59.480.934	0,48%
Manufacturing industries	1.761.386.728	1.720.653.605	13,08%
Electricity, gas, steam and air conditioning supply	766.751.415	760.949.117	5,69%
Construction	915.342.520	784.844.439	6,79%
Water supply; wastewater disposal, waste management and remediation	129.589.944	128.260.480	0,96%
Wholesale and retail trade; repair of motor vehicles and motorcycles	1.208.076.190	1.145.129.867	8,97%
Transportation and warehousing	224.506.136	188.815.884	1,67%
Accommodation and food service activities	206.866.833	193.552.242	1,54%
Information and communications	288.870.696	285.823.414	2,14%
Financial and insurance activities	557.294.307	547.951.400	4,14%
Real estate activities	503.880.784	493.925.378	3,74%
Professional, scientific and technical activities	544.535.686	530.760.542	4,04%
Administrative and support service activities	143.938.446	140.165.482	1,07%
Public administration and defense; compulsory social security schemes	27.347.829	27.070.947	0,20%
Education	139.054.621	134.778.038	1,03%
Human health care and social work activities	342.689.526	335.248.222	2,54%
Arts, entertainment and recreation	13.472.319	13.201.623	0,10%
Other service activities	21.146.173	20.799.628	0,16%
Activities of households as employers	469	444	0,00%
Activities of extra-territorial organizations and bodies	3.704.228	3.691.996	0,03%
Capital annuitants only for individuals: Individuals and unliquidated successions, whose income is derived from numeric	5.114.969.137	4.870.589.253	37,97%
Salaried employees: Individuals and unliquidated successions, whose income is derived from a legal or regulatory employment relationship.	86.102.378	79.130.608	0,64%
Subtotal commercial loans	**13.470.939.331**	**12.858.841.085**	**64,96%**
Consumer loans	**3.766.401.117**	**3.339.579.817**	**18,16%**
Mortgage loans	**3.498.910.101**	**3.440.656.943**	**16,87%**
Total	**20.736.250.549**	**19.639.077.845**	**100,00%**

	As of December 31, 2022		
	Maximum gross exposure	Maximum net exposure	%
	MCOP	MCOP	
Agriculture, livestock, forestry and fishing	374.816.493	359.299.227	2,59%
Mining and quarrying	231.825.200	219.863.818	1,60%
Manufacturing industries	1.931.583.978	1.894.450.183	13,34%
Electricity, gas, steam and air conditioning supply	839.212.083	833.914.475	5,80%
Construction	228.128.332	226.833.248	1,58%
Water supply; sewage disposal, waste management and remediation	1.075.110.716	958.851.324	7,42%
Wholesale and retail trade; repair of motor vehicles and motorcycles 7	1.554.319.109	1.497.313.342	10,73%
Transportation and warehousing	294.371.337	257.301.928	2,03%
Accommodation and food service activities	262.847.845	243.910.875	1,82%
Information and communication	51.869.263	51.168.944	0,36%
Financial and insurance activities	360.073.382	350.795.954	2,49%
Real estate activities	501.351.835	491.561.067	3,46%
Professional, scientific and technical activities	634.270.779	591.700.548	4,38%
Administrative and support service activities	130.255.190	127.640.815	0,90%
Public administration and defense; compulsory social security plans	31.307.348	30.961.111	0,22%
Education	140.841.197	131.082.545	0,97%
Human health care and social assistance activities	359.512.923	344.138.460	2,48%
Artistic, entertainment and recreational activities	13.074.028	12.598.211	0,09%
Other service activities	102.557.765	101.143.823	0,71%
Activities of extraterritorial organizations and bodies	4.588.029	4.576.434	0,03%
Capital annuitants only for individuals: Individuals and unliquidated successions, whose income is derived from numeric	5.241.857.498	5.040.530.951	36,20%
Salaried employees: Individuals and unliquidated successions, whose income is derived from the employment relationship, legal or regulatory.	116.083.288	106.705.516	0,80%
Subtotal commercial loans	**14.479.857.618**	**13.876.342.799**	**64,16%**
Consumer loans	**4.418.061.299**	**4.043.203.965**	**19,58%**
Mortgage loans	**3.671.018.975**	**3.614.990.784**	**16,27%**
Total	**22.568.937.892**	**21.534.537.548**	**100,00%**

l. Guarantees

In order to mitigate credit risk, guarantees are held in favor of the Bank. The main guarantees held by customers are as follows:

- For loans to companies the main guarantees are:
    - Machinery and/or equipment
    - Projects under construction specific purpose buildings, and
    - Urban sites or land.
- For loans to individuals the main guarantees are:
    - Houses.
    - Apartments, and
    - Automobiles.

3. Financial risk management

a) Definition and principles of financial risk management

Market risk

Market risk corresponds to the exposure to economic losses or gains caused by movements in market prices and variables. This exposure arises both in the trading book, where positions are valued at market value, and in the banking book. The different valuation methodologies make it necessary to use different tools to measure and control the impact on both the value of the positions and the institution's financial margin.

These risk management decisions are reviewed in the committee structures, the most important of which is the ALCO (Assets and Liabilities Committee).

Each of the activities are measured, analyzed and reported on a daily basis based on different metrics that may capture their risk profile.

Below are the main risk factors and then the tools that allow us to monitor the main impacts of market risk factors to which the bank and its subsidiaries are exposed.

Funding liquidity risk

Funding liquidity risk corresponds to the exposure of the Bank and its subsidiaries to events that affect their ability to meet in a timely manner and at reasonable costs, cash disbursements arising from maturities of non-renewed term liabilities, withdrawals of open balances, maturity or settlement of derivatives, settlement of investments, or any other payment obligation in accordance with their respective requirements.

Financial institutions are exposed to funding liquidity risk, which is intrinsic to the intermediation role they play in the economy. In general, it is observed in the financial markets that the demand for medium and long-term financing is much greater than the supply of funds at these terms, and that there is a significant supply of short-term financing. In this sense, the intermediation role of financial institutions, by assuming the risk of satisfying the demand for medium and long-term financing through the intermediation of available short-term funds, is fundamental for the proper functioning of the economy.

Adequate management of funding liquidity risk should not only make it possible to meet contractual obligations in a timely manner, but also:

- That the liquidation of its positions. when so decided, can be carried out without significant losses.
- That the commercial and treasury activity of the Bank and its subsidiaries can be financed at competitive rates.
- That the Bank does not incur in regulatory faults or sanctions for non-compliance with regulations.

Financial risk monitoring and control structure

Market risk

Management tools

<u>Internal monitoring</u>

- **Trading book**

In the measurement and follow-up of market risk in trading operations, all operations contracted by Treasury Management for the development of its activity are taken into account, in order to meet its budgeted objectives, all within the risk limits and any other framework that conditions the Bank's global activity or strategy. The positions to be measured in this operation are those accounted for in negotiable investments, foreign exchange position, as well as the derivatives operation accounted for in the trading derivatives book

- **Bank Book**

The Bank Book consists mainly of:

Assets

- Cash
- Commercial, mortgage and consumer loans from the commercial areas.
- Fixed-income instruments, classified in the available-for-sale, held-to-maturity and marketable portfolios of the financial management.

Liabilities

- Balances on demand
- Time deposits
- Current and subordinated bonds
- Accounting hedging derivative instruments

- **Value at Risk (VaR) - stress scenarios**

The estimation of market risk used by the Bank in its internal model is made by means of a statistical measure whose estimation methodology is called Historical Simulation. This system consists of observing the behavior of the profits and losses that would have occurred with the current positions, if the market conditions of a certain historical period had been in force, and from this information inferring the maximum loss with a certain level of confidence.

This measure estimates the maximum loss and uses a historical series of 1040 observations (data), with a confidence level of 99% and a time horizon of 1 day.

- **Market risk metrics**

Itaú Colombia S.A., during the year 2023 performs the measurement of Market Risks under stress scenarios. These measurements are performed under an opening of portfolio levels or positions (Opening of the Banking Book according to its business purpose).

The Bank has the following methodologies to quantify the exposure to the materialization of stress scenarios.

New worst scenario:

It is a VaR metric under stress scenarios that allow estimating the maximum estimated loss of market risk positions. This metric is composed of: three measures and the worst scenario will be defined for risk consumptions that allow permanent monitoring under alerts in the case of monitoring positions per desk and limits for total consumption (maximum loss in terms of economic VaR).

The three measures used to quantify the maximum risk correspond to: 1) Result of the average of the 25 worst days of an observable historical series of the last 4 years, which is called ("Expected Shorfall"), a Basel III measure. This metric began to be applied in January 2021, replacing the worst day. 2) Standardized scenario or Delta Gama scenario, which corresponds to shocks in basis points to the market curve and 3) shocks agreed by vote or CECON scenarios, with this information shocks to the market curves are estimated and the impacts on market risk are evaluated.

Stress scenarios definition

	CECON Scenarios	Delta – Gamma Scenarios	Expected Shortfall Scenario
Type of Scenario	Scenarios: Optimistic, Pessimistic and Megapessimistic as voted by the CECON Committee	Scenarios created from predetermined shocks of -10% to +10% in risk factors	Scenario obtained by the worst result of a historical series of 1,040 days, considering a holding period of 10 days.
Risk Factors Considered	Interest and Exchange Rates	Interest and Exchange Rates	Interest and Exchange Rates
Calculation Frequency	Daily	Daily	Daily
Advantages	Forward-looking scenarios: Voted scenarios capture voters' perceptions of market movements, including non-parallel shocks to the curves.	The use of predefined scenarios ensures that risk factors are stressed within the defined range, regardless of the position of the loan portfolio.	Historical Scenarios: It has a defined time horizon and preserves the historical correlation of the different risk factors of the loan portfolio.

The performance of the new market risk metric at the end of December 2023 is as follows:

MARKET RISK METRIC STRUCTURE FOR BANCO ITAÚ COLOMBIA
(AMOUNTS IN MILLIONS OF COLOMBIAN PESOS)

	Type	Metrics	Usage 29-dic	Limit/Alert	Usage/Limit	Status
Level 0 – Banco Itaú Colombia						
New Worst – Economic	Limit	New Worst	136.115	173.218	78,6%	OK
New Worst – Capital	Limit	New Worst	31.952	95.571	33,4%	OK
New Worst – Results	Limit	New Worst	12.037	40.301	29,9%	OK
Level 1 – Institutional						
New Worst – Economic	Limit	New Worst	2.895	10.000	29,0%	OK
New Worst – Capital	Limit	New Worst	5.406	8.000	67,6%	OK
New Worst – Results	Limit	New Worst	691	3.000	23,0%	OK
Level 1 – Vice-Presidency of Treasury						
New Worst – Economic	Limit	New Worst	133.219	168.218	79,2%	OK
New Worst – Capital	Limit	New Worst	26.546	92.571	28,7%	OK
New Worst – Results	Limit	New Worst	11.345	37.301	30,4%	OK
Level 2 – Trading	Type	Metrics	Usage	Limit/Alert	Usage/Limit	Status
VaR	Limit	Weighted VaR (99%)	507	10.000	5,1%	OK
IR	*Limit*	*Weighted VaR (99%)*	445	6.900	6,4%	OK
FX	*Limit*	*Weighted VaR (99%)*	200	5.000	4,0%	OK
VaR Simple	Alert	VaR Simple	592	9.250	6,4%	OK
New Worst	Alert	New Worst	2.696	52.000	5,2%	OK
Level 2 – Banking	Type	Metrics	Usage	Limit/Alert	Usage/Limit	Status
VaR	Limit	VaR Pond. (99%)	19.803	48.030	41,2%	OK
IR	*Limit*	*VaR Pond. (99%)*	19.355	46.925	41,2%	OK
FX	*Limit*	*VaR Pond. (99%)*	1.989	4.000	49,7%	OK
VaR Simple	Alert	VaR Simple	33.413	45.281	73,8%	OK
New Worst	Alert	New Worst	132.404	145.207	91,2%	(*)

** Amounts in MMCOP*

(*) On alert for consumption above 90%; passive increase due to movements in the market curve (volatility).

1. Funding liquidity risk

a) Management tools

In order to comply with the objectives of funding liquidity risk management, the monitoring and control structure is focused on the following approaches:

- Short-term maturity mismatch
- Hedging capacity through the use of liquid assets.
- Concentration of funding providers

Additionally, the liquidity risk monitoring and control structure is complemented with stress scenario analysis, in order to observe the institution's capacity to respond to illiquidity events.

(1) Internal monitoring

(a) Limits and alerts

(i) Liquid assets

The composition of liquid assets at the end of December 2023 after applying the respective *haircuts* to price volatility and market liquidity adjustments. Within the liquid assets, a high quality concentration alert of at least 80% is contemplated.

ITAÚ COLOMBIA LIQUID ASSETS

Investment portfolio Colombia December 31, 2023	Liquid assets national currency (30 days)	Liquid assets foreign currency (30 days)	Total Liquid assets
	MCOP	MCOP	MCOP
Cash and cash equivalents	1.041.983.000	352.374.000	1.394.357.000
Central bonds or treasury	3.008.775.000	-	3.008.775.000
Corporate bonds	6.518.000	-	6.518.000
Average required reserve	(838.961.000)	-	(838.961.000)
Liquid assets	**3.218.315.000**	**352.374.000**	**3.570.689.000**

(ii) Wholesale daily maturities

In order to control the concentration of funding sources and safeguard compliance with the obligations, a follow-up of maturities of term deposits of wholesale customers is established. This follow-up is materialized in a daily alert for the IFIS segment COP 100 MMM and Government COP 300 MMM.

Special treatment is given to this customer segment for two reasons:

- They individually represent a relevant proportion of Itaú.
- Given the profile of customers in the wholesale segment, the renewal rate of these deposits is usually lower. This last reason is consistent with the modeling of flows to be disbursed in the regulatory reports, where no renewal is assumed for wholesale customer deposits.

The maturity profile of wholesale deposits is monitored on a daily basis, so that excesses are detected and reported as the maturity profile is structured.

(iii) Alerts regarding liquidity requirements

In addition to monitoring and reporting all internal limits on a daily basis, senior management is informed monthly, through the ALCO and the Board of Directors, giving special importance to monitoring the liquidity position of the Bank, through the presentation of an analysis of concentration measures, performance and/or other relevant variables.

Monitoring of funding sources

The monitoring of variations in the stock of short-term funding such as time deposits and demand balances for each of the segments represents a key variable within the monitoring of the Bank's liquidity. Identifying abnormal volatilities in these sources of funding allows us to quickly foresee possible undesirable liquidity events and thus suggest action plans for their management.

During the year 2023, we continued with the different liability diversification strategies which contemplated:

a. Regularization of the balances of International Financial Institutions (IFIS) liabilities with measures of ceilings and rates.
b. Control and follow-up of the Top 50 IFIS liabilities to avoid concentrations.
c. New client acquisition (expansion of the number of counterparties).
d. Increase in the balances of existing customers with low deposits.
e. Control of maturities of term deposits to avoid concentrations over time.

This strategy allows the bank to continue to improve its funding structure with a view to greater funding stability.

(a) Regulatory monitoring

In the Colombian market, the regulatory measurement known as IRL standard model measures the mismatches at terms of 7 and 30 days of balance sheet positions (assets and liabilities) and off-balance sheet positions such as derivatives.

The model applies that for positions with contractual maturity no rollover percentages are applied. For positions without contractual maturity (demand deposits), the historical behavior is analyzed in order to estimate the volatility by segments.

The net liquidity requirement results from the difference between outflows and the minimum between 75% of outflows and total income. This requirement cannot be greater than liquid assets.

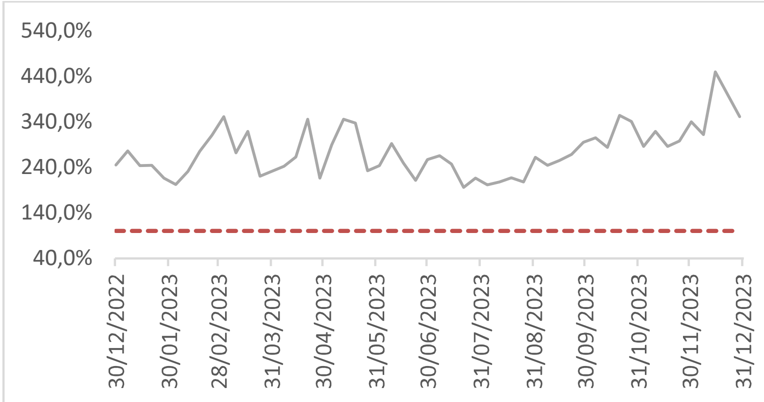
Regarding long-term liquidity (standard model), the CFEN indicator "Net Stable Funding Ratio" (CFEN, per its Spanish initials) must always be equal to or greater than 100%, which is calculated as the ratio between the Available Stable Funding (FED, per its Spanish initials) and the Required Stable Funding (FER, per its Spanish initials).

The FED is measured based on the general characteristics of the relative stability of the entities' funding sources, including the contractual maturity of their liabilities and the propensity for withdrawal by funding providers. The amount of the FED is calculated by multiplying the book value of each liability and equity item by the respective stipulated FED factor, and then aggregating all the weighted items.

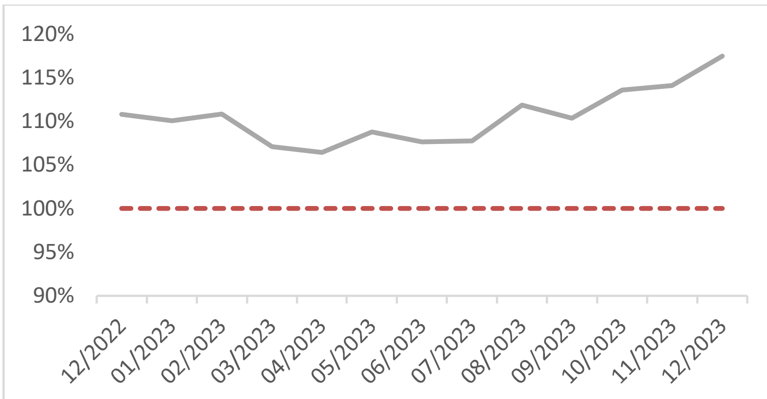
The FER is calculated based on the general characteristics of the liquidity risk profile of the institutions' assets and off-balance sheet positions. This item is determined by multiplying the book value of each of the assets and off-balance sheet positions by the respective FER stipulated factor, and then adding all the weighted items.

Below are some statistics as of December 31, 2023:

Evolution of the Regulatory IRL 7 and 30 Days



Evolution of CFEN Indicator



The Bank continues with the control and follow-up of liquidity measures, under stress scenarios with international guidelines (Basel), in order to provide better liquidity management and supervision. The established indicators are:

LCR: Short-term Liquidity Coverage Ratio. The LCR ensures that banks have an adequate stock of unencumbered, high quality liquid assets that can be easily and immediately converted into cash in the private markets to cover their liquidity needs in a 30-day liquidity stress scenario.

This index seeks to represent a stress scenario that measures the institution's ability to meet its short-term commitments in a systemic stress scenario, thus it is also an indicator that supports diversification strategies. It measures the relationship between the Bank's uses and sources of funds.

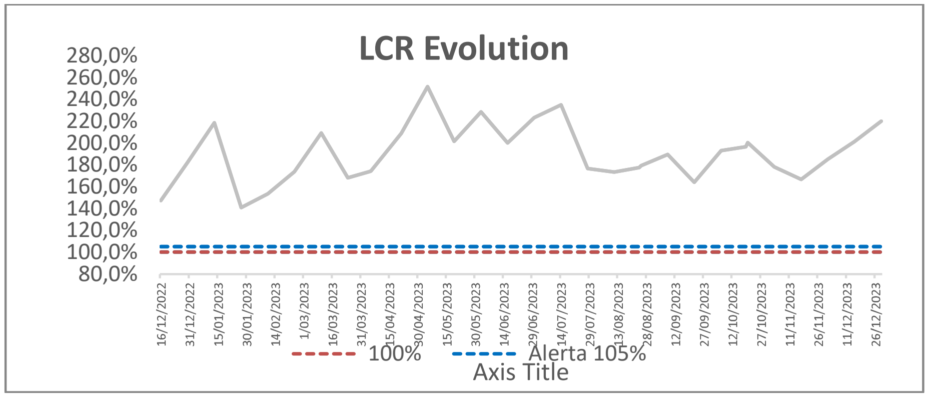
NSFR: This ratio seeks to maintain an adequate level of stable funding (available stable funding) to meet the Bank's long-term funding needs (required stable funding), this ratio quantifies the Bank's structural liquidity.

Available stable funding is characterized by those funding sources that are expected to remain stable over a one-year horizon. The required stable funding will correspond to the bank's projected funding needs over at least a one-year horizon.

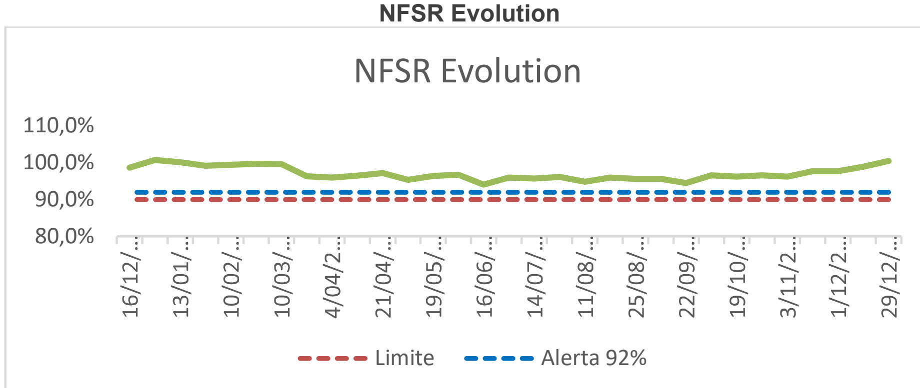
The Bank's LCR and NSFR calculations are a limit according to Chilean Head Office guidelines and under the Central Bank of Brazil model.

At the end of December 2023, the consolidated LCR indicator (Colombia-Panama) is 220.18% and the consolidated NSFR indicator is 100.47%. The internal limits defined are LCR 100% and NSFR 90%.

LCR Evolution

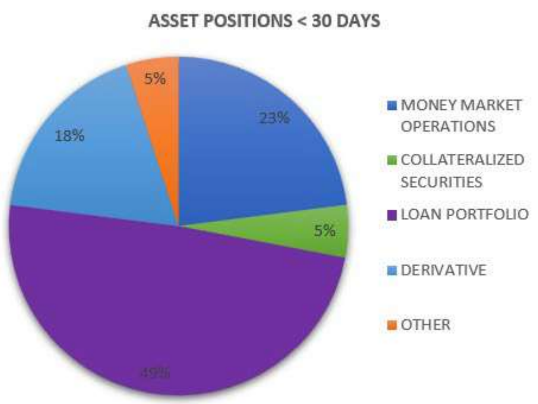


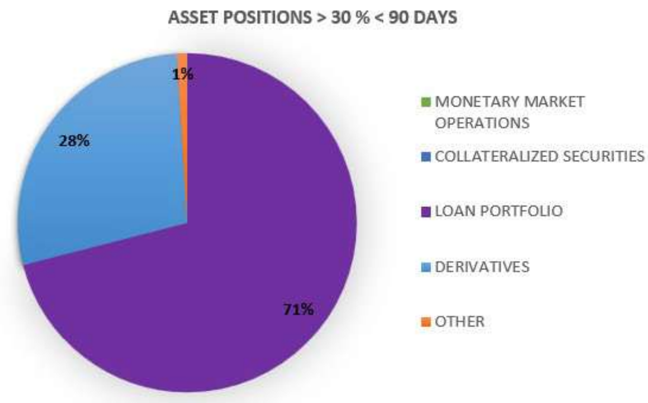
NFSR Evolution



LIQUIDITY RISK - ANALYSIS OF MATURITIES OF FINANCIAL ASSETS HELD TO MANAGE LIQUIDITY RISK

The following is the behavior obtained for the total financial assets held to manage liquidity risk in accordance with the regulatory model as of December 31, 2023.





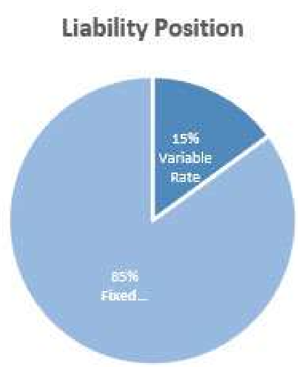
(*) The portfolio consists of commercial, consumer and mortgage loans. It is worth mentioning that these positions do not include the value of available/liquid assets.

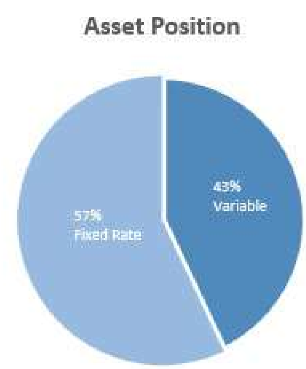
INFORMATION ON THE INTEREST RATE STRUCTURE OF THE BALANCE SHEET

Below are the asset and liability positions, indexed to the respective interest rate of Banco Itaú Colombia.

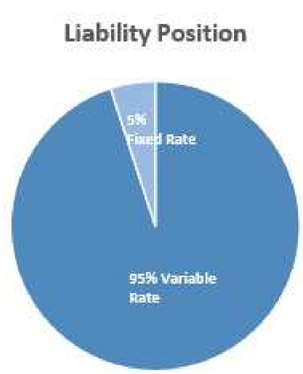
The composition of Itaú's balance sheet by interest rate as of December 31, 2023 is as follows:

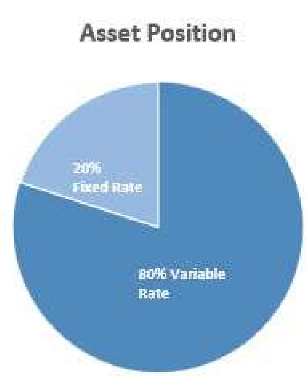
Legal Currency





Foreign currency





- In asset positions, investment portfolios, money market operations and portfolio balances are added together.
- In liability positions, demand and time deposits, money market operations, bond issues and bank loans are added together.

E.3. Foreign exchange risk.

The Bank is exposed to changes in foreign exchange rates arising from exposures in various currencies, mainly with respect to U.S. dollars and Euros. The foreign currency exchange rate risk arises mainly from foreign currency obligations and future commercial transactions also in foreign currency. Financial entities in Colombia are authorized by Banco de la República to trade foreign currency and maintain balances in foreign currency in foreign accounts. Legal regulations in Colombia oblige financial entities to maintain a daily own position in foreign currency, determined by the difference between the rights and obligations denominated in foreign currency recorded on and off the balance sheet, whose average of three business days may not exceed thirty percent (30%) of the technical equity, and such average of three business days in foreign currency may be negative without exceeding five percent (5%) of the technical equity expressed in US dollars.

Likewise, financial entities must comply with the own cash position which is determined by the difference between assets and liabilities denominated in foreign currency, excluding derivatives, and some investments. As of May 2018, there are no upper or lower limits.

In addition, financial entities must comply with the calculation of the gross leverage position, which is defined as the sum of: (i) the rights and obligations in forward and futures contracts stipulated in foreign currency, excluding the obligations of those transactions involving both a right and an obligation in foreign currency; ii) spot transactions stipulated in foreign currency with fulfillment greater than or equal to one banking day, excluding the obligations of those transactions involving both a right and an obligation in foreign currency; and iii) the exchange exposure associated with debit contingencies and credit contingencies acquired in the negotiation of options and derivatives on the exchange rate. As of May 2018, there are no upper or lower limits. The determination of the maximum or minimum amount of the own position in foreign currency must be established based on the adequate equity of each financial entity on the last day of the second preceding calendar month, converted at the exchange rate established by the Financial Superintendency of Colombia at the close of the immediately preceding month.

Substantially all of the Bank's foreign currency assets and liabilities are held in U.S. dollars. The following is the detail of the assets and liabilities in foreign currency held by the Bank as of December 31, 2023 and 2022:

December 31, 2023

Account	**U.S. dollars (Thousands)**	**Euros (Thousands)**	**Other currencies expressed in U.S. dollars (Thousands)**	**Total Colombian pesos (Thousands)**
Assets				
Cash and cash equivalents	113.535,00	1.566,56	533,25	442.628.993
Money market operations	2.001,21	-	-	7.648.729
Investments in debt securities at fair value -changes in ORI	173.790,06	-	-	664.234.298
Investments in debt securities at fair value -changes in profit or loss	219.363,03	-	-	838.416.481
Investments in equity instruments	104.377,77	-	-	398.937.074
Financial assets from loans portfolio at amortized cost	94.893,74	-	-	362.688.617
Other receivables	60.588,19	-	-	231.571.087
Hedging derivative instruments	(113.949,12)	-	-	(435.519.242)
Trading derivative instruments	(762.406,69)	9.526,81	4.512,67	(2.856.240.631)
Other assets	14,45	-	-	55.232
Total assets	**(107.792,36)**	**11.093,37**	**5.045,92**	**(345.579.362)**

Account	U.S. dollars (Thousands)	Euros (Thousands)	Other currencies expressed in U.S. dollars (Thousands)	Total Colombian pesos (Thousands)
Liabilities				
Trading derivatives				
Customer deposits	44.912,65	3.326,25	460,26	187.546.845
Liabilities- money market operations	25.422,01	-	-	97.164.208
Financial labilities	526.593,35	-	-	2.012.666.126
Instruments issued	174.874,18	-	-	668.377.843
Accounts payable	1.403,90	6,55	0,42	5.395.183
Derivative instruments	(556.840,49)	10.367,08	4.557,29	(2.066.816.447)
Hedging derivative instruments	(387.335,36)	-	-	(1.480.415.104)
Other liabilities	23.549,02	-	-	**90.005.546**
Total liabilities	**(147.420,74)**	**13.699,88**	**5.017,97**	**(486.075.800)**
Net asset position (liabilities)	**39.628,38**	**(2.606,51)**	**27,95**	**140.496.438**

December 31, 2022

Account	U.S. dollars (Thousands)	Euros (Thousands)	Other currencies expressed in U.S. dollars (Thousands)	Total Colombian pesos (Thousands)
Assets				
Cash and cash equivalents	89.201,25	1.971,69	336,09	440.792.247
Money market and related operations	12.004,71	-	-	57.745.048
Investments in debt securities	52.419,24	-	-	252.147.028
Investments in equity instruments	89.183,29	-	-	428.989.450
Financial assets from loans portfolio at amortized cost	210.076,22	-	-	1.010.508.637
Other receivables	41.723,80	-	-	200.699.839
Hedging derivative instruments	314.899,45	-	-	1.514.729.352
Trading derivative instruments	142.623,21	19.004,50	1.647,01	791.316.904
Other assets	5,01	-	-	24.078
Total assets	**952.136,18**	**20.976,19**	**1.983,10**	**4.696.952.583**

Account	U.S. dollars (Thousands)	Euros (Thousands)	Other currencies expressed in U.S. dollars (Thousands)	Total Colombian pesos (Thousands)
Liabilities				
Customer deposits	22.604,14	3.292,72	151,08	126.323.749
Liabilities- money market operations	-	47.322,52	-	242.404.016
Financial liabilities	664.797,81	-	-	3.197.810.437
Instruments issued	173.881,43	-	-	836.404.459
Accounts payable	554.70	6,01	0,31	2.700.472
Derivative instruments	88.484,21	20.057,44	1.645,47	536.283.617
Hedging derivative instruments	(102.170,20)	-	-	(491.459.097)
Other liabilities	30.299,00	-	-	145.744.271
Total liabilities	**878.451,09**	**70.678,69**	**1.796,86**	**4.596.211.924**
Net asset position (liabilities)	**73.685,09**	**(49.702,50)**	**186,24**	**100.740.659**

The objective of the Bank in relation to operations in foreign currency is to fundamentally attend to the needs of clients for international trade and financing in foreign currency and to assume positions in accordance with the authorized limits.

The Bank's management has established policies that require its subsidiaries to manage their foreign currency exchange rate risk against their functional currency. Bank entities are required to financially hedge (even opting for accounting hedge treatment) their exchange rate exposure using derivative operations, especially forward contracts. The net position in foreign currency of each entity is controlled daily by the treasury divisions of each of them, which are in charge of closing the positions, adjusting them to the established tolerance levels.

The Bank has various investments in subsidiaries abroad, whose net assets are exposed to conversion risk in their financial statements for consolidation purposes. The exposure arising from the net assets in foreign operations is mainly hedged by derivative instruments in foreign currency.

4. Quantitative and qualitative information on operational and safety risk

a. Internal Controls and Operational Risk

Internal Controls and Operational Risk

Itaú takes into account that there are both internal and external factors that can increase the risk in our operations, either by the internal dynamics of each of the business lines or by external factors, such as regulations, environmental aspects, system failures or even human errors in our processes, so to minimize risks, it qualifies the impact they generate, establishing controls / mitigation actions within the framework of operational risk management.

The evaluation and measurement of risk exposure in Itaú complies with the requirements of the regulations issued by the Financial Superintendence of Colombia regarding the Operational Risk Management System through the identification, measurement, control and reporting of the risks we face on a daily basis in order to keep them under control, ensuring the proper management of potential impacts and strengthening our control environment.

The strategies and periodic tests defined for business continuity guarantee the operation of critical processes in the event of the occurrence of each of the scenarios contemplated in the model, reinforced with training at all levels of the organization, focused on the socialization and empowerment of the contingency plans defined, as well as the protocols of action in crisis events.

Operational risk control procedure

In this way, we are able to classify risks and guarantee the effectiveness of controls, which is reflected in the reports and governance bodies, as well as in our follow-up mechanisms that include members of Senior Management in line with what is defined in our Three Lines of Defense. In fact, the business and administration areas, which are part of the First Line of Defense, are responsible for applying the risk control procedure to each of the processes; in case of risk materialization, establishing the differential deadlines of the actions defined to mitigate the risks, according to the level of impact they may generate, in order to ensure risk mitigation.

Once the differential deadlines and action plans have been defined by the First Line of Defense, the information is reported and analyzed by the governance bodies in charge of evaluating the action plans and making an adequate follow-up. Among the bodies established for internal control are:

- Higher Committee for Operational Risk
- Superior Commission for Cybersecurity and Fraud Prevention
- Integral Risk Committee
- Audit Committee
- Board of Directors

Additionally, Internal Audit performs an independent evaluation of the Operational Risk Management System, seeking to ensure adherence to the criteria established in local and corporate regulations as part of its responsibility as Itaú's Third Line of Defense.
Likewise, the Statutory Auditor's Office periodically performs a similar evaluation, in order to validate its coverage and correct application from an independent third party's point of view.

During 2023 in the Bank, the net operational risk losses were MMCOP$10,958, being the categories of external fraud, process execution and labor relations the most impacted with MMCOP$6,345 (58%), MMCOP$1,842 (17%) and MMCOP$1,222 (11%) respectively.

The most relevant external fraud exposures were caused by the use of credit cards, App Única and Portal, so the entity reinforces, with structural control plans, the control of this category of fraud.

5.Asset Laundering and Terrorism financing risk management

Banco Itaú Colombia S. A, in line with the stipulations of the Basic Legal Circular of the Financial Superintendency of Colombia (CBJ) 029/2014 Part I, Title IV, Chapter IV (Money Laundering and Terrorist Financing Risk Management System SARLAFT, per its Spanish acronym) updated under External Circular 011 of 2022, whose monitoring is presented monthly to the Higher Commission for the Prevention of Money Laundering "CPLAFT, per its Spanish acronym", and quarterly to the Board of Directors, continued in 2023 with the implementation of policies, controls and procedures that seek due diligence to prevent the Bank's use for illicit purposes, promoting the development of our corporate strategic plan highlighting all issues of positioning in the management of SARLAFT, strengthening organizational mandates against LAFT where strategies were implemented:

Culture and awareness in (LATF, per its Spanish acronym- Money Laundering and Terrorism Financing) risk management, reinforcing corporate guidelines and the responsibility of the first line of defense, through focused training and reinforcement of the areas that in the evaluation process required support from the Vice Presidency of Compliance.

Sustainable growth focused on compliance with procedures and controls associated with understanding our customers and monitoring transactions, safeguarding our brand from legal, reputational, operational and contagion risks that may be associated with crimes related to money laundering and terrorist financing.

Focus on customers by designing a new comprehensive customer update strategy, enabling new digital and contact center customer service channels for individual customers and a customer maintenance cell for the management of legal entity customers.

Money Laundering and Terrorist Financing Risk Management System

Banco Itaú Colombia S.A. has an Asset Laundering and Terrorism Financing Risk Management System, documented in the SARLAFT Procedures Manual, which are approved by the Board of Directors and are in accordance with current regulations.

The Entity has a Compliance Officer and his alternate, who were appointed by the Board of Directors and are duly appointed before the Superintendence of Finance of Colombia.

In order to strengthen and optimize the Asset Laundering and Financing of Terrorism Risk Management System "SARLAFT", in 2023, steps were taken to improve the following processes:

Customer and operations awareness

- Assurance and quality assurance of customer loyalty process for individuals and legal entities.
- Improvements to the operating model for updating clients.
- Follow-up on the registration and updating of beneficial owners, shareholders and administrators for legal entity customers.
- Optimization of the administration process of restrictive lists and internal lists.

Definition of market segments

- Segmentation of risk factors with normality profiles.
- Analysis of the variables and characteristics of the economic activities of the customers, as well as the operations they conduct.
- dynamic model of LAFT risk management based on risk trends, analysis of threats and vulnerabilities and effective and timely decision making.

Transaction monitoring

- Identification and analysis of unusual transactions based on alert signals.

- Intensified transactional monitoring of high-risk customers.
- Complementary alerts by risk factor: Product, channel and jurisdiction (complex networks).
- Improvement of the user operations alert model.

LAFT risk management culture

- Preparation and follow-up of the annual LAFT training for the Bank's officers and collaborators.
- Focused training to employees that due to their role in the Bank are more exposed to LAFT risk.
- implementation of SARLAFT Week whose objective was to strengthen the organizational mandates on LAFT risk prevention issues and to inform about vulnerabilities to crimes related to Money Laundering and Financing of Terrorism, seeking (i) to raise awareness and identify the understanding of the crimes, and (ii) if this type of behavior occurs in customers, to report them immediately to the Compliance Vice-Presidency.

Suspicious transaction report to the competent authorities

- Report to the Financial Information and Analysis Unit (UIAF, per its Spanish initials), as established by regulation.

During the year, the visits of control entities (Statutory Auditors, internal audit) were satisfactorily attended, as well as the timely attention to the requirements of the Financial Superintendence of Colombia, which resulted in the alignment of the processes according to the recommendations given by these entities.

The year 2023 was a challenging year for SARLAFT, since the dynamics of crime required a greater effort by the Bank in terms of timely recognition of risk situations, which allowed making the necessary adjustments to the procedures for its effective and efficient operation. The above allowed that in 2023 there were no risk situations related to SARLAFT, keeping the risk at immaterial level, guaranteeing the design and effectiveness of the control evaluations.

Crisis management and business continuity

During the year 2023, the business continuity model's continuous improvement plan actions were carried out, which began with the update of the BIA, identifying the critical processes for Itaú, subsequently the recovery plans and other corresponding documentation were updated, and training was also provided to different target groups, such as the office network, critical groups, the executive crisis committee and suppliers, among others. The purpose of this was to provide specific training on BCP issues to the different groups. Three comprehensive tests were also carried out on the plan and the DRP was tested, always with the objective of validating its efficiency and validity.

Additionally, regarding the Crisis Management model, it should be noted that during the year 2023 Itaú activated the corresponding protocols whenever necessary, to address public order events, technological failures and union demonstrations, which threatened to disrupt operations and with which timely management and response was given to these situations.

With this, Itaú guarantees that it keeps its model up to date and responds to current challenges.

ESG (Environmental Social Governance) Implementation

During the second quarter of the year we had changes in sustainability governance, with the approval by the Board of Directors of the bank's sustainability policy, which is publicly available on our website https://www.itau.co/grupo/relacion-con-inversionistas. In addition, the Sustainability and Diversity Committee was created, from which we manage with the company's senior management the progress on sustainability and environmental, social and climate change risks.

We also established and defined our screening portfolio. We launched a course on inclusive attention and treatment for all direct employees of Itaú Colombia and its Subsidiary in Panama, aligned with the Friendly Biz certification findings obtained in the first quarter of the year.

6. Others

a. Legal controls

Regarding legal controls, the Bank and its subsidiaries have complied in general terms as of December 31, 2023 and 2022, with the remittance within the terms established by the agencies that supervise us and especially comply with the minimum and maximum limits, according to the current regulations. Regarding the legal controls, we can specify the following:

Reserve

By means of External Resolution 5 of 2008 of the Bank of the Republic and External Circular 058 of the Financial Superintendence of Colombia and its amendments, the Bank kept an ordinary reserve on deposits and demand deposits in legal currency, according to the percentages established for each concept. The Bank fully complied with this new limit. During the period, it complied with the reserve requirements established by resolutions issued by the Board of Directors of the Bank of the Republic and regulations established by the Financial Superintendency of Colombia.

Mandatory investments

During 2023 and 2022 the Bank calculated the value of the mandatory investment in Agricultural Development Securities - Class A and B in accordance with the provisions of External Resolution 3 of 2000 of the Board of Directors of the Bank of the Republic and the provisions that modify or replace it.

Own position

In accordance with the regulations in force issued by the Board of Directors of the Bank of the Republic, it establishes the own position regime (PP), own cash position (PPC) and the gross leverage position (PBA per its Spanish initials) in foreign currency of foreign exchange market intermediaries.

In accordance with the aforementioned provisions, the own position in foreign currency of the foreign exchange market intermediaries corresponds to the difference between the rights and obligations denominated in foreign currency, recorded on and off the balance sheet, realized or contingent, including those that can be settled in Colombian currency.

During the year 2023 and 2022, the Bank complied with the limits of own position, own cash position and gross leverage position, established in the regulations in force, a situation that did not generate losses due to fines for the Bank; likewise, the Bank complied with the weekly preparation and transmission of Form 230 "Daily control of own position, own cash position, global exchange position and gross leverage position".

There are no provisions in the 2023 and 2022 Financial Statements to cover penalty requirements for these positions.

Solvency ratio

The minimum ratio required by law is 9% of risk-weighted assets. The Bank complied with this legal control during the years 2023 and 2022, closing the period as of December 31, 2023 with a ratio of 14.49% compared to 15.24% recorded as of December 31, 2022.

In relation to the basic solvency, which is defined as the value of the ordinary basic equity divided by the value of the assets weighted by credit and market risk level, and which cannot be less than 4.5%, the index as of December 31, 2023 for the Bank was 10.82% compared to 9.90% recorded as of December 31, 2022.

With respect to this legal control, the Bank maintains the required solvency levels.

Assets are weighted according to the risk categories established in Chapter XIII - 14 Controls by Law, of the Basic Accounting and Financial Circular 100 of 1995 of the Financial Superintendency of Colombia, to which a risk percentage has been assigned according to the amount of capital necessary to support each of those assets.

As of December 31, 2023 and 2022, the Bank's Risk Weighted Assets and Solvency Ratio are as follows:

Assets Weighted by Risk Level

(MMCOP)

ITEM	BALANCE SHEET NUMBERS		ASSETS WEIGHTED BY RISK LEVEL	
	dec-23	dec-22	dec-23	dec-22
CATEGORY I ASSETS	7.575.591	6.661.766	-	-
CATEGORY II ASSETS	5.095.322	4.946.664	1.154.677	1.105.340
CATEGORY III ASSETS	5.757.834	7.054.988	4.054.541	4.986.262
CATEGORY IV ASSETS AND OTHERS	19.192.049	21.601.997	11.800.815	13.228.431
TOTAL ASSETS WEIGHTED BY RISK LEVEL	**37.620.796**	**40.265.415**	**17.010.033**	**19.320.033**

Technical Equity and Solvency Ratio

ITEM	BALANCE SHEET NUMBERS		ASSETS WEIGHTED BY RISK LEVEL	
	dec-23	dec-22	dec-23	dec-22
ORDINARY CORE EQUITY	2.157.391	2.119.350	2.157.391	2.119.350
ADDITIONAL CORE EQUITY	-	-	-	-
ADDITIONAL EQUITY	733.143	1.142.502	733.143	1.142.502
TECHNICAL EQUITY WITHOUT DEDUCTIONS	2.890.534	3.261.852	2.890.534	3.261.852
DEDUCTIONS FROM TECHNICAL EQUITY	-	-	-	-
TECHNICAL EQUITY	2.890.534	3.261.852	2.890.534	3.261.852
MARKET RISK	1.027.286	454.044	1.027.286	454.044
LEVERAGE VALUE	30.696.634	32.925.367	30.696.634	32.925.367
BASIC SOLVENCY RATIO			**10,82%**	**9,90%**
TOTAL SOLVENCY RATIO			**14,49%**	**15,24%**
LEVERAGE RATIO			**7,03%**	**6,44%**
COMBINED BUFFER			**6,32%**	**5,40%**

The Bank carried out the calculation of the regulatory credit explosion of the 12 International Banks, with which it has signed an ISDA and CSA contract, calculating the risk in accordance with External Circular 031 of 2019 of the Financial Superintendence of Colombia, with the volatilities published by the price provider PRECIA.

For the other legal controls that the current regulations have established for financial entities, such as the margin of investments in companies, investments in fixed assets, minimum capital, minimum balance in the Bank of the Republic account and limit of active operations with financing in foreign currency, the Bank during the year 2023 and 2022 did not present excesses or defects, as the case may be, for these legal controls:

Solvency margin information report and other equity requirements and declaration of solvency margin law control.

NOTE 36 - MATURITIES OF ASSETS AND LIABILITIES

a. Maturity of financial assets

The main financial assets are shown below, grouped according to their remaining terms, including accrued interest until December 31, 2023 and 2022. Since these are instruments for trading or available for sale, they are included at fair value and within the term in which they can be sold.

Financial assets other than loan portfolio

As of December 31, 2023

	Note	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 12 to 60 months	More than 60 months	Total
		MCOP	MCOP	MCOP	MCOP	MCOP	MCOP
Investments measured at fair value through profit or loss	6	838.366.668	-	385.126	270.730.626	208.575.652	1.318.058.072
Investments measured at fair value with changes in ORI	6	57.451.705	247.226.246	806.174.545	763.073.318	198.885.057	2.072.810.871
Repurchase agreements and securities lending agreements	5	604.006.679	-	-	-	-	604.006.679
Financial derivative contracts	7	125.320.653	158.814.084	188.896.460	274.867.929	229.470.997	977.370.123
Accounts receivable	9	328.822.485	-	-	-	-	328.822.485
Held-to-maturity investments	6	-	56.760.153	1.108.470.719	201.411.617	250.860.847	1.617.503.336
Totals		**1.953.968.190**	**462.800.483**	**2.103.926.850**	**1.510.083.490**	**887.792.553**	**6.918.571.566**

As of December 31, 2022

	Note	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 3 to 12 months	From 3 to 12 months	Total
		MCOP	MCOP	MCOP	MCOP	MCOP	MCOP
Investments measured at fair value through profit or loss	6	-	140.558.518	141.370.991	620.167.418	167.280.423	1.069.377.350
Investments measured at fair value with changes in ORI	6	92.358.138	203.059.757	237.880.337	684.898.172	64.529.259	1.282.725.663
Repurchase agreements and securities lending agreements	5	725.901.292	-	-	-	-	725.901.292
Financial derivative contracts	7	55.498.776	55.622.057	243.744.612	385.685.732	318.007.175	1.058.558.352
Accounts receivable	9	292.910.644	-	-	-	-	292.910.644
Held-to-maturity investments	6	-	91.456.155	664.312.800	709.107.290	246.977.849	1.711.854.094
Totals		**1.166.668.850**	**490.696.487**	**1.287.308.740**	**2.399.858.612**	**796.794.706**	**6.141.327.395**

Loan portfolio

The following is the temporality of the capital of the loan portfolio:

	As of December 31, 2023				
	0 to 1 year MCOP	**1 to 5 years MCOP**	**5 to 10 years MCOP**	**More than 10 years MCOP**	**TOTAL MCOP**
Modalities					
Consumer	1.134.103.531	1.324.966.970	1.236.380.377	8.667.720	3.704.118.598
Commercial	4.751.997.209	5.227.888.402	1.802.944.192	1.314.002.751	13.096.832.554
Housing	11.500.059	134.457.611	673.186.875	2.631.305.370	3.450.449.915
Total	**5.897.600.799**	**6.687.312.983**	**3.712.511.444**	**3.953.975.841**	**20.251.401.067**

	As of December 31, 2022				
	0 to 1 year MCOP	**1 to 5 years MCOP**	**5 to 10 years MCOP**	**More than 10 years MCOP**	**TOTAL MCOP**
Modalities					
Consumer	1.179.392.387	1.600.689.820	1.568.748.671	10.299.394	4.359.130.272
Commercial	4.277.726.857	5.807.078.849	2.261.557.484	1.825.165.512	14.171.528.702
Housing	21.525.297	124.515.956	671.153.439	2.803.546.747	3.620.741.439
Total	**5.478.644.541**	**7.532.284.625**	**4.501.459.594**	**4.639.011.653**	**22.151.400.413**

b. Maturity of financial liabilities

The main financial liabilities are shown below, grouped according to their remaining terms, including accrued interest until December 31, 2023 and 2022.

December 31, 2023

		Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 12 to 36 months	From 36 to 60 months	More than 60 months	Total
		MCOP	MCOP	MCOP	MCOP	MCOP	MCOP	MCOP	MCOP
Repurchase agreements and securities lending agreements	18	199.725.933	-	-	-	-	-	-	199.725.933
Deposits and other liabilities	17	10.468.502.668	2.263.774.925	1.983.853.549	2.627.327.703	1.790.432.057	199.055.510	34.828.362	19.367.774.774
Financial derivative contracts	18	76.928.683	139.569.491	294.151.231		281.293.358		160.231.361	952.174.124
Lease liabilities	18	1.915.367	4.216.088	6.174.719	11.906.271	29.885.491	20.731.412	3.849.336	78.678.684
Obligations to banks	18	145.176.827	172.853.090	503.189.708	832.910.644	141.896.281	140.672.184	399.574.696	2.336.273.430
Debt instruments issued	22	-	-	-	1.188.365.217	471.251.444	149.040.402	1.168.405.953	2.977.063.016
Totals		**10.892.249.478**	**2.580.413.594**	**2.787.369.207**	**4.660.509.835**	**2.714.758.631**	**509.499.508**	**1.766.889.708**	**25.911.689.961**

December 31, 2022

		Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 12 to 36 months	From 36 to 60 months	More than 60 months	Total
		MCOP	MCOP	MCOP	MCOP	MCOP	MCOP	MCOP	MCOP
Repurchase agreements and securities lending agreements	18	455.742.715	-	-	-	-	-	-	**455.742.715**
Deposits and other liabilities	17	10.913.206.883	1.959.144.093	1.172.504.879	1.937.297.042	2.039.285.807	243.536.005	101.187.801	**18.366.162.510**
Financial derivative contracts	18	43.891.992	86.706.427	122.021.173		418.502.931		308.620.490	**979.743.013**
Leases	18	1.939.477	3.812.028	5.622.766	10.930.013	30.444.829	18.634.700	12.260.171	**83.643.984**
Obligations with banks	18	125.308.121	318.429.027	863.172.650	1.454.256.300	188.251.293	205.820.532	508.965.194	**3.664.203.117**
Debt instruments issued	22	-	-	-	392.304.849	1.670.720.105	156.443.774	1.274.217.557	**3.493.686.285**
Totals		**11.540.089.188**	**2.368.091.575**	**2.163.321.468**	**3.794.788.204**	**4.347.204.965**	**624.435.011**	**2.205.251.213**	**27.043.181.624**

NOTE 37 -ADDITIONAL INFORMATION

	As of December 31	As of December 31
	2023	**2022**
Number of employees -Grupo Itaú Colombia S. A.	2.142	2.302

NOTE 38 - SUBSEQUENT EVENTS

Subsequent to December 31, 2023 and up to the date of publication of these Financial Statements, events have occurred that require disclosure:

On January 25, 2024 a recovery of write-off of loan portfolio from the customer Lince Holding in the amount of MMCOP 77,545 materialized, loan portfolio that in previous years had been written-off.

In March 2024, Itaú Fiduciaria expects to deliver the collective investment funds under management to Itaú Comisionista de Bolsa, after the authorization of the Superintendence of Finance, which will impact the income and expenses corresponding to the distribution of funds, and the direct increase in commission income and associated expenses.

(Original in Spanish duly signed by:)

HECTOR AUGUSTO PACHON RAMIREZ
Firmado digitalmente por HECTOR AUGUSTO PACHON RAMIREZ
Fecha: 2024.04.01 16:33:56 -05'00'

Héctor A. Pachón Ramírez
Colombian CPA Registration No. 50734-T
Accounting Manager

JUAN MARIA CANEL
Firmado digitalmente por JUAN MARIA CANEL
Fecha: 2024.04.01 16:39:09 -05'00'

Juan Maria Canel
Legal Representative

Carolina González Rodríguez
Colombian CPA Registration No. 73002-T
Statutory Auditor
Appointed by PwC Contadores y Auditores S. A. S.
See attached report

Digitally signed