



Integrated Management Report 2021

bnc

• deceval

• crcc

• precia

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Integrated Management Report

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Letter to Shareholders 2021

Dear Shareholders,

2021 was a year of contrasts, caused once again by the profound effects of the pandemic during its second year, and the economic, social and fiscal disequilibrium this global crisis brought to Colombia. **bvc** Group was able to successfully navigate the situation thanks to its resilient and innovative teams that were able to stay focussed on their strategic business goals.

And so, it is with great pleasure that I am able to share all **bvc** Group companies' very positive results with you. Our results reflect the disciplined approach we took to executing our strategy in a way that anticipated market and business conditions. We remain faithful to our mission of supporting small, medium and large businesses with their financing needs, and supporting the industry during these difficult times. We made advances on projects designed to generate long-term value in the capital market, including **bvc** Group vertical integration and the regional integration with our peers in Lima and Santiago that was recently approved by the **bvc** Assembly of Shareholders.

In the midst of this scenario, we were able to make progress on each of our six strategic pillars. Although not all plans have led to new products, improved usability and greater market liquidity, we are convinced of the need to continue investing in the development of the capital market and in widening access for investors and new companies.

Our financial results are evidence of the progress we made. Ordinary income was COP **199.77bn**—**11%** growth on the previous year—and consolidated income was above **208bn**. Post-tax profits rose to COP **39.48bn**, and we will be proposing dividends worth COP **35.53bn** (**90%** of profits) to the General Assembly of Shareholders.

Just as in **2020**, our financial results reflect **bvc** Group's solidity, and the resilience we have achieved by faithfully executing our strategy to consolidate group companies, vertically integrate and capture synergies.

Regional Integration

This year's principal achievement was strategic in its nature: following approval from the Board of Directors, last in January **2022** we held an Extraordinary Assembly of Shareholders that approved commencement of a regional integration process with Bolsa de Comercio de Santiago and Peru's Grupo BVL. After studying valuations, conducting legal consultancy on the process and having prestigious independent firms study due diligence, we are now able to progress towards forming a new regional holding company that will become the owner of the exchanges and coordinate a unified capital market strategy that has greater reach than if each company were to continue acting alone.

This is, without doubt, a huge milestone for our economies and a new era for our shareholders, who now have access to a more robust corporate structure that will generate value for all participants in this industry.

Broadening the core business

The situation led international investors to look to defence assets like gold and US Treasury bonds, as they liquidated their active equity positions in emerging markets to protect their capital in this period of uncertainty caused by the pandemic.

Nevertheless, we achieved the fifth highest level of private debt collocation in **bvc's** history—COP **10.5tn**—and set a new record in sustainability that I refer to in detail in detail below.

The year's largest issuances were Davivienda (COP **1.3tn**); Distrito de Bogotá (COP **1.1tn**), one of the most relevant issuers over the past two years; and Banco Popular (COP **1tn**). Nine new issuers were incorporated into the private debt market, including Avista, which represented the important milestone of being the first Fintech to receive funding from the capital market. For the second year running, our work with the National Guarantee Fund was a determining factor in keeping market confidence high and attracting new players.

We regret not being able to add new share issuers due to the complex market conditions, as they themselves put it, and in spite of the hard work our teams and the investment banks did to get them ready.

On other fronts, we worked with leading firms in each of the markets to create liquidity-maker programmes

and make more references available in, for example, the treasury bond market, and dollar and share futures. Together with firms such as LarrainVial, Bancolombia and Itaú a new push was given to the Colombian Global Market, a range of investment opportunities for individuals were opened that complement the digital pillar of our strategy. Lastly, the new MSCI index (MSCI-COLCAP) was launched and we made progress on our project to update the depository, that closed the year with COP **535.7tn** in custody.

Sustainability

Complementary to the core business, a record was set for sustainable issuances: seven issuers raised a total of COP **1.9tn** in financing. Social bonds were issued by Banco W, Bancamía, Corficolombiana, the Bogota Mayorality and Icetex, Bancolombia issued sustainable bonds, and Compañía de Empaques listed the first sustainability-linked bond that was COP **50bn**.

We are also very proud to have received carbon neutral certification. This makes us the first exchange in Latin America to become carbon neutral, and we hope this inspires other financial sector companies, as well as our listed companies, to contribute to Colombia's vision of being a CO2 emission-free economy.

In terms of gender equality, the Assembly of Shareholders elected two highly respected independent professional women to the **bvc** Board of Directors. They will contribute to our organisational vision and add equilibrium to the gender balance of our highest management body.

bvc digital

Digital transformation means connecting and empathising with new investors. In **2021**, our new digital platforms reversed the tendency for private individuals to exit the the market, and **40,000** new investors were added to the share and fixed-income markets. a2censo, our collaborative platform, tripled the total amount financed from COP **8.27bn** in **2020** to COP **26.57bn** in **2021**, and **44** new companies joined the programme. Alife Health set a record for SME funding by raising COP **2.6bn**, and Beagle Group broke the one minute financing record with COP **100m**.

We issued a record **5.9** million dematerialised promissory notes in **2021**, hand in hand with our originating allies, representing growth of **17%**. We now have **14.5m** promissory notes in custody, **64%** more than last year.

Lastly, we began a digital platform project that is designed to centralise all interactions between our organisation and business and its customers and stakeholders, that I expect to have good news about in **2022**.

Technology and innovation

This pillar's principal objective is to increase operational reliability. Process automation, adopting new cybersecurity standards and requirements, gradually migrating new systems to the cloud, and updating some programmes and systems were constants across the year for our technology and project teams.

High technology and project staff turnover has become the greatest challenge faced by this strategic front, and also for the organisation as a whole. We are not alone; Colombia's technology and digital transformation job market has become highly competitive in recent years, which, while good news for the country, means that companies have to make greater efforts to stimulate and retain talent. Together with the Board of Directors, we have been looking at variable remuneration frameworks, adopting agile methodologies that better reflect industry practice, adopting a flexible working framework and revising the flexible benefits package we offer these employees.

In spite of high staff turnover during the year and some incidents and challenges related to project rollouts, we achieved our goals, and progress continued towards operational excellence. Lastly, we acquired a new risk event and audit monitoring tool for the entire operation and organisation that will be fully implemented in **2022**.

Vertical integration

This front's most relevant objective was to merge Cámara de Divisas with Cámara de Riesgo Central de Contraparte. This was achieved in December **2020**, but implemented in **2021**. This created the country's most solid clearing and settlement institution for financial markets. We continued to achieve business and operational synergies by increasing **bvc's** share holding. Today we have a better-aligned group vision and strategy with regard to subsidiaries, and have learnt important lessons that will share as we begin to integrate with Chile and Peru.

Our subsidiaries' annual results were very satisfactory. Having merged with Cámara de divisas, Cámara de Riesgo Central de Contraparte consolidated income was COP **36.52bn**, **7%** growth on **2020**, with a net profit of COP **6.29bn**. For its part, precia achieved income in the order of COP **12.62bn**, **15%** higher than last year, and profit of COP **2.46bn**.

In summary, this was a challenging year from all points of view. We would like to recognise the valuable support we received from our shareholders and, even more so, our Board of Directors, with whom we have set **bvc** Group long-term objectives and whose support made possible the results we are presenting to you today. I would like to thank our employees for their willingness and commitment, and the industry for its

desire to continue using the capital market to build a better country.

2022 will bring new challenges on all our strategic fronts. We hope that market performance will be different, and this will allow us to focus less on the situation and more on broadening and diversifying, and incorporating new participants that will grow our core business. Our principal market development goal will be to achieve regional integration and construct a more solid company to ensure the sustainability of our business in a changing and highly competitive environment. On the digital front, we hope to include two new digital projects focussed on retail, and we will work with international partners to build new instruments that complete our product and service offering in accordance with the needs of our market agents and customers.

Best regards,

Juan Pablo Córdoba Garcés
CEO bvc Group

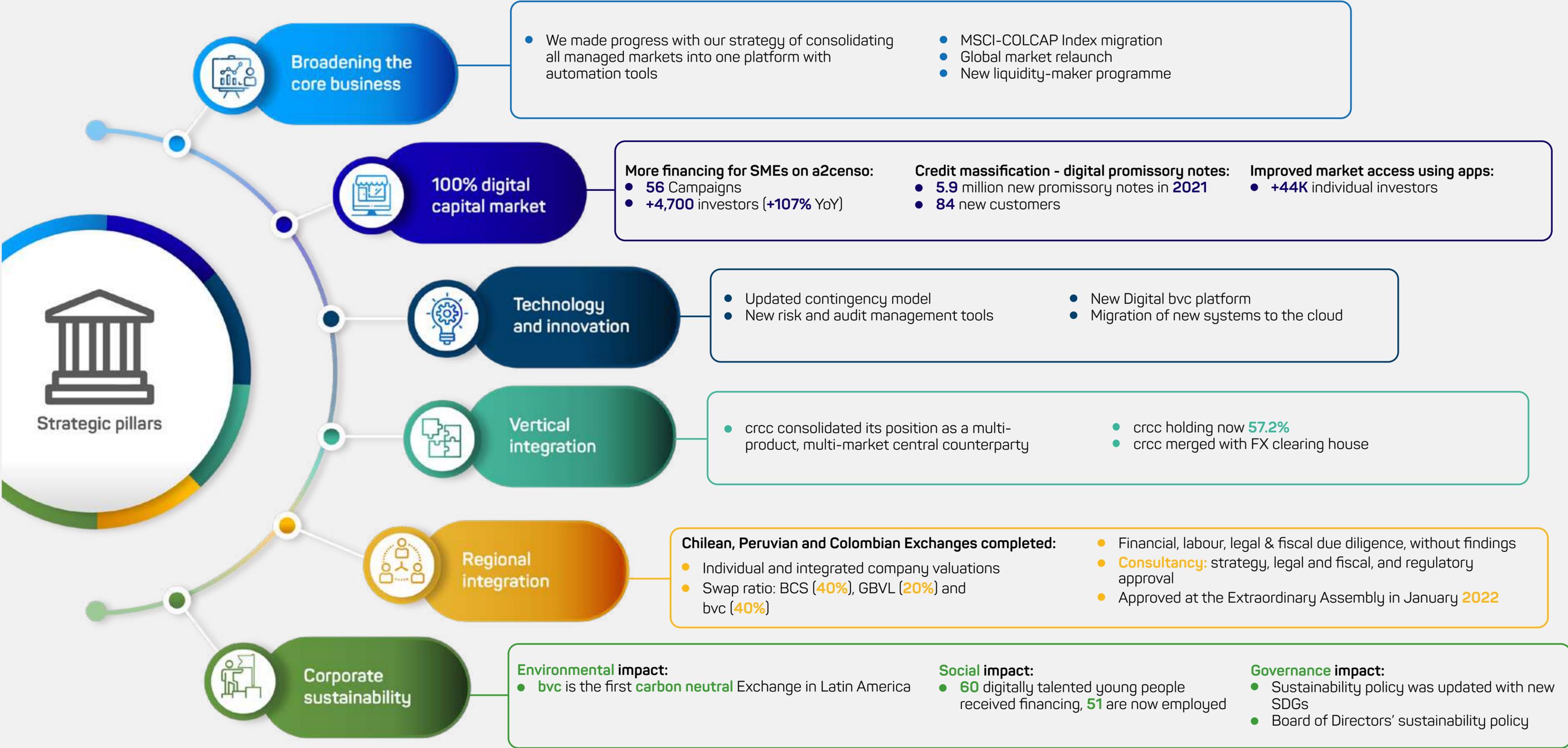


We are now Carbon Neutral certified!

#Valuels offering a carbon neutral operation to our stakeholders in all products and services we offer in the capital market infrastructure

Executive Summary

bvc Group Strategic Vision



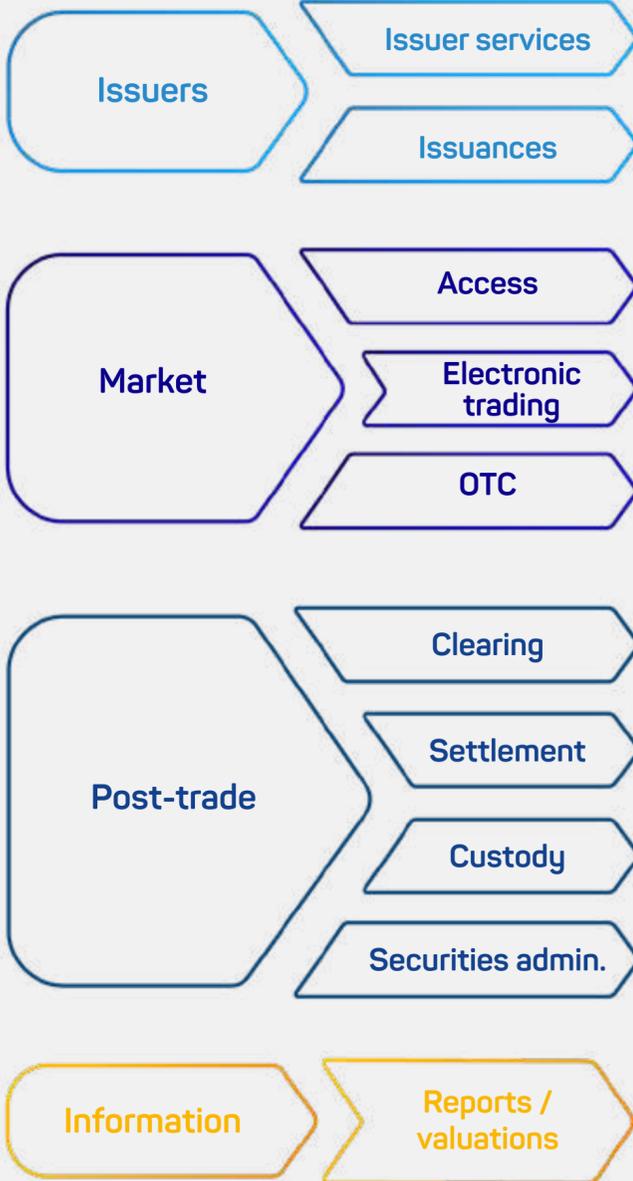
bvc Group

We consolidate capital market infrastructure by providing products and services for all financial assets on Colombian Electronic trading and OTC markets



- Subsidiaries:**
- deceval 100%
 - CRCC 57.2%
 - precia 100%

- Permanent investments:**
- SET ICAP 50%
 - Derivex 40.5%



Total Vertical Integration

	Equities	Fixed-income	Derivatives	FX
Issuers	bvc	deceval	bvc	
Market	bvc	deceval	bvc	
	bvc	bvc	SET ICAP FX	SET ICAP FX
Post-trade		SET ICAP SECURITIES	Derivex	
	CRCC	bvc deceval CRCC	CRCC	
Information	bvc	deceval	precia	SET ICAP Derivex

Benefits:

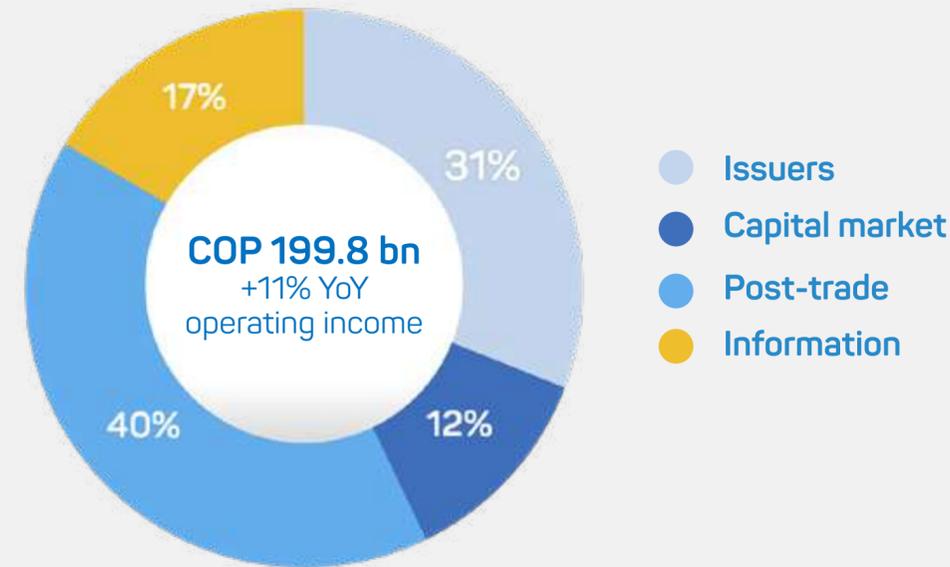
- Joined-up strategy across the entire value chain to develop the Colombian capital market
- Operational **efficiencies** for all market participants
- Rapid adoption of **digital** technologies that facilitate access to all products, reduce costs and help our customers innovate
- Greater **capacity** to adapt to new market conditions and needs

Financial results 2021

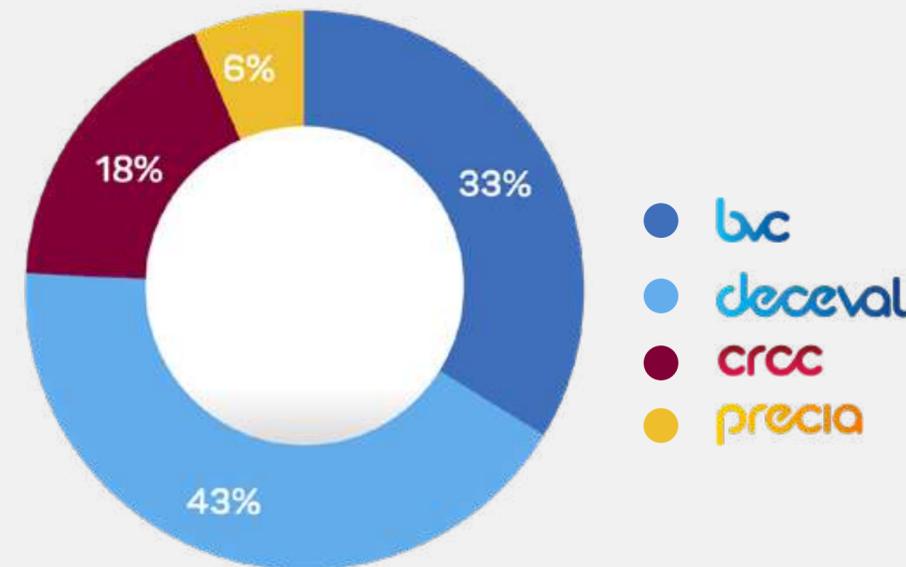
Solid financial performance driven by non-trading income and significant contributions from subsidiaries

- COP 208.8 bn**
total income
- COP 66.5 bn**
EBITDA
+8% YoY
- 33%**
EBITDA margin
- COP 42.5 bn**
net profit
+22% YoY⁽¹⁾
- 20%**
net margin
- COP 587**
dividend per share
-49% YoY⁽²⁾
- 5.94%**
dividend yield⁽³⁾

Income by business area



Income by company



Corporate Balance sheet ⁽⁴⁾

- COP 737.4 bn**
total assets
-5% YoY
- COP 88.4 bn**
total liabilities
-8% YoY
- COP 649.1 bn**
equity

Cash flow

- COP 46.8 bn**
cash flow
+33% YoY⁽⁵⁾

Credit rating **AAA**
for 4 consecutive years.

BRC
Standard & Poor's
S&P Global

FitchRatings

⁽¹⁾ Compared to 2020 net profit adjusted by COP 34.8 bn and excluding fair value at CRCC of COP 31.8 bn and discontinued operation from sale of Sophos of COP 86.8 bn.
⁽²⁾ Compared to 2020 dividend per share of COP 1,158 that included an extraordinary dividend of COP 36.4 bn.

⁽³⁾ Dividend proposal at 31 March 2022 Assembly. Dividend yield at closing price on 30 Dec. 2021, COP 9,875.
⁽⁴⁾ Corporate Balance sheet does not include CRCC managed collateral.
⁽⁵⁾ Compared to 2020 cash flow and excluding Sophos discontinued operation.

Subsidiaries and permanent investments

Solid performance at subsidiaries and permanent investments in 2021

Subsidiaries



	4Q21	4Q20	Var YoY
Income	157,260	154,580	2%
Expenses	120,138	122,347	-2%
Net profit	39,476	150,245	-74%
Net %	34%	36%	
EBITDA	49,079	55,043	-11%
EBITDA %	32%	37%	



57%

	4Q21	4Q20	Var YoY
Income	36,119	23,418	54%
Expenses	26,702	17,708	51%
Net profit	6,286	3,712	69%
Net %	17%	16%	
EBITDA	14,013	7,290	92%
EBITDA %	40%	35%	



100%

	4Q21	4Q20	Var YoY
Income	12,640	11,027	15%
Expenses	9,005	8,106	11%
Net profit	2,454	1,828	34%
Net %	19%	17%	
EBITDA	4,128	3,444	20%
EBITDA %	33%	32%	

Permanent investments



50%

	4Q21	4Q20	Var YoY
Income	41,011	35,380	16%
Expenses	19,641	16,871	16%
Net profit	14,774	12,446	19%
Net %	36%	35%	
EBITDA	22,568	19,600	15%
EBITDA %	56%	56%	



40%

	4Q21	4Q20	Var YoY
Income	163	157	3%
Expenses	929	965	-4%
Net profit	-564	-810	30%
Net %	-346%	-514%	
EBITDA	-700	-709	1%
EBITDA %	-648%	-722%	

bvc Group's holding in CRCC increased from 54.3% to 57.2%.

Performance of Products and Services in Managed Markets 2021

Solid financial performance driven by non-trading income and significant contributions from subsidiaries

Good performance in a2censo and digital promissory notes

Issuers

Recovery in fixed-income, derivative and FX volumes

Markets

Fantastic growth in clearing and settlement volumes by CRCC across all markets

Post-trade

Notable growth in market data and price vendor services

Information

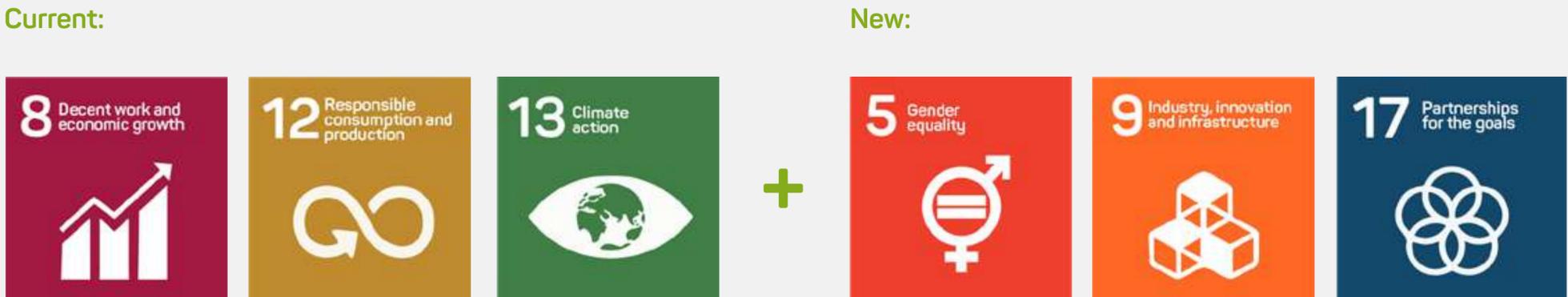
Equities	Fixed-income	Derivatives	FX
<p>55 SMEs financed on a2censo</p> <p>14.6m digital promissory notes in custody +64% YoY</p>	<p>31 bonds issued</p> <p>COP 10.5 tn in bonds issued -19% YoY</p>		
<p>COP 29.5 tn equities volume -12% YoY</p> <p>COP 370 tn market cap +1% YoY</p>	<p>COP 862 tn fixed-income volume +9% YoY</p>	<p>COP 1,213 tn derivatives volume +54% YoY</p>	<p>USD 292 bn FX volume +4% YoY</p>
	<p>COP 197 tn open interest +70% YoY</p>	<p>COP 1,938 tn C&S volume +104% YoY</p>	<p>USD 361 bn FX C&S volume +22% YoY</p>
<p>COP 536 tn custody -9% YoY</p>	<p>COP 134 tn securities admin -7% YoY</p>		
	<p>COP 6.8 tn iCOLCAP ETF increase -4% YoY</p>	<p>+112K assets valued +15% YoY</p>	<p>+44K e-trading investors</p>

Sustainability 2021

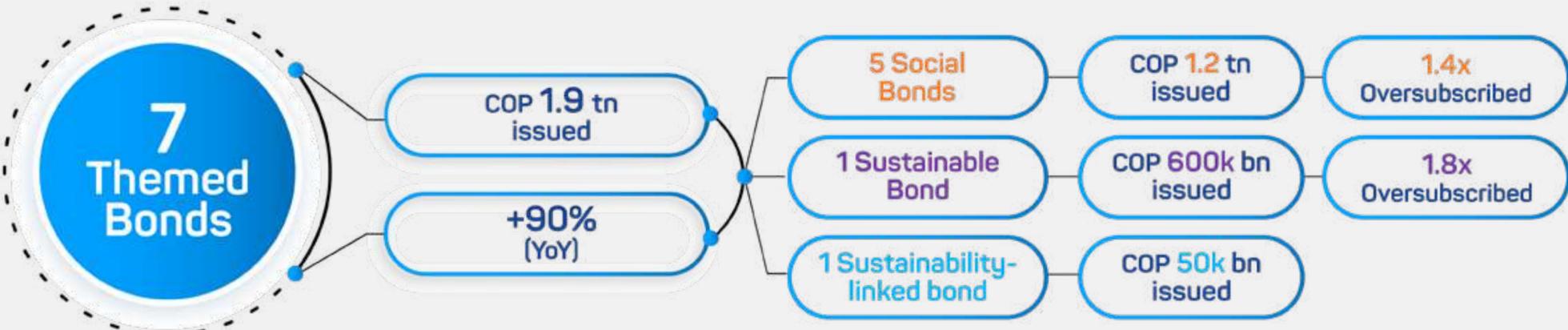


We contribute to Colombia's **economic**, **sustainable** and **inclusive** growth.

Corporate sustainability policy updated with new SDGs:



Record amounts in themed bonds on the Colombian market in 2021



ir Recognition:

This year, we validated not only corporate governance criteria, but also social and environmental criteria that position ir Recognition as an ESG brand.



bvc Group Environmental Management 2021



A certified carbon neutral operation across all market infrastructure provided by **bvc** group.



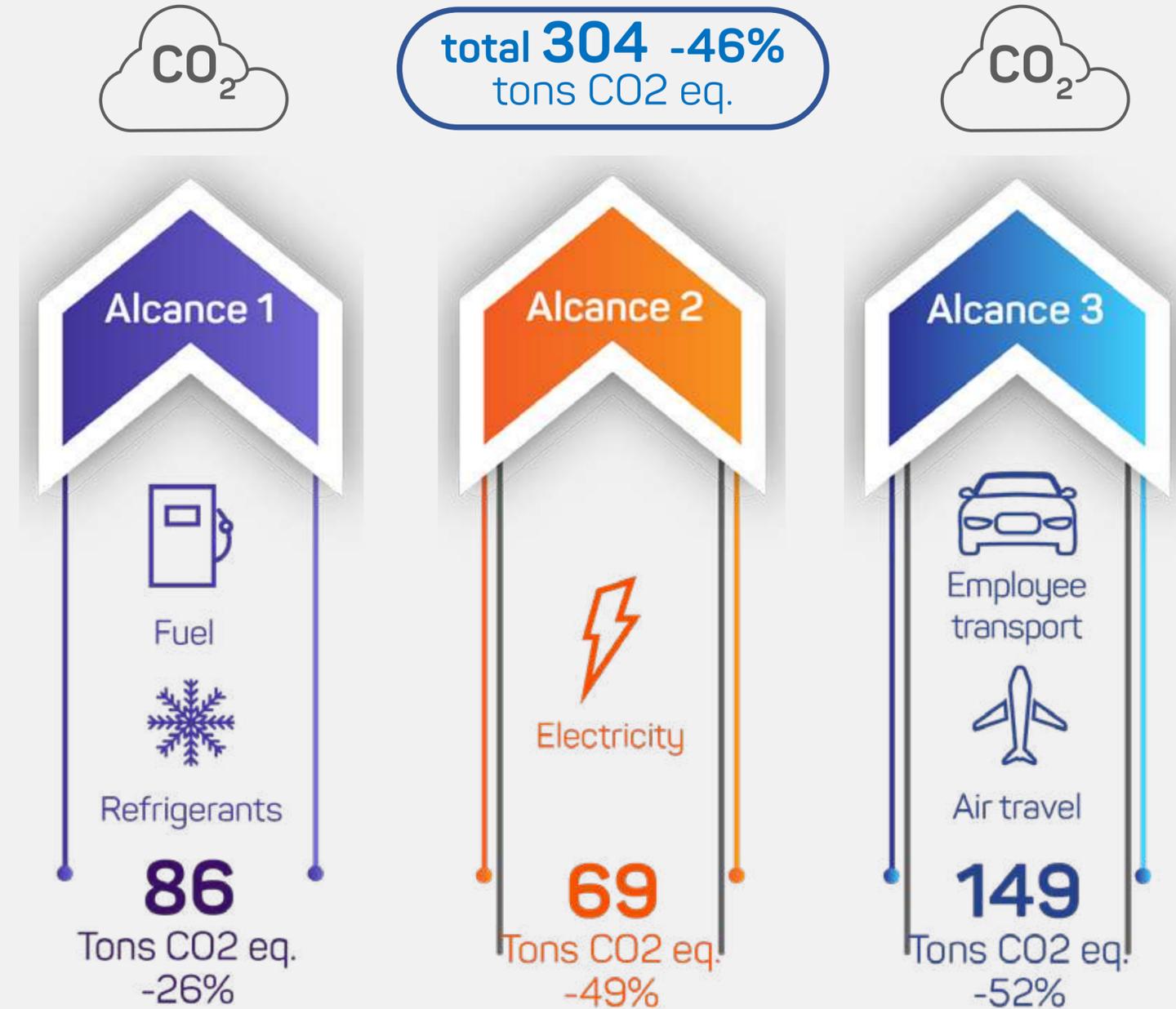
We offset **2.6x** our carbon footprint in **2021**:

800
tons of CO₂

Carbon Bonds

- **Forestry mitigation project:** benefits **22** comunidades living on the Tikuna, Cocama and Yagua (TICOYA) indigenous reserve
- **Location:** Puerto Nariño, Amazonas, Colombia
- **Extension:** **131,532** hectares

bvc Group carbon footprint (bvc, deceval, crcc and precia):



*Variation compared to 2019 baseline.

Corporate Social Responsibility:



We support the social transformation of talented youth from resource-poor backgrounds who are interested in improving their lives by developing skills in technology and innovation.

COP 500 m
2021 CSR execution

+42% YoY

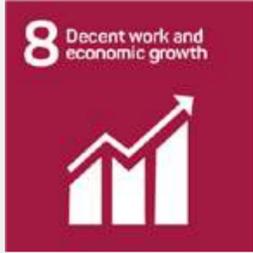


1. Driving talent in IT and innovation

Donation: COP 475 m



Corporate Social Responsibility:



2. Talent formation / grants



Results since 2019:



Donation: COP 25 m

Commitment to Employees

Gender Equality



Family Responsible Company certified

We maintained our "very satisfactory" rating



Corporate Governance

Principal Board of Director and Committee Activities in 2021

Finance and Administration Committee:



- Periodic monitoring of commercial management, the **bvc** strategic technology plan, and management indicators.
- Approval of CRCC share purchase.

Audit and Risk Committee:



- Evaluation of the equity and derivative unavailability event report.
- Evaluation of **bvc** subsidiary risk management.

Corporate Governance Committee:



- Revision and update of **bvc** Group Corporate Governance Policy and Sustainability Policy.
- Evaluation and modification of Good Governance Code, Ethics and Behaviour Manual, Board of Directors' Rulebook, and support committee rulebooks.

Regulations Committee:



- Revision of liquidity provider programmes, MSCI-COLCAP Index incorporation adjustments, equities contingency mechanism implementation, voluntary pension fund custody model application.
- a2censo: inclusion of new Equity Business lines (Convertible Promissory Notes and Shares).

Technology Committee:



- Revision of the external consultant's recommendations.
- Strategic technology plan analysis and approval.

We now have three highly qualified women on our Board of Directors

Independent

Non - independent



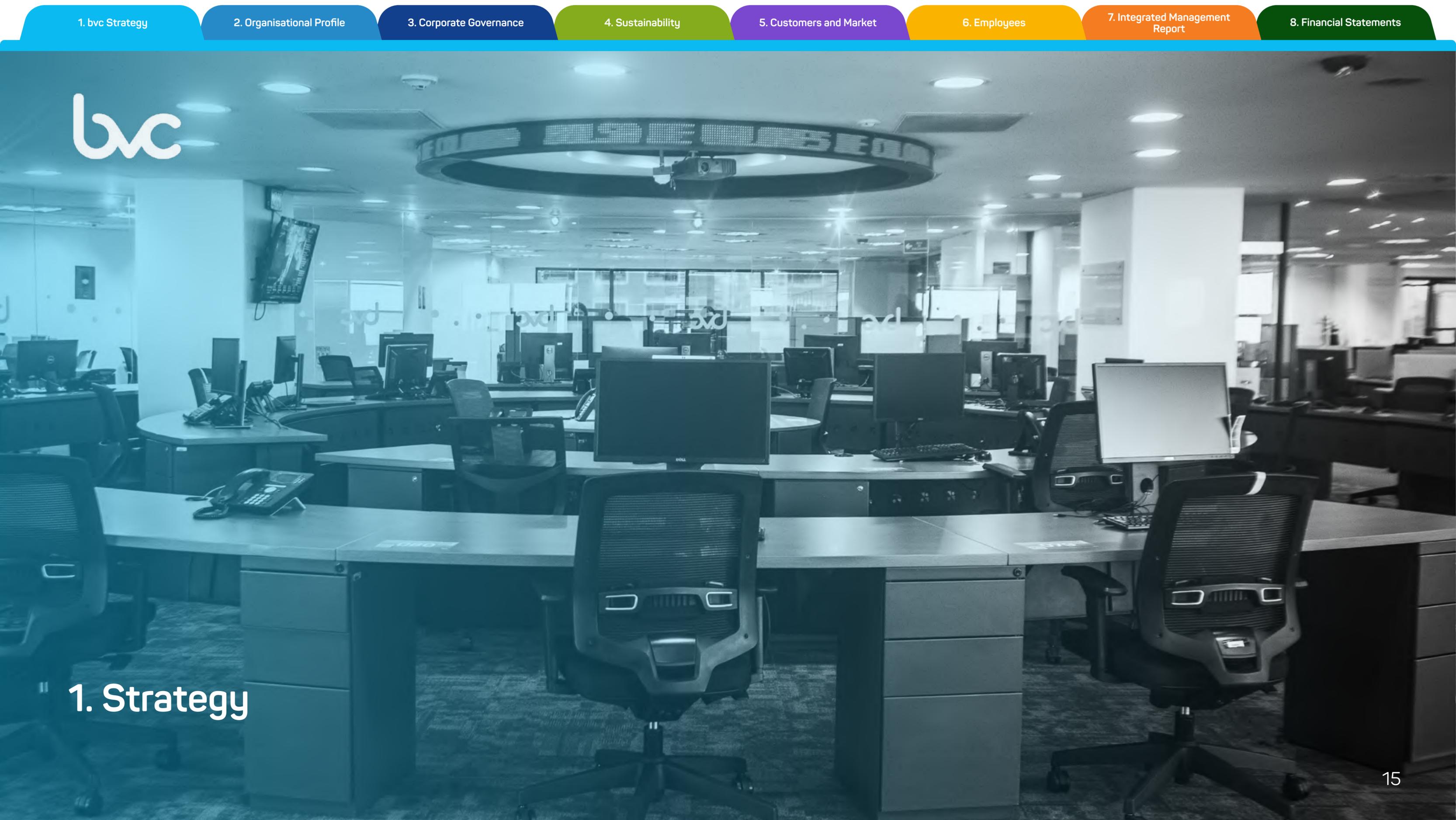
Maria Ximena Cadena
(Independent)
Audit & Risk
Corporate Governance



Angela Maria Hurtado
(JP Morgan)
Audit & Risk



Aura Arcila
(U. de Medellín)
Finance and Administration



1. Strategy

bvc Group Strategic Vision

bvc Group Mission:

To connect people's dreams with the growth objectives of businesses, while leading the transformation of capital markets and contributing to our country's **sustainable** and **inclusive económico** development.

1.1.

GRI: 102-15,
103-1, 103-2,
103-3



Perspectives and Future Vision

The Colombian market faced many challenges in **2021**. At a corporate level, **bvc** Group showed resilience and enjoyed great success, in spite of the restrictions in place during the second year of the pandemic, and accompanied by the vaccine rollout. Projects moved forward throughout the year with the aim of generating greater value in the capital market. Notable progress was made on the regional integration project with the Lima and Santiago Stock Exchanges. A summary of **2021**'s principal achievements can be found below:

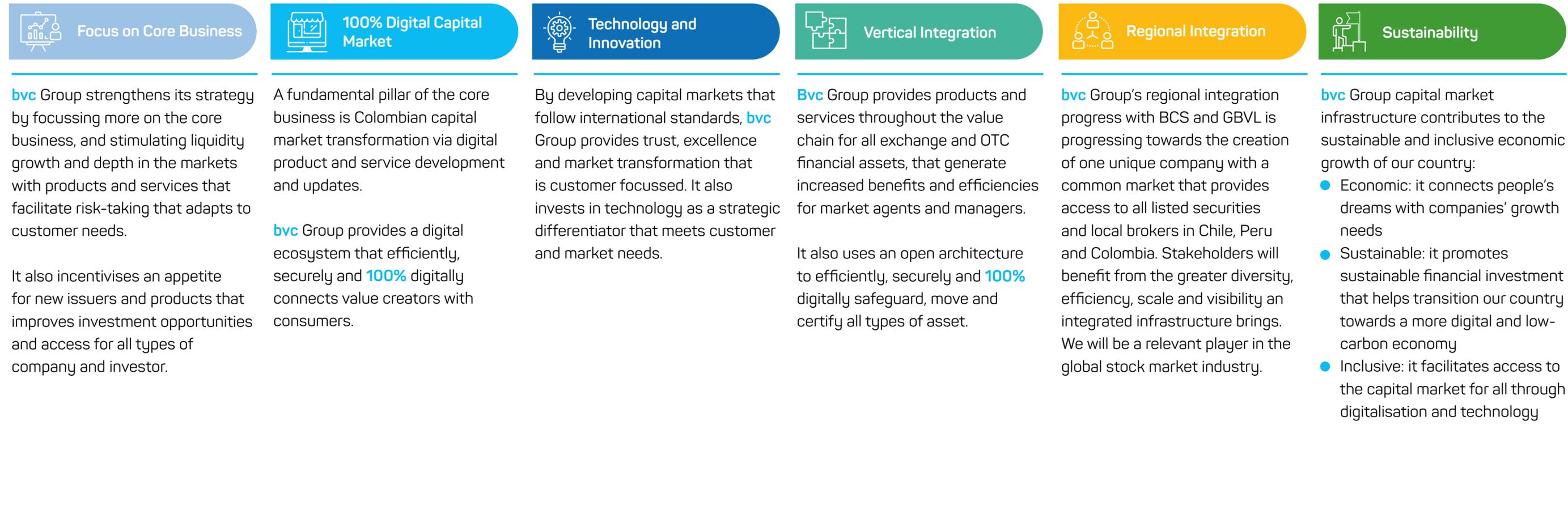
Achievements 2021

Focus on Core Business	100% Digital Capital Market	Technology and Innovation	Vertical Integration	Regional Integration	Sustainability
<p>Issuances:</p> <ul style="list-style-type: none"> ● 31 bond issuances: COP 10.5tn ● 7 themed bonds: 5 social, 1 sustainable, 1 sustainability-linked: COP 1.88tn* <p>Broadening the market</p> <ul style="list-style-type: none"> ● New PATS tools on Master Trader that allow trading algorithms to be created and automated ● New liquidity providers programme for exchange rate mini-futures ● COLCAP migration to MSCI ● Cross-listing with Chile: 5 shares and 1 ETF on the CGM 	<p>More SME financing- a2censo:</p> <ul style="list-style-type: none"> ● 56 campaigns ● +4,700 investors (+107% YoY) ● +COP 31bn (+279% YoY) <p>Digital promissory notes that facilitate access to digital credit:</p> <ul style="list-style-type: none"> ● 5.9 million promissory notes in 2021 ● 84 new customers <p>Improved digital access to the market via Apps:</p> <ul style="list-style-type: none"> ● +44K (+61% YoY) individual investors ● +539,000 transactions (+10% YoY) ● New digital assembly service 	<ul style="list-style-type: none"> ● Updated contingency model ● New risk management and audit tools: Polaris ● Process automation ● New Digital bvc platform launched ● New systems migrated to the cloud ● Technology update for depository systems 	<p>Excellent subsidiary performance in 2021:</p> <ul style="list-style-type: none"> ● precia: EBITDA +21% YoY ● CRCC: EBITDA +63% YoY ● CRCC holding increased to 57.2% ● Currencies consolidate CRCC as a multi-product, multi-market central counterparty ● Open position COP 197tn (+70% YoY) ● precia: Greater portfolio valuation solutions for customers 	<p>Chilean, Peruvian and Colombian Exchanges:</p> <ul style="list-style-type: none"> ● Individual and integrated company valuations ● Swap ratio: BCS (40%), GBVL (20%) y bvc (40%) ● Fairness opinions ● Due diligence: financial, labour, legal and fiscal ● Consultancies: strategic, legal and fiscal, regulatory approval ● Approval from shareholders at the Extraordinary Assembly held in January 2022 	<p>Environmental Impact:</p> <ul style="list-style-type: none"> ● Carbon neutral certification: bvc is the first carbon neutral LatAm exchange ● Carbon offsetting via Amazon reforestation project bonds worth 800 tons <p>Social Impact:</p> <ul style="list-style-type: none"> ● Financing for 60 digitally talented young people ● 51 jobs for talent ● 20 student grants for software development ● 99.6% of employees vaccinated <p>Governance Impact:</p> <ul style="list-style-type: none"> ● Bvc Group sustainability policy updated to include SDGs ● Board of Directors' diversity policy

Visión a futuro

1.2.

GRI: 102-15, 103-2



Evaluation of 2021 Strategy

Balanced ScoreCard 2021

1.3.
GRI: 102-15,
103-3

107
Points

2021 was a year of very good results. We doubled our 2020 score by achieving strategic financial, trust, customer and capital market goals. These were measured quarterly by management using the Balanced ScoreCard (the tool used to calculate variable remuneration for all bvc Group employees).

Good results were obtained on all fronts, with a total score of 107 points out of a maximum of 140, mainly explained by the good performance on the operational excellency, cultural transformation and customer experience indicators, exceeding expectations and representing 40% of the total score of the BSC. Also, the consolidated EBITDA and capital market indicators met the goals established for 2021 with a contribution of 20%. Finally, the indicators of combined EBITDA, Risk time objectives (RTOs) and project initiatives (VDO) reached the minimum acceptable

Perspective	Indicator	Unit	Min	Target	Stretch	%	2021	2021	
Financial 30%	1	Combined EBITDA	Million COP	50,975	52,552	54,129	20%	51,108	
	2	Consolidated EBITDA	Million COP	66,101	68,145	70,189	10%	69,056	
Reliability 40%	3	Operational Excellence	%	99.84%	99.87%	99.90%	10%	99.93%	
		RTOs	24	16	8	5%	17.34		
	4	VDO Initiatives	%	80%	85%	95%	15%	82,5%	
Customer 20%	5	Cultural Transformation	Milestones and score	80% and 3.4	90% and 3.6	95% and 3.6	10%	97%/3.9	
	6	Customer Experience	Result	See annex	See annex	See annex	20%	88/85	
Capital Market 10%	7	Capital Market	Initiatives	4	5	6 or more	10%	5	

1.3.

GRI: 102-15,
103-3**Financial: 30%**

This front is made up of two indicators with a total weight within the BSC of **30%**. The first indicator of the combined EBITDA (bvc + deceval) which does not include regional integration expenses, ended at COP **\$51,108** million reaching the minimum acceptable score. On the consolidated EBITDA side, this indicator closed at COP **\$69,056** million (**+12%** YoY) reaching the score in the **2021** target range.

Reliability: 40%

In this perspective, three indicators were established: operational excellence, project initiatives (VDO) and cultural transformation with a total weight of **40%** in the BSC.

The operational excellence indicator is made up of two objectives, the first is availability of business products/services, which exceeded expectations closing at **99.93%** in **2021**. The second objective is to reduce the duration of risk events with effects on the market, which reached the minimum acceptable closing at **17.34** points. The indicator for measuring the performance of the ten initiatives of the project portfolio (VDO), which consists on the fulfillment of objectives, key results and budget fulfillment, ended in **82.5%** reaching the minimum acceptable.

Regarding the cultural transformation indicator, **97%** of the milestones of the strategy in the axes of: learning; automatization and digitization; change management; flexible working; and growth of the employer brand. This accompanied by a rating of **3.9** in the assessment of digital capacities and agility in bvc.

This perspective has a total weight in the BSC of **20%**. He finished the year with a score that exceeded expectations, with **85** points in its relational part, where the customer satisfaction experience is measured. In **2021** all the results show increases compared to **2020**: intermediaries **83** points (**+3.1**), issuers **91** points (**+3.48**), promissory notes **77** points (**+3.1**) and education **80** points (**+3.9**).

Customer: 20%

Customer satisfaction accounts for **20%** of the BSC and scored **85** points. All results in **2021** were better than **2020**: brokers **83** points (**+3.1**), issuers **91** points (**+3.48**), promissory notes **77** points (**+3.1**) and education **80** points (**+3.9**).

The transactional part of this perspective evaluates customer satisfaction with products and services after trades, and scored **88** points. **2021** scores were: brokers **86** points (**+4**), promissory notes **79** points (**+6**) and education **90** points (**+8**). This reflects an excellent level of service and compensates for a reduction in the issuer score to **92** points (**-5**).

These scores show that transactional and relational satisfaction with **bvc** is high, especially among issuers and brokers.

Capital Market: 10%

This perspective was linked to regulatory initiatives promoted by **bvc** to develop the Colombian capital market, and accounts for **10%** of the BSC. At year-end the target had been met and five initiatives had been implemented:

- Updated minimum returns for obligatory pension and severance funds, in accordance with a change to the COLCAP index provider: External Circular **10, 2021**.
- Instructions for collaborative financing: External Circular **14, 2021**.
- Advice for the capital market, classifying products as simple or complex: External Circular **19, 2021**.
- Limiting share activity to allow regional integration: Decree **053, 2022**.
- Bond issuance by mutual funds and its terms. Decree **053, 2022**.



2. Organisational Profile

Colombian Securities Exchange

2.1.

GRI: 102-1, 102-2, 102-3, 102-5, 102-6, 102-12 y 102-13

Colombian Securities Exchange (bvc) is the leading provider of Colombian capital market infrastructure. We are present through the entire the value chain, and offer solutions and services of Listing (issuer and issuance services), Trading (access, electronic trading and registration services), Post-trade (risk management, clearing, settlement, custody and securities administration), and Information (market data and price vendor services) in the on-exchange and OTC markets of equities, fixed-income, derivatives and FX.

We provide the Colombian capital market infrastructure

		Equities	Fixed-income	Derivatives	FX
Issuers	Issuer services	bvc	deceval		
	Issuances			bvc	
Trading	Access	bvc	deceval	bvc	
	Electronic trading	bvc	bvc	SET ICAP FX	SET ICAP FX
	OTC		SET ICAP SECURITIES	Derivex	
Post-trade	Clearing	CRCC	bvc deceval CRCC		CRCC
	Settlement				
	Custody		deceval		
	Securities administration				
Information	Reports / valuation	bvc	deceval	precia	SET ICAP Derivex



Colombian Securities Exchange S.A. is a Public Limited Company domiciled in Bogotá, Colombia. We are a strategic ally to the financial and stock trading sector, and are the market leader in the Colombian capital market. bvc is part of a number of regional and global initiatives, such as:



bvc brand architecture

2.2.
GRI: 102-2,
102-3

The Exchange continues to position the entire **bvc** Group brand around being an approachable strategic ally that generates value for people. **bvc** now has a business model that vertically integrates the entire Colombian capital market infrastructure value chain, focussed on the core business and digitalisation. This reinforces our brand vision, and state-of-the-art, visionary and mentor values, making them visible from the inside out, in line with our purpose:

"To connect people's dreams with the growth objectives of businesses, while leading the transformation of capital markets and contributing to our country's sustainable and inclusive economic development."



Bolsa de Valores de Colombia



Cámara de Riesgo Central de Contraparte



Proveedor de Precios para Valoración



Pillars

2.3.

Bolsa de Valores de Colombia is a company whose name is of high relevance on the Colombian financial and enterprise market. It is a company that, given its level of involvement in the country's growth, it enjoys a relevant reputational status which it has been responsible of building and maintaining over the years.

For this reason, in **2021**, bvc focused on consolidating its strategy of recognizing issuers, getting closer to new investors and strengthening financial education, with a communications framework based on three pillars: trust, evolution and closeness.

In the avant-garde pillar, it sought to connect the new generations, those who value innovation, agility, people-centered ideas, and thus make **bvc** a more modern brand by reaching out to those who still see the stock market as something difficult to access.

With the second visionary pillar, the message of progress and optimism was reinforced in a country that constantly yearns for greater transformation.

And finally, through the mentoring pillar, it positioned itself as a strategic ally for education and individual and business growth.

Brand strategy

It was decided in **2020** that the brand should strengthen its communications across the landscape, and define and include new channels of communication that increase reach and engage with more people with different profiles.

The brand's value landscape contains three pillars that incorporate **bvc's** products and especially its purpose.

This brand landscape was broken down into conceptual associations that guide conversations with a diverse target audience, and achieve the objective of bringing people closer to the Colombian stock market:

- **An attitude:** The value required to get up each day and face the world, to dream and make those dreams a reality.

- **A code of conduct:** The way in which people's ethical behaviour drives **bvc** actions.
- **A promise:** A ratification of our commitment that every interaction between **bvc** and each and every Colombian will be a value generating experience.

The value landscape connects the brand's principal objective of being a connection centre for the entire Colombian capital market ecosystem. To do this, we have been positioning the idea that "Together our value is greater" in all company and brand communications. This has allowed us to increase closeness and create unified messaging for all the company's products.

In addition, we strengthened our conversations on social networks, increased the average rate of interaction with our users, and ensured that people converse with the brand.

The Day of Value (7 October): For the third consecutive year, **bvc** used this day to highlight the brand and ensure that when people think of value, they think of **bvc** and the fact that "together our value is greater". On this occasion, the brand connected with all its allies through social media posts highlighting the principal brands that build value in our day to day lives, and with whom we collectively create the capital market.

Management indicators

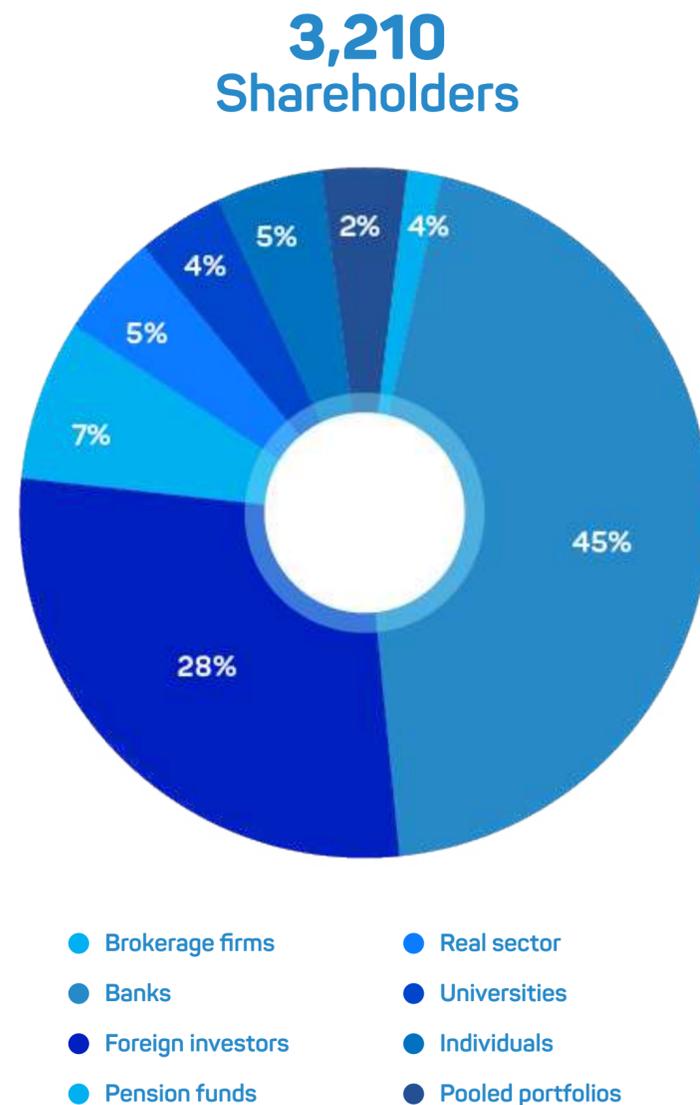
Bearing in mind that the objective is for Colombians to incorporate the exchange into their conversations and associate it with the value landscape, our achievements in **2021** were:

1. **3.11%** average interaction rate on our social networks – an increase of **1.6%** on the previous year.
2. We reached **10,000** subscribers on YouTube, with **175,000** average monthly impressions on our channel – beating our **2020** average of **120,000** impressions.
3. Increased traffic to our financial education content hub - **135,000** unique monthly visitors.

bvc Shareholders

2.4.
GRI: 102-5

At 2021 year-end, bvc had 3,210 shareholders. Banks and foreign investors hold the largest blocks—45% and 28%, respectively. The 25 largest shareholders own 80.06% of bvc shares.



No.	Top 25 shareholders 2021 year-end	% Holding
1	BBVA COLOMBIA S.A.	7.33%
2	UTILICO EMERGING MARKETS TRUST PLC	6.83%
3	BANCO DAVIVIENDA S.A.	6.32%
4	B3 S.A. - BRASIL BOLSA BALCAO	6.11%
5	INVERSIONES ODISEA	5.77%
6	ITAU CORPBANCA COLOMBIA S.A.	5.74%
7	FONDO DE PENSIONES OBLIGATORIAS PORVENIR MODERADO	4.42%
8	UNIVERSIDAD DE MEDELLÍN	4.14%
9	CORPORACION FINANCIERA COLOMBIANA S.A.	4.04%
10	BANCO CAJA SOCIAL	3.97%
11	FONDO BURSÁTIL ISHARES COLCAP	3.78%
12	BANCOLOMBIA - BOGOTÁ	3.25%
13	INVERSIONES CFNS S.A.S.	2.67%
14	MILLVILLE OPPORTUNITIES MASTER FUND LP	2.48%
15	SBS SEGUROS COLOMBIA S.A.	1.98%
16	FRONTAURA GLOBAL FRONTIER FUND	1.80%
17	VALORES BANCOLOMBIA S.A. COMISIONISTA DE BOLSA S.A.	1.71%
18	FIDUCIARIA BANCOLOMBIA S.A.	1.18%
19	BANCA DE INVERSIÓN BANCOLOMBIA S.A. CORP FINANCIERA	1.10%
20	LONDOÑO Y RESTREPO S.A.	1.04%
21	BANCO COLPATRIA MULTIBANCA COLPATRIA S.A.	0.93%
22	TERRA GLOBAL OPPORTUNITY FUND, L.P.	0.90%
23	BBVA VALORES COLOMBIA S.A. COMISIONISTA DE BOLSA	0.87%
24	BANCO DE BOGOTA S.A.	0.86%
25	FDO DE PENSIONES OBLIGATORIAS PROTECCIÓN MODERADO	0.85%

bvc Group Shares:

- Listed since June 2007
- Type: Ordinary with voting rights
- Shares in circulation: 60,513,469

bvc Group has no controlling shareholder:

Restriction of 10% % in accordance with Law 510:1999.

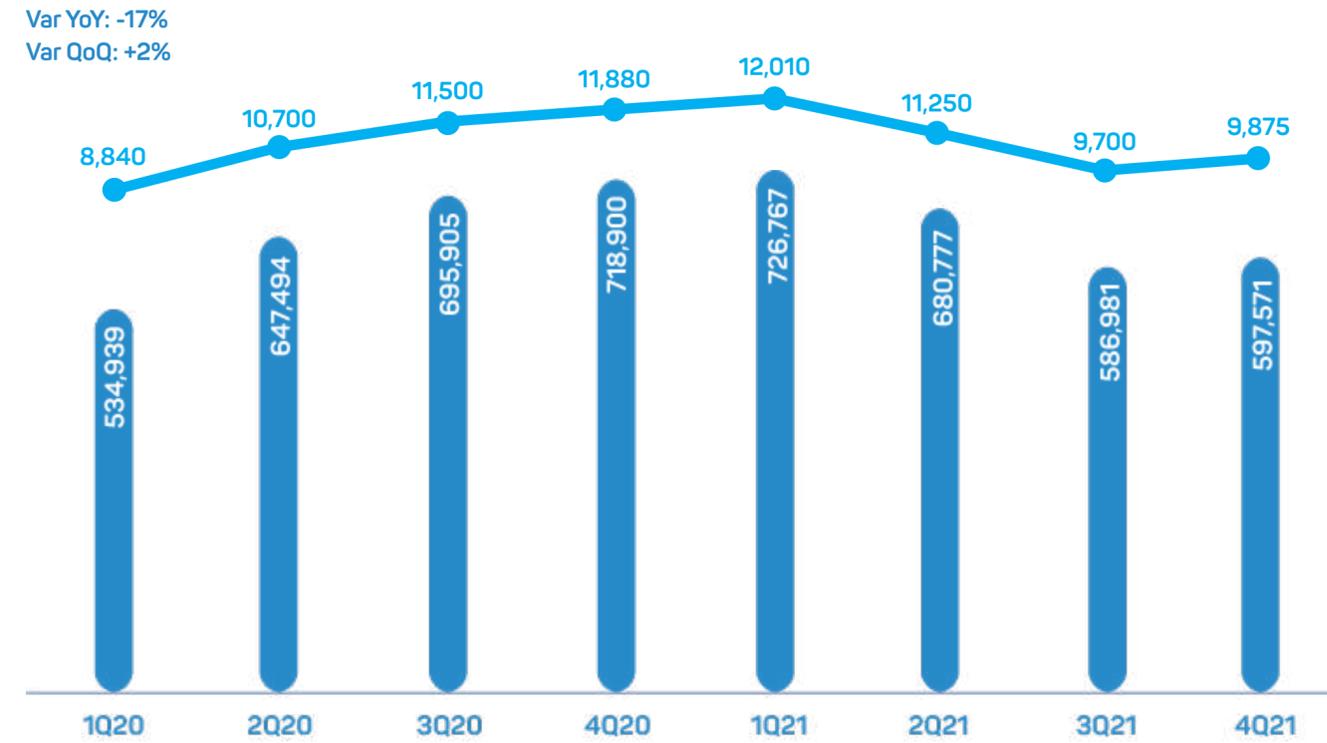
Dispersed shareholding with 57% floating*

*In accordance with the formula specified in Article 2.36.3.4.1, Decree 2555

bvc stock performance 2021

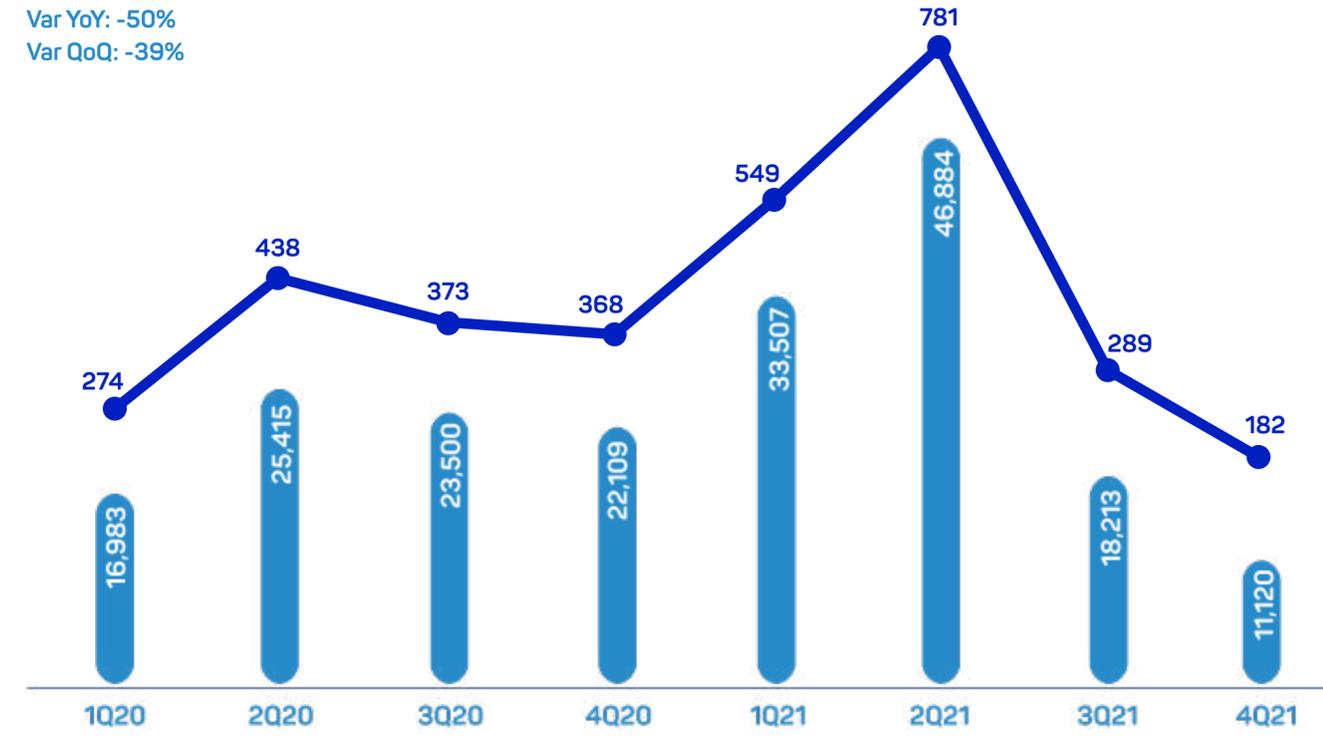
2.4.
GRI: 102-5

Market Capitalisation – bvc Share Price



Market capitalisation COP million / Price COP

Daily average volume



Volume COP million / Daily average COP million

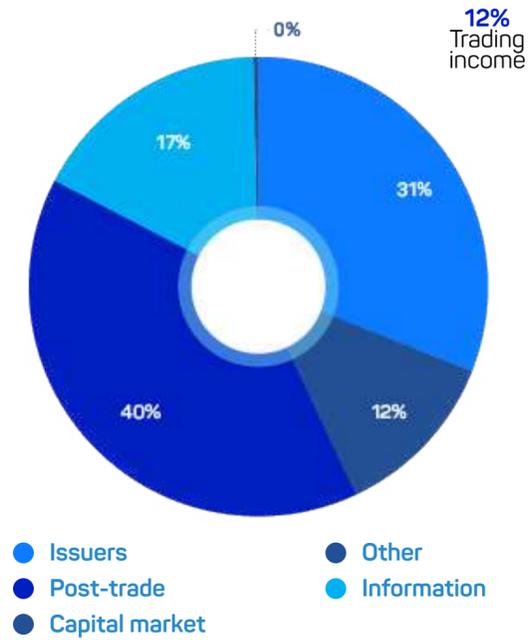
Scale of the organisation

2.5.
GRI: 102-7,
103-2

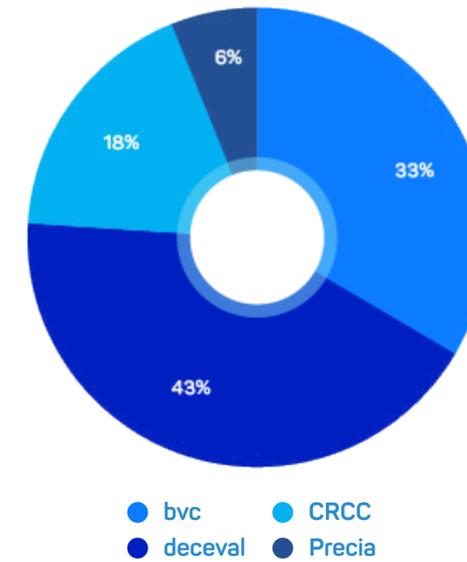
Total income



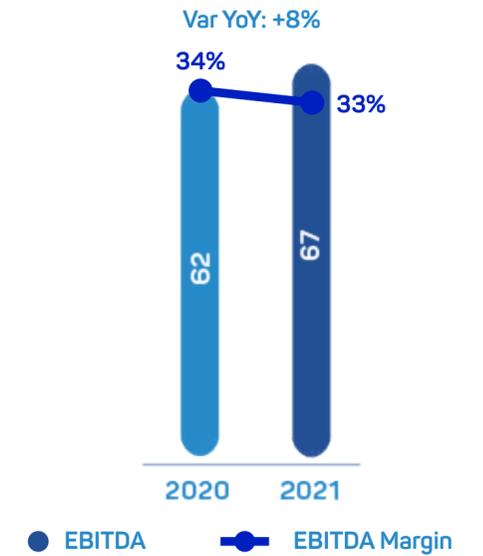
Income by line of business



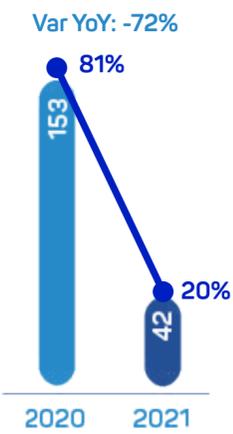
Income by company



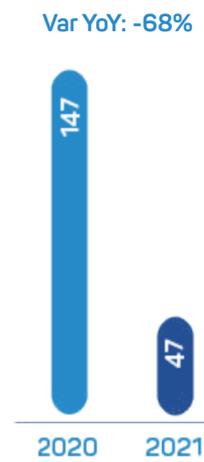
EBITDA



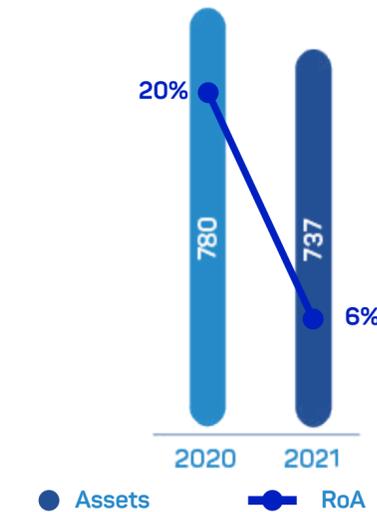
Net profit



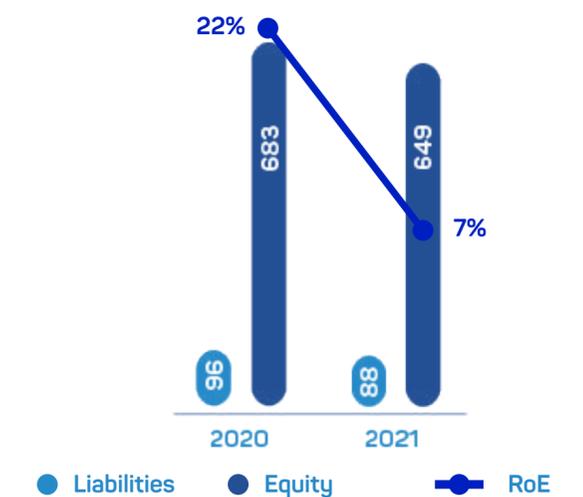
Cash flow



Asset balance



Liability and equity composition



● Net Profit ● Net Margin
bvc consolidated information, COP billion
Balance excludes CRCC administered guarantees

Corporate group

2.5.1.

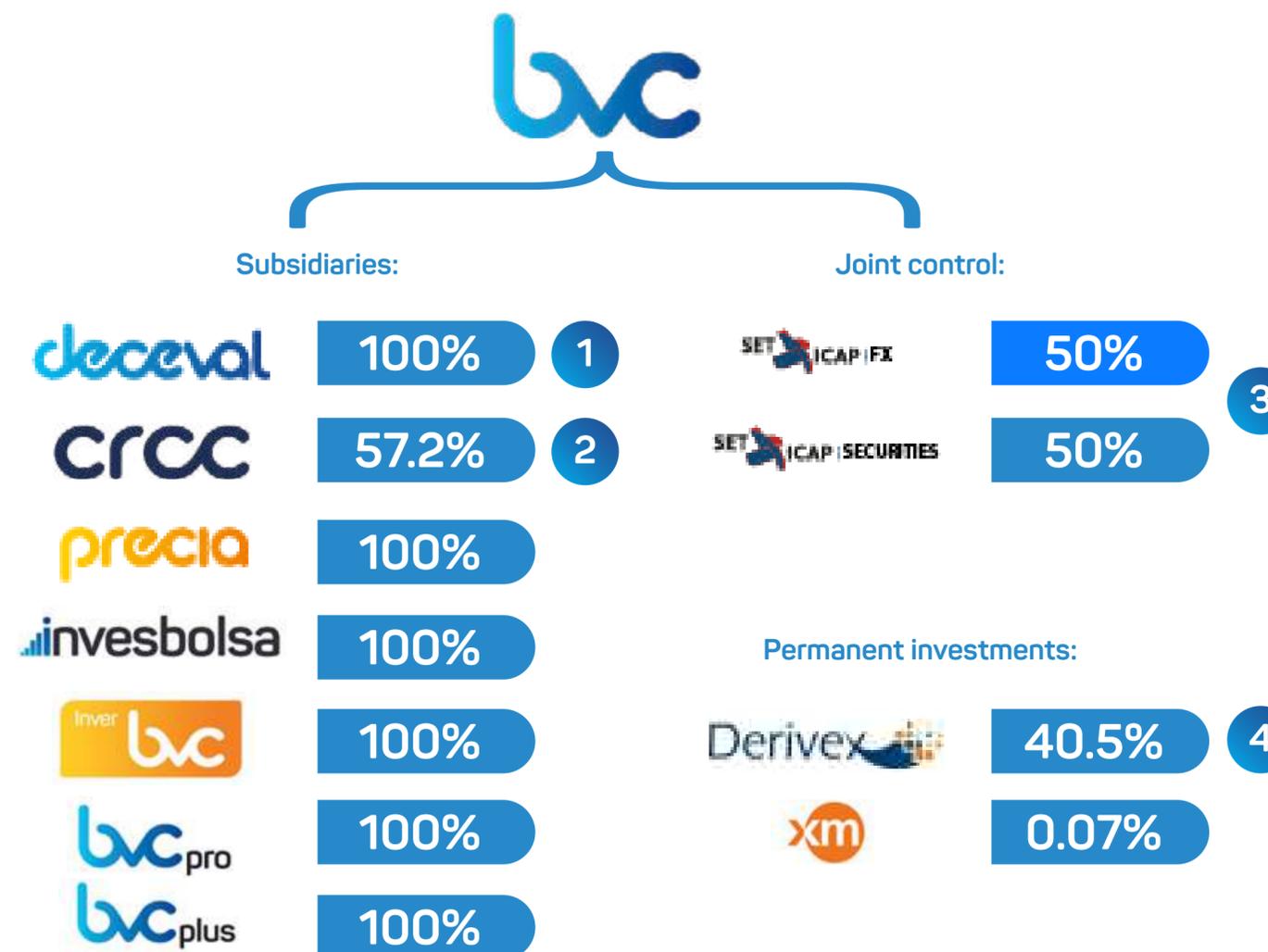
In **2020**, the new **bvc** Group strategic focus on consolidating Colombian capital market infrastructure and broadening the core business led to great change in corporate structure through three transactions in subsidiaries and permanent investments: **i)** disinvestment in Sophos; **ii)** Cámara de Riesgo Central de Contraparte – CRCC and Cámara de Compensación de Divisas – CCDC merger by absorption; **iii)** Sale of direct holding in Derivex.



In **2020**, bvc strengthened its controlling interest in CRCC through the following transactions:

- February **2020**: bvc acquires controlling interest through the purchase of **8.7%** for COP **10.54bn**, going from 47.28% to 55.98%.
- June and August **2020**: bvc Group purchases **4.27%** for COP **1.72bn** and achieves a holding of **60.25%**.
- October **2020**: bvc Group purchases a further **1.44%** of CDCC for COP **148m** and goes from **30.79%** to **32.23%**.
- December **2020**: CRCC-CCDC merger of absorption with a swap ratio approved by both companies' Assemblies equivalent to **3.92** CRCC shares for each CCDC share. **bvc** Group's holding was diluted from **60.25%** to **54.3%** in the merged company.

Corporate transactions 2021



Subsidiaries:

(1) bvc direct holding: 94.96%; Invesbolsa : 4.98%, INVERBVC: 0.02%, BVC PRO: 0.02% and BVC PLUS: 0.02%

(2) bvc holding: 41.7%; deceval: 15.5%

Permanent investments and joint control:

(3) direct bvc holding: 49.82%; Invesbolsa: 0.18%

(4) direct bvc holding: 40.43%; Invesbolsa: 0.05%

Subsidiaries and Permanent Investments

2.5.2.

Subsidiaries

	2021	2020	Var YoY
Income	157,260	154,580	2%
Expenses	120,138	122,347	-2%
Net profit	39,476	150,245	-74%
Net %	34%	36%	
EBITDA	49,079	55,043	-11%
EBITDA %	32%	37%	

Permanent investments

	2021	2020	Var YoY
Income	41,011	35,380	16%
Expenses	19,641	16,871	16%
Net profit	14,774	12,446	19%
Net %	36%	35%	
EBITDA	22,568	19,600	15%
EBITDA %	56%	56%	

	2021	2020	Var YoY
Income	36,119	23,418	54%
Expenses	26,702	17,708	51%
Net profit	6,286	3,712	69%
Net %	17%	16%	
EBITDA	14,013	7,290	92%
EBITDA %	40%	35%	

	2021	2020	Var YoY
Income	163	157	3%
Expenses	929	965	-4%
Net profit	-564	-810	30%
Net %	-346%	-514%	
EBITDA	-700	-709	1%
EBITDA %	-648%	-722%	

	2021	2020	Var YoY
Income	12,640	11,027	15%
Expenses	9,005	8,106	11%
Net profit	2,454	1,828	34%
Net %	19%	17%	
EBITDA	4,128	3,444	20%
EBITDA %	33%	32%	

Consolidated

	2021	2020	Var YoY
Income	208,836	189,810	10%
Expenses	158,602	149,906	6%
Net profit	42,486	153,351	-72%
Net %	20%	81%	-75%
EBITDA	66,539	61,575	8%
EBITDA %	33%	34%	-3%

Dividend distribution policy

On **26 March 2021**, the **bvc** General Assembly of Shareholders approved the **2020** profit distribution project, with an increase of **177%** in the dividend per share compared to **2019**, as follows:

	2020	2019
(+) Pre-tax profit	163,468	50,442
(-) Income and supplemental taxes	13,131	-144
(=) Total comprehensive profit	150,337	50,586
(-) Voluntary reserves	80,272	25,293
(=) Total profits to distribute	70,065	25,293
Ordinary 2020 dividend	33,665	25,293
Extraordinary 2020 dividend	36,400	0
Total cash distribution	70,065	25,293
% dividend of profit	46.61%	50.00%
Number of shares	60,513,469	60,513,469
Dividend per share (pesos)	1,157.84	417.97

Data in COP million

+177%

Notes:

1. It is proposed that ordinary and extraordinary dividends will be paid in cash in two instalments: (i) **50%** on **29 April 2022**, and (ii) the remaining **50%** **30 June 2022**.

2. Dividends will be paid to whomever has the quality of shareholder at the time the payment is due, in accordance with Article **455** of the Commercial Code.

3. The **89%** of the profit to be distributed in **2022** is non taxable. In order to distributed the dividends in their entirety as untaxed, a release of untaxed reserves from years prior to **2017** was made.

4. Taking into account that it will be proposed to the General Shareholders' Meeting that dividends are paid in two (2) installments, the "ex-dividends" period will be presented, which corresponds to the four (4) trading days prior the date of dividends payment, as follows:

- From **25 April** and **29 April 2022** (ex-dividends date corresponds to the dividend payment on **29 April 2022**).
- From **24 June** and **30 June 2022** (ex-dividends date corresponds to the dividend payment on **30 June 2022**).



Employee profile

2.6.
GRI: 102-8,
103-2

bvc's greatest strength is our employees. Our human talent is passionate, empowered and innovative; people give their best to every organisational challenge. bvc leaders trust, inspire, recognise, empower and connect their teams to achieve results through authentic, close, agile and opportune management, and they value their employees' work-life balance.

We continue to strengthen our culture, values and organisational competences, and develop digital, agile, leadership and core business capabilities that make the organisation customer focussed and have an impact on the capital market.

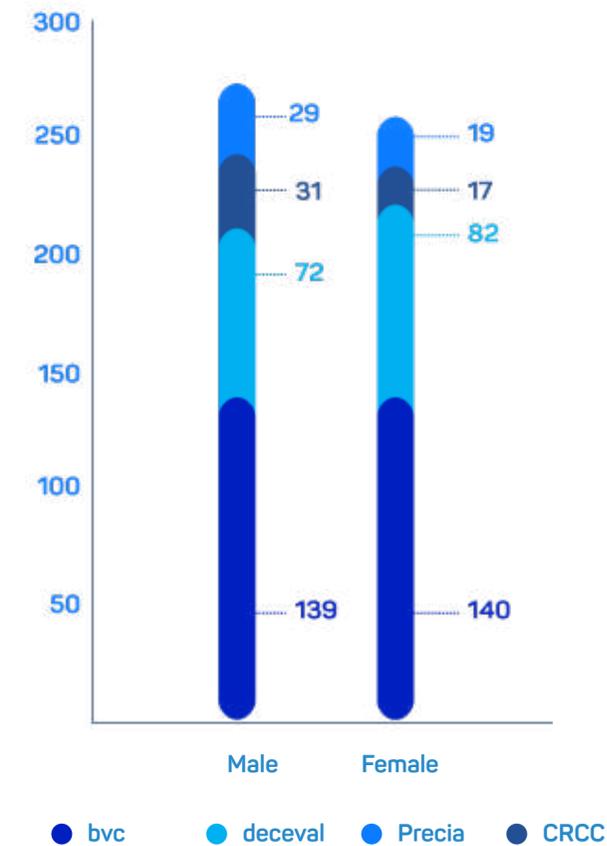
To consolidate our culture, Human Resources management has developed and implemented the following six-sided plan:



The pandemic challenged to organisation to flexibly manage its talent and focus on the employee experience, leadership, knowledge management, staff retention, and attracting new generations to the workforce. We developed a talent management strategy that specifies management and mobilisation actions in response to the organisation's current and future needs, and ensures that employees have the competences and abilities they need to meet our goals.

Employee gender

Employees by gender 2021

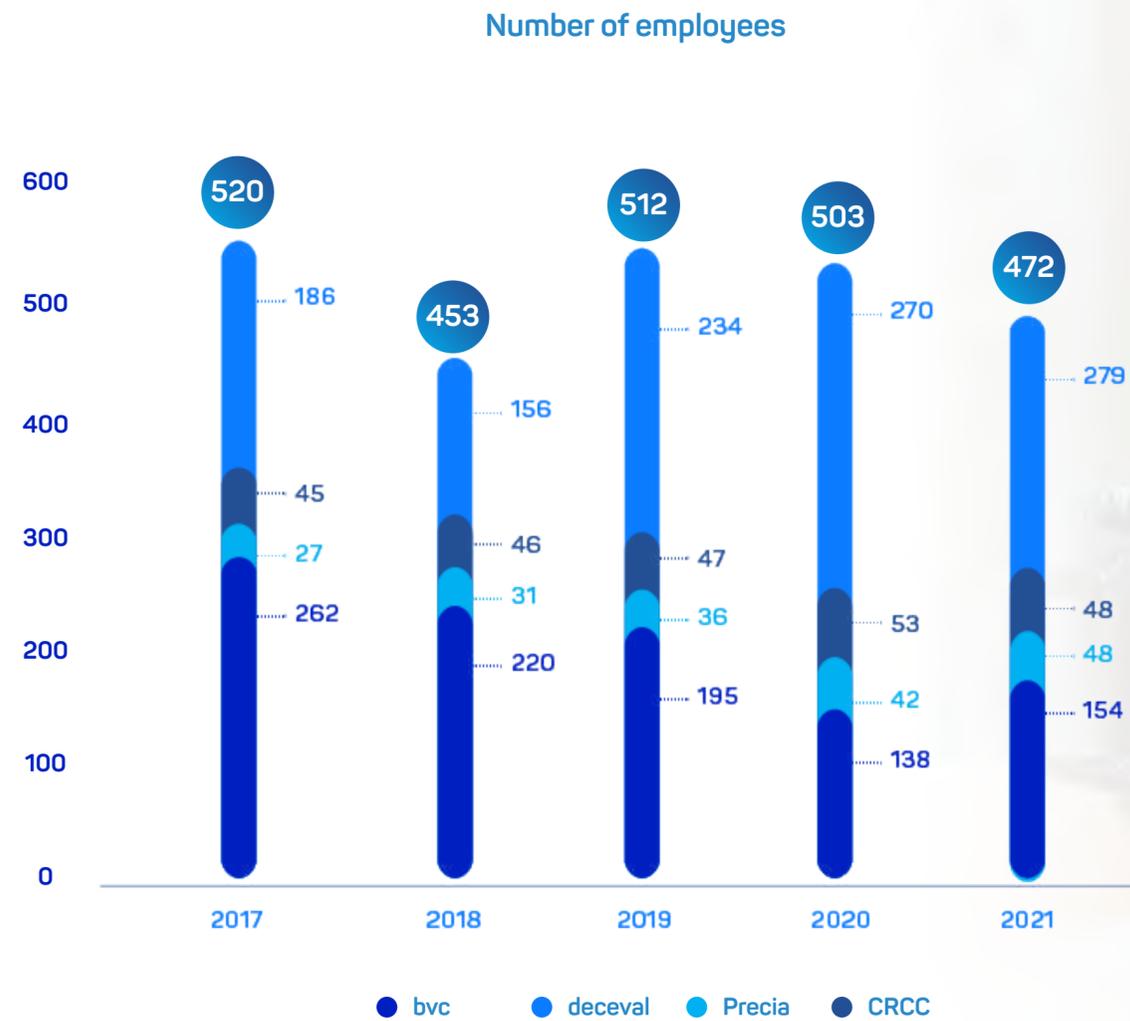


2.6.

GRI: 102-8,
103-2

In **2021** we continued to use home working and the company designed and piloted a flexible working model.

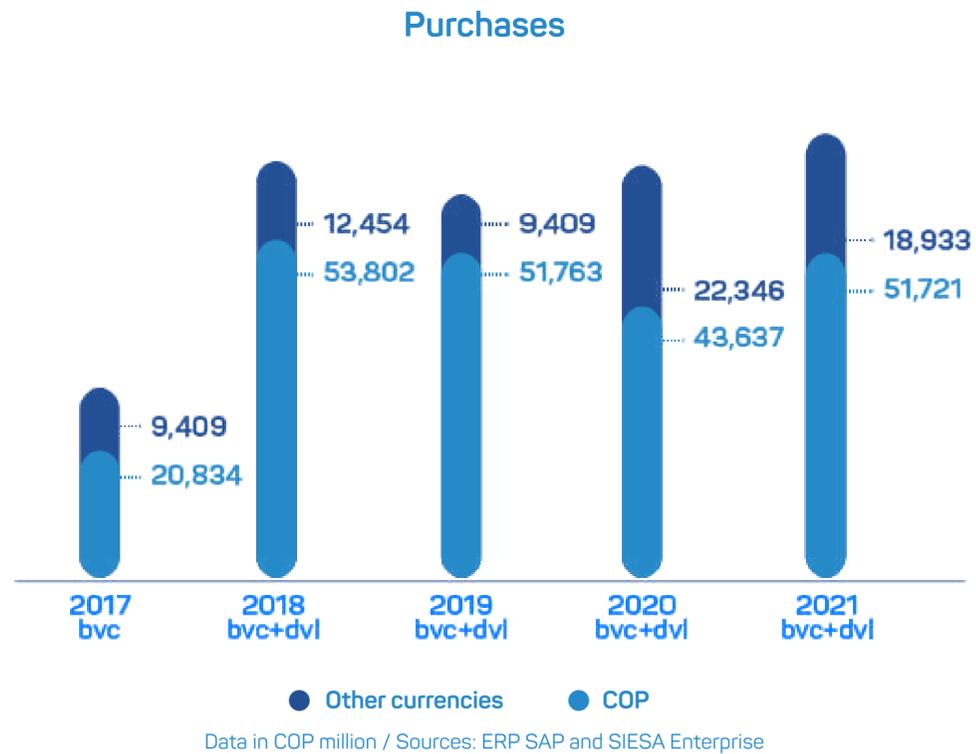
bvc Group closed the year with **472** employees, including vacancies, which arose due to the optimization of the operation and as a result of this, some positions were suspended.



Supply chain and significant supply chain changes

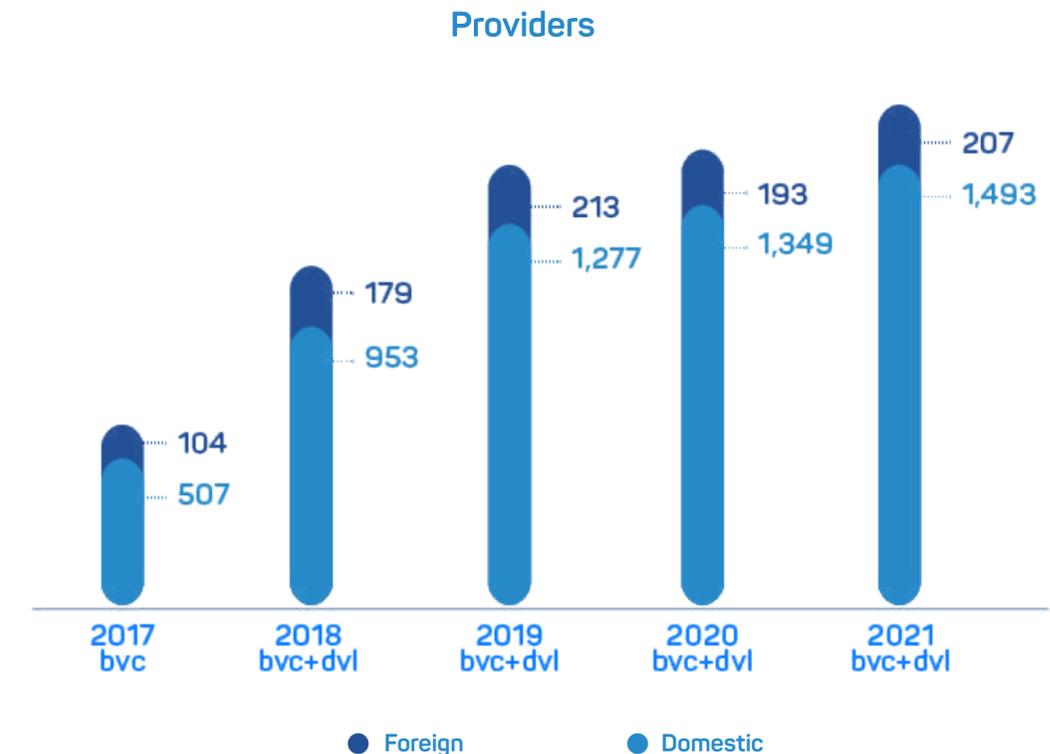
2.7.

GRI: 102-9,
102-10, 103-2,
204-1



Provider management is one of the organisation's most dynamic processes. It aims to obtain value proposals that meet quality and price expectations.

By integrating **bvc** and deceval ERP we were able to purge and update conditions such as name changes, inactive providers, etc., and engage **1,700** entities (**9.3%** more than the previous year).



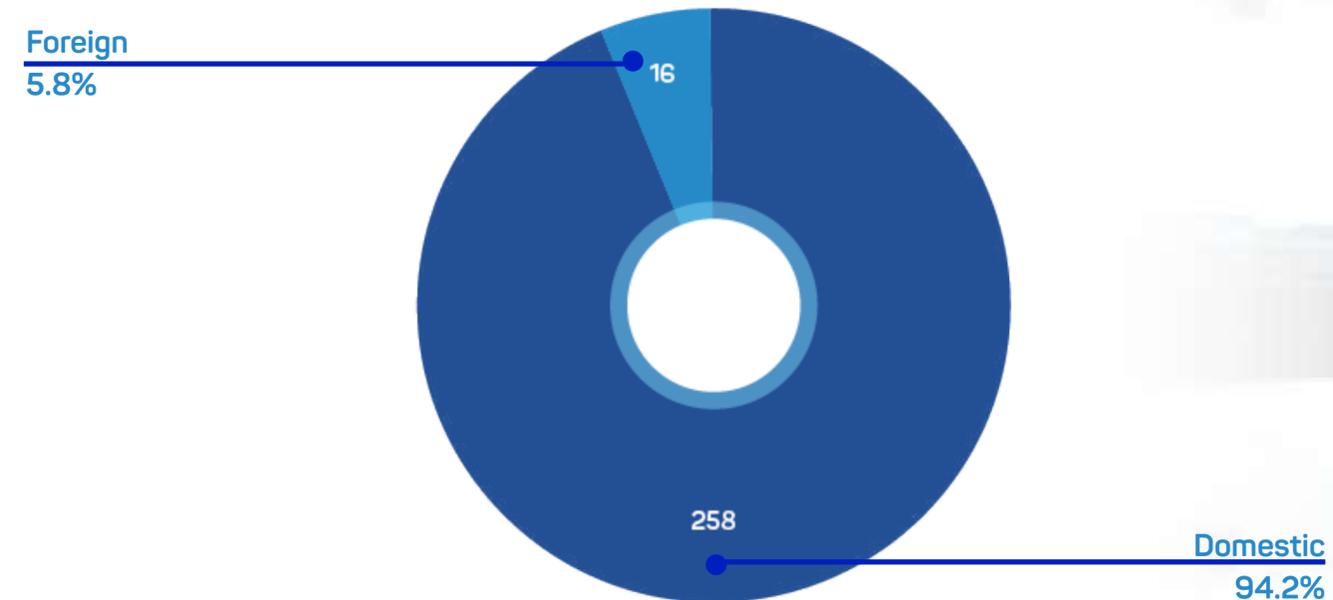
In **2021**, **bvc** continued to enjoy mutually beneficial relationships with providers, and to receive goods and services that met the required specifications and complied with agreed contractual conditions in all cases. Of note is compliance with the policy of payment **35** days following invoice submission.

RFP processes allow the group to obtain the best proposals from various providers that respond to its equality and cost-benefit needs.

2.7.GRI: 102-9,
102-10, 103-2,
204-1

Corporate sustainability is one of the most highly valued elements when adjudicating higher value goods and services in accordance with GRI standards when conducting technical evaluations of RFP submissions.

New providers 2021 bvc and deceval



During the year, the BVQi certifying organisation audited purchasing with regard to the ISO **9001:2015** quality control system, and found it to be compliant.

The information presented in this section is related only to **bvc** and deceval, without their subsidiaries.

Movement of invoices: The free movement of invoices submitted by providers and contractors was not hampered in **2021**, and the free movement of those generated by the entity for the sale of goods and services related to its activities was ensured.

Precautionary principle

2.8.

GRI: 102-9,
102-10, 103-1
103-2, 204-1,
205-2

Risk management at **bvc** follows management system guidelines that are aligned with ISO **31000**, and includes the organisational context and legislation applicable to securities market infrastructure providers. It is part of our corporate governance model, covers all processes, and contributes to the continuous improvement of management systems and precise information-based decision making that balances compliance with our value commitment to customers, risk mitigation and process efficiency.

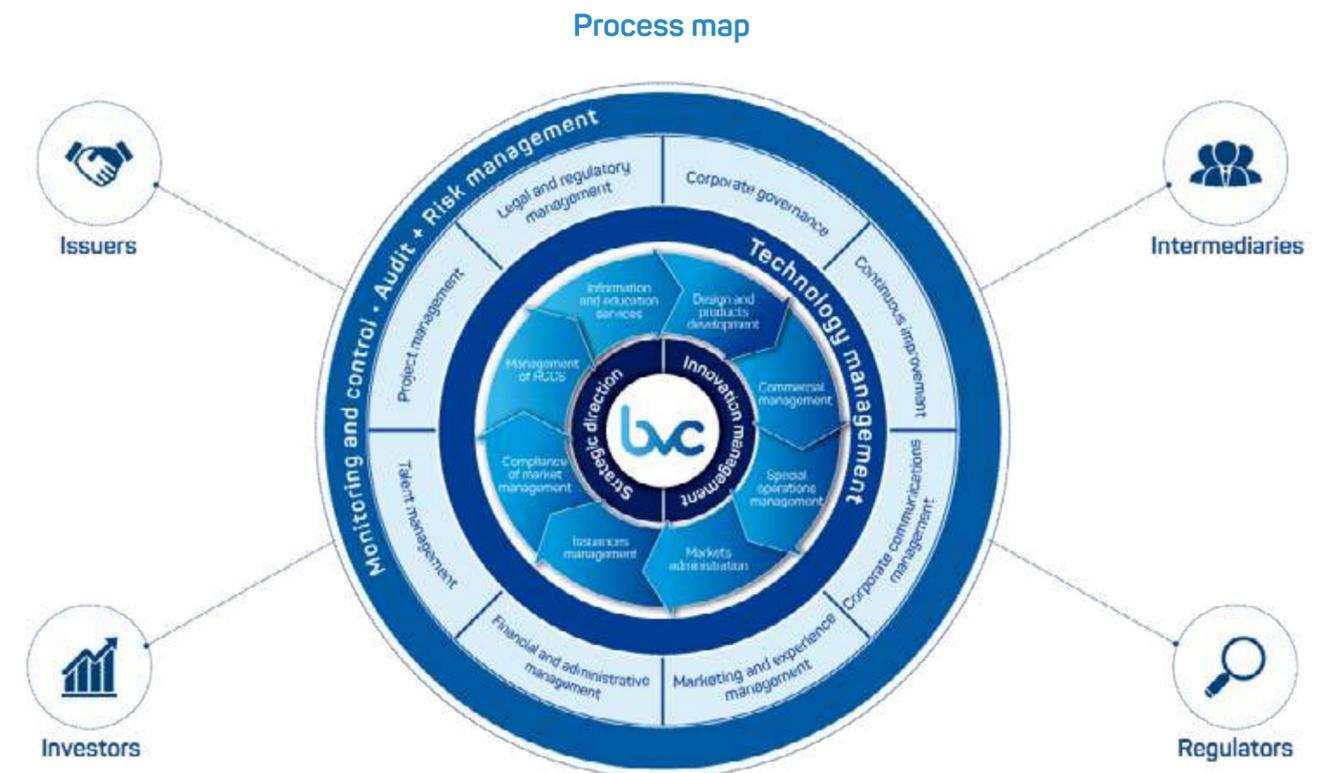
Ensuring that processes are updated with their respective risk identification is an ongoing and systematic process. This applies to new product design and changes to daily operations. Controls are an integral part of processes and are given an updated risk profile that provides key information when defining action plans and complying with each group entity's level of risk.

In line with our methodologies and agile culture, every project and production change in **2021** opportunely identified and valued risks and controls. There was direct interaction with development teams and mitigation was ensured when designing products and improvements. Automised process development has also been strengthened, contributing to operational risk mitigation and organisational efficiency.

As part of **bvc** and deceval's digital transformation, we integrated into one unique tool (Polaris) the technological tools used to manage processes and documentation, operational risk management with its respective frameworks and controls, information asset and security risk management, internal audit management, and the definition and monitoring of action plans designed to close findings and risk events. This facilitates access for all employees and simplifies and continuously improves process, risk, control and action plan self-management and knowledge.

In compliance with **bvc** Group policy, and to align practices and frameworks, we supported and updated subsidiaries on methodological changes within risk management.

As infrastructure providers, Group companies implemented action plans across the year to comply with Colombian Financial Superintendence circulars on operational risk management (CO25:2020), information security and cybersecurity (CO33:2020) and AML/CFT (CO27:2020); important management system improvements were achieved and reports were standardised for each of the fronts.



Internal control and the control environment

2.8.1.
GRI: 102-9,
102-10, 103-2,
204-1

The internal control system is aligned with Colombian Financial Superintendence (CFS) regulations and the COSO framework.

The system supports the achievement of strategic objectives by offering reasonable security for operational efficiency and efficacy, adequate risk management, timely and trustworthy information, and compliance with applicable legislation.

The system has six areas—control activities, risk management, information and communication, monitoring, independent evaluation, and control environment—and provides a framework for action that is followed by the entire organisation.

The Internal Control System uses a three lines of defence policy for process and risk management, and independent evaluations. The entire organisation applies principles of self-control, self-management and self-regulation, and process leads are aware of their responsibilities regarding the risk they manage and understand and respect the independence of risk management and audits.

Group entities have adopted the **bvc** framework while respecting their own nature, characteristics and legal regimes. They are in continuous and formal communication with **bvc** with regard to risk monitoring, risk events, risk profile evolution and business continuity.

Subsidiaries use audit committees to supervise their exposure to risk and the management actions required to manage it. Risk and audit teams have implemented operational committees to ensure adequate interaction and alignment with the Group.

Although each entity has its own risk map that follows **bvc** policy and methodology, in compliance with CFS requirements, in **2021** the first steps were taken to consolidate risk across the group. We began to construct a strategic risk map (exchange, depository, CRCC and precia) that will allow us to identify and manage risk associated with the Group's objectives. This will become a fundamental element when revising and updating strategic planning.

Finally, to mitigate the impact of risk events, we managed and renewed noncompliance, financial risk, director and manager civil liability and bvc Group company (cyber) information loss civil liability policies, to ensure that the organisation has sufficient and adequate coverage.



Quality and information management

Quality Control System

2.8.2.
GRI: 102-9,
102-10, 103-2,
204-1

The Quality Control System's main objective is to maximise the efficiency and quality of **bvc** products and services by delivering value to customers, eliminating unnecessary steps, identifying areas for improvement and reducing errors.

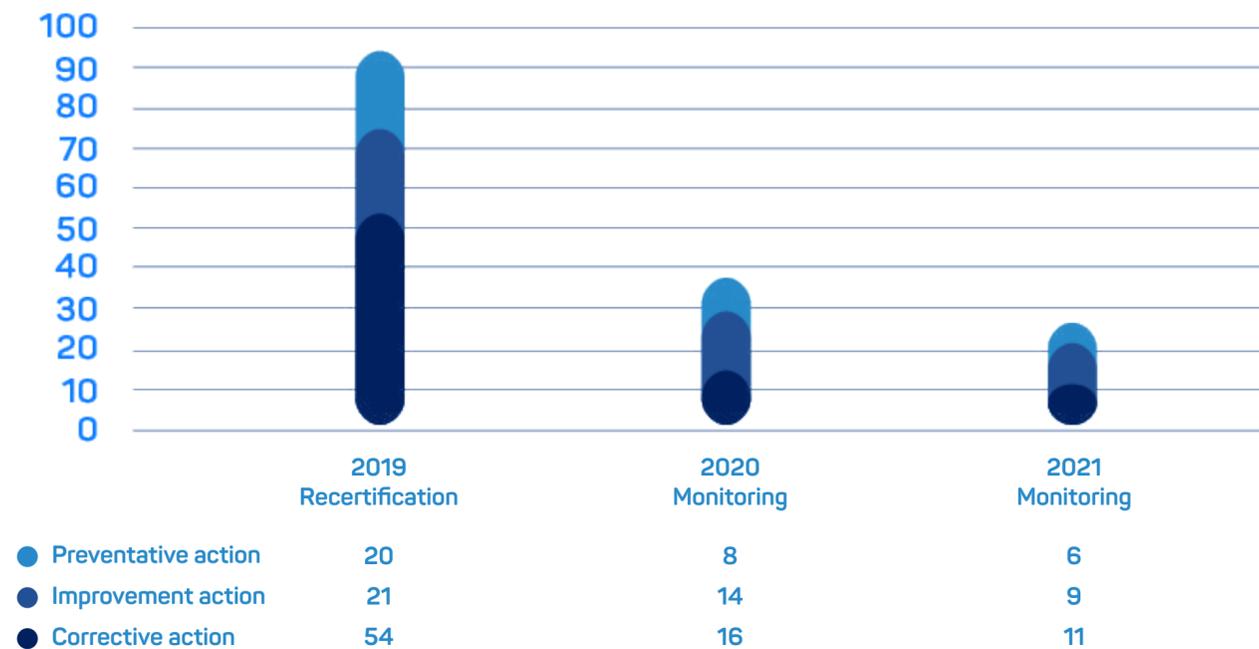
In 2021, our activities strengthened the management system with virtual assistants for various processes that optimise resources and improve response times. We also implemented a new corporate tool called Polaris to integrate all information held on management systems. This facilitated coordinated working, centralised various activities, and complied with each system's requirements.

An external audit was carried out in November to monitor the multi-company Bureau Veritas ISO 9001 certification. The audit concluded that the organisation has established and maintained a management system in accordance with the rules, and has demonstrated that the system has sufficient capacity to comply with product and service requirements and the organisation's policies and objectives. No findings were reported and the following strengths were identified, among others:

- Management's commitment to maintaining the management system.
- An organisational focus on customer satisfaction.
- Knowledge, understanding and consciousness of employees regarding the management system's importance.

The following graph shows the evolution of action plans by type of action for the past three years:

Quality Management System Action Plans 2019-2021 Evolution



As can be seen, there has been a significant fall in the number of findings. This is due to implementing actions that strengthen the management system. At **31 December 2021, 96%** of all action plans had been closed.

2.8.2.

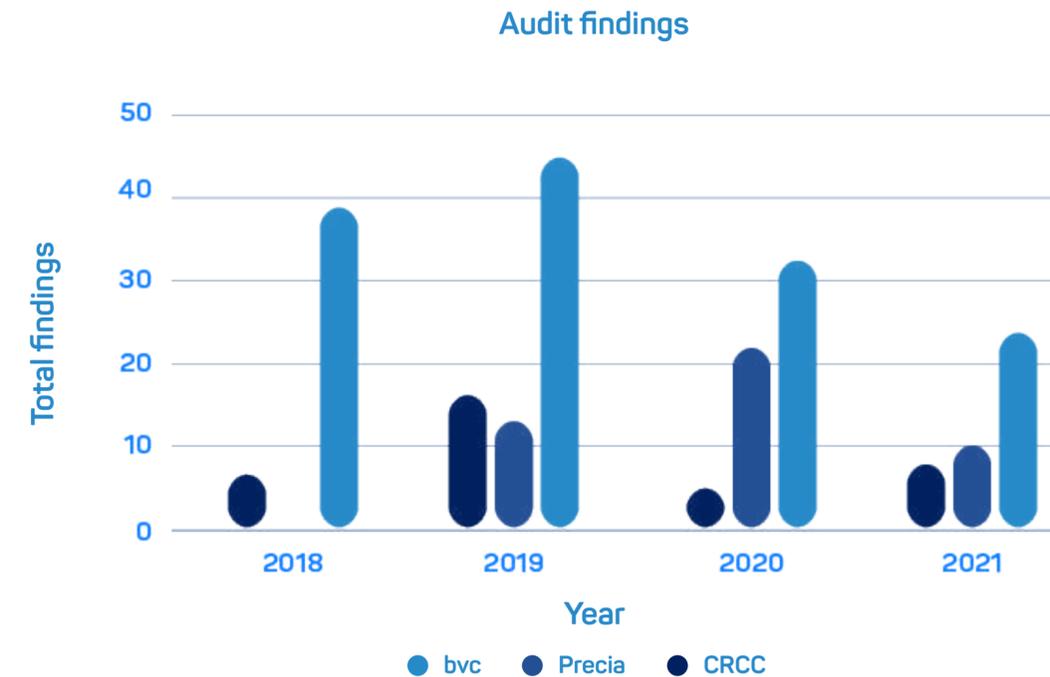
Information Security and Cybersecurity Management System

We focussed on continually improving processes and strengthening security during new product development and launch. **bvc** and Deceval ratified the Information Security Management System based on the ISO **27001** certification obtained in **2019**, for all services and branches. This strengthened our commitment to security in the Colombian securities market.

Information security, data protection and cybercrime prevention are permanently monitored by senior management, audit committees, and control bodies, and the year's result was satisfactory; no incidents occurred that could have affected the integrity, confidentiality or availability of information. This was thanks to:

- a) Improvements to the Information Security Management System to guarantee the confidentiality, integrity, availability, efficiency and reliability of the company's information assets.
- b) Support for new products to prevent security degradation during development and launch.
- c) Strengthened DLP, antivirus, perimeter security, SOC, access control, confidentiality loss prevention, and remote working integrity and availability.
- d) Strengthening and securing technology infrastructure via ethical hacking tests, vulnerability analyses, assessments, etc.
- e) Developing a culture plan for **bvc** employees that covers topics such as social engineering, phishing, ransomware, BEC, simulated cyber-attack (ransomware/personal data), cyber-deception, specialised IT training, security policies and incidents, espionage and cyberspace extortion.

Various audits (internal and external) have achieved a reduction in the number of findings over the past two years.



Risk management

2.8.3.
GRI: 103-1,
103-2

Operational Risk Management System

bvc operational risk management is aligned with strategy, complies with Colombian Financial Superintendence risk guidelines, and assigns resources, processes and tools to implement the system based on ISO 31000 principles and frameworks. bvc Group companies share the group's risk vision and have implemented mechanisms to prevent and supervise risk exposure and take appropriate action to manage it.

Management focusses delivering value to our clients, and establishes mechanisms to identify, assess, treat, monitor and communicate risks to the organisation as it carries out its activities and implements business changes.

bvc Group manages all identified risk and reduces it to a medium or low level. Priority is given to critical processes, all high and very high residual risk, and risk prioritised by the Risk Committee, regardless of its assessment. In 2021, the effectiveness of our risk management mechanisms, as well as our ability to identify changes affecting the delivery of value to clients, kept operational risk within tolerance thresholds.

The following table shows the distribution of risk by residual value for each entity, in accordance with each entity's independent assessment methodology. In 2022, the necessary adjustments will be made to standardise models and generate consolidated frameworks, in accordance with CFS circular 18 (June 2023 implementation deadline).

Non-consolidated bvc Group residual risk distribution

Residual impact	bvc + dvl	CRCC	precia
Low	399	76	187
Medium	95	170	89
High	0	0	0
Very high	0	0	0
Total risks	494	246	276

2.8.2.GRI: 102-9,
102-10, 103-2,
204-1

We strengthened the culture of operational risk event registration and management in **2021**, as evidenced by an increase in the number of events compared to the previous year. These are associated with process and control execution, and we see this as a positive result that enabled progress to be made in risk mitigation, continuous improvement and management system maturity.

bvc Group risk event distribution

Period	bvc + dvl	CRCC	precia	Grupo bvc
2018	98	9	65	172
2019	56	18	26	100
2020	69	13	35	117
2021	93	16	35	144

Measures were established to minimise the probability and potential impact of technology changes and project rollouts. Action plans were established and executed to prevent repeated risk events. Action plans were established to prevent technological errors and improve our response capacity, and coverage was improved with regard to monitoring our technology infrastructure across different business lines. We will continue to execute these plans in **2022**.

To align **bvc** Group risk management practices in the face of new market demands, regulatory frameworks and international standards, we worked with precia and CRCC to develop a unique risk management front. In accordance with the culture plan, we developed awareness and training campaigns for all levels of the organisation, as well as providers and subsidiaries, that highlight the importance of internal controls and their effect on risk management. This will achieve a high level of prevention and opportune risk and impact management.

We also carried out the first Group-level strategic risk identification and assessment model. The action plan definition and monitoring stages will occur from **2022**. Lastly, ESG risk was included as a **bvc** Group strategic risk to enable adequate management of risks and opportunities that could affect our organisational sustainability objectives and pillars, within the integral **bvc** Group risk management policy.



2.8.3.

Business Continuity Management System (BCMS)

In 2021, business continuity was a fundamental pillar of operational excellence. We took action to strengthen our resilience by adapting strategies and operations to the conditions caused by the health emergency. We redesigned our BIA by product to better understand the impact of interruptions and their respective continuity strategies, and we carried out tests designed to identify security improvements for our equipment and disaster management committees in the event of activating a contingency plan.



Technology contingency DRP*: Technology contingency tests that fully or partially use or simulate the contingent datacentre.

2.8.3.

Technology contingency tests were carried out on depository products and the contingency environment was found to be normal, with RTOs within the threshold for critical processes. At the exchange, two comprehensive contingency tests were carried out after hours on fixed-income, equity and derivative services. Other technical and operational tests identified improvements that are now being implemented.

Of all the tests carried out at CRCC, one highlight was the alternative cloud site test in which the entire CRCC operation was satisfactorily executed in a production environment. At precia, comprehensive tests were carried out on the technology infrastructure and cloud-hosted processes.

Across the whole group, 34 incidents occurred during the year that resulted in core platform unavailability, eight incidents more than the previous year. However, the accumulated downtime fell significantly from 58 hours to 46.3 hours. This is evidence of the efforts that have been made to improve recovery time by acting in a coordinated and effective manner.

Incidents 2018-2021



Total duration 2018-2021 (hours)

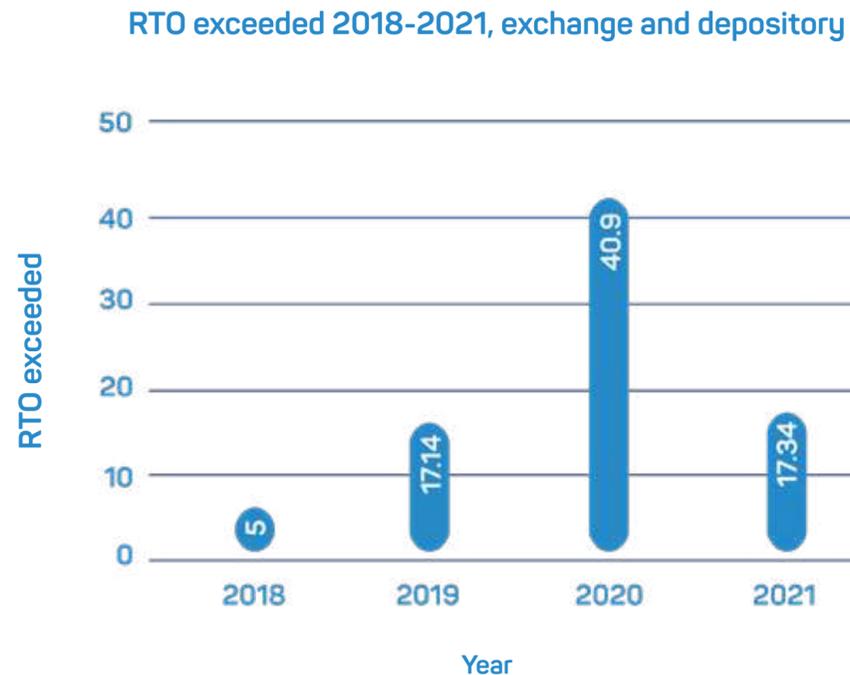


None of the interruptions were the result of volatility as established in the rules, cyber-attacks or the COVID-19 health emergency.

At the exchange and depository, ten technology platforms—among which trading and post-trade systems are those with the lowest impact—thanks to the maintenance, updating, monitoring and contingency plans designed to quickly recover from faults. Of note is the equities transaction contingency mechanism implementation. This mechanism will serve as a contingency strategy if the trading software fails.

2.8.3.

RTO varies according to each platform's level of service, and significantly improved at the exchange and depository, with a fall of **23.5** minutes in excess RTO.



In preparation for disasters caused by general or specific failures that surpass individual reaction capacity, the disaster protocol team focussed on including in the rules the protocol specified in CFS Resolution **0674:2020**, and executed the first protocol test in September. This operation for all exchange and depository products will continue in **2022**. We continued to participate in the Colombian Securities and Stock Market Crisis Management Committee, alongside other infrastructure providers (**bvc**, CRCC, CCDC, Set Icap FX, Set Icap Securities, Derivex, Precia, Tradition, and GFI).

Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) System – SIPLAFT

In compliance with local legislation and international recommendations on preventing and controlling money laundering and the financing of terrorism, we carried out activities to implement and strengthen controls designed to mitigate these risks within a framework of continuous improvement.

We continued to strengthen customer onboarding controls as part of our KYC process, especially around the **100%** digital onboarding processes for a2censo and promissory notes. We aim to improve the digital onboarding experience and security.

Management was very satisfactory over the year and there were no AML/CFT situations or incidents. Legislative reports were opportunely sent to the UIAF (Financial Information and Analysis Unit) and AML/CFT control bodies' requirements were met.

We encouraged AML/CFT culture by distributing AML/CFT policies and procedures to all employees under our risk and process plan, and training new employees.

We permanently supported AML/CFT risk prevention at subsidiaries and during project development.

Issuers and brokerage firms

To strengthen information disclosure by issuers, in **2021** we monitored compliance with issuer website information disclosure requirements for equities, fixed-income, mutual funds, private capital funds and the Colombian Global Market, as well as compliance with ir Recognition requirements.

Risk models were executed and strengthened to identify, measure and quantify the probability of risk to **bvc's** reputation following a financial and qualitative situation at an issuer or affiliate, and the inherent product risk. We also analysed and monitored affiliates' exposure in accordance with each of the three markets' dynamics. This information proved relevant when strengthening activities.

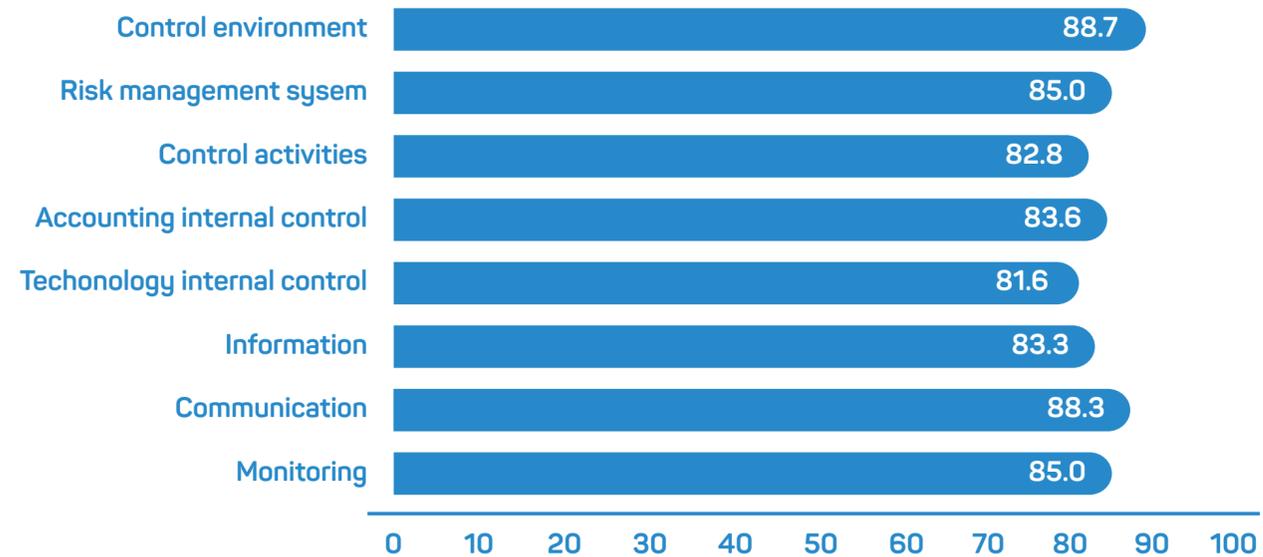
Audit report

2.9.
GRI: 102-11,
103-2

2.9.1 Independent evaluation of the Internal Control System (ICS)

In accordance with Colombian Financial Superintendence Basic Legal Circular part 1, title 1, chapter 4, section 4.6, in addition to senior management monitoring and departmental self-assessment, a periodic external evaluation of the ICS is required. The **bvc** Internal Audit Department is responsible for conducting this evaluation. In **2021**, this was done in accordance with the scope and coverage defined in the regulations.

The independent evaluation contemplates the results of reviews conducted during the audit plan's execution and its status at year end. The main conclusion of the Audit was that ICS average efficacy was **84.8%** in **2021**, considered to be adequate, as detailed below:



The findings detected were shared during the audit cycle, and action plans were implemented throughout **2020**.

2.9.2 Internal Audit Department working practices

Polaris implementation

In **2021**, the internal audit department, together with the risk and process area, analysed and evaluated various modern tools that facilitate comprehensive risk, process and audit management.

This resulted in the acquisition, adaptation and first-stage implementation of the Polaris tool that has the following principal audit benefits:

- Multi-company focus (manages the audit process for all group companies).
- Allows risk maps to be used during audit development (within the tool itself).
- Facilitates comprehensive process management, including the annual plan, specific audit planning, documenting results, generating reports and monitoring findings.
- Contains elements of the agile methodology used during audits.
- Allows action plans to be registered and monitored to efficiently resolve audit findings (everyone audited has access to the tool).

Agile methodology consolidation

As part of the continued modernisation of audit working practices, we consolidated an agile approach in **2021**. The pilot studies conducted in **2020** were used to adjust the methodological framework and define ambitious goals for increasing coverage of this approach across the entire audit universe, with the objective of improving the speed and quality of work, as well as strengthening our value proposition and connections with customers.

2021's results for each work front were as follows:

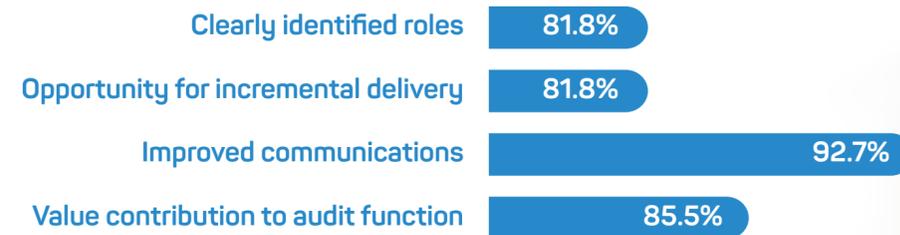
- Management System audits: **71.4%** of planned audits used agile methodology.
- IT audits: **100%** of planned audits used agile methodology.
- Shared Services audits: **53.9%** of planned audits used agile methodology.
- Operations audits: **53.9%** of planned audits used agile methodology.

2.9.2.

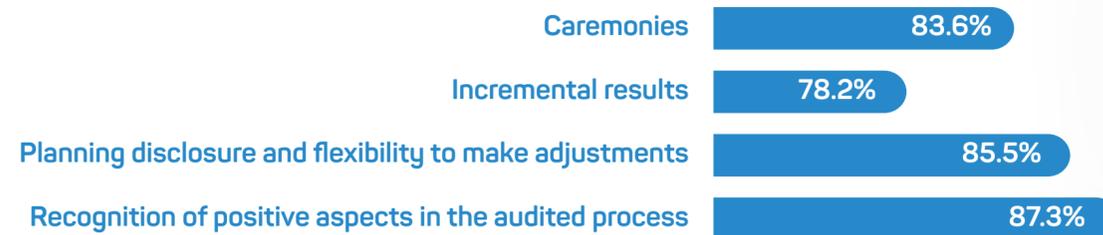
Results on all fronts were higher than the goals defined at the start of the year.

Agile methodology value perception

Internal customer feedback on the impact and effectiveness of using agile methodology for audits was measured by surveying leaders in audited areas. With regard to the value added, results were as follows:



With regard to the methodology's components, the results were as follows:



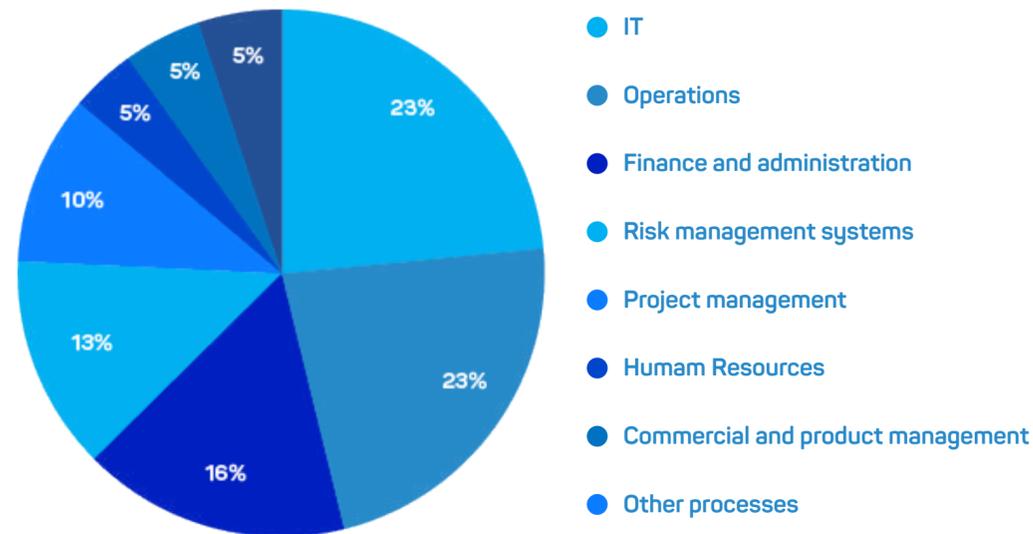
Internal Audit Department Work Plan

2.9.3

GRI: 102-11,
103-2

In **2021**, the Internal Audit Department prepared and executed a unique work plan for **bvc** and **deceval** that incorporated an agile methodological focus. The approved plan included the following general guidelines:

a) Focus on exchange and depository processes and risk (essentially: operations, IT and projects), as reflected in the following distribution of audit working hours by macro-process:



b) Process times and frequencies based on a prioritisation matrix of strategic importance and risk criteria, including risks caused by the health emergency.

c) Co-sourcing with an international audit firm to improve the scope and depth of IT audits (knowledge and specialised tools).

d) Evaluation exercises (assurance) in the following categories: processes, management or legislative systems, and operational and IT monitoring.

e) Consultancy, essentially for projects and IT.

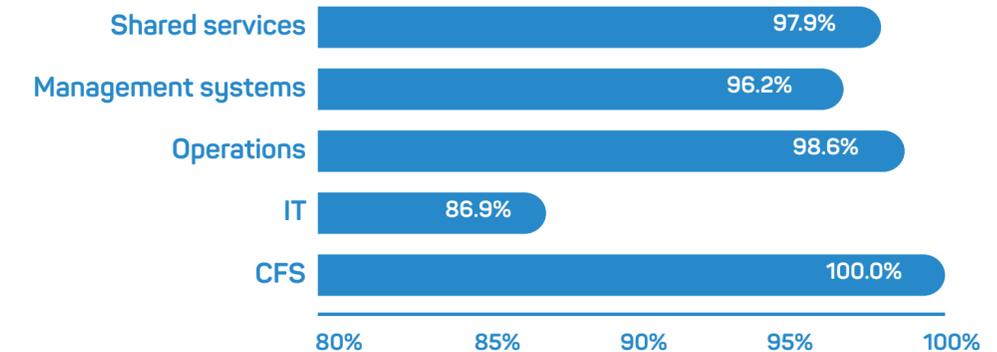
f) Agile methodology, including telepresence.

g) Audit plan change limitation only if a change in quarter, or elimination, or replacement is requested.

2.9.4 Principal results

The results of the audit tasks mentioned above were presented in reports that included findings and recommendations, and action plans were agreed with those responsible to close them. A quarterly review was conducted on plan progress, and the value contribution of work completed was measured. The conclusions were as follows:

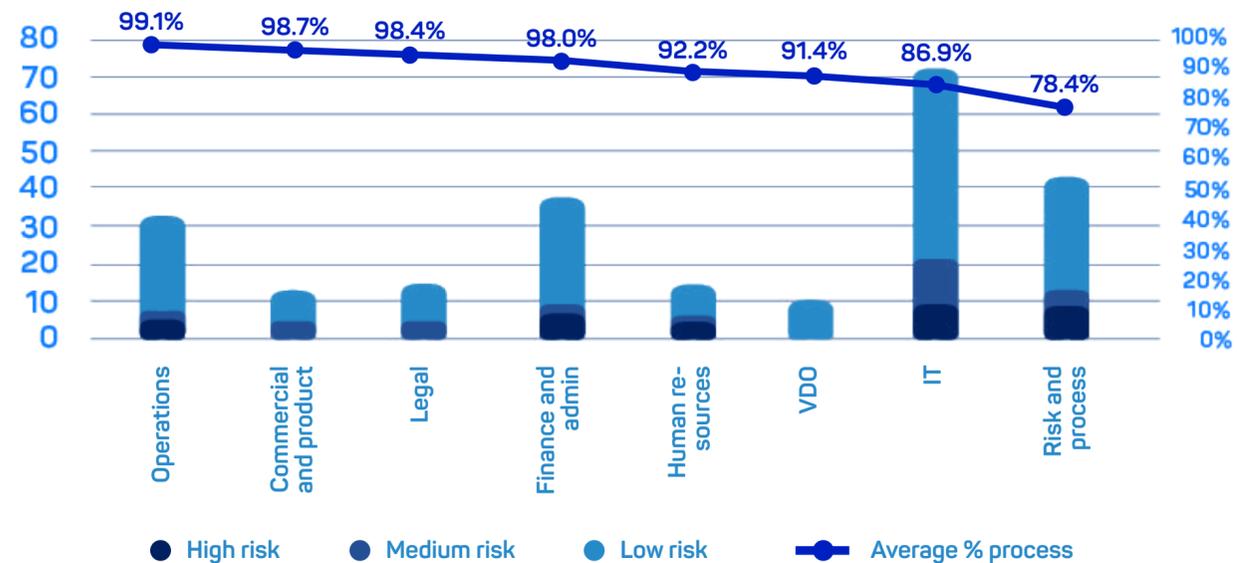
a) At **31 December 2021**, compliance with the integrated work plan was **95.6%**, and the 60 reports we issued reported the following progress by front:



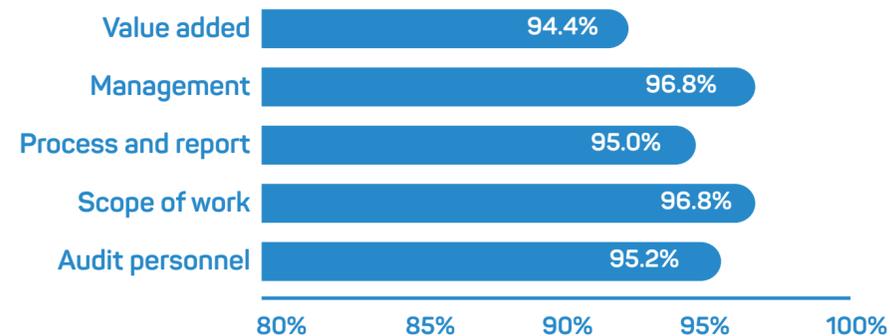
Work not completed by **31 December** must be finalised in January **2020**.

b) At **31 December 2021**, the average closure of audit action plans plans was **89.9%**. The following chart shows the number of findings revised, by macro-process and level of risk, and the average percentage of progress:

2.9.4

GRI: 102-11,
103-2

c) Internal clients reported an average value perception of **95.6%** for the year. This was calculated based on the results of **29** surveys completed by people audited between January and December **2021** during programmed audits. The results were as follows:



The Audit Department submitted plan monitoring reports and feedback on the relevant results to the Board of Directors and the Audit and Risk Committee.

It is important to note that management provided us with all the resources and information necessary to ensure that audits could be carried out independently and without limitation.

2.9.5 Audits of subsidiaries

bvc Group updated its governance policy on **24 April 2021**, and established **bvc's** role and practices, as well as those of the companies it controls. All will be subject to the principles of comprehensive control and control with autonomy:

At companies where the principle of comprehensive control applies (where **bvc** is the direct or indirect owner of **100%** of shareholder equity):

- a) deceval uses a unified audit model that includes an integrated plan, a unique provider to strengthen IT (co-sourcing) audits, and unified tools and practices.
- b) precia's corporate audit department continues to direct the designated coordinator's tasks, and supports and supervises their work using the same support tools as those used during bvc+deceval audit processes.

In **2021**, the corporate audit department monitored progress on the **2020** work plan and supported elaboration of the **2021** plan. It also offered methodological support, revised reports and resolved doubts. Finally, it participated in all audit committee meetings.

CRCC is a company subject to control with autonomy (bvc owns a majority holding, but there are also other third-party shareholders), and the corporate internal audit department executed three principal actions:

- a) Revision and support for the **2022** work plan, in search of harmony and coordination with the **bvc** audit plan.
- b) Revisions and recommendations to align CRCC's internal audit bylaws with **bvc** Group frameworks.
- c) Teamwork to facilitate CRCC's adoption of **bvc**, deceval and precia tools and practices.



3. Corporate Governance

Board of Directors

GRI: 103-2

The **bvc** Board of Directors (Board) is comprised of thirteen **(13)** principal members, without alternates, seven **(7)** of whom are independent. Board members are elected by the General Shareholders Meeting for two year periods, but may be freely removed or renovated at any time. In accordance with Colombian law, renovation may not be partial; A full new election must be held unless there is a unanimous decision of the General Shareholders Meeting. It is important to note that the Chairman of the Board of Directors is also a member of the **bvc** management team.

In **2021**, the Board of Directors met regularly and made decisions that allowed the organisation to achieve the following results:

- Analyse and recommend to shareholders that they approve the integration process between Bolsa de Comercio de Santiago (Santiago Stock Exchange, BCS), Grupo BVL S.A.A. (Lima Stock Exchange, Grupo BVL) and the Colombian Securities Exchange (**bvc**).
- Periodically monitor **bvc** Group financial performance.
- Regularly monitor commercial management and **bvc**'s strategic technology plan.
- Approve modifications to **bvc**'s corporate governance sustainability policies.
- Approve the COVID-19 vaccination plan for **bvc** Group employees.

Independent Members

3.1.1.

GRI: 102-18,
102-23, 102-24



Ángela María Hurtado
President JPMorgan Colombia
Independent member since 2021
Board member at:
1. Women in Connection



María Ximena Ordoñez
Fedesarrollo Deputy Director
Independent member since 2021
Not a member of any other board



Rafael Aparicio
General Manager, Acciones y Valores S.A.
Independent member since 2018
Board member at:
1. Set Icap FX
2. Acciones y Valores S.A.



Juan Pablo Galán
Executive President Credicorp Capital
Independent member since 2021
Board member at:
1. Credicorp Capital Fiduciaria SA
2. Credicorp Capital LLC (USA)
3. Asobolsa



Santiago Montenegro
President, ASOFONDOS
Independent member since 2010
Board member at:
1. Multinacional ISA



Juan Rafael Pérez
Executive President, BTG Pactual Colombia
Independent member since 2019
Board member at:
1. BTG Pactual Soluciones & Servicios SAS
2. Visum Capital SAS



Federico Rengifo
Independent Advisor
Independent member since 2019
Board member at:
1. Frutera de Santa Marta S.A. Frutesa

Non-independent Members



Aura Marleny Arcila
Medellín City Counsellor
Non-independent member since 2013
Board member at:
1. Honorable Consiliatura Universidad de Medellín



Roberto Belchior
Independent Advisor
Non-independent member since 2019
Board member at:
1. Bolsa de Comercio de Santiago
2. BYMA - Bolsas y Mercados Argentinos
3. Bolsa de Valores de Lima



Jaime Castañeda
VP Treasury and International, Banco Davivienda
Non-independent member since 2018
Board member at:
1. Corredores Davivienda S.A.
2. Fiduciaria Davivienda S.A.
3. Cámara de Riesgo Central de Contraparte de



Carlos Alberto Rodríguez
President, ASOFONDOS
Independent member since 2010
Board member at:
1. Multinacional ISA



Mauricio Rosillo
Chairman of the Board
Corporate Vice President Grupo Bancolombia
Non-independent member since 2014
Board member at:
1. Banistmo SA
2. Banistmo Investment Corporation



Germán Salazar
Executive Vice President
Non-independent member since 2005
Board member at:
1. Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir SA
2. ANIF
3. Fiduciaria Bogotá
4. Banco de América Central- Guatemala
5. Banco de América Central- El Salvador
6. Banco de América Central- Honduras
7. Banco de América Central- Nicaragua
8. Banco de América Central- Costa Rica
9. Bac International Bank INC- Panamá
10. Multibank INC

3.1.1.

GRI: 102-18,
102-23, 102-24

The **bvc** management team is comprised of a group of high-level executives, and includes a President and five (5) Vice Presidents who work together to develop and achieve the company's objectives.

The current senior management team is as follows:



Board of Director and Senior Management Functions

3.1.2.

GRI: 102-19,
102-26

The **bvc** Board of Directors is a corporate body that has following principal functions*:

- Strategic planning
 - Approve the company's strategic plan
 - Periodically monitor the plan
 - Approve the business plan and management objectives
 - Approve the company's financial and investment policies and frameworks, and those of other companies in the business group
- Company structure
- Maximizing the group's economic value
- Defining the groups' governance structure and model
- Together with the President of **bvc**, present the year-end management report to the General Shareholders Meeting for their consideration and approval

Responsibilities of the Chairman of the Board and Secretary

The Chairman should stimulate the company's governance actions, act as a bridge between shareholders and the Board, ensure compliance with Board-level decisions, and coordinate monitoring of assigned decisions and requests.

The Secretary's role is to ensure the formal legality of Board actions, and guarantee that its governance procedures and rules are respected and regularly revised.

For its part, bvc senior management, represented by the Management Committee, is responsible for:

- Generating results that are aligned with Board-approved strategy
- Achieving goals and economic targets by coordinating and administering resources
- Guaranteeing compliance with Board instructions designed to ensure that the company runs well
- Ensuring that the integrated organisation achieves its objectives

The Board of Directors and **bvc** senior management are committed to achieving the goals detailed in the strategic plan, and the goals established following integration with deceval. They work together to achieve the objective of "being the country's most efficient and effective market infrastructure, focussed on its clients' needs and on building relationships of trust, leading development and regional integration in the Colombian capital market, and generating value for its shareholders and other stakeholders."

During the first session of each financial year, the Board of Directors and its committees approve a work programme that is published and distributed to all members of the Exchange's Management Committee. This ensures that tasks are assigned to the relevant member of the senior management team, who is then required to deliver the relevant reports in subsequent sessions.

*Articles **50** and **71**, Corporate Bylaws

Board of Directors and Committees

3.1.3.

GRI: 102-22,
102-24, 102-32,
103-3

The Board is comprised of thirteen (13) principal members, seven (7) are independent and six (6) are non-independent. The inclusion of non-independent members ensures that different stakeholder groups are represented, e.g. shareholders and brokerage organisations that are **bvc** members.

The Board has five committees that support its work. These investigative groups have specialised functions that allow them to focus on specific themes, present proposals to the Board, and on occasion delegate certain tasks. The committees are: Audit and Risk Committee, Corporate Governance Committee, Technology Committee, Regulations Committee, Finance and Management.

Bearing in mind that the statutory period for Board members is two years, in March 2021 Board members were elected for the 2021-2023 period. However, following the election some posts were not filled, so in July 2021 the board was elected once again for the 2021-2023 period. The resulting Board and committees are comprised as follows:

2021 - 2023 Period

Independent

Maria Ximena Cadena 
(Deputy Director Fedesarrollo)

Ángela María Hurtado 
(JP Morgan Colombia)

Rafael Aparicio 
(Acciones y Valores S.A.)
*Regulation Committee
Chairman*

Juan Pablo Galán 
(Credicorp Capital)
*Technology Committee
Chairman*

Santiago Montenegro 
(Credicorp Capital)
*Audit and Risk Committee
Chairman*

Juan Rafael Pérez 
(BTG Pactual)

Federico Rengifo 
(Independent Advisor)



Non-Independent

Aura Arcila 
(Medellin City Counsellor)

Roberto Belchior 
(B3)

Jaime Castañeda 
(Davivienda)
*Finance and Management
Committee Chairman*

Carlos Alberto Rodríguez 
(BBVA)

Mauricio Rosillo 
(Bancolombia)
*Chairman of the Board and
Corporate Governance
Committee*

Germán Salazar 
(Banco de Bogotá)

3.1.3.GRI: 102-22,
102-32, 103-3

Committee	Objective	Members	Main functions	Activities and achievements
Finance and management committee	Support bvc Group, subsidiary and Board tasks related to administrative and financial management of the Exchange, its subsidiaries and subordinates.	<p>The Committee is comprised of between three (3) and six (6) Board members.</p> <p>Members:</p> <ul style="list-style-type: none"> ● Aura Marleny Arcila (Non-independent) ● Roberto Belchior Da Silva (Non-independent) ● Jaime Castañeda (Chairman – Non-independent) ● Carlos Alberto Rodríguez (Non-independent) ● Mauricio Rosillo (Non-independent) ● Germán Salazar (Non-independent) 	<ol style="list-style-type: none"> 1. Evaluate new business and investment opportunities for the company, its subsidiaries and subordinates. 2. Evaluate company investments and the development and evolution of its subsidiaries. 3. Evaluate the Exchange's budget project and the company's financial planning, budget execution and management indicators. 4. Define investment portfolio policy. 5. As defined in bvc regulations, analyse and make recommendations to the Board on fees for Exchange products and services. 	<p>Periodic monitoring of commercial management, the bvc strategic technology plan and management indicators</p> <p>Support for the regional integration process Renovation of the bvc Group insurance programme</p> <p>Approval for CRCC S.A. share purchase</p> <p>Revision of the restructuring proposal for Market Liquidity Programmes</p> <p>Approval of the corporate social responsibility programme and the annual donation programme</p>
Audit and risk committee	Support the Board of Directors in monitoring and supervising internal control functions related to risk management, evaluating accounting procedures, revising audits of the risk management system, verifying audit functions, and communications between the Board of Directors and the Statutory Auditor.	<p>The Committee is comprised of five (5) Board members, who must be independent. The Committee also includes an auditor who may offer opinions but has no vote.</p> <p>Members:</p> <ul style="list-style-type: none"> ● María Ximena Cadena (Independent) ● Ángela María Hurtado (Independent) ● Santiago Montenegro (Chairman – Independent) ● Juan Rafael Pérez (Independent) ● Federico Rengifo (Independent) 	<ol style="list-style-type: none"> 1. Propose to the board general internal control frameworks and structure, and internal processes for risk identification, evaluation, management and control. 2. Supervise internal and external audit functions and activities to ensure independence. 3. Examine mid-year and year-end financial reports for the Exchange, its subsidiaries and subordinates. 4. Periodically ensure compliance with the bvc Ethics and Behaviour Manual and the efficacy of ethical control schemes for managers and employees. 	<p>Evaluation of the BIA.</p> <p>Evaluation of the report on the equity and derivative unavailability event.</p> <p>Revision of cybersecurity strategy and progress.</p> <p>Renovation of the bvc Group insurance programme.</p> <p>Subsidiary relationship and risk report.</p> <p>Evaluation of risk management at bvc Group subsidiaries.</p>

3.1.3.GRI: 102-22,
102-32, 103-3

Committee	Objective	Members	Main functions	Activities and achievements
Corporate governance committee	Support the Board of Directors with regards to good corporate governance of the Exchange via periodically evaluating corporate governance compliance, recommendations and principles, evaluating senior management functioning and evaluating candidates for President of the company.	<p>The Committee is comprised of between three (3) and five (5) Board members, one of whom must be the Chairman of the Board.</p> <p>Members:</p> <ul style="list-style-type: none"> ● María Ximena Cadena (Independent) ● Rafael Aparicio (Independent) ● Roberto Belchior (Non-independent) ● Federico Rengifo (Independent) ● Mauricio Rosillo (Chairman – Non-independent) 	<ol style="list-style-type: none"> 1. Ensure compliance with policies, rules and good corporate governance practices, and the Ethics and Behaviour Manual. 2. Annually evaluate collective Board performance and efficiency. 3. Propose and revise criteria related to the composition of the Board of Directors that must be followed. 4. Propose to the Board remuneration and succession policies for itself and for senior management. 	<p>Revision and updating of bvc Group Corporate Governance Policy and Sustainability Policy</p> <p>Support for the regional integration process</p> <p>Evaluation of modifications to corporate documentation (Good Governance Code, Ethics and Behaviour Manual, Board of Director Regulations, Support Committee Regulations)</p> <p>Evaluation of the variable remuneration methodology created to KRs and the flexible benefit proposal</p> <p>Monitoring of the cultural transformation plan</p>
Technology committee	Support the Board of Directors in the planning, development, articulation and execution of technology-related tasks that the company and its subsidiaries require.	<p>The Technology Committee is comprised of three (3) members, one (1) of whom is a member of the Board and two (2) of whom are external members who are recognised technology experts and are elected by the Board.</p> <p>Members:</p> <ul style="list-style-type: none"> ● Juan Pablo Galán (Chairman – Independent) ● Patricio Melo (External) ● Ricardo Olarte (External) 	<ol style="list-style-type: none"> 1. Support the design, updating and monitoring of the Exchange's strategic technology plan. 2. Evaluate and recommend technology investments to the Board. 3. Help the Board to understand, verify and validate issues related to technological innovation, investigation and development. 	<p>Analysis and approval of bvc and deceval's strategic technology plans</p> <p>Evaluation of the report on the equity and derivative unavailability event</p> <p>Revision of Accenture consultancy recommendations</p>

Committee	Objective	Members	Main functions	Activities and achievements
<p>Regulations committee</p>	<p>Support the Board of Directors with regard to market development, approving Exchange regulations, and tasks related to brokerage organisations that are bvc members.</p>	<p>The Committee is comprised of between three (3) and six (6) Board members.</p> <p>Members:</p> <ul style="list-style-type: none"> ● Rafael Aparicio (Chairman - Independent) ● Juan Pablo Galán (Independent) ● Juan Rafael Pérez (Independent) ● Carlos Alberto Rodríguez (Non-independent) ● Germán Salazar (Non-independent) 	<ol style="list-style-type: none"> 1. Study and recommend to the Board reforms to Exchange rules. 2. Study and submit for Board approval requests to become a shareholder in brokerage companies. 3. Analyse laws, dispositions and projects that have or may have an effect on the securities market. 	<p>Issuers: establish the enrolment criteria for sustainability-linked bonds, implement the successive collocation mechanism, IR Recognition requirements for equity shares</p> <p>Markets: revision of liquidity provider programmes, adjustments to incorporate the MSCI-COLCAP index, implementation of the contingency mechanism for equities, application of the custody model for voluntary pension funds</p> <p>a2censo: inclusion of new lines of equity business (convertible notes and shares), enabling of new receptors (non-profits and exceptionally companies in liquidation or company restructuring agreements)</p> <p>Legislative: Monitoring of the Capital Market Bill, definition and monitoring of the 2021 legislative agenda</p>

3.1.3.

GRI: 102-22, 102-32, 103-3

3.1.3.
GRI: 102-22,
102-32, 103-3

Member	Board of directors	Finance and management committee	Audit and risk committee	Corporate governance committee	Regulations committee	Technology committee	Percentage Compliance	Justified Percentage Compliance
Aura Marleny Arcila	13/13	8/8	N.A.	N.A.	N.A.	N.A.	100%	100%
Ángela María Hurtado	6/6	N.A.	5/5	N.A.	N.A.	N.A.	100%	100%
Ximena Cadena Ordoñez	9/9	6/6	8/8	4/5	N.A.	N.A.	95.45%	100%
Rafael Aparicio Escallón	12/13	N.A.	N.A.	6/8	7/8	N.A.	86.20%	100%
Roberto Augusto Belchior	13/13	5/5	N.A.	8/8	N.A.	N.A.	100%	100%
Jaime Castañeda Roldán	13/13	8/8	N.A.	N.A.	N.A.	N.A.	100%	100%
Juan Pablo Galán	9/9	N.A.	N.A.	N.A.	5/6	2/2	94.11%	100%
Santiago Montenegro Trujillo	13/13	N.A.	9/11	N.A.	N.A.	N.A.	91.66%	100%
Juan Rafael Pérez	12/13	N.A.	9/11	N.A.	7/8	N.A.	87.50%	100%
Federico Rengifo	13/13	N.A.	11/11	8/8	N.A.	N.A.	100%	100%
Carlos Alberto Rodríguez	13/13	5/5	N.A.	N.A.	6/6	1/1	100%	100%
Mauricio Rosillo Rojas	13/13	7/8	N.A.	8/8	N.A.	N.A.	96.55%	100%
Germán Salazar Castro	9/13	7/8	N.A.	N.A.	7/8	N.A.	79.31%	100%

Mechanisms for Administering and Managing Conflicts of Interest

3.1.4.

GRI: 102-25

bvc has a number of corporate rules to ensure the correct administration of situations that generate conflicts of interest among employees, board members, senior management and shareholders.

Article **77** of the company bylaws states that everyone connected to the company must act with due diligence and loyalty, and specifies the procedure that everyone must follow when confronted with a potential conflict of interest.

Section **10**, article **71** of the bylaws, states that the Chairman of the Board of Directors must at the start of each session request from all Board members a declaration that to the best of their knowledge they have no conflict of interest related to the topics detailed on the approved meeting agenda.

In addition, the Good Governance Code also includes multiple references to to conflicts of interest; It establishes as a duty of shareholders and Board members the need to autonomously and opportunely disclose any conflict of interest and always act in the best interests of the company (Article **2.1.1.2 #5**, **4.1.1.2 #5** and **#13**). Equally, Title VII explains what a conflict of interest is understood to be, the duty of recusal, prohibited behaviour, the duty of disclosure, and the procedure to follow regarding a conflict of interest.

The bvc Ethics and Behaviour Manual Manual sets out guidelines to avoid situations of interference between different spheres that may be caused by control and due diligence omissions related to client knowledge procedures for personal or third-party gain (Article **4.6**). It also indicates that bvc and deceval employees may acquire securities listed on the exchange. However, bvc shares may not be acquired: **1**) Before financial information from a given period is made public, and **2**) If as part of their job they have knowledge or are informed of a corporate event that could give them an unfair advantage (Article **4.3.1**).

It is important to note that bvc did not sign any contracts with its directors, nor any non-employment contracts with its top executives and legal representatives, nor with their next of kin, business partners or other connections, other than one mutual agreement in **2019** that remains in force.

Although no conflicts of interest were reported by the Board of Directors, some members abstained on some topics to avoid any possible conflict of interest.

Finally, bvc received no administrative sanctions in **2021** related to fraud; use of privileged information; non-monopolistic and non-competitive practices; market manipulation; negligence; or any other laws and regulations related to the financial industry.

When a conflict of interest is identified, or suspected, the following procedure is activated:

- 1** Abstain from directly or indirectly intervening in the activities, actions or decisions of those with whom the conflict of interest exists
- 2** If related to an employee, the conflict must be reported in writing to their line manager, who will evaluate if the employee should recuse themselves. The line manager may authorise the employee's continued participation by establishing a procedure that protects company or third-party interests.
- 3** When related to a member of the Board of Directors, the situation must be reported to the Corporate Governance Committee or the Board of Directors, including all the information necessary for a decision to be made on how to proceed.

These corporate bodies may authorise an act to be drafted if no harm will be caused to the company's interests or those of a third-party.

The Board of Directors is the body responsible for managing conflicts of interest between the company and its shareholders, as well as those related to Board members and the senior management team.

Board of Directors Self-evaluation

3.1.5.

GRI: 102-28,
103-3

In accordance with Good Governance Code article 4.1.3.3, the Board of Directors is evaluated annually with a view to improving its performance as a body, as well as that of its individual members and its committees.

- Self-evaluation
- Peer evaluation
- Evaluation by external facilitators are used to establish the efficiency and effectiveness of duty and task compliance.

The evaluation is designed to verify the Board's objectives, ensure that its members are observing the principles and responsibilities stated in the Good Governance Code, and identify opportunities for improvement.

The Board of Directors conducted a self-evaluation for the 2021 period in February 2022, with the support of an impartial external consultant to guarantee that the process was independent. The self-evaluation included the following variables: i) Structure and configuration, ii) Compliance with responsibilities and governance practices; iii) Collective capacities; iv) Operational definitions; v) Committee operations and contributions; vi) Team dynamics and the decision making process, and vii) Quality and effectiveness of the agenda.

The results show that the Board of Directors is adequately complying with its role by contributing to strategy, helping shape the culture through controls and incentives, and supporting and accompanying management.

In addition, the evaluation showed that the current post-pandemic and regional integration context has required the Board to incorporate some new challenges into its work:

- With regard to the regional integration of the exchanges, the Board has had conversations about: i) Governance and integration, and ii) Balancing the integration process with continuing business operations.
- In terms of talent management, the Board has paid special attention to attraction and retention in the highly competitive current environment.
- Market developments and challenges, and the need for new business models (more digital markets and solutions with fewer, more decentralised issuances).

In conclusion, the results of the evaluation were very satisfactory: they show that the Board and its committees have focussed on strategic matters, they reflect their compliance with responsibilities, and they highlight the Board's historical evolution.



Evaluation of the bvc President and Senior Management

3.1.6.

GRI: 102-20,
102-28, 103-3

Based on an independent consultant's evaluation, the Corporate Governance Committee and Board of Directors periodically evaluates the bvc President on his achievement of the goals and indicators detailed on the Balanced Scorecard, and senior management on their compliance and performance related to the **70-20-10** plan.

In particular, the Finance and Administration Area is responsible for monitoring the company's economic, environmental and social performance, and periodically submits the individual and consolidated financial statements and the annual donation plan including the Investment Fund to the board.

The Corporate Governance Committee also evaluated the **bvc** President and Management Committee based on the Comprehensive Performance System results submitted by Human Resource Management, that were based on the third **360°** Leadership Style evaluation in accordance with the Barret Value Center model. Following this evaluation, the Committee unanimously found Juan Pablo Córdoba's performance as **bvc** President, and the senior management team's performance as Group employee leaders, to have been satisfactory.

bvc Board and Senior Management Remuneration Policy

3.1.7.

GRI: 102-35,
102-36, 102-37

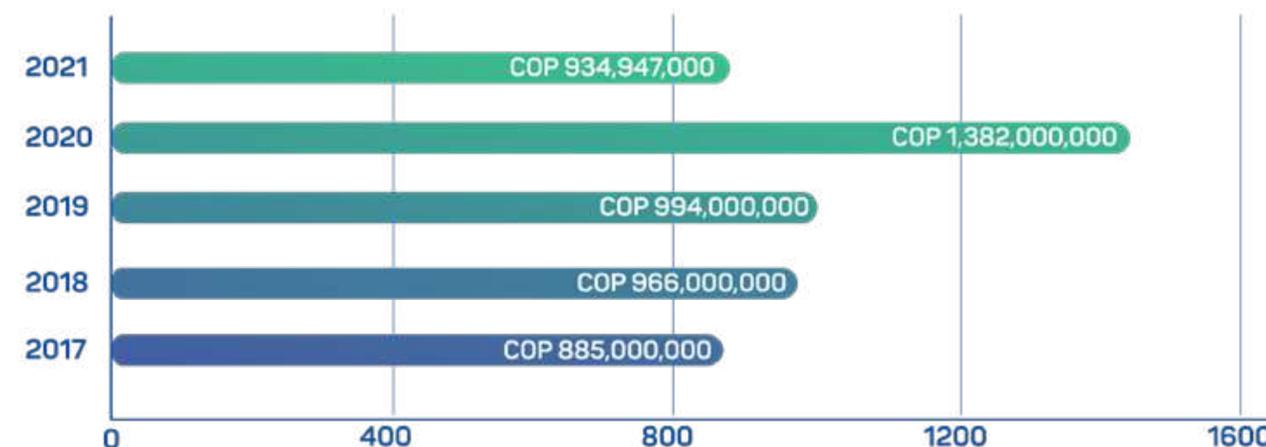
The Board of Directors Remuneration Policy defines the frameworks and criteria used to determine the adequate remuneration of the bvc Board of Directors, and attract and retain members with the highest personal and professional qualities.

Board and Committee remuneration criteria is aligned with the Exchange's strategy and vision, shareholder and investor interests, and the need to create long term sustainable value for the Exchange.

Payment is only made in money; payment in shares or other securities issued by the Exchange is not permitted. Compensation or incentives for Board members may not legally be paid in share options nor other securities issued by the Exchange and, therefore, Board member remuneration does not include variable elements.

The fees paid to Board and Committee members are decided by shareholders during the meeting at which members are elected. As stated in Act **3** of the Ordinary General Meeting, on **26 March 2021**, the base fee per Board session between April **2021** and March **2022** is COP **3,401,000**. The proposal for **2022-2023** is to maintain the policy of annual increases in line with the CPI.

Total Annual Board of Director Member Fees



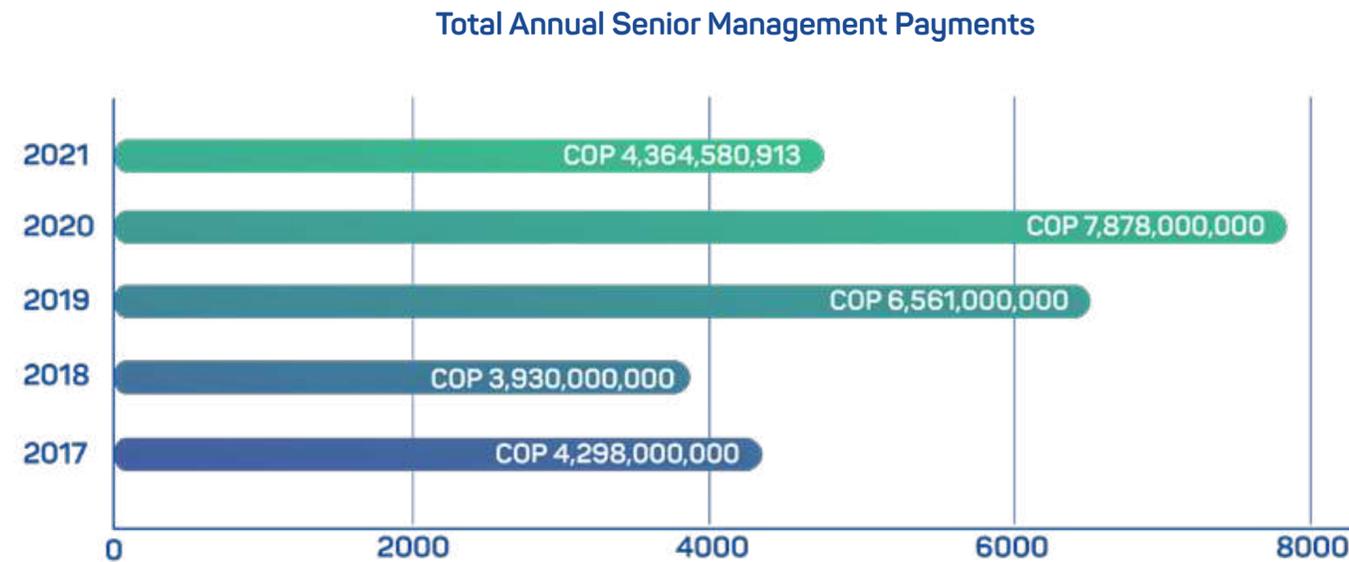
3.1.7.GRI: 102-35,
102-36, 102-37

bvc senior management remuneration is established by the guidelines stated in the Senior Management Appointment, Succession and Remuneration Policy. This corporate document details the Total Compensation Framework that was developed and approved following a technical analysis of best remuneration practice at comparable organisations.

The Total Compensation Framework is comprised of fixed and variable remuneration elements that in combination serve to motivate bvc employees to achieve their strategic objectives, and allow bvc to compete for the best available human talent. When setting remuneration by position, the compensation methodology considers factors such as impact, communication, innovation and knowledge.

As detailed in the company bylaws, the Board of Directors is responsible for setting the bvc President's remuneration package, based on the analysis and recommendations of the Corporate Governance Committee. In turn, the bvc President is responsible for setting Vice Presidents' remuneration packages and providing an annual report of the salary matrix to the Corporate Governance Committee.

The variation compared to 2020 is due to changes in the Commercial and Product and Operational Vice Presidencies.



Corporate Governance Practice

3.2.

GRI: 102-27,
103-1, 103-2

The following information is the result of continuously updating and implementing corporate governance best practice:

- Regarding trades that Board members, senior management and other managers may have made on shares and other securities issued by the company, in accordance with article 4.3 of the Ethics and Behaviour Manual, company employees or their subordinates may in their own name and on their own account trade securities listed on the Exchange, as long as they comply with the rules of the aforementioned corporate legislation.
- None of the current Board members is a shareholder, so no trades were made.
- To date there are no ongoing agreements between shareholders.
- No share buy back occurred in **2021**.
- In **2021**, the Board of Directors did not receive external advice.
- Two current Board members also sit on the Boards of subsidiary companies, as detailed below:

bvc Board member	Also a Board member at
Jaime Castañeda	CRCC S.A.
Carlos Alberto Rodríguez	Deceval

- Board information was managed using Diligent Boards in **2021**. Five days prior to each session, the information to be discussed is posted. Using this platform means that corporate information is **100%** digital and can be accessed remotely by all Board members.

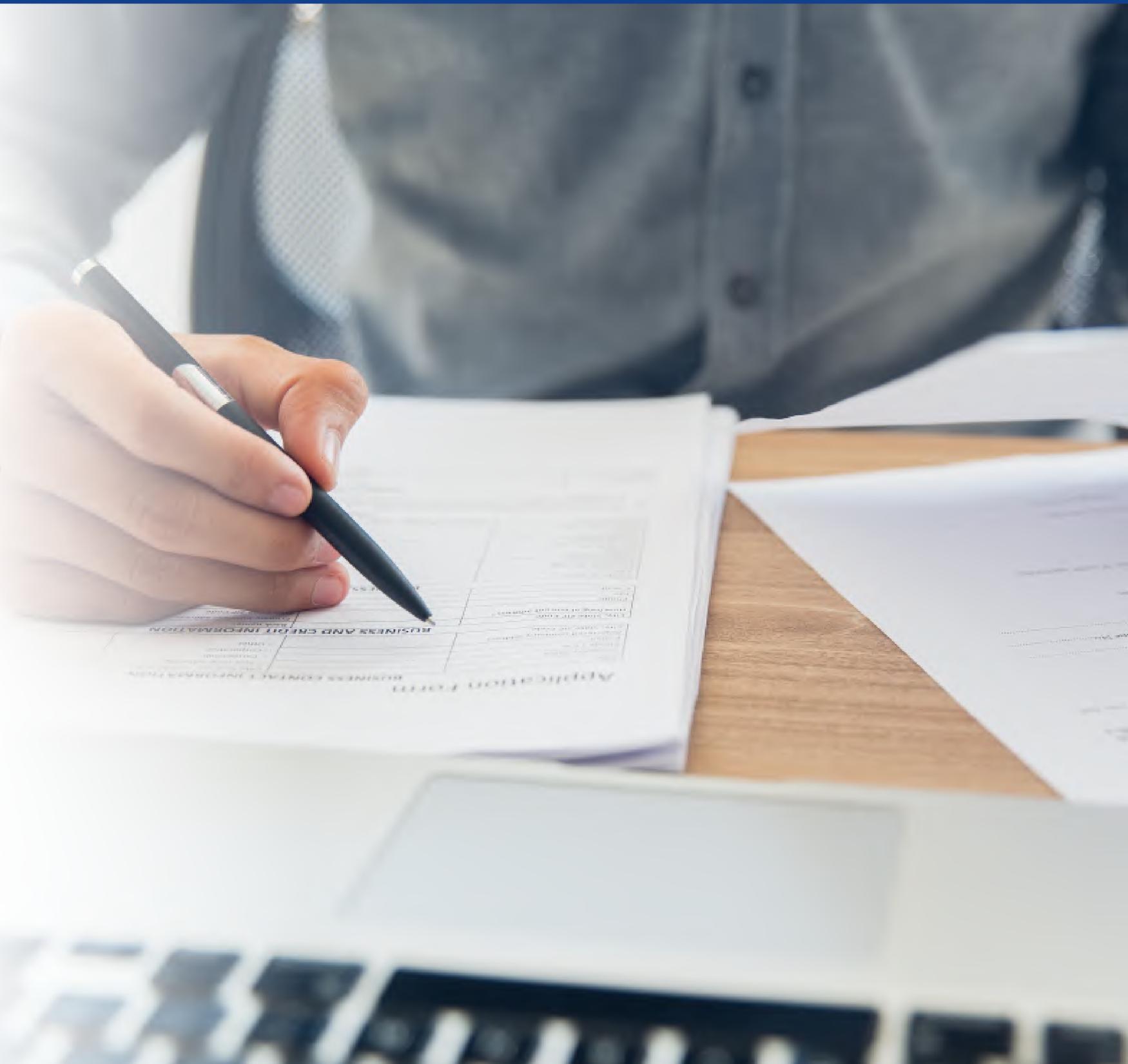


Principal Modifications to bvc Company Bylaws

3.2.1. GRI: 102-27

At the Ordinary General Meeting held on **26 March 2021**, shareholders approved the following reforms to the Exchange bylaws:

- Article **50 #11** on Board functions was modified to increase the value of actions or contracts the Board can approve to COP **2,500,000,000** and allow this function to be delegated to the committee assigned by the Board. It was also established that the President can approve additions or extensions to contracts authorised by the Board or the designated committee, as long as they do not exceed the initially agreed amount and period.
- Article **52** Item D was modified to specify that contract approval does not require a qualified majority.
- Article **58** Item B was modified to state that signing actions or contracts for the company is a function the President, including those that exceed the sum of COP **2,500,000,000** and have been previously approved by the Board or the designated committee. In addition, and in concordance with the modification of Article **50 # 11**, it was specified that the President can approve additions or extensions to contracts authorised by the Board or the designated committee, as long as they do not exceed the initially agreed amount and period.
- Article **62** was modified to make explicit that among the statutory auditor's qualities and incompatibilities, the Board may not propose to shareholders audit companies that have been barred, suspended, or given any other form of concrete sanction related to a financial audit, by a judge or regulatory or supervisory authority. If this modification is approved, Country Code recommendation **29.8** will be fully adopted.
- Item **12** was added to Article **71**, stating that an additional function of the chairman of the Board is to ensure that the Board focusses on studying and defining the company's strategic direction. This modification means that Country Code recommendation **18.1** has been fully adopted.



Principal Modifications to the Good Governance Code

3.2.2.

GRI: 102-27

In **2021**, the Board of Directors approved the following modifications to the **bvc** Good Governance Code:

- In Minute No. **291, 24 March 2021**, the Board approved a modification to **bvc** Corporate Governance Policy integrity (Annex **3** of the Good Governance Code).
- A modification to **bvc** Group Sustainability Policy integrity (Annex **5** of the Good Governance Code) was approved by the board in Minute No. **293, 26 May 2021**.
- In Minute No. **293, 26 May 2021**, the Board approved a modification to Article **8.1.1.1** on answering company shareholder and stakeholder petitions, claims or proposals.
- Modifications to Articles **4.1.4.2** (Common rules for committees), **4.2.1.2** (Evaluation of the chairman and senior management), **5.1.2.1** (Colombian Securities Exchange principles with regard to stakeholders), and **7.1.1.5** (Policy of non-financing for political campaigns) were approved by the Board in Minute No. **296, 25 August 2021**.



General Assembly of Shareholders

3.2.3.

Two (2) General Assemblies of Shareholders were held in 2021. On 26 March 2021 an ordinary session was held and the following topics were discussed and approved:

Agenda ordinary general shareholder assembly (26-3-21)

Verification of quorum

Designation of Assembly Chairman and Secretary (paragraph – article 36 company bylaws)

Reading and consideration of the agenda

Designation of commission charged with approving the minutes

Approval of the bvc Board of Director and President Management Report, including:

- Corporate Governance Report
- Audit and Risk Committee Report

Statutory auditor's report and findings

Approval of the 2020 Individual and Consolidated Financial Statements.

Study and approval of the statutory reserves and Profit Distribution Project.

Approval of statutory reform:

- Facility to authorise contracts
- Adoption of Country Code recommendations

Election of independent members of the board for the mandated period (2021-2023)

Election of non-independent members of the board for the mandated period (2021-2023)

Setting of fees for Board members

Election of the statutory auditor for the mandated period (2021-2023) and budgetary approval for their work

Corporate social responsibility programme and annual donation programme

Shareholder proposals (Company Bylaws, Article 44)

General Assembly of Shareholders

3.2.3.

In addition, an extraordinary assembly of shareholders was held on **13 July 2021**, at which the following topics were discussed and approved:

Agenda extraordinary assembly of shareholder (13-7-21)

Verification of quorum

Designation of Assembly Chairman and Secretary (paragraph – article **36** company bylaws)

Reading and consideration of the agenda

Designation of commission charged with approving the minutes

Unanimous election of an independent member to fill a vacancy on the Board of Directors, August **2021** – March **2023** period (Paragraph **3** Article **197** Commercial Code)

Alternative proposal No. **1** (in the case that point V not be unanimously approved): Election of Independent Board Members for the August **2021** – March **2023** period

Alternative proposal No. **2** (in the case that point V not be unanimously approved): Election of non-Independent Board Members for the August **2021** – March **2023** period



Audit Committee's Annual Report to the Board of Directors

3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

Bogota D.C., 23 February 2022

BOARD OF DIRECTORS

Colombian Securities Exchange
Bogota

Ref: Audit Committee's Annual Report to the Board of Directors

Dear Sirs,

As Chairman of the Board of Directors' Audit and Risk Committee, I hereby submit this report on the Committee's activities and results from March **2021** to February **2022**, in accordance with Colombian Financial Superintendence (CFS) Basic Accounting and Finance Circular (Chapter IX subsections **2.3.10.** and **2.2.32**) and Basic Legal Circular (Chapter IV, Title I, Part I, subsection **6.1.2.1.**), as well as the Audit and Risk Committee bylaws.

1. The Audit and Risk Committee

In accordance with article **2** of the Audit and Risk Committee bylaws, the Committee comprises five (**5**) independent board members. Between March **2021** and February **2022**, the Committee members were **María Ximena Cadena Ordoñez, Ángela María Hurtado Castro, Federico Rengifo Vélez, Juan Rafael Pérez Vélez and myself, Santiago Montenegro Trujillo**, the designated chairman.

Bruce Butterill from Deceval's Audit and Risk Committee attended as a guest and go-between for the two companies' Committees.

2. Duties and powers

In accordance with article one of the Audit and Risk Committee bylaws, the Committee supports the Board of Directors by monitoring the organisation's Internal Control System function and effectiveness, and verifying the work of supervisory bodies. Its duties are described in article three of the Internal Regulations, and strictly comply with the requirements established in Basic Legal Circular (Chapter IV, Title I, Part I, subsection **6.1.2**).

3. Evaluation of committee operations

In accordance with Exchange Corporate Governance Policy, the Audit and Risk Committee's evaluation included: compliance with the schedule of meetings, number of sessions that achieved quorum, each member's attendance record, compliance with meeting agendas, and approval of the minutes.

Over the period, the Audit and Risk Committee met ordinarily on **12** occasions, including the session at which this report was submitted for consideration. All meetings achieved quorum. Meeting agendas and presentations were made available to Committee members on Diligent Boards, and the Committee approved **100%** of the minutes and achieved the necessary quorum. Attendance was **94.09%** and all absences were duly justified.

4. Internal Control System

4.1 Internal control directives

No changes were made to the Colombian Securities Exchange Internal Control Manual during the period. However, management presented a proposal to modify the Group's Corporate Governance Policy that comprises the set of definitions, principles, criteria and practices for managing, directing and controlling the Group. The modification focussed on clarifying intervention levels for Group subsidiaries, and was presented to the Committee on **19 March 2021**. It was approved by the Board of Directors on **24 March 2021**.

3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

4.2 Evaluating effectiveness of the Internal Control System

With a view to obtaining a complete overview of the Internal Control System's most relevant components, the committee analysed risk management, financial statements, and management and supervisory body reports on diverse topics. There follows a summary of these analyses by internal control system component:

1. Control environment

To ensure focus and value, during the **25 May 2021** session the committee analysed and approved the incorporation proposal, annual agenda of ordinary meetings, and annual agenda.

To ensure that discussions were productive and to guarantee a proper analysis of risk and its monitoring bodies (internal and statutory auditors) and financial information, during the **7 December 2020** session, the committee analysed and approved a proposal for distributing and including topics in sessions, that began operating in **2021**.

As a result of the above, the Committee sat monthly, except in January **2022** when no session was programmed. Each quarter it revised financial information, and each half-year it revised statutory audits. It revised risk and audit topics separately at alternating sessions.

3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

2. Risk management

At six (6) sessions, including the session during which this report was submitted for consideration, the committee evaluated key information from the Institutional Risk Management System. These sessions were held on **19 March**, **27 April**, **25 May**, **27 July**, **28 September** and **23 November 2021** and **22 February 2022** (when this report was submitted for consideration). The committee received presentations on specific risk matters at the April, June and December sessions, as follows:

At the March session, the committee was presented with **2021's** operational risk objectives and indicators, strategic risk, disaster management, business continuity, information security and cyber security, compliance management and AML/CFT, and financial, process and quality risk management.

At the same session, the Committee was presented with a proposal to modify the ORMS, including valuation methodology changes and adjustments arising from CFS External Circular **025:2020**.

In April, results of the revision of risks and controls associated with the **13 March 2020** equities unavailability incident were presented, in compliance with the CFS management order.

At all sessions, the committee reviewed risk profile evolution, significant risk events and management, and quarterly progress reports on the proposed objectives.

The Committee paid special attention to the **17 June 2021** event affecting the INET platform and equity and derivative markets. This very high-impact event occurred because the INET platform did not correctly process an order received via the FIX connection, which in turn blocked the XW screen connection engines. The Committee analysed the event's causes and the management response to it.

At the December session, the Committee reviewed a summary of External Circular **018:2021** on comprehensive risk management systems, risk management systems for exempted entities and the implementation work plan.

At the December session, the Committee reviewed the results of strategic risk identification and valuation for **bvc**, deceval, CRCC and precia.

With regard to disaster management and business continuity, the Committee mainly focussed on revising, approving and monitoring the test plan submitted by management. It analysed the fixed-income register contingency test results carried out on **15 March 2021**, and the comprehensive contingency tests carried out on **5 June** and **6 November 2021**. The tests improved work teams' maturity and preparation to better face unavailability events when they occur.



3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

At the March **2021** session, the Committee was informed of the BIA elaboration methodology and its results for **bvc** products. At the July, September and November **2021** sessions, the Committee reviewed an analysis of critical service unavailability events since **2019** that had exceeded their RTOs.

With regard to security and cyber security, the Committee was shown the implemented training and awareness plan, results of monitoring and management activities, progress on audit preparation and execution to monitor the ISO **27001** certification, and activities related to project cyber security. In addition, at the July **2021** session, the Committee reviewed the results, conclusions and implemented actions of vulnerability analyses.

In addition, the Committee received training on key cyber security concepts at the July **2021** session, and at the September session it received the results of Fortinet's diagnosis of **bvc** security capacity, that evaluated the organisation's level of cyber security maturity against the NIST standard.

The Committee received periodic reports on the other elements of risk management that mainly included information on fraud prevention and control, personal data management, workplace health and safety, AML/CFT due diligence and reports, and financial risk alerts that included market, issuer and brokerage organisation monitoring.

With regard to risk at subsidiaries, highlights were the risk management presentations made by CRCC (March) and precia (May) managers. The Committee also received information on risk management at subsidiaries during the July **2021** session, and the session at which this report was submitted for consideration.

During the session at which this report was submitted for consideration, annual risk management results were also presented.



3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

3. Control activities

The Committee reviewed internal audit reports to evaluate the effectiveness of the most relevant risk controls, and statutory audit reports on companywide technology controls. It also analysed the following relevant topics:

The Value Delivery Office's **2021** initiative portfolio, its progress, budgetary execution, and key impediments, at the April and October **2021** sessions.

At the **28** September session, the Committee received information on progress with implementing the new risk, audit and process management tool, POLARIS.

Finally, it was informed of management activities and controls during the national strike.

4. Information and communication

During the period this report refers to the Committee managed the following financial information:

bvc and deceval quarterly combined and the consolidated financial statements were presented at the **27** April, **27** July and **26** October sessions, alongside financial statements for SET ICAP and Derivex.

During the session at which this report is submitted for consideration the year-end individual and consolidated financial statements and footnotes will be presented for revision by the Committee and subsequent approval by the Board of Directors.

5. Independent monitoring and evaluation

A fundamental monitoring element was the presentation at all sessions of the Management Report in which the period's relevant internal monitoring findings are detailed with regard to management's continual supervision of plans, programmes and projects at all levels.

In compliance with independent evaluation requirements, the committee was provided with control body reports that are fundamental to system monitoring (see sections **5** and **6** of this report).

3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

4.3 Supervisory body observations

In response to the CFS Administrative Order issued on **31 July 2020** with regard to the **13 March 2020** electronic trading system unavailability event, management created a robust plan to implement the instructions received, that was officially submitted on **6 November 2020**. In compliance with CFS instructions, quarterly plan progress reports were sent until completion. Finally, an internal audit that culminated on **10 December 2021** reported to CFS that all proposed activities had been complied with. After analysing the above, CFS informed on **25 January 2022** that "...BVC complied with the work plan designed to implement the instructions received and in this way correct the signalled weaknesses with regard to adequate operational risk management, and apply the corrective measures indicated in the order. Thus, this Superintendence considers it pertinent to close this administrative action."

With regard to the failures themselves, on **28 October 2020** CFS brought charges against **bvc**. In accordance with the legal terms, on **14 December 2020** **bvc** presented its defence arguments and considerations. On **12 April 2021** concluding arguments were made, and a final CFS decision is pending.

In addition, on **25 February 2021** CFS began an ex situ inspection process to evaluate **bvc** risk management as the controlling party of **bvc** Group entities, and presentations and detailed information were delivered. After evaluating the information delivered, on **14 October 2021** CFS officially requested additional information and clarifications. At this report's time of publication, the close of final activities is pending.



3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

4.4 Conclusion on effectiveness

In spite of the challenges caused by the emergency situation we continued to face in **2021**, an evaluation and analysis of management information performed by supervisory bodies allows the Committee to conclude that the institutional internal control system performed adequately over the past year.

Although an important reduction in high-impact risk events was achieved, in **2022** efforts should continue on strengthening core systems by reducing functional and manual operational errors, optimising production rollouts and improving operational monitoring to prevent or detect failures early. It is important that work is done to improve response and recovery times when events do occur. Finally, it is vital that an agile approach be incorporated into projects to improve the speed, quality and value contribution of the initiatives.

The Committee recognises the work done by the Internal Audit and Risk Departments to define and implement a new tool to strengthen teamwork between areas, optimise employee's tasks and offer internal customers a digital interaction experience. This implementation should continue until it is completed.

4.5 Principal measures adopted

No material deficiencies were detected. However, an analysis of supervisory body and CFS information and observations led to the following measures being taken:

- a) Strengthening of institutional risk management methodologies.
- b) Strategic initiative risk management.
- c) Improvements to information security.
- d) Strengthening of business continuity processes.
- e) Strengthening of technology management processes.
- f) Strengthening of controls for various processes.



3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

5. Internal Audit Management

5.1 Activities

The audit department actively participated in six (6) Committee sessions, including the one at which this report was submitted for consideration.

The committee covered the following topics: Main results in the period (at 5 sessions), quarterly management indicators (at 4 sessions) and subsidiary performance reports (at 2 sessions).

With regard to security, during the April and October 2021 session the Audit Department presented the results of its evaluation of security risk management methodology, vulnerability management, telecommunications and network security, operating system and database security, user management, SOC management, and security event management. At the April 2021 session, it shared the results of a new penetration test—a key activity within the Audit Department’s cyber security coverage strategy.

With regard to technology management, at the June 2021 session it invited the Committee to review its evaluations of cloud services (conducted in accordance with CFS External Circular 005:2019), software licensing and availability management. It presented the results of its backup and recovery process revision during the August 2021 session and its capacity management process revision at the October 2021 session.

On the operational front, it presented the results of its customer services management and market monitoring evaluations at the December 2021 session.

With regard to management or legislative systems, the Audit Department shared the results of its ORMS evaluations at the June 2021 session, and corporate security and workplace risk and AML/CFT at the August 2021 session. Portfolio management, preventing illegal activity, and data protection results were presented at the October 2021 session, and continuity test results were presented at the August and December 2021 sessions.

The Audit Department also presented results on other fronts. Of note are its evaluations of commercial management and talent management process at the June 2021 session, accounting and administrative management at the August 2021 session, billing management and BSC compliance monitoring at the October 2021 session, and treasury and exogenous information management at the December 2021 session.

3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

In all of the above cases, management action plans to correct detected weaknesses were presented.

In addition to the aforementioned topics, the Audit Department also presented relevant observations on the customer onboarding process, and the Commercial Vice President's Office shared its detailed work plan to correct the identified weaknesses. At the February **2022** session during which this report is submitted, the Committee will be presented with the annual self-evaluation results under the audit assurance and quality improvement programme framework.

The Audit Department presented quarterly performance indicators at the **27 April**, **24 August** and **26 October 2021**, and **22 February 2022** sessions, including compliance with the work plan, value perception of those audited (based on interviews with internal customers), and closure of audit findings. All measurements produced annual results that were above target.

At the **27 April 2021** session and the session at which this report is submitted for consideration, the Audit Department presented a subsidiary performance report.

Finally, the Audit Department presented at the December **14 2021** session its proposed **2022** work plan and budget, both of which were approved. At the session in which this report is submitted for consideration, it will present its annual evaluation of the internal control system.

5.2 Performance

Following a revision of the matters mentioned above, the committee was able to conclude that the audit plan had included the relevant business risks, that its tasks were robust and that its results satisfy the organisation's control needs. The Committee also stated that the Internal Auditor had worked independently and objectively using information and resources with no limitation that affected their scope.

The committee highlights the efforts made by the Audit Department to take an agile approach to its working practices. To do this based on the results of pilot studies conducted in **2020**, it adjusted its methodological framework and defined and achieved the goal of widening coverage of this approach to include the entire audit universe.

3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1,
419-1

6. Statutory audit management**6.1 Activities**

At the **26 May 2021** session, the statutory auditor presented the Audit Department's **Q4 2020** results and submitted the **2021** work plan, and shared relevant matters in **2021** at **bvc** Group subsidiaries and associates with the Committee. Finally, they presented the Committee with conclusions regarding compliance with rules and instructions for risk management systems at **31 December 2020**.

At the **24 August 2021** session, the Statutory Auditor presented the Audit Department's results for the first half of **2021**, and the results of monitoring relevant matters at subsidiaries and joint-ventures.

At the session in which this report is submitted for consideration, they will present their report on the company's **2021** financial statements and key audit findings.

6.2 Performance

The Committee concludes that the statutory auditor appointed by the General Assembly of Shareholders complied with the legislation and statutes when carrying out their duties.



3.3.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

7. Committee relationship framework

Once this report has been approved by the Audit and Risk Committee, it will be submitted for consideration to the Board of Directors, as stated in Good Governance Code Article **4.1.4.2**, Item **8**, with the objective of sharing its contents and conclusions and receiving any feedback necessary.

If approved, the report will be made available to shareholders so that they can exercise their right of inspection, as stated in Commercial Code Article **447** and Exchange Bylaw Article **43**. It will also be presented for consideration to the General Assembly of Shareholders.

The Exchange President, Vice President, Secretary, Risk Manager and Internal Auditor attended all ordinary sessions of the Committee. This facilitated presenting topics, opportunely responding to questions, and task assignment by the Administration Committee. The statutory auditor was present at all sessions they were scheduled to attend.

Yours faithfully,

SANTIAGO MONTENEGRO TRUJILLO
Audit and Risk Committee Chairman

Governance Committee's Annual Report to the Board of Directors

Bogota D.C., 22 February 2022

3.3.1.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

BOARD OF DIRECTORS
Colombian Securities Exchange
Bogota

Ref.: Corporate Governance Committee Annual Report to the Board of Directors

Dear sirs,

The Corporate Governance Committee's annual report to the Colombian Securities Exchange Board of Directors is presented in accordance with the Exchange's Good Governance Code article 4.1.4.2, item 8, and Corporate Governance Committee Internal Regulations article eight.

As such, and in my role as Corporate Governance Committee Chairman, I respectfully submit this report on the Committee's activities and results between March 2021 and February 2022.

1. The Corporate Governance Committee

The Corporate Governance committee comprises five (5) members, the majority of whom are independent.

For the 2021-2022 period, the elected Committee members were: **Ximena Cadena, Roberto Belchior, Federico Rengifo, Rafael Aparicio** and myself, **Mauricio Rosillo**, the designated chairman.

2. Duties and powers

As stated in the Exchange's Good Governance Code article one, the Committee is a body that supports the Board of Directors with regard to the Exchange's good governance by periodically reviewing compliance with corporate governance, recommendations and principles. This Committee reviews candidates to the Board of Directors, and Board process management, and evaluates Board performance and that of

its advisors. It also supports the Board with its evaluation of the company's senior management and, if necessary, with evaluating candidates for company president.

The Governance Committee's specific duties are detailed in article three of its internal regulations.

3. Evaluation of committee operations

In accordance with Exchange Corporate Governance policy, the Committee's work was evaluated as follows: **i)** compliance with the meeting schedule, **ii)** number of sessions that achieved quorum, **iii)** each member's attendance record, **iv)** compliance with meeting agendas, and **vi)** approval of the minutes.

During the period, the Corporate Governance Committee met ordinarily on four (4) occasions, including the session at which this report was submitted for consideration, and extraordinarily on three (3) occasions. All meetings achieved quorum. Meeting agendas and presentations were made available to Committee members on Diligent Boards, and the Committee approved **100%** of the minutes and achieved the necessary quorum. Attendance was **93.33%** and all absences were duly justified.

4. Principal committee activities

In accordance with the annual schedule approved at the 24 May 2021 session, Committee activities were grouped into four main categories:

- **Evaluation:** This is where the Committee studies and approves the methodologies used to evaluate Board of Director operations and structure, including its supporting committees and senior management. At the session in which this report is submitted, it analyses the results of the Board of Director's annual evaluation. The Committee also reviewed the workplace environment survey results and corresponding Human Resources plan.
- **Monitoring:** This is where the Committee analyses: **i)** The report on Board of Directors and Committee activities, **ii)** The report on and evaluation of responses to requests, complaints or proposals from shareholders and stakeholder groups, and compliance with the Good Governance Code, **iii)** Board of Director and senior management succession and remuneration policy, and **v)** Colombian Financial Superintendence (CFS) Country Code Survey 2020 results.

3.3.1.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

- General Assembly of Shareholders: During the reporting period, the company held three assemblies of shareholders. The Committee studied the agenda for each meeting and the pertinent corporate documents to present, advised management on the focus some topics should receive, recommended that the Board approve topics to put to shareholders at the meetings, and ensured that the necessary information was available to shareholders in enough detail and at the right time.

In addition to the fronts mentioned, the Committee studied the following principal themes:

A. Board of Director and Committee structure, April 2021 – March 2022

In compliance with the company bylaws and Good Governance Code, the Committee offered judgement on compliance with the qualities, special conditions, impediments or incompatibilities of independent and non-independent candidates to the Board of Directors for the period April 2021 – March 2023.

The General Assembly of Shareholders then elected the Board, of whom Juan Pablo Galán Otálora, Ángela María Hurtado and María Ximena Cadena Ordóñez are new independent members.

The Committee also evaluated the committee structure proposal, the meeting schedule and the Board of Directors' annual work plan, and the Board of Directors decided to structure the committees as follows:



3.3.1.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

B. Board of Directors' annual agenda

The Committee makes recommendations with regard to the Board of Directors' annual agenda, with a view to organising and preparing management themes and ensuring that its objectives focus on studying and analysing market development issues that cover each of the Exchange's and the Group's strategic pillars. Therefore, to ensure that all relevant and strategic bvc Group themes are analysed, the Committee revised the Board of Director's annual agenda.

Specifically, the Committee revised each of the themes the Board analyses in terms of: **i)** structure and coordination, **ii)** strategic, financial and technological focus, **iii)** control focus, and **iv)** corporate governance and customer relations.

As a result of this revision, the Committee recognised the importance of strengthening the integration of sustainability and ESG management into strategy, and proposed that this topic be included in the Board of Directors' annual agenda. In addition, in view of the regional integration project's progress, and the importance that this process represents to the Exchange and the market, the Committee permanently monitored it and recommended that it be subject to special monitoring during Board sessions.

C. bvc Group corporate governance

One of the Committee's most important tasks this period was revising and updating bvc Group Corporate Governance Policy to reflect the changes caused by transactions in **2020**, specifically: **i)** acquiring control of CRCC and merging it with CCDC, consolidating two companies that are part of Colombian capital market infrastructure, and **ii)** the sale of all holdings in Sophos Solutions S.A.S. to Advent International.

The policy covers three important fronts that determine how bvc Group governance bodies interact by: **i)** establishing the set of definitions, principles, criteria and practices that govern Group management, direction and control processes, **ii)** defining bvc's roles, practices and intervention level as parent company of a corporate group, and **iii)** establishing the role and practices of subsidiaries with a view to creating a harmonious model that respects principles of efficiency, transparency and accountability that follow good corporate governance.

One of the main aspects of the update was the inclusion of intervention or control principles applicable to subsidiaries according to their unique characteristics. A principle of comprehensive control was defined for companies where bvc directly or indirectly owns **100%** of shareholder equity—deceval, precia and the investment vehicles—that must fully apply the criteria and frameworks contained within corporate governance, finance and accounting, internal control, audit, and risk, information and communication management policies. In turn, the principle of autonomous control applies to companies in which bvc has a direct or indirect majority holding—CRCC—but where there are also third-party shareholders. These subsidiaries act with enough independence and autonomy to carry out their own operations in the context of their everyday business activities.

To develop this policy, the Committee was advised of the structure of each subsidiary's Board of Directors, consulted each subsidiary's periodic corporate governance report, and ensured that subsidiaries subject to comprehensive control have optimal and efficient structures made up principally of bvc employees.

D. Sustainability policy and corporate social responsibility programme

The Committee evaluated, and recommended that the Board approve, bvc Group's modified sustainability policy. The modified policy incorporates the relevance of bvc Group's unique position in the Colombian financial ecosystem as the provider of capital market infrastructure to the majority of Group entities, with the consequent duty to maintain market availability and integrity in a transparent, efficient, secure, trustworthy and regulated environment that also contributes to Colombia's sustainable and inclusive economic growth.

The policy was modified in the following ways: **i)** Its scope was widened to include subsidiaries and investment vehicles, **ii)** It was better aligned to the strategic pillars, and **iii)** ESG best practice was implemented to promote more sustainable products and services on the market, make bvc Group carbon neutral across all operations and, in general, achieve the highest standards of good corporate governance.

In addition, the Committee supported a corporate social responsibility programme in **2021**, through which the Exchange has made strategic donations of more than COP **5.3** bn since **2009**, as well as offering IT and innovation grants.

3.3.1.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

Finally, in recognition of the importance of sustainability at **bvc** Group, during the session at which this report was submitted for consideration, the Committee also presented the ESG Strategy.

E. Supporting the regional integration process

This topic was of special importance to the committee, and made up a good part of its agenda. The committee was kept up to date on progress, and permanently supported the Board with the evaluations and recommendations required at different stages of the process to integrate the regional exchanges, including impact and risk analyses that emphasised the corporate governance dimension.

Among the Committee's analyses were: **i)** the business case, **ii)** the valuation report and swap rate, **iii)** a fairness and reasonableness opinion on the valuation methodology and results produced by the investment bank contracted by the three exchanges, **iv)** a report on the financial, fiscal, labour and legal environment due diligence process at the three exchanges, **v)** the structure and content of the Integration Agreement Framework, including the transitional governance model, **vi)** the regulatory impact in Colombia as the integration process moves forward, **vii)** the approvals from Boards and Assemblies of Shareholders at the exchanges, and **viii)** the tentative implementation work plan for corporate integration of the three exchanges.

F. Modifications and corporate documents

The Corporate Governance Committee recommended that the Board approve modifications to some corporate documents that were designed to continue improving compliance with different international and local standards on best practice and information disclosure to investors. The principal modifications studied by the Committee were:

- i)** New Good Governance Code rules on structuring committees, senior management inclusion in the annual Corporate Governance Committee evaluation process, diversity and inclusion, and not financing electoral campaigns nor political parties.
- ii)** New Ethics and Behaviour Manual rules on diversity and inclusion, and not financing electoral campaigns nor political parties.
- iii)** New Board of Director regulations on diversity and inclusion, communicating Board decisions to management, structuring committees, and highlighting committee duties.

iv) New Support Committee regulations on structuring committees, and committees' annual agendas. Specifically related to the Corporate Governance Committee, duties were included with regard to sustainability, and assigning Sustainability Policy compliance and implementation responsibilities.

During the period contemplated in this report, the Committee recommended making the company bylaw reforms necessary to prepare the Exchange for regional integration. The Board subsequently recommended presenting the Extraordinary Assembly of Shareholders held on **31 January 2022**, with the modification to article **7** of the company bylaws, establishing that if the Colombian Securities Exchange is part of a regional integration with other securities exchanges, the obligation that no real beneficiary may hold more subscribed Exchange capital than that permitted by law may be upheld by the domestic or foreign holding company that controls the Exchange.

G. Human Resources Management

The Committee conducted a detailed evaluation of the workplace environment survey, and recommended that the company pay special attention to new labour market dynamics, and focus on employees' changing expectations and priorities following the COVID-19 pandemic.

The Committee evaluated and recommended an OKR-based variable remuneration model to the Board, that would not be applicable to the whole company but to people working full-time on projects related to strategic fronts (digital, post-trade and operational excellence). Everyone else will continue to use the current variable remuneration model. The new model aims to retain talent and be at the cutting edge of market tendencies, especially around agility.

The Committee also evaluated and recommend to the Board a new flexible organisational benefits proposal for **2022** implementation, that aims to meet employees' different profiles and interests. Implementing this scheme would: **i)** provide bvc benefits that satisfy employees' needs, interests and preferences in the current company context, **ii)** generate an innovative, integral proposal focussed on retaining talent, increasing competitiveness, satisfaction and pride, and bridging gaps between employees and organisational culture; **iii)** focus benefits on market best practice, family friendly company recertification, and continuing to be a Great Place To Work.

3.3.1.

GRI: 102-29,
102-30, 102-31,
103-2, 205-1.

4. Committee relationship framework

Once the Committee has approved the annual report, it will be submitted to the Board for consideration, in compliance with Good Governance Code article **4.1.4.2**, item **8**, with a view to publishing its content and conclusions and allowing the Board to request any additional reports it deems necessary.

If approved, this report will form part of the information made available for inspection, in accordance with Article **447** of the Commercial Code and article **43** of the Exchange bylaws.

The Exchange President, Vice President, Secretary, and other specific employees attended Corporate Governance Committee meetings on specific topics to facilitate presenting topics and immediately assigning responsibilities.

Yours faithfully,

MAURICIO ROSILLO
Corporate Governance Committee Chairman



Shareholder Rights

3.4.

GRI: 102-21,
102-33, 102-34

A guiding principle at **bvc** is the equal treatment of all shareholders by company employees. Shareholders have the right to submit complaints, requests and proposals to **bvc**, and to receive respectful and timely responses.

Shareholder rights are principally related to

- Topics to include on the agenda of General Assemblies of Shareholders.
- Timely, clear and complete access to information that enables informed decision making.
- The right to request specialised audits and make recommendations to the Corporate Governance Committee.
- Conflict resolution and the channelling of requests, complaints and proposals to **bvc**.

To facilitate these processes, **bvc** regularly updates its website as this is one of the most representative channels of communication with shareholders. Written complaints from shareholders are answered by the VP Legal within fifteen business days of their reception. The Investor Relations area provides quarterly market results that include: financial results, product evolution, market evolution, subsidiary performance, and permanent investments. All information presented in the quarterly reports is also opportunely published as “relevant information” on the **bvc** website and the Colombian Financial Superintendence.

In accordance with the principle of fair treatment for all shareholders, if the response to a request, complaint or proposal could represent a benefit to other shareholders, it will immediately be communicated to all shareholders using the mechanisms established for this purpose, in the same way and with the same economic conditions.

In **2021** no complaints or proposals were received from shareholders. The customer service area reported receiving just three information requests from shareholders, related to tax certificates and dividend payments.

Good Governance Code Reports

3.5.

GRI: 102-21,
102-33, 102-34

3.5.1. Number of requests, complaints and proposals received from shareholders and other stakeholder groups, and their results

As established in articles **8.1.1.1** and **8.1.1.2** of the Good Governance Code, requests, complaints and proposals from shareholders and other stakeholder groups must receive a reasoned, written response within **15** business days of their reception.

In **2021**, **17** requests were received from shareholders and **2** collateral release requests were received from brokerage companies; all were promptly dealt with.

3.5.2. Number of complaints regarding compliance with the Good Governance Code, and their results.

No complaints regarding compliance with the Good Governance Code were received during the year.

3.5.3. Number of illegal or unethical incidents, and action taken.

No illegal or unethical incidents were reported in **2021**.

Legislative compliance

3.6.

GRI: 103-1,
102-33, 102-34

3.6.1. Colombian Financial Superintendence (CFS)

bvc is subject to CFS inspection, oversight and vigilance, and must observe and comply with government and CFS legislation regulating financial and stock trading activities. bvc must also comply with any requests the CFS makes while carrying out its legal functions.

bvc has faithfully complied with all established CFS deadlines for implementing all relevant legislation. In 2021, bvc responded to 108 CFS requirements in accordance with the authority's stated terms.

3.6.2. Legal actions against bvc at 31 December 2021

At 31 de cember 2021, the following legal actions against bvc were in progress:

Plaintiff	Process	Lawyer	Objective	Start date	Status
Carlos Juri Feghali	Direct compensation	Juan Pablo Cárdenas	The plaintiff alleges that CFS, AMV and bvc are materially and administratively responsible for his economic losses related to an investment in INTERBOLSA S.A., on 18 October 2012.	14/03/2016	Concluding arguments were presented on 15 January 2021. On 2 November 2021 an initial judgement was issued that rejected the plaintiffs allegations with regard to the defendant and accepted the third-party exception proposed by the CFS as a defendant and AMV.
Jorge Enrique Robledo and others.	Class action (Isagen)	DLA Piper Martínez Neira	This class action is related to a sale of ISAGÉN shares that was managed by the Exchange. The initial suit was against the nation, the Ministries of Finance and Mines and Energy, and the National Judicial Defence Agency. However, the Cundinamarca Administrative Tribunal added the Exchange to the process.	17/02/2016	The court ruled against an impleader. The Exchange's lawyer appealed the court's decision. The court ruled against the appeal. At the start of 2018, ISAGEN S.A. E.S.P. requested succession to BRE COLOMBIAN INVESMENST L.P., and a response is pending. The case is awaiting judgement.

3.6.

GRI: 103-1,
102-33, 102-34

Plaintiff	Process	Lawyer	Objective	Start date	Status
Secretaría Distrital de Ambiente	Environmental Sanction	Adriana Arauz Diaz Granados-Asesorías Jurispev SAS	A process based on article 18, Law 1333, 2009, to verify the facts and omissions of the alleged environmental infraction related to installing a sign without the necessary permission from the local environmental secretary.	08/03/2018	In April 2021 the Environmental Secretary's Environmental Control Office visited the site to see the sign erected in the building's front garden, and was shown around by the building administrator. The Exchange decided to remove the sign and hand over the structure to the building's administrators, who then informed the Environmental Secretary that it had
Superintendencia Financiera de Colombia	Schedule of charges against the institution (arising from the in situ inspection process 13/03/2020 to 1/06/2020 for the failures of 13 March 2020)	bvc - Alberto Velandia Rodríguez	The CFS charged the bvc with infringing its legal obligation to comply with all obligatory market legislation. The CFS states that bvc is suspected of acting in disregard of items l) and m), Article 2.10.5.2.4, Decree 2555-2010.	28/10/2020	On 30 March 2021 the CFS sendt notification of order No. 003 March 23 2021, in which it decreed the close of the probatory stage and gave notice that concluding arguments could be presented until 12 April 2021. On 12 April 2021 bvc submitted its closing arguments within the period granted by the CFS for this purpose.

State of bvc Group Compliance with Intellectual Property and Copyright Legislation

3.7.

GRI: 418-1,
103-2

3.7.1. Compliance with Intellectual Property and Copyright

Information Security Policy Manual

- The necessary guidelines and requirements for administering and using **bvc** information assets in a way that ensures integrity, confidentiality and availability.
- Information security management processes in accordance with legal requirements issued by the relevant authorities.
- Internal **bvc** software administration, intellectual property and copyright policies, in accordance with current legislation.

Internal bvc policies

- Periodic revision of all software licenses in use at the company.
- Requirement for contractors to guarantee that all software used to provide services to **bvc** is their own or has been licensed from its owners for use by the contractor.
- Software and media administration procedures that establish the actions needed to manage software, media and version licenses of applications developed or acquired by **bvc**.

Intellectual capital

- Permanent use of registered commercial trademarks.
- We constantly verify the validity of our brands (at year-end, the company had **92** registered brands), renew them when required, and monitor and protect them.
- Permanent monitoring of Industry and Commerce Superintendence processes.

3.7.2. Compliance with the Foreign Account Tax Compliance Act (FATCA)

FATCA

- A law designed to counter tax evasion by individuals considered to be North American citizens for tax purposes.
- Imposes obligations on US taxpayers and financial institutions and foreign financial institutions (FFI).
- **bvc** is registered with the Internal Revenue Service as a FFI participant (Model 1 IGA).

3.7.3. Compliance with Data Protection Laws

Legislative compliance

- Compliance with Decree **1377, 2013**, regulating Law **1581, 2012**: General Regime for Personal Data Protection.
- **bvc** data protection policy.
- Implementation of a procedure to manage the use of clients' personal data based on the principle of client authorisation.

Ethics and Integrity

3.8.

GRI: 103-2,
205-2

3.8.1 bvc Values, Principles, Standards and Rules

In accordance with best practice in corporate governance, **bvc** has a Good Corporate Governance Code that includes parameters to guide **bvc** management with regard to its actions as a commercial organisation.

The Good Corporate Governance Code has been approved by the Board of Directors, and details the principles and standards that must be complied with to guarantee shareholder rights, and ensure proper management of the company and its relationships with stakeholder groups. Application of the Code must be complemented by the company bylaws, and it covers shareholder, manager and employee actions.

Equally, the company bylaws require obligatory compliance with all aspects of best corporate practice by **bvc** administrators and employees.

In addition, **bvc** has an Ethics and Behaviour Manual that must be complied with. This corporate document establishes that all activities undertaken by Exchange employees and administrators, and their subordinates, must follow the principles of loyalty, honesty, care, diligence and compliance with current legislation.

In accordance with article **1.1** of the Ethics and Behaviour Manual, all Exchange managers and employees must receive a physical or electronic copy of the manual, and are responsible for learning its contents and complying with its principles and rules of behaviour. The General Secretary is responsible for ensuring delivery of the Ethics and Behaviour Manual, and answering doubts its recipients may have regarding its application. In addition, an up to date and complete version of the manual and other corporate documents will be available to shareholders on the **bvc** website.

This focus on compliance with the Good Corporate Governance Code and current statutes and legislation ensure that **bvc** management acts in the public interest and in its role as a driving force in the Colombian securities market.



Ethics Line and Anticorruption Principle

3.8.2.

Prevention and Monitoring System

bvc Group is committed to following the highest possible ethical standards and complying with laws and legislation designed to prevent and control illegal activity. To do this, **bvc** has an illegal activity monitoring and prevention system run by Group companies' independent and autonomous risk departments.

In accordance with Global Compact anti-corruption principles, the Group complied with its annual objectives by implementing new policies and processes designed to prevent illegal activity. In addition, within its corporate governance policies and ethics and behaviour manual, the Group ratified its commitment to prevent corruption by implementing methodologies and processes to mitigate, manage and monitor risks related to illegal activities.

The following colour map of residual risk associated with fraud and corruption shows that risks are being controlled and are at tolerable levels—the majority are low.

Frequency	Impact				
	Insignificant	Low	Moderate	High	Catastrophic
Almost certain	3	0	0	0	0
Probable	0	0	0	0	0
Possible	0	0	0	0	0
Improbable	13	6	1	0	0
Rare	6	10	14	3	2

The company has a policy that defines its commitment to laws, legislation, principles and the highest ethical standards, as well as to act independently and objectively, implement any disciplinary actions necessary, and have zero tolerance for crime. **bvc** Group has solid whistleblowing mechanisms, such as a dedicated telephone line, an email and physical address, all of which are published on its website.

In addition, **bvc** Group internal policy states that all allegations will be treated in accordance with the following guidelines:

- Guaranteed protection against retaliation for whistle-blowers, and the need for them to act in good faith and with verifiable information.
- The correct functioning of mechanisms by which to report unethical behaviour.
- Guaranteed confidentiality during the investigation, and the provision of a trained and impartial investigative group to analyse each case.
- Promote and guarantee fair, non-discriminatory and adequate disciplinary and administrative sanctions that are determined according to current legislation.

In the **2019-2021** period no reports of unethical behaviour were received via the channels made available by the **bvc** Group.



4. Sustainability

4.1. Sustainability focus and vision

GRI: 103-2, 201-1, 205-2

Although not yet sufficient, capital markets have made positive progress in increasing investment in climate change mitigation and decarbonising economies, and investors have begun to understand the value of this. Huge public policy challenges remain with regard to analysing the risks and opportunities of climate change.

One of the most important challenges is to accelerate the creation of carbon markets that contribute to setting the price of emissions (that must be optimised regarding financial assets). This will contribute to channelling investment towards technological innovations that help mitigate the severe effects of climate change.

In Colombia, and Latin America in general, we cannot forget that in addition to promoting the capital markets, we need to promote investment in social initiatives that help resolve the region's problems of inequality, access to basic infrastructure, employability, entrepreneurship, education and health, among others, many of which have been accentuated over the past two years due to the pandemic.

4.1.GRI: 103-2,
201-1, 205-2

In **2021**, we continued to contribute to the country's sustainable and inclusive economic growth by developing sustainable products and services, and launching sustainability-linked bonds or bonds linked to sustainability strategies. We also increased capacity and promoted sustainability to more market participants by becoming the first market in Latin America to train its issuers in TCFD. And, in conjunction with GRI and PRI, we held the first shark-tank for local investors and issuers to present their sustainability strategies, called ESG Connect.

Our corporate sustainability initiatives achieved various milestones related to implementing best corporate ESG practice, including an update to the Group's sustainability policy that can be found in Annex **5** of the Good Governance Code. The update incorporates three new SDGs, in addition to the three that were already included, as follows:



Article **4** now details the functions of those responsible for complying with bvc Group sustainability policy, as follows:

The Exchange will ensure that its managers and employees comply with the policy. Policy implementation approvals are the responsibility of the Board of Directors or the Corporate Governance Committee. The area assigned by the Exchange President to manage investor relations and sustainability will have the following functions:

1. Elaborate sustainability strategy.
2. Advise the corporate body that approves sustainability topics.
3. Coordinate with different areas of the organisation to ensure compliance with this policy and production of the necessary reports.

Finally, the Sustainability Committee will advise and support its and sustainability management, and **bvc** Group's Good Governance Code now includes a policy of not financing electoral campaigns nor political parties.

4.1.

GRI: 103-2, 201-1, 205-2

As part of our efforts to implement best corporate practice, in August 2021 S&P carried out the first Corporate Sustainability Assessment (CSA) of bvc Group. The score obtained was 34 points (68th percentile) which is above the average score of 27 points in the diversified financial services and capital markets industry. Scores by ESG area were as follows:

Area	Bvc Group score	Percentile	Industry average	Industry best	Weighting
Environmental	25	61	24	97	13%
Social	25	62	24	89	32%
Governance and economy	41	72	30	82	55%
Total	34	68	27	85	100%

Industry average scores for nine measurement criteria are publicly available on the CSA website.

bvc Group scored above average in the following criteria:

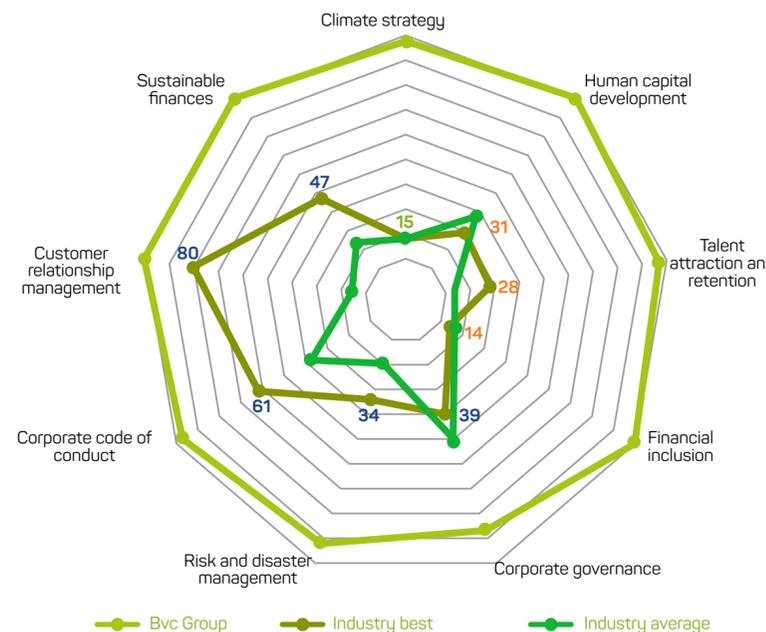
- Talent attraction and retention
- Risk and disaster management
- Corporate code of conduct
- Customer relationship management
- Sustainable finances

Average in the following criteria:

- Climate strategy

And below average in the following criteria:

- Human capital development
- Financial inclusion
- Corporate governance



As can be seen, this first CSA identified various challenges for bvc Group to work on in 2022, with a view to closing gaps and the goal of rising above the industry average by improving corporate ESG implementation.

We strengthened the sustainability capabilities of board members and senior management by providing GRI training in October and November 2021.

Lastly, our principal corporate sustainability achievement in 2021 was being certified carbon neutral (bvc Group and subsidiaries), making us the first fully carbon neutral securities exchange in Latin America. This reinforces our commitment to reducing the impact of climate change on the planet.



4.1.GRI: 103-2,
201-1, 205-2**ESG disclosure**

bvc Group trained issuers in **2021** to improve their disclosure of ESG and climate change risk and ready the market for the CFS regulations issued in December (Circular **031**, on the obligation for listed companies to disclose ESG and climate change risks, with the recommendation to use SASB and TCFD from **2023**).

We became the first exchange in Latin America to provide TCFD climate change risk training to issuers. We held the following events across the year:

- August: ESG disclosure event. Experts from Bloomberg, TCFD, Scotiabank and Ecopetrol covered GRI and TCFD, and explained how GRI standards and TCFD recommendations generate value for companies and strengthen investment decision making processes.
- October: We offered a two-session workshop to issuers on disclosing financial risk information related to climate change, TCFD disclosure together with IFC, Sustainable Stock Exchanges Initiative (SSE) and the Climate Disclosure Standards Board (CDSB).
- November: We joined six online workshops on TCFD implementation designed by Consorcio TCFD México, in conjunction with Consejo Consultivo de Finanzas Verdes and Consejo Coordinador Empresarial de México. Four workshops were held in **2021** and two in January and February **2022**.
- November: An event for Colombian issuers on the importance of verifying ESG information, and how external audit processes guarantee the transparency and reliability of ESG information reported by issuers, with the participation of experts from KPMG, PwC, EY and Deloitte.



4.1. GRI: 103-2, 201-1, 205-2

ir Recognition

In 2021, bvc Group continued to strengthen ir Recognition with new ESG requirements such as: corporate strategy, human capital management, social management and environmental management.

ESG compliance rose from 52% in 2020 to 67% in 2021, and the average level of adoption of all requirements rose from 80% to 85%.



In 2022 bvc Group will continue to train issuers in SASB and TCFD, and will update its sustainability guides for the Colombian market.

4.1.

GRI: 103-2,
201-1, 205-2

Sustainable product lines

Themed bonds:

bvc Group made progress this year on growing the themed bond market, and records were broken once again in the Colombian market. COP **1.9tn** were issued (+90% YoY) with excess demand of **1.6x**.

Specifically, seven themed bonds were issued: five social bonds (Banco W (AA+ and ESG verifier: Vigeo Eiris), Bancamía (AA+ and ESG verifier: Vigeo Eiris), Corficolombiana (AAA and ESG verifier: EQA), Icetex (AAA and ESG verifier: BDO AUDIT) and Distrito de Bogotá (AAA and ESG verifier: Deloitte)) worth a total of COP **1.2tn** (+239% YoY), one sustainable bond (Bancolombia (AAA and ESG verifier: Vigeo Eiris)) worth COP 600bn, and one sustainability-linked bond (Compañía de Empaques) worth COP 50bn.

7 Themed bonds

COP 1.9 tn issued

+90% (YoY)

5 Social bonds

1 Sustainable bond

1 SLB

COP 1.2 tn issued

COP 600 bn issued

COP 50 bn issued

1.4x oversubscribed

1.8x oversubscribed

Although there were no green bond issuances this year, our objective is to continue improving companies' knowledge of these instruments. In September, we held a four day training session on this type of themed bond that included Colombia's new green taxonomy, and the way it provides a financing framework for projects that contribute to transitioning our country towards becoming a low-carbon economy. Metrix Finanzas and Climate Bonds Initiative supported the sessions by sharing information and experiences related to the UK government programme Partnering for Accelerated Climate Transitions.

The training sessions complemented companies' knowledge and understanding of green bond issuances, explained how the Colombian taxonomy recognises whether a project or asset is green, and improved the local capacity and ability to implement national, municipal and private sector projects.

4.1.

GRI: 103-2,
201-1, 205-2

Generated and distributed economic value

	2021	2020
Value generated		
Operational income	199,773	180,142
Other income	9,064	128,249
Share dividends	25,936	42,843
Total	234,772	351,235
Value distributed		
Employee salaries and benefits		
Personnel costs	78,610	71,355
Training	727	881
Wellbeing	3,085	3,035
Total employee remuneration	82,422	75,271
Payments to government	19,429	18,789
Operating costs	71,812	71,933
Capital provider payments	35,529	70,065
Community and environmental investments	482	634
Value distributed	209,674	236,692
Value retained		
Difference between value generated and value distributed	25,098	114,543

With regard to the 2020 values, share dividends, provider payments and other income were updated in accordance with GRI 201, as follows:

Other income

In **2020** income of COP **31.78**bn was included from the CRCC value increase.

Dividends

The dividend values received in the **2020** period.

Capital provider payments

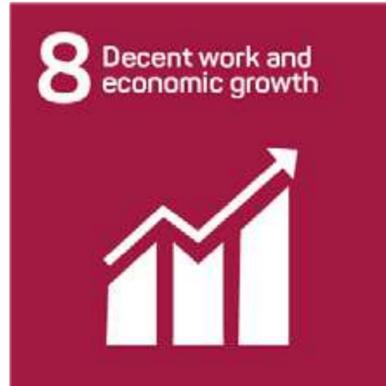
The dividend values decreed for the current period.



Corporate Social Responsibility Programme

4.2.
GRI: 103-2,
103-3, 203-1,
203-2, 413-1

4.2.1 Donations



bvc Group’s sustainability policy is aligned with SDG 8—decent work and economic growth—and Colombia aims to increase its formal employment rate to **60%** by **2030**. Since **2019** bvc’s specific goal is SDG **8.6**—substantially reducing the proportion of youth not in employment, education or training.

The Group increased its corporate social responsibility programme budget by **42%**, and invested COP **500m** in social transformation for talented youth from poor backgrounds who are interested in progressing by developing their IT and innovation abilities. Once again, we supported ProTalento and Becasoft initiatives to close the youth employment gap in Colombia.



1. Talent and innovation in IT

Donation: COP 475m

ProTalento is a place for companies to find digital and experience economy talent that has been developed in top bootcamps.

Thanks to its disruptive model, **600** talents have been trained in digital, English and socio-emotional abilities that allow them to begin formal employment and improve their income.

During various training stages, youth from **22** Colombian Departments in social stratum **1, 2** and **3** (of six) have been accompanied and guided by mentors and tutors in workplace skills.

Youth have participated in full stack developer, UX/UI design and data science programmes, with the following results:



2. Talent formation / grants

Donation: COP 25m

The Group continued to support the BecaSoft programme promoting ICT programmes as an employment opportunity for youth on technical degrees. This corporate social responsibility programme provided **20** outstanding students with software development programme grants worth COP **25m**.

Results since 2019:



Inversor fund

4.2.2.
GRI: 103-2,
201-1, 205-2



Inversor is an impact asset and project manager with **12** years' experience in impact investment. It acts as a bridge between investors and entrepreneurs, channeling private capital to companies with business models that generate economic, social and environmental returns.

Relevant facts 2021 – Fund I investment portfolio



Sustainable tourism

Sales recovered and were **32%** higher than in **2020**. Inversor is negotiating with new potential buyers to achieve the sale of this asset.



Circular economy

Gaia Vitare broke historic sales records with an increase of **76%** compared to **2020**. In December **2021**, and in view of the partial outflow from the debt investment, the fund and the company agreed a share buyback that will be executed in the middle of **2022**.



Sustainable construction

Company income continues to be impacted by the project line. By understanding the market, Groncol has been able to rethink its business model.



Agro-industry

The company broke historic sales records with an increase of **70%** compared to **2020**. In **2021**, the first fund outflow was materialised from this company working in the country's impact industry.



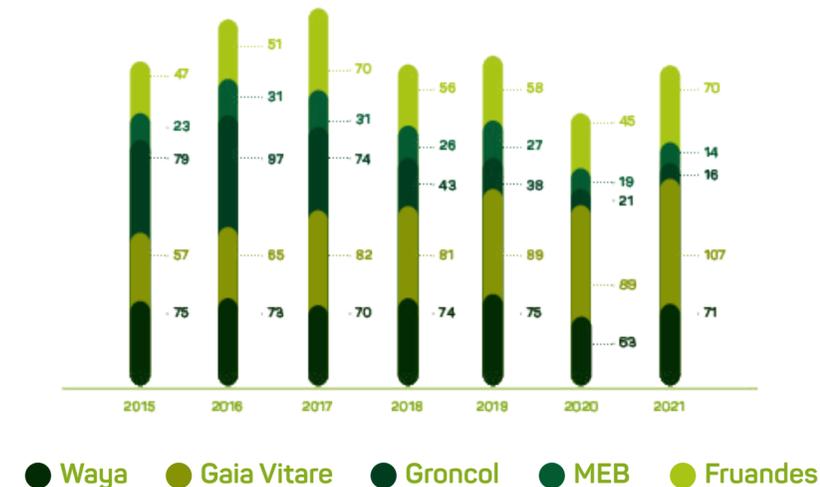
Sustainable transport

The company is in a recovery phase and is implementing technology and owned sustainable vehicle strategies to strengthen its business model and improve its market position.

Impact Fund I Companies in this investment portfolio work with vulnerable populations, purchase from local providers, develop and promote their employees' quality of life, and protect the environment.



Number of employees



4.2.GRI: 103-2,
103-3, 203-1,
203-2, 413-1**Principal employment characteristics 2021**

- **81%** of workers from vulnerable populations.
- **36%** of workers in formal employment.
- Improved employment conditions for **53%** of workers.

Gender focus – 42%

- **36%** of management positions occupied by women.
- **58%** of the women are heads of household.

Principal environmental impact indicators 2021

1,753 tons of waste collected and managed.



1,083 organic hectares at 17 smallholder associations.



1,172 tons of CO2 captured.
20.5 kg of particulate material captured.
Prevention of 16,713 tons of CO2 emissions.

Impact II investment fund is an investment vehicle principally focussed on Colombia. It channels resources to SMEs with scalable business models and triple impact generation capacity.

Relevant facts 2021

- The fund was legally structured.
- Fundraising continued for Fund II and due diligence processes have begun with potential investors.
- To date, **168** opportunities have been received, of which eight are in the initial analysis phase.

Other impact projects

Two training and employment projects for vulnerable populations began. The first is in the technology sector and includes migrant populations, and the second is related to operational posts. The goal is to train **2,400** young people and help a further **1,200** find work.



Environmental management

4.3.

GRI: 103-2,
302-1, 305-5



The Exchange and its subsidiaries are committed to promoting sustainable investment and financing that supports the country's transition towards a low carbon and more digital economy. A huge advance in this regard was becoming carbon neutral across all operations in **2020** by offsetting and reducing our carbon footprint, and receiving certification in **2021**.

bvc Group—Colombian Securities Exchange, deceval, Cámara de Riesgo Central de Contraparte and precia—received carbon neutral certification following an audit by the Colombian Institute for Technical Standards and Certification (ICONTEC).

Since **2020**, one of the Group's goals has been to contribute to reducing the effects of climate change by implementing an environmental management programme and taking action to become carbon neutral. We reduced our carbon footprint and in **2021** we offset the entirety of our operational greenhouse gas (GHG) emissions.

This is a huge achievement, and the recognition we received shows all companies that they can contribute to the country's transition towards a low carbon economy. We believe that the risk of climate change also represents an opportunity to be a pillar of economic growth by promoting the efficient use of natural resources, innovation, the development of new technologies and competitiveness.

Across all our market infrastructure we have changed business activity consumption habits, optimised energy consumption by using LED lighting in our offices, optimised air conditioning systems, reduced air travel, reduced water consumption, rationalised the use of plastics and paper, and created incentives to use alternative means of transport, among other measures. This, in conjunction with purchasing carbon offsetting bonds in reforestation and conservation projects, allowed us to achieve our goal.

bvc Group is committed to making the investments and savings necessary to achieve and go beyond the expectations of carbon neutrality. This is a fundamental part of our approved sustainability policy.

During the certification process, Fundación Natura helped us quantify and offset our greenhouse gas emissions. The process was verified and certified by ICONTEC according to GHG protocol and the NTC-ISO **14064-1:2006** standard.

This contributes to the country's goal of reducing GHG inventories by **51%** by **2030**, and achieving carbon neutrality by **2050**. For more information, please see: <https://bvcsostenible.bvc.com.co/contenido/48>



bvc Carbon Neutral Certification

4.3.

GRI: 103-2,
302-1, 305-5



El presente anexo forma parte integral del REPORTE DE HUELLA DE CARBONO CORPORATIVA DE LA BOLSA DE VALORES DE COLOMBIA Y SUS FILIALES, AÑO 2019 - AÑO 2020

ICONTEC confirma, con base en lo indicado en la norma NTC ISO 14064-3: 2006

- El objetivo de la actividad fue verificar la cuantificación de emisiones de GEI de la organización GRUPO BOLSA DE VALORES DE COLOMBIA de las instalaciones cubiertas en: filiales: Bolsa de Valores de Colombia (BVC), Depósito Centralizado de Valores de Colombia (DECEVAL), Cámara de Riesgo de Contraparte de Colombia (CRCC) y Proveedor de Precios para Valoración (PRECIA).
- Los criterios de la verificación se aplicaron de acuerdo con lo establecido en la norma NTC-ISO 14064-3: 2006 y se cumplen los requisitos establecidos por la norma NTC ISO 14064-1: 2006.
- El alcance de la verificación se limita a la Información y datos correspondientes a la organización GRUPO BOLSA DE VALORES DE COLOMBIA ubicada en la carrera 7 # 71 - 21 Torre B Piso 12, Bogotá, Colombia, durante el periodo 01/01/2019 al 31/12/2020 donde se manejan los datos del periodo del año 2019 como año base.
- El nivel de aseguramiento es razonable para la información reportada y verificada en esta declaración.
- La verificación realizada por ICONTEC se basó en información descrita en el REPORTE DE HUELLA DE CARBONO CORPORATIVA DE LA BOLSA DE VALORES DE COLOMBIA Y SUS FILIALES, AÑO 2019 - AÑO 2020, de la organización GRUPO BOLSA DE VALORES DE COLOMBIA y que fue emitido en noviembre de 2021, del cual se tomaron las fuentes, tipos de GEI y demás aspectos relevantes. Adjunto a esta declaración se encuentra el Informe mencionado en cuyo numeral de resultados 05 se indica el reporte de GEI efectuado por la organización GRUPO BOLSA DE VALORES DE COLOMBIA.
- Los datos e información entregada por GRUPO BOLSA DE VALORES DE COLOMBIA, el equipo verificador son de naturaleza histórica y junto con las evidencias recopiladas durante la verificación in situ suministran los insumos requeridos para generar la declaración de la cuantificación de GEI.
- El conocimiento evidenciado frente a los requisitos y directrices establecidos para el cálculo del inventario de GEI del personal responsable en GRUPO BOLSA DE VALORES DE COLOMBIA respalda la información descrita en el Informe y el concepto emitido por ICONTEC en esta declaración.
- Durante el ejercicio de verificación del Informe de gases de efecto invernadero realizado por ICONTEC, tuvo lugar una visita in situ realizada a las instalaciones cubiertas que comprenden las filiales: Bolsa de Valores de Colombia (BVC), Depósito Centralizado de Valores de Colombia (DECEVAL), Cámara de Riesgo de Contraparte de Colombia (CRCC) y Proveedor de Precios para Valoración (PRECIA), donde el equipo verificador realizó un reconocimiento del flujo completo de las actividades reportadas en el Informe de GEI de GRUPO BOLSA DE VALORES DE COLOMBIA.
- Gracias a las actividades realizadas por el equipo verificador según el plan de verificación, se obtuvieron los insumos requeridos para generar esta declaración de los GEI del proceso operacional, el alcance de emisiones directas (Alcance 1) e indirectas (Alcance 2 y 3) de la organización GRUPO BOLSA DE VALORES DE COLOMBIA.

Fecha de aprobación: 13/12/2021
Declaración Nro. VER-GEI-21-086

Angélica María Gaitán
Verificador Líder

F-PS-429
Versión 00

Página 1 de 2

ICONTEC INTERNACIONAL
Carrera 37 nro. 52 - 95, Bogotá D.C., Colombia



CERTIFICADO DE CARBONO NEUTRO

ICONTEC certifica que las especificaciones para la Neutralidad de Carbono de la organización:

GRUPO BOLSA DE VALORES DE COLOMBIA

Carrera 7 No. 71 - 21 Torre B Piso 12
Bogotá, Colombia

Han sido evaluadas y aprobadas con respecto a los requisitos exigidos en la:

GUÍA PARA LA VERIFICACIÓN Y CERTIFICACIÓN DE CARBONO NEUTRO DE ICONTEC

Este certificado reconoce el compromiso y la definición de una política o estrategia que incluye la neutralidad y el desarrollo de un programa para la gestión de las emisiones de Gases Efecto Invernadero, resultantes de la cuantificación de las mismas, por parte de GRUPO BOLSA DE VALORES DE COLOMBIA, con el propósito de neutralizar sus emisiones.

La neutralización se realizó por medio de compensaciones reconocidas y aprobadas las cuales cumplen con los principios de: transparencia, pertinencia, confiabilidad y exactitud

Código de Certificado: CN-CER-2021025

Fecha de aprobación inicial : 13/12/2021
Fecha de vencimiento : 12/12/2024

Fecha última actualización : NA.

Roberto Enrique Montoya Villa
Director Ejecutivo

F-PS-436
Versión 00

Página 1 de 1

4.3.

GRI: 103-2,
302-1, 305-5



This period, **bvc** Group used a new non-definitive hybrid work dynamic that combined office and remote working. One of our priorities is caring for our employees, and COVID vaccinations permitted a gradual and programmed return to the office for everyday work, decision making and co-creation by teams.

A positive impact decision was made to concentrate operations at **bvc**'s main offices; deceval, IT and support operations were centralised and our 26th Street offices were closed for operational processes and customer service. The hybrid working model allowed us to optimize the

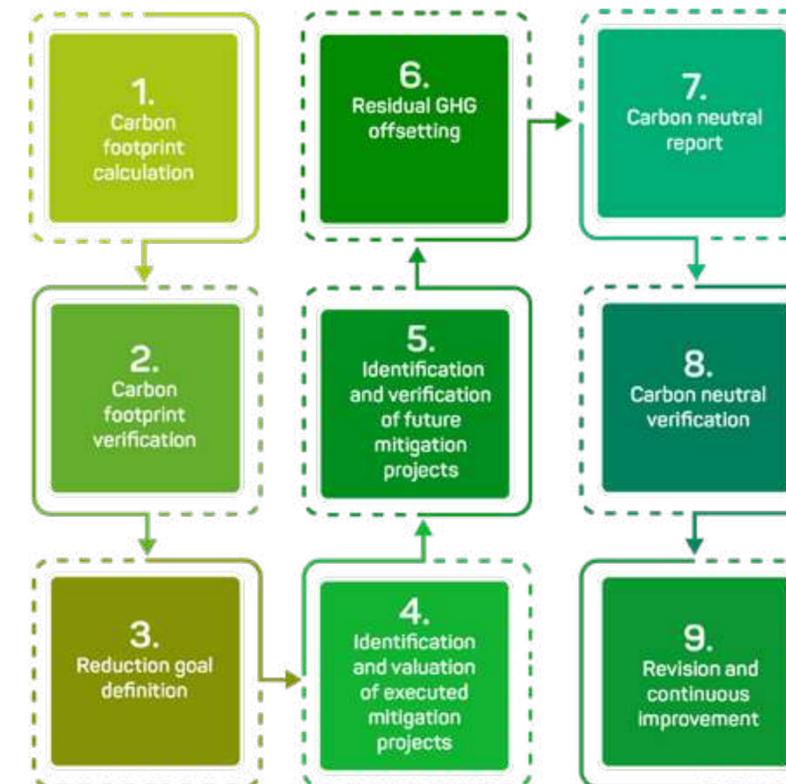
use of our offices via programmed employee attendance that reduced resource use to a minimum at the inactive branch.

As we returned to the office, we optimised physical spaces and controlled the increased use of resources. This went hand in hand with publication of the updated Greenhouse Gas Measurement Process Rulebook and sustainability policy that are used by **precia**, Cámara de Riesgo Central de Contraparte, **deceval** and **bvc**.

The rulebook establishes procedures for collecting and consolidating the information needed to calculate **bvc** and subsidiaries' carbon footprint in accordance with GHG Protocol and ISO 14064-1:2006.

The sustainability policy includes SDG 12—responsible consumption and production—and SDG 13—climate action, together with other relevant aspects such as gender equality, decent work and economic growth, industry, innovation and infrastructure, and partnerships to achieve objectives.

Carbon neutral process



Source: Informe Natura - bvc

Our journey towards carbon neutrality began a number of years ago, and ended in Q3 2021 when we received ICONTEC certification. This was a huge milestone, but also marked the start of a continuous improvement cycle that includes adjustments and monitoring of the information gathering process, and includes periodic audits by the certifying entity.

4.3.

GRI: 103-2,
302-1, 305-5

One relevant aspect was the inclusion of backup and contingency operations for core businesses, and the energy consumption of **bvc**, deceval and CRCC servers was calculated for the Triara, Ortezal and Colombia XV data-centres. The inclusion of these operationally essential data-centres in our carbon footprint measurement improves area 3 calculations in line with international best practice.

bvc Group 2021 carbon footprint

Area	Source	2021				Total
		CRCC	Precia	bvc	deceval	
1	Gasoline	0.0	0.0	4.7	0.0	4.7
	HFC-134A	0.0	0.0	0.1	0.0	0.1
	HCFC-22	0.2	0.0	9.2	6.8	16.2
	HFC-410A	0.4	0.0	5.1	49.0	54.5
	CO2 fire extinguishers	0.0	0.0	0.1	0.0	0.1
	HCFC123 fire extinguishers	1.5	0.0	6.7	2.3	10.5
Total area 1						86.1
2	Electricity	10.3	0.4	29.1	29.5	69.3
Total area 2						69.3
3	Employee transport	15.1	7.8	33.3	34.6	90.8
	Refrigerants	0.0	0.0	5.4	29.6	35.0
	Electricity	0.5	0.0	5.5	1.4	7.4
	Paper	0.1	0.0	0.1	0.1	0.4
	Water	0.0	0.0	0.0	0.0	0.0
	Air travel	1.9	1.1	3.6	8.4	15.0
Total area 3						148.5
Total						303.9



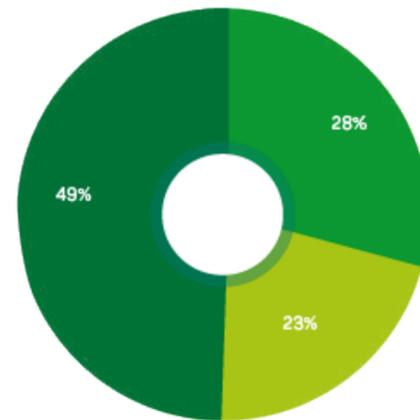
Our **2021** carbon footprint was **303.9** tons of CO2. This reflects **bvc**'s commitment to carbon neutrality; in spite of the return to work and changing measurement parameters that resulted in higher emissions, our footprint only grew by **3%** compared to the previous year when **98%** of our employees were working remotely.

4.3.
GRI: 103-2,
302-1, 305-5

Area 3 has the greatest impact on bvc Group’s carbon footprint (49%). This area is directly related to the return to work and presencial commercial management, both of which require greater use of transport and air travel by employees, as well as the use of refrigerants in air conditioning systems. The company president’s vehicle’s fuel consumption also increased, although marginally.

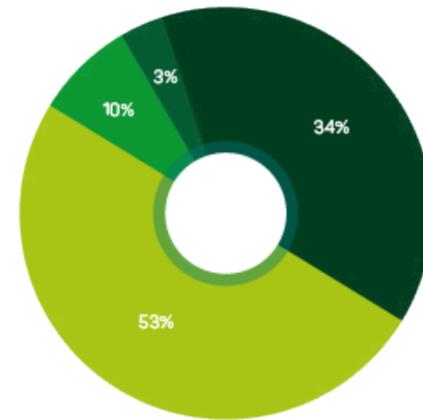
Carbon footprint variation between 2020 and 2021 shows a reduction of 22% in area 1 and 46% in area 2. However, area 3 increased by 162%, showing that 2020 was an atypical year to use as the baseline for employee transport needs and economic activity in general.

Carbon footprint by area



- Area 1
- Area 2
- Area 3

Carbon footprint by company



- bvc
- deceval
- CRCC
- Precia

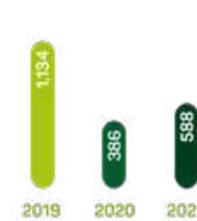
Fuel consumption has been falling over the past four years, and reached a minimum in 2020. As was expected, it increased in 2021, but did not reach 50% of the historic high. This was thanks to technology being used to hold virtual meetings as an everyday occurrence, and efficient time management that avoided unnecessary journeys.

Electricity consumption has remained stable since 2020 at around 600,000 kWh. Our operations require technology infrastructure to be available 24/7, so we expect long-term consumption to remain stable at around the level reported. By including bvc, deceval and CRCC data-centres in the measurement, we are able to report the true reality of all bvc needs.

In spite of the return to work water consumption fell by 40%, primarily due to closing our 26th Street operation. Once we have definitively closed the 26th Street offices, and employees have returned to work at the 72nd Street offices, annual consumption should stabilise at between 600 and 900 cubic metres.

The use of videoconferencing for internal and external meetings, and new post-pandemic working practices that have been incorporated into bvc Group culture, have generated time and resource savings while maintaining the security and traceability of the required controls.

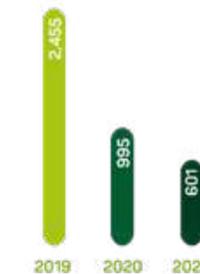
Fuel consumption (US gallons)



Energy consumption (kWh)



Water consumption (m3)



Using digital documents, collaborative tools, electronic signatures with digital certification, electronic billing and electronic archiving are just some examples of activities that can be carried out without the need for physical documents.

Lower print volumes reflect a new way of working and have a favorable impact on the entire chain: we need fewer printers, less toner and other supplies, use less electricity and paper, and produce less residue, rubbish and waste. Between 2018 and 2021 paper use for printing fell by close to 90%.

4.3.GRI: 103-2,
302-1, 305-5**bvc Group carbon footprint offsetting**

In **2021**, bvc Group offset **2.6x** its carbon footprint by purchasing carbon bonds equivalent to **800** tons of CO₂ in a forest mitigation project at the Tikuna, Cocama and Yagua Indigenous Reserve.

Project characteristics:

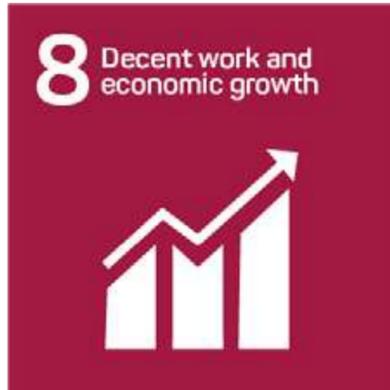
- Location: Puerto Nariño, Amazonas, Colombia
- Area: **141,841** hectares
- Type of project: AFOLU REDD+ to prevent unplanned deforestation
- Associate: Association of Indigenous Authorities
- Carbon bond verifier: Asociación Española de Normalización AENOR Internacional S.A.U.

The project's main objective is to identify, prioritise and execute actions to ensure environmental resources are correctly managed, promote sustainable development, and strengthen alternative productive activities while also improving the means of survival of the **22** communities living in the reserve.



Financial education

4.4.
GRI: 103-2,
203-2



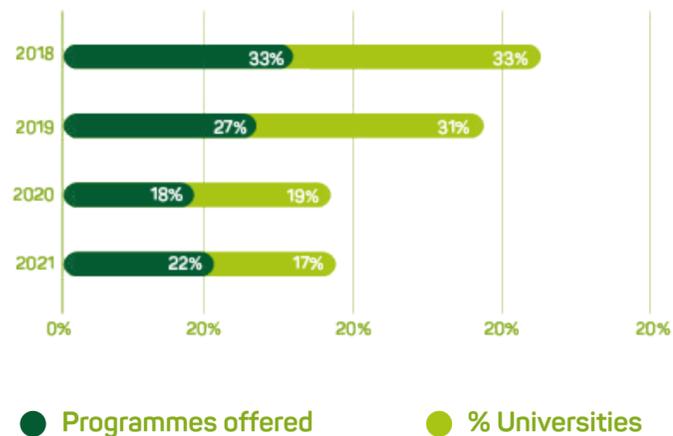
We provide training programmes for the local capital market that make it easier to invest, attract new investors and democratise investment in our market.

We also professionalise agents via programmes, tools, and presencal and virtual academic content.

In **2021**, we focussed on structuring and growing a new offering for companies and universities that included education platform improvements and product transformation.

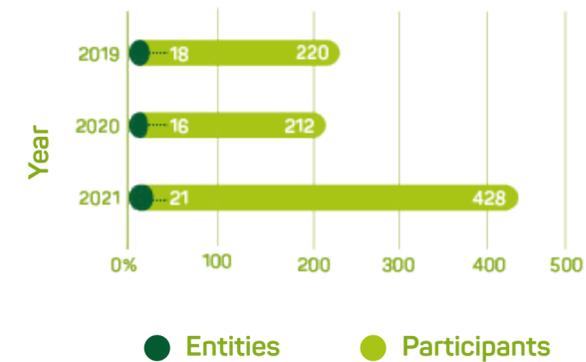
100% online education for individuals

In addition to free talks at universities (Get to Know bvc), our massification strategy included a large-scale trading education event called InvertDays that was directed at institutional investors, individuals, issuers and the general public, and was designed to update knowledge and foster active participation in the market.



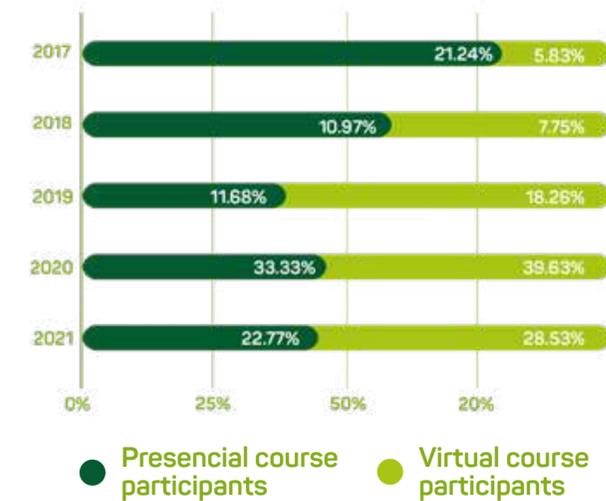
Education for companies

In **2021** we doubled the number of participants and offered **988** hours of bespoke and subscription-based training.



Education for universities & bvc centres

In **2021**, **20** programmes were offered in conjunction with **8** universities.



4.4.

Customer experience

Education scored **5%** higher than the previous year. Although this is an optimal level, there are improvements that are reflected in the customer experience improvement plan.

**2022 Challenges**

2022 brings the challenge of educating everyone in how to invest, making our products **100%** digital in all segments, and increasing the potential market by reducing the number of bespoke and specialised products.

To do this we will create new content, and optimise the new virtual education platform and its e-commerce component. In conjunction with a new associate, we will launch the Millionaires' Exchange **2.0** competition and implement the new e-trading simulation platform to provide investment learning.

InvertDays

27, 28 y 29 de octubre

Con InvertDays tienes lo necesario para dar tus primeros pasos de inversión en el mercado de capitales.

bnc Conectados nuestro valor es más grande



5. Customers and Market

5.1. Principal 2021 Commercial Results

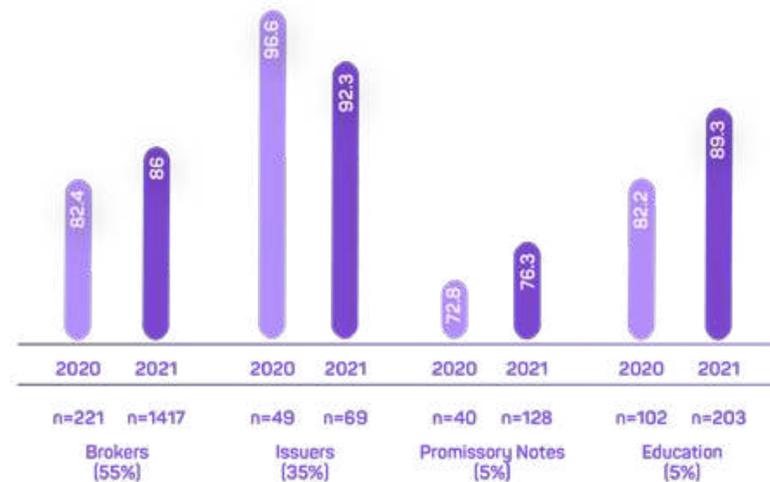
GRI: 103-1, 103-2

- Market penetration: **147** new customers in collaborative financing (**53**), dematerialised promissory notes (**67**), and new debt issuers (**11**), among others.
- Depth and loyalty: We broadened our commercial relationship with **145** customers in digital credit solutions (**70**), debt issuances (**23**), post-trade services (**16**), and markets (**29**), among others.
- COVID response: We participated in the United for Colombia programme by offering options to companies facing economic difficulties due to the pandemic, and carried out debt issuances for six issuers on the secondary market under the National Guarantee Fund agreement.
- PSS Solutions: We facilitated extra-market transactions worth more than COP **14**tn by building new strategic partnerships to issue new types of private and public debt securities.

2021 Highlights

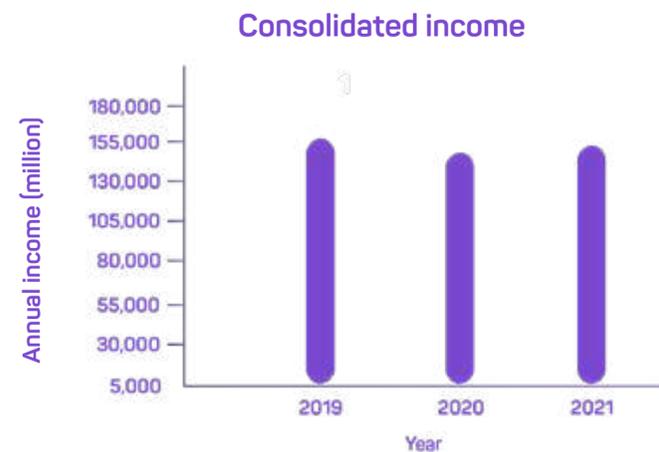
5.1
GRI: 103-1,
103-2

- Customer experience: we quadrupled the number of customers surveyed and scored **88/100**, **2%** higher than in **2020**.

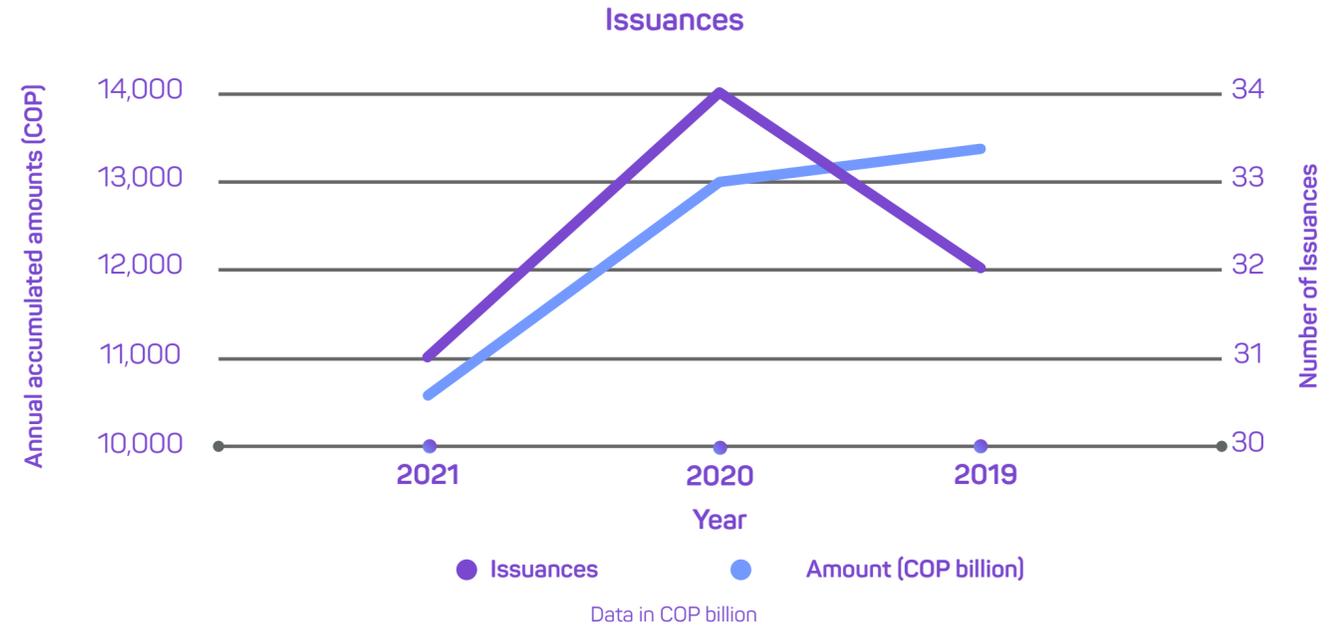


2021 Commercial Objectives and Achievements

- Customer focus: We set up a specialised team for market products and segments that facilitated cross-company support and Group synergies, as well as taking care of seven portfolios, being present in three regions, and supporting more than **600** customers.
- Income: Our resilience against the effects of COVID allowed us to achieve consolidated income of COP **150bn**.



- Elissuers: Private debt issuance volume was above COP **10.5tn**, from **30** recurring and new issuers.



We continued to promote ESG criteria in debt security issuances, and we provided services for the first internal private debt social bond issuance.

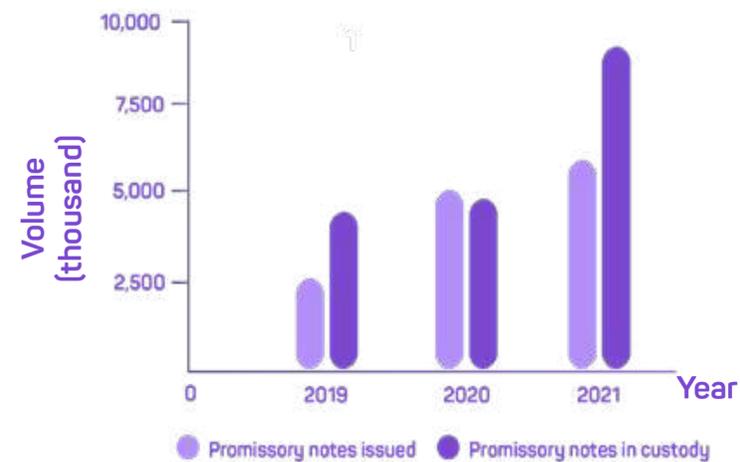
- Markets: Broaden the securities market, generate greater liquidity, offer more equity options to investors.
We implemented a cross-listing model with the Santiago Stock Exchange, and listed five shares and one ETF on the Colombian Global Market.
We entered into four new partnerships that strengthened our initiatives to increase the depth of fixed-income and derivatives.
We supported the first Colombian company to be listed on the Toronto Stock Exchange, and provided services related to a new issuance of **bvc** shares.

5.1.

GRI: 103-1,
103-2

- Education: We broadened our exchange education agenda, and trained **1,200** new students, developed six laboratories, offered **444** hours of training and held the first investor week, InvertDays, with **6,500** participants, **150** new students and **18** panellists.
- Post-trade: We reduced technical obsolescence in depository systems by more than **80%**
- Promissory notes: we added **84** new customers to our issuance service, we added **67** new entities and facilitated the issuance of more than **5.9** million promissory notes.

Promissory Notes Issued and in Custody



- SMEs: We supported direct access to credit resources for **53** SMEs via **56** campaigns and the engagement of **4,763** new investors.

Products, Solutions and Services

Information and media: we finalised the partnership with MSCI, launched the MSCI-COLCAP Index, and increased sales of Bloomberg indexes.

Derivatives: We launched a new liquidity providers programme for exchange rate futures.

We completed the Master Trader migration that allows entities to implement algorithmic trading strategies for derivative products.

Post-trade: We strengthened our digital offering and launched a new virtual assembly service.

We strengthened operations in ATL services and leveraged our scale and connectivity with the financial system to provide a better experience.

Domestic and International Macroeconomic Evolution

5.2.

GRI: 103-2
SFC: Numeral
7.6.2. Anexo
Circular 038 de
2009

International Macroeconomic Environment

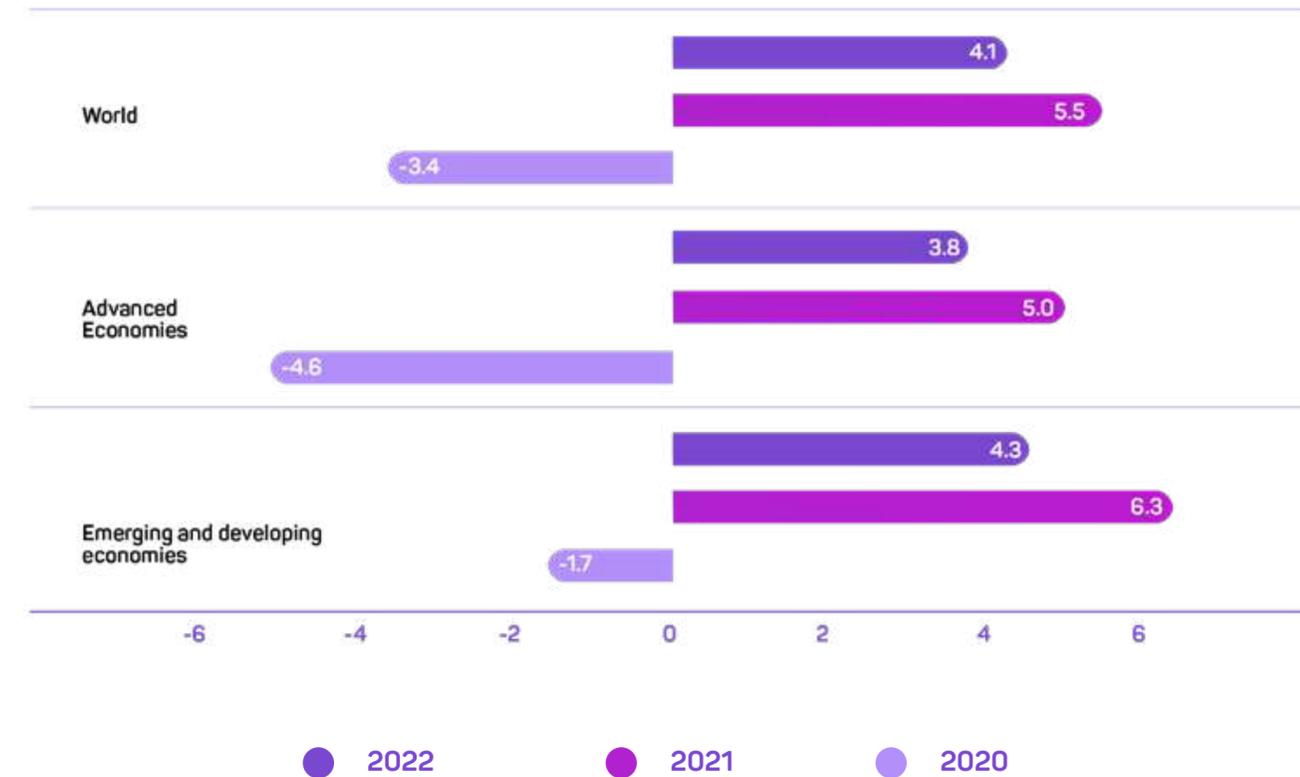
Economic performance improved in **2021**, on the back of higher consumer spending, a recovery in investment, and trading in goods that was above pre-pandemic levels. Growth projections for **2022** are lower due to the threat of new COVID variants and new economic problems related to uncertainty around inflationary trends due to global supply-chain issues; energy price volatility and salary pressures; rising monetary policy rates in advanced economies that place pressure on capital flows, currencies and the fiscal situation in emerging economies due to the high levels of debt accumulated over the past two years; and geopolitical tension.

The World Bank estimates that growth will decelerate from **5.5%** to **4.1%**, and predicts a further slowing to **3.2%** in **2023**, as pent-up demand and macroeconomic support policies evaporate. It is worth noting that although production and investment in advanced economies is projected to return to pre-pandemic levels, the same is not true for emerging and developing economies due to low rates of vaccination and stricter fiscal and monetary policies.

On the capital markets, at the end of **2021** the US curve reflected devaluations due to the faster than expected removal of global monetary stimuli, as well as inflationary pressures. Securities in the region continued on the same path as the American Treasury and were affected in the short-term due to the expectation of lower monetary expansion. The majority of global stock markets saw increases due to good performance in technology, energy and financial sectors, and corporate benefit improvements were higher than expected.

The oil price increased to an average of USD **69** per barrel (+**67%** compared to **2020**). This led to higher natural gas prices too. Although OPEC+ countries increased production, global oil production recovered more slowly than expected. Prices are expected to reach an average of USD **74** per barrel in **2022**, and fall to USD **65** per barrel in **2023** as global production recovers.

Economic Growth Forecast



Source: World Bank

5.2.

GRI: 103-2
SFC: Numeral
7.6.2. Anexo
Circular 038 de
2009

Domestic Macroeconomic Environment

In **2022** the economic growth rate is expected to be **9.0%**, primarily driven by internal consumption, especially household consumption. However, the economy is projected to move closer to long-term levels (GDP projections of between **3.6%** and **5%**) due to rising global and domestic prices, rising interest rates, and uncertainty around upcoming elections and the pandemic. This growth path imagines recomposed sources of growth in which consumption slows, but is substituted by private investment and exports, and is supported by election results that do not compromise the economic model.

The job market continues to recover alongside the economy. The domestic unemployment rate was **10.8%** in November **2021**, the lowest level since the start of the pandemic in **2020**. As employment is normalised, the rate is expected to settle at between **10%** and **11%**.

Inflation is the economy's principal challenge, and is expected to continue to rise in the short-term due to supply-chain issues and the rising price of food and raw materials. However, in the long-term it is expected to return to Banco de la República's (central bank) target range. The intervention rate is expected to rise to **4.5%** due to agents' expectations and the elevated rhythm of economic activity.

On fiscal matters, the Ministry of Finance projects a national government fiscal deficit of **7.6%** of GDP as a result of accelerated local economic activity and the International oil price recovery having a positive impact on tax receipts, and also due to capital surpluses. However, the challenge remains to make public finances sustainable by reducing the fiscal deficit and public debt in the medium-term.

Lastly, the FX and equity markets experienced tremors in 2021 as the Colombian peso fell by 16% against the US dollar, and MSCI-COLCAP ended the year 1.87% down. Although the global fixed-income environment is expected to experience difficulties in 2022, including in Colombia, it is expected that once market turbulence and electoral uncertainty have been overcome, there will be room for valuations in public debt securities. The share market is expected to recover on the back of better returns on investment, EBITDA and net profits and become ever more attractive to investors due to its solid foundations, and also to correct its divergence compared to other markets in the medium-term.

Currency Trends



Source: Bloomberg

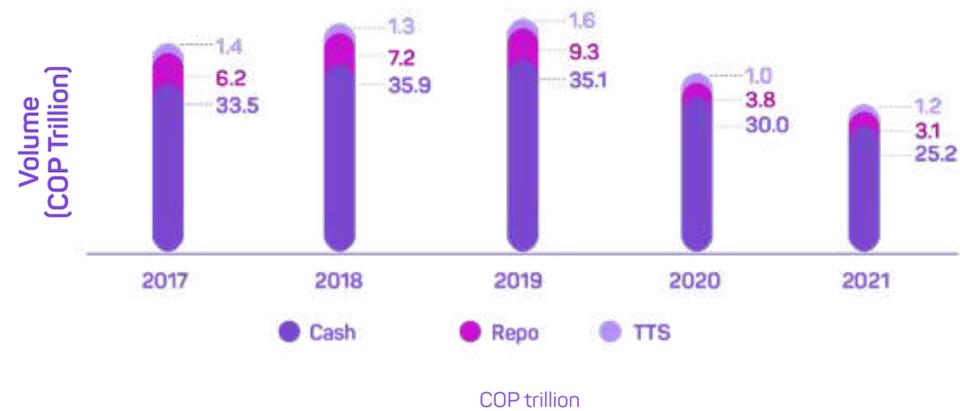
Equity Market

5.3.1.

GRI: 103-2

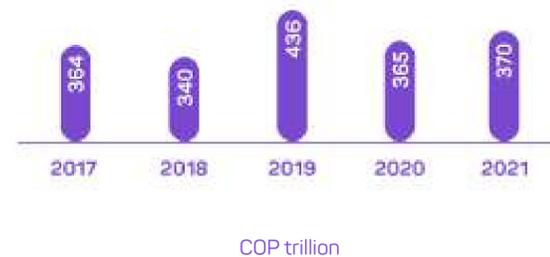
COP 28.5tn in equities were traded, of which COP 25.2tn were cash transactions, COP 3.1tn were repo and COP 1.2tn were temporary transfers of securities (TTS). Compared to 2020, cash and repo transactions fell by 15.9% and 17.4%, respectively, and TTS grew by 17.1%.

Equity Market Volume 2017-2021



Contrary to volumes, market capitalisation grew by 1.5% to COP 370tn.

Market Capitalisation 2016-2020

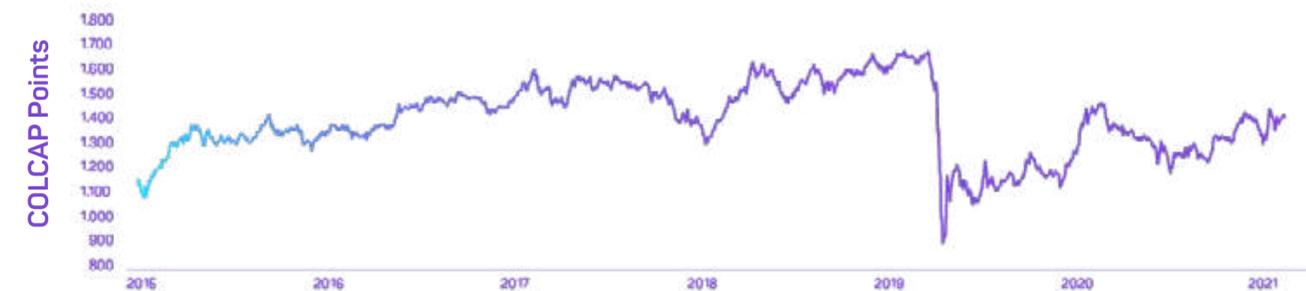


The MSCI-COLCAP Index closed the year at 1410.7 points, a drop of 1.9% that was driven by drops in public utility, financial services and material shares.

The value of the basic consumption and energy sectors rose. News of a tender offer on Grupo Sura and Grupo Nutresa shares generated volatility and a price rise at year-end.

Dynamics in the global economy improved in spite of the second wave of COVID-19. Inflation increases and monetary policy are latent risks. LatAm exchanges experienced mixed performance: IBOVESPA (-11.9%), S&P/BVL Perú (+1.4%), IPSA (+3.1%) and MEXBOL (+20.9%). In the USA, the S&P 500 and Nasdaq Indexes rose by 26.9% and 26.8%, respectively.

COLCAP Index 2017-2021



Source: bvc

5.3.1 GRI: 103-2

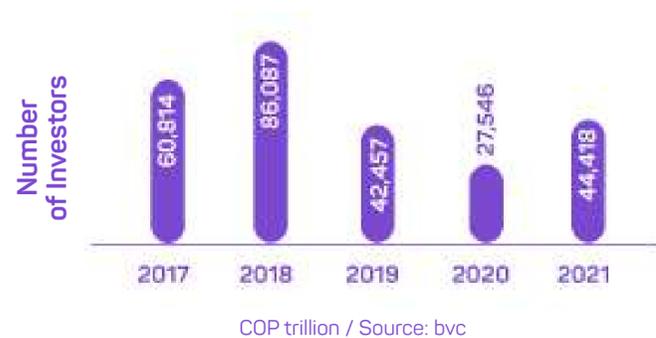
Investors

Foreign investors were the principal investors in the domestic market (34.1%), followed by brokers (19.1%) and pension funds (18.8%). The year's net purchasers were pension funds (COP 1.7tn), and foreign investors closed the year with a sales position worth COP 2.5tn.

The number of private individuals trading shares rose by 61.2%, going from 27,546 to 44,418. At 2021 year-end, the number of accounts with a balance greater than zero was 466,252. Private individuals' participation in the market reached 14% in 2021, and achieved a net purchase position of COP 290bn.

The number of transactions carried out by private individuals rose by 9.7% compared to 2020 (from 483,655 to 539,685). Of note was Trii e-trading platform launch, and 32% of all transactions made using this channel.

Investor Trading 2017-2021



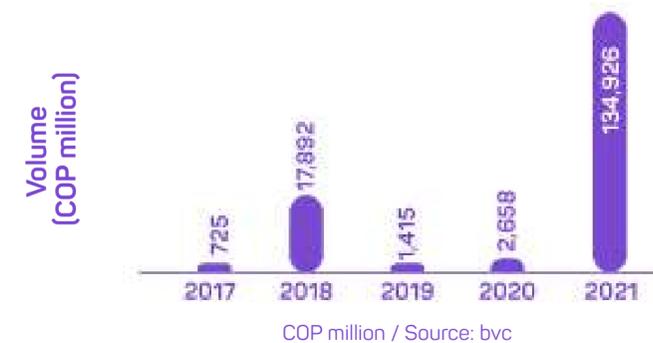
Principal Initiatives and Products 2022

Colombian Global Market

Developing the Colombian Global Market (CGM) by listing new foreign securities was a priority. In the first half of the year, five of the Chilean market's principal securities were listed, as well as one ETF that tracks the Santiago Stock Exchange's principal index. In addition, in the second half of the year nine global exchange funds were listed with underlying equities and fixed-income from developed, developing and American markets.

At 2021 year-end, 23 securities were listed on the CGM with total trades reaching COP 134.93bn; 10,606 trades had been registered; there were seven new active customers; and more than 1,700 investors had global securities investment strategies.

Global Market Volume 2017-2021



During the year adjustments were made to permit mutual fund, trust and foreign share process securities to be listed.

INET – Master Trader Project

The Exchange continues to implement important technologies that integrate fixed-income, equity, derivative and MILA markets into just one screen.

In March, equity and CGM trading was activated. In Q3, the system was updated to include Repos and TTS.

In December, the platform was updated to allow trade validation testing to be carried out in 2022 on MILA (BCS and BVL) using Master Trader. Corrections were also made to the screen, and PATS templates were added that focus on the equities market. At 2021 year-end, five entities had begun trading two products using the Master Trader screen, and one entity had four active equity products in mutual funds, trusts or foreign share processes.

5.3.1.

GRI: 103-2

Satisfaction Survey

Equities scored **73.8** on the satisfaction survey (**-0.8** compared to the previous year). Opportunities were identified related to developing the value proposition and market dynamics.

Advances were made in **2021** in stabilising the Equities by Chamber project and improving its response capacity and system performance. Today, response time is **40%** faster in non-functional back office processes and the system queues and blockages that were common on high-volume days have been avoided.

In addition, with a view to driving growth and promoting the use of over the counter securities lending, in **2021 bvc** made contract templates available to the market for OTC securities lending.



Fixed-income Market

Market Performance

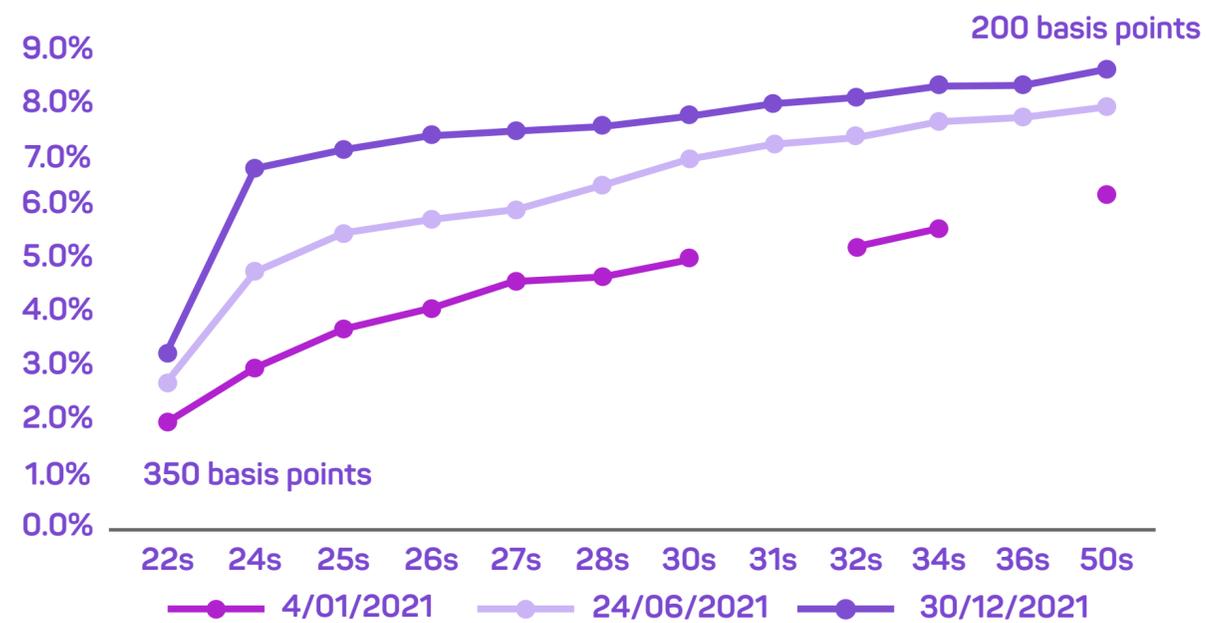
5.3.2.
GRI: 103-2

In **2021** the economy progressively recovered, but with increased country risk, a drop in the sovereign debt rating and the start of a central bank rate contraction policy; the intervention rate rose by **1.75%** in September, and reached a year-end level of **3%**. This generated devaluations and capital flight in the fixed-income market.

Trading volumes in treasury bond cash transactions fell by **19%** on the Colombian Electronic Market (CEM) and rose by 10% on the Electronic Trading System (ETS). RRP transactions fell by **2%** on the MEC and by **15%** on the ETS. Private debt trading fell by **35%**.

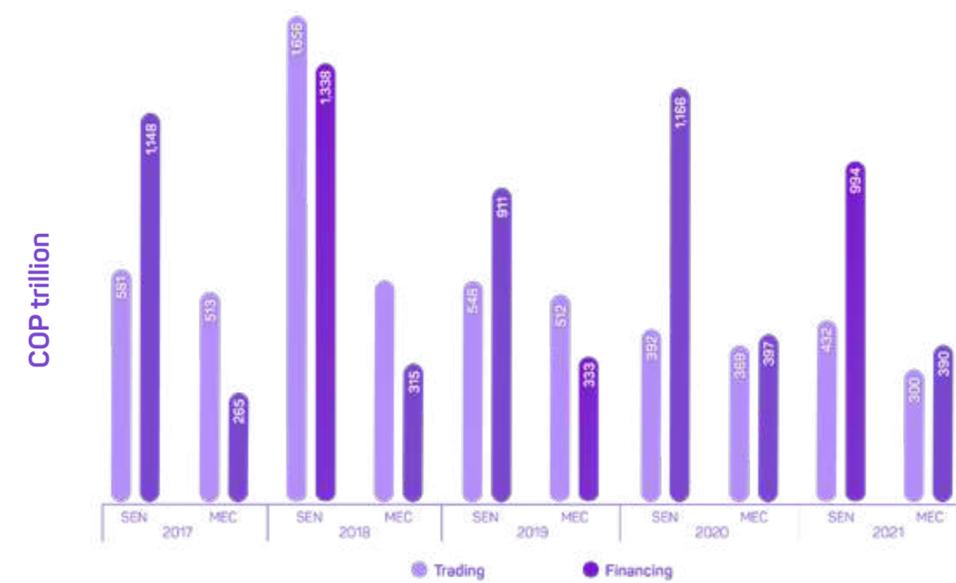
This devaluation in securities shows that the curve has flattened and investors are selling in the short and medium-terms, rather than the long-term, meaning that the short and medium-terms rise more than the long-term.

Graph 1: Fixed-income Treasury Bond Performance



Source: SEN

Graph 2: Public Debt Trading Volume by Type of Transaction



Source: SEN, bvc

Graph 3: Public and Private Debt Trading Volume



5.3.2

GRI: 103-2

Public Debt Market

The public debt market suffered high volatility, caused by the failure of the tax reform bill, a reduction in the sovereign debt rating, an increase in central government debt, and inflationary pressures.

In **2021**, the first sovereign green bond in local currency was issued to finance projects that comply with the country's environmental and climatic commitments.

Trading volumes of money market operations on the MEC, cleared by CRCC, rose by **68%** compared to **2020**. This was the result of eliminating of quotas and building confidence in blind clearing strategies that attracted new players to the market.

Private Debt Market

Private debt trading volumes fell by **35%** to COP **103tn**, mainly due to a macroeconomic situation that led to securities being devalued. In addition, primary issuances of private debt securities fell by **62%** compared to **2020**.

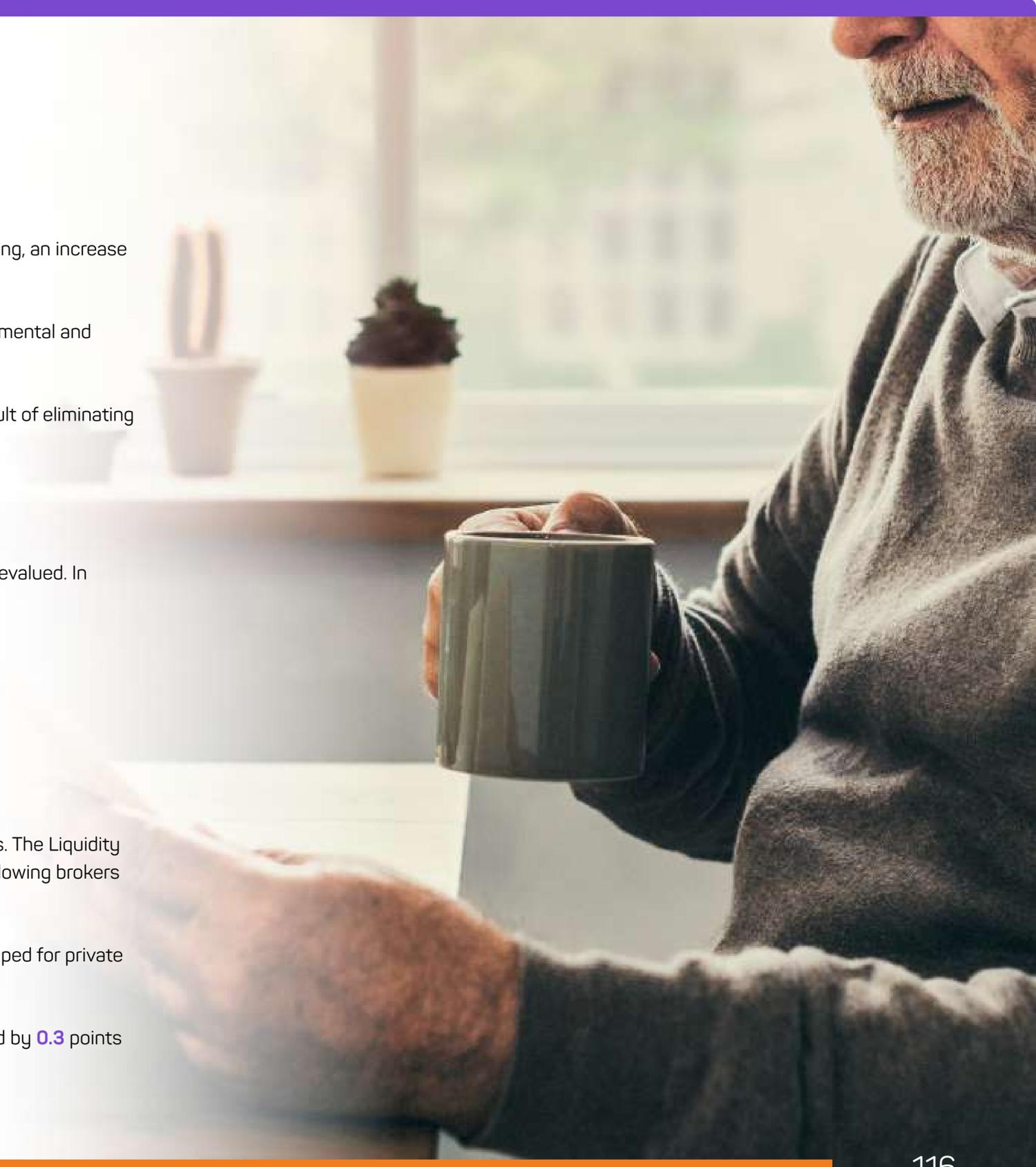
RRP transactions with eligible corporate debt assets fell to COP **15tn**, a **17%** drop compared to **2020**.
COP **15** billones.

New Initiatives

The treasury bond liquidity programme was reactivated in September, and this invigorated some transactional market products. The Liquidity Maker programme was formalised with the Colombian Financial Superintendence for securities not issued by the government, allowing brokers to participate as market price construction promoters.

New automation tools were created to facilitate interaction with Master Trader using PATs. Large upload templates were developed for private debt that reduce the operational load when inputting orders.

For the third consecutive year, the satisfaction survey produced positive results for fixed-income products; the score improved by **0.3** points to **83**.



Derivatives Market

5.3.3.
GRI: 102-9, 102-10, 103-2, 204-1

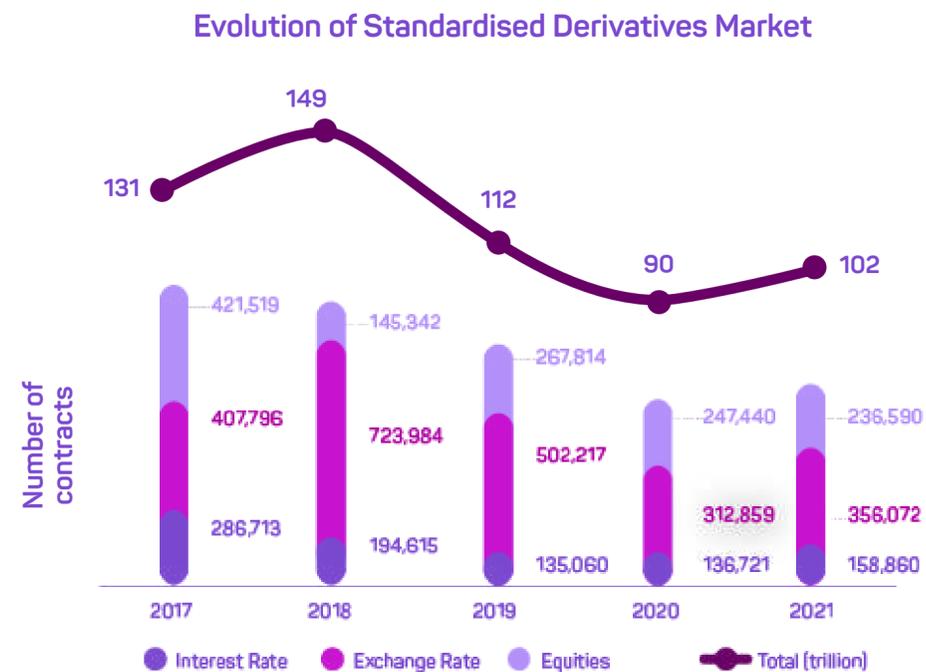
The derivatives market grew by **13%** in **2021**, reversing the negative tendency it had in **2019** and **2020**, and recovering a percentage of the volume it had lost since the start of the pandemic. At year-end, **752,000** contracts had been negotiated (**+8%**), over a total of **45,881** trades.

The principal factors driving this evolution were:

Growth in treasury bond (**8%**) and FX futures (**16%**) that was driven by greater dynamism among institutional agents on the market.

A more normalised product operation scenario for brokers and a progressive return to the negotiating table.

An economic recovery outlook that was not reflected in asset prices, and a year with periods of market uncertainty in spite of reduced volatility compared to **2020**.



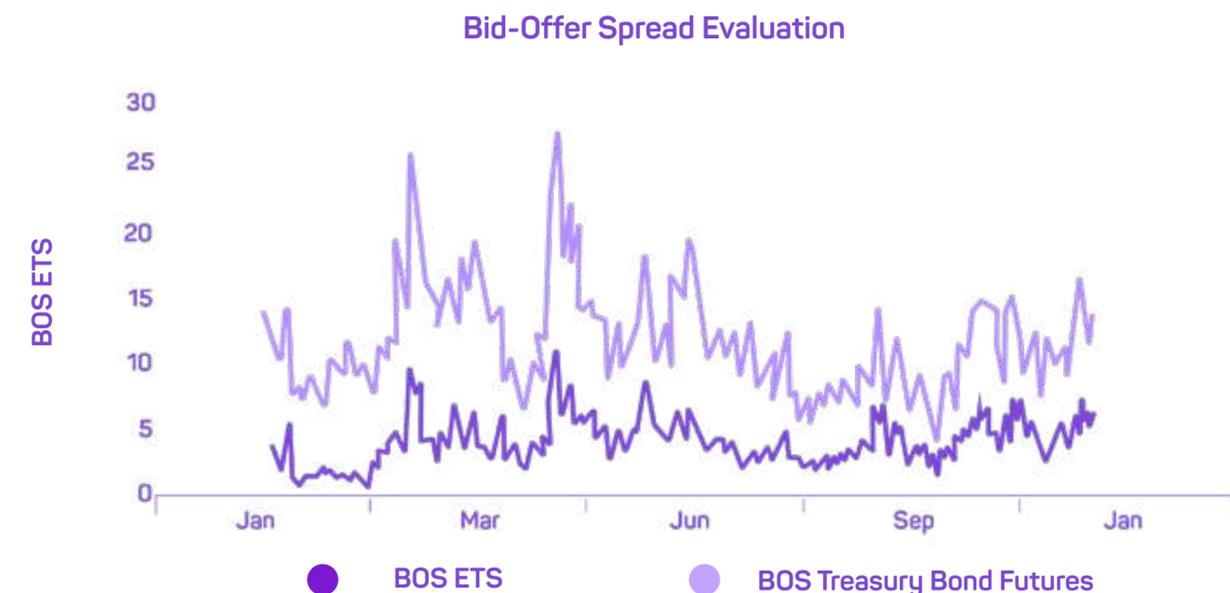
Source: bvc

Liquidity Programmes

The new liquidity providers programme for FX mini-futures was important to the derivatives market. The programme reflects bvc's commitment to developing liquidity, and is designed to drive adequate price formation and promote general market development.

The programme has two participants that allow agents to buy or sell in future US dollars. Quotes use USD **5,000**-sized reference futures to capture retail and small business investors, and offer them improved conditions for foreign exchange risk mitigation strategies, or to give them an advantage related to the profitability potential of the supported instruments.

In addition to the FX mini-futures programme, it is important to mention the consolidation of the treasury bond futures liquidity programme. Although **2021** was a complicated year in terms of treasury bond liquidity, and these securities suffered devaluations, the liquidity programme remained active and there was a progressive closing of the bid-offer spread that reflected a more mature and efficient market.



Source: BanRep, bvc

5.3.3.

GRI: 102-9, 102-10, 103-2, 204-1

Projects

From February, some members of the derivatives market chose to migrate to Master Trader. By the end of October, all entities had been migrated to this new screen, and this generated important benefits. The platform has contributed to liquidity programme membership using PATs functionality. This allows orders to be routed from files and also allows algorithms and automated trading strategies to be created by any operator. The liquidity provider programme results mentioned above were made possible by the implementation of this project.

It is worth mentioning that allowing entities to migrate at their own pace, and closely supporting them during the implementation of the project, ensured that the impact generated by migrating to the new screen was relatively small.

Satisfaction Survey

The derivatives market scored **76.6** points on the satisfaction survey, a drop of **4.2** points compared to the previous year.

Improvements were suggested in competitive market access, and **bvc** must adapt to the needs of market participants.



Issuers

Reconocimiento ir

5.4.1.
GRI: 103-2
SASB: FN-EX-410a.4.

In its quest to position Colombia as a global reference country for information disclosure, bvc has been encouraging issuers to adopt best practice in information disclosure and investor relations. In **2013**, bvc created the ir Recognition programme. This programme encourages issuers to periodically publish complete and detailed information in Spanish and English, together with their financial results, and proactively manage investor relationships. In **2021**, **32** issuers applied to renew their membership. This year, in addition to corporate governance criteria, the standard evaluated social and environmental criteria and Recognition positioned itself as an ESG brand. Disclosure standards were increased, with the objective of promoting information disclosure among issuers with securities listed on **bvc**.

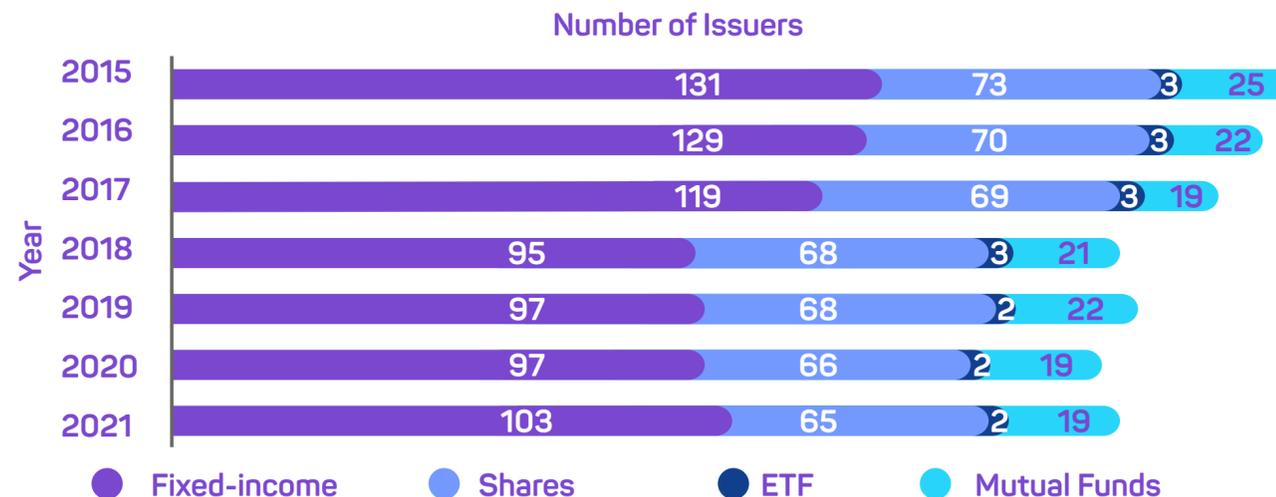
Number of Issuers with ir Recognition



Source: bvc

Since **2016**, the Colegio de Estudios Superiores de Administración (College of Higher Administration Studies, CESA) has been defining the minimum investor and market information disclosure frameworks for ir issuers. CESA evaluates compliance with the frameworks and makes recommendations to issuers on adopting the standards to ensure the continuous improvement of information disclosed. Some of the **2021** results were:

ir Issuers with Greater than Standard General Adoption Percentage



Source: bvc.

Number of Issuers 2021

164
issuers

This year, **25** issuers were financed via **31** issuances worth a total of COP **10.5tn** fixed-income securities.

New issuers and new sectors joined the Exchange alongside new products. Companies such as Ultracem, Credivalores and Avista were part of a government initiative to give simplified companies (SAS) access to the capital market via guaranteed ordinary bond issuances. In addition, Fideicomiso Concesión Aburrá and Fideicomiso Sura Américas carried out their first bond issuance to finance infrastructure projects. The IGNEOUS private capital fund was listed in the equity segment, providing new investment opportunities.

It was a record year for sustainable issuances, and the inclusion of sustainability-linked bonds broadened our offering. Seven issuers (Banco W, Bancamía, Corficolombiana, Bancolombia, Bogotá D.C., Icetex and Compañía de Empaques) raised COP **1.8tn** in financing. Compañía de Empaques became a pioneer in the use of sustainability-linked bonds.

In **2022**, bvc's sustainability programme will turn five, and we will work to take our current and potential solutions to more issuing companies connected to players in the ecosystem.

5.4.1

GRI: 103-2
SASB: FN-EX-410a.4.

Issuer Committee

The committee is comprised of the **14** most active issuers in the market from different economic sectors, and is a forum that represents companies' interests, and analyses doubts, suggestions and topics related to the securities market. It promotes and manages regulatory or operational adjustments with the relevant authorities.

Over the year, the committee's working groups with regulatory bodies and stakeholders in the ecosystem worked on initiatives to promote sustainability, develop the bond market, securities liquidity and price formation, and promote the regional market.

As a result, the CFS published External Circular **031** on disclosure of ESG information, and offered TCFD training and working groups on implementing the circular's frameworks and green taxonomy. Recurring block collocations were implemented to dynamise the bond market, and promote private debt together with liquidity providers. The committee was actively involved in regional integration activities and discussions around Bill **413/2021** that proposes updating capital market regulations.

Satisfaction Survey

The **2021** satisfaction survey, conducted by IPSOS, included issuers that used inscription and special operations processes, as well as depositing issuers, comprehensive issuers and supported issuers.

The issuer satisfaction score was **91** points, **3.4** points higher than in **2020**.

This result highlights the relationship between bvc and issuers as a value generating strength. Support from commercial and special operations teams and post-sales support with managing securities were also highlighted.

Finally, our customers recognised the way the Exchange supports their strategies by creating strategic opportunities in the primary securities market, and offers the opportunity to participate in the issuer committee as a value generator for listed companies. They also mentioned the support they receive for ir Recognition renewal, as well as the programme's capacity to promote best practice in investor relations.

Special Operations

5.4.2.
GRI: 103-2

We carried out **34** special operations worth a total of COP **13.1tn**, **31** of them in fixed-income, a market that continues to be an important source of financing for securities issuers.

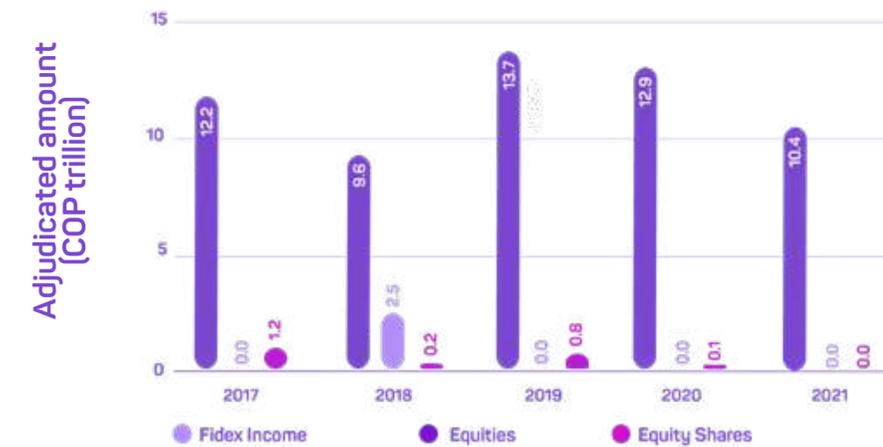
Type of operation	Number of operations	Adjudicated amount (COP billion)	Billed amount (COP million)	Observations
Fixed-income issuances	31	10,397.32	1,081.23	Includes charges for delays and cancellation.
Equities issuances	1	0.00	1,346.49	Includes charges for developing and registering an issuance not carried out on bvc.
Tender offers	2	2,664.97	1,335.24	
Total	34	3,062.29	3,782.97	

Satisfaction Survey

Special operations provides a satisfactory experience to bvc issuers, and scored **97/100** points in the transactional measure and **94** points in the relationship measure. Strengths are to be found in the support offered to issuers during the execution, adjudication and publication of special operations results. Support can still be further strengthened, as can the information provided and our agility in resolving issues and doubts during the operational readiness phase.

Primary Market Operations

We carried out **31** fixed-income issuances worth a total of COP **10.4tn**, and one equity issuance via the construction of a book-offer, although this transaction was not completed by the issuer.



Secondary Market Operations

Two tender offer processes were carried out during the year, worth a total of COP **2.7tn**.



Issuance Depository

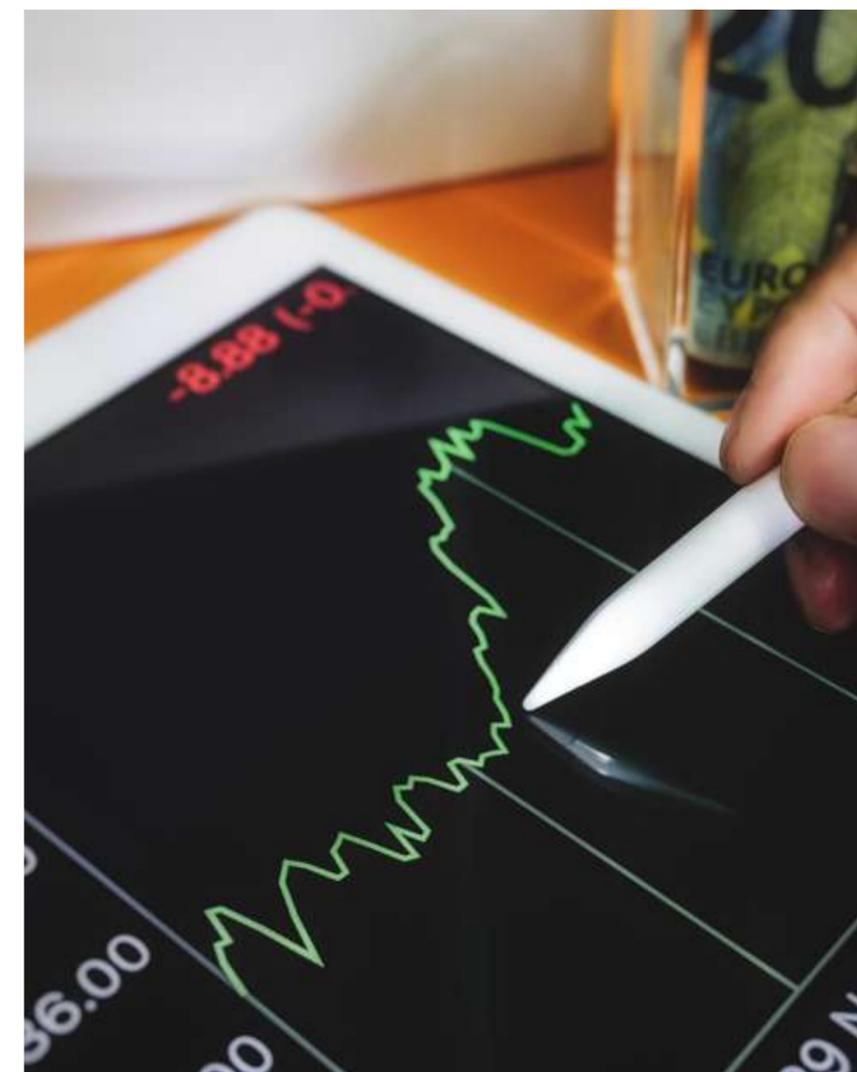
5.4.3.

GRI: 103-2

Dematerialised issuance, listing and management of securities for issuers fell to COP **515.9**tn (COP **11.4**tn less than in **2020**) due to devaluation in the securities market and a reduction in dematerialised term deposit issuances. Bonds and equity shares grew by COP **11.5**tn, an increase above **10%**. Dematerialised issuances by class of security were as follows:

Class (COP trillion)	2017	2018	2019	2020	2021	Var. year (COP)	Var. year (%)
Shares	266.0	238.6	307.7	294.0	284.4	-9.6	-3%
Term deposits	121.0	122.9	129.6	122.9	110.0	-12.9	-11%
Ordinary bonds	48.3	52.3	55.4	60.5	65.6	5.1	8%
Mortgage securities	3.7	3.5	4.2	3.5	3.1	-0.4	-11%
Public debt bonds	10.3	10.5	11.2	12.7	14.4	1.7	13%
Credit securities	0.4	0.2	0.7	0.8	0.7	-0.1	-14%
Pension bonds	1.8	1.7	1.5	1.3	1.2	-0.1	-10%
Equity shares	18.5	21.7	28.9	31.4	36.3	5.0	16%
Commercial papers	0.4	0.6	0.0	0.0	0.0	0.0	-100%
TIDIS (tax refund certificates)	0.3	0.8	0.7	0.0	0.0	0.0	29%
Non-mortgage securities	0.3	0.3	0.2	0.2	0.2	0.0	-1%
TOTAL	470.9	453.3	540.1	527.3	515.9	-11.4	-2%

Source: Deceval



Issuer satisfaction in **2021** was evaluated at **91** points, higher than in **2020**. Our **2022** objective is to maintain service at the same level, associated with courtesy, knowledge, opportunity and ease of communication.

5.4.3

GRI: 103-2

Equities Issuances

This type of issuance fell by **3%**—due to the devaluation of balances in circulation as a result of the pandemic, as well as low volumes—to COP **284tn** and a market penetration above **82%**. There were no new dematerialised issuances during the year.

Growth in other securities on deposit—principally mutual fund and private capital fund equity shares—was relevant and above **16%**; their total value is now COP **5.0tn**.

Fixed-income Issuances

Dematerialised fixed-income bond issuances experienced an interesting dynamic. At year-end total issuance volume was COP **12.8tn**, with important participation from green and social bonds (COP **5.1tn**), five new bvc issuers, and the Bogotá Distrito Capital and Davivienda issuances that were worth more than COP **1tn** each.

At the end of December **2021**, dematerialised term deposit issuances had fallen to COP **110tn**—a drop of **11%** compared to **2020**—with a penetration of **76%**.

In **2021** we started constructing a new value added product offering for issuers that focusses on transferring shares via the depository, and we implemented the virtual assembly service.

Class of security (COP trillion)	Market Dec 21	Custody depository Dec 21	Penetration (%)
Private debt market			
Shares*	370.3	302.5	82%
Term deposits**	145.1	110.4	76%
Bonds	80.5	80.5	100%
Other securities	36.6	36.6	100%
Mortgage securities	3.3	3.3	100%
Sub-total	635.8	533.3	84%
Public debt market			
Treasury bonds***	397.9	0.5	0%
Pension bonds	1.2	1.2	100%
TIDIS (tax refund certificates)***	1.2	0.0	0%
Other CSD securities CSD***	12.4	0.0	0%
Finagro bonds***	12.7	0.0	0%
Sub-total	423.0	1.7	0%
Total local circulation	1,058.8	535.0	51%
External debt securities****	137.5	0.8	1%
Total circulation	1,196.2	535.8	45%

Source: * bvc. Market capitalisation December 2021. ** Source: CFS. Training distribution October 2021. *** Source: CSD to 31 December 2021. Source IRC to 31 December 2021

Post-trade services: Clearing, Settlement and Custody

5.5. GRI: 103-2

Custody

The value of physical and electronic deposits in custody was COP 535tn at 2021 year-end. This was COP 9.6tn less than 2020, due principally to a devaluation of equity assets as a result of the pandemic that affected the securities market and reduced term deposit collocations. However, bonds and other securities grew by more than 10%. At 2021 year-end, shares made up 56% of the securities in custody, term deposits 21%, bonds 15% and other securities 8%. The total value in custody was 1.3x higher than the central bank's Central Securities Depository.

In 2022, we will continue our commercial and product efforts with the objective of broadening and attracting securities that can be stored at the depository, and we will develop cross-border links with other depositories in the region to add liquidity and attract new investors to the Colombian market.

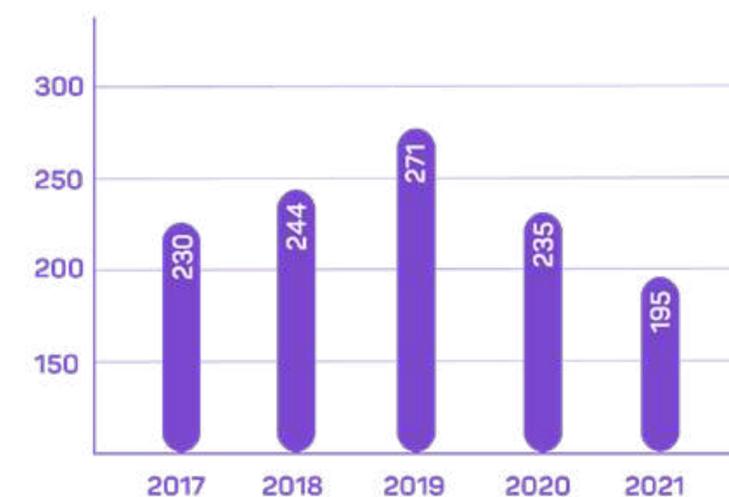
Custody by class of security (COP trillion)	2017	2018	2019	2020	2021	Var. 20-21 (COP)	Var. 20-21 (%)
Shares	281.2	254.8	327.1	310.4	302.5	-7.9	-2.5%
Term deposits	121.3	123.1	129.8	123.2	110.2	-12.8	-10.4%
Ordinary bonds	58.7	63.0	66.6	73.2	81.3	8.1	11.0%
Other Deceval securities	18.8	23.1	30.3	33.1	36.6	3.5	10.5%
Mortgage securities	4.0	3.5	4.2	3.5	3.3	-0.2	-4.6%
Pension bonds	1.8	1.7	1.5	1.3	1.2	-0.1	-10.0%
Pension bonds	0.5	0.4	0.3	0.6	0.5	-0.1	-12.8%
Pension bonds	0.3	0.8	0.7	0.0	0.0	0.0	-100%
DECEVAL TOTAL	486.6	470.5	560.6	545.4	535.8	-9.6	-1.8%

Source: Deceval

Clearing and Settlement

Clearing and settlement operations carried out by the depository when entering into the book securities transfers and settlement of obligations transmitted by the listing systems, trading systems or external clearing and settlement systems, in accordance with the instructions they send at their own risk, may be free-of-payment (just securities) or delivery versus payment (money and securities), and experienced a significant fall in number and value in 2021.

Evolution of the delivery versus payment service 2017 - 2021 (COP trillion)



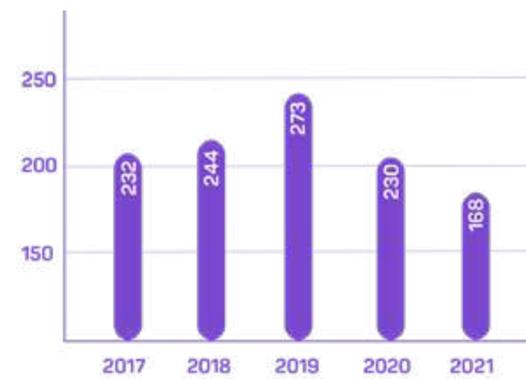
Source: Deceval

5.5.

GRI: 103-2

This year, there were a total of **859,541** clearing and settlement transactions, of which **745,010** were free-of-payment and **113,531** were delivery versus payment. The value of the former was COP **168**tn and the latter was COP **195**tn. Consolidated financial assets were worth COP **365**tn, a fall of **21%** compared to **2020** (and a level close to the **35%** of Colombian GDP projected for **2021**).

Evolution of the free-of-payment transactions 2017 - 2021
(COP trillion)



Source: Deceval

Highlights in this area were the consolidation of the CRCC clearing and settlement model for cash and TTS transactions in the equities market using ISA and OSA account models. This model allows for the simultaneous processing and delivery of securities and the payment of funds using settlement model 3—securities and cash netting—ensures that assets are fully available, and efficiently settles cash with the central bank.

In **2022**, we will launch the third-party RRP settlement model by chamber in the fixed-income market, and carry out the first clearing and settlement transactions for equity shares in mutual funds that are negotiated in the equity session. This will generate efficiency and security in the Colombian securities market while making it more dynamic and liquid. Our customer satisfaction score was **83** points, three points higher than in **2020**.



Securities Management

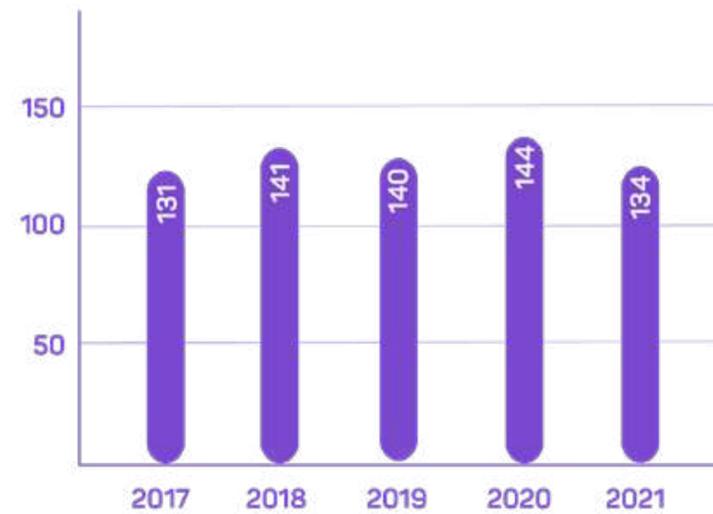
5.6

GRI: 103-2

Equity payments for securities (yields, dividends, etc.) and payment to investors via their direct depositor, were worth a total of COP **134tn**, a fall of **6.6%** compared to **2020**. This was due to lower term deposit amounts in custody and a negative corporate dynamic around dividend payments in **2021**.

Our customer satisfaction score remained above **80**, due to improvements in payment structure and tax payments. A priority improvement continues to be foreign payments.

Evolution Securities Management 2017 - 2021
(COP trillion)



Source: Deceval

CRCC Clearing and Settlement Service

5.7. GRI: 103-2

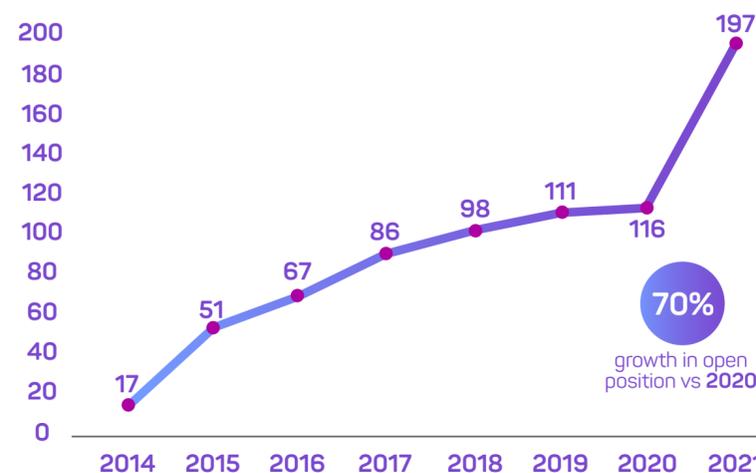
Cámara de Riesgo Central de Contraparte S.A. Performance 2021

2021 was a year of growth, development and strategic plan consolidation at the Cámara de Riesgo Central de Contraparte de Colombia (Colombian Central Counterparty Clearing House, CRCC). It was a challenging year that was characterised by economic reactivation, COVID vaccinations and switching between home and office working. One of the year's highlights at CRCC was our consolidation as the principal risk manager across Colombian markets, as a central clearing house that generates security and trust in the market, and that achieved an open position of COP 197tn.

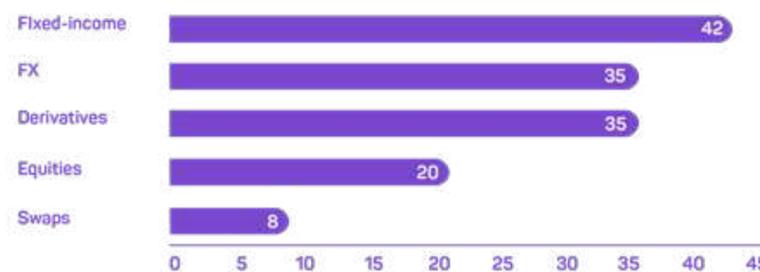
From February 2021 we began clearing and settling FX cash transactions in a new FX segment that groups transactions, in accordance with central bank resolutions, the working rules and the CRCC unique circular. This was the result of our merger with Cámara de Compensación de Divisas de Colombia S.A. (Colombian Foreign Exchange Clearing House, CCDC), that was completed at the end of 2020.

The annual member satisfaction survey was conducted at the end of the year by Ipsos Napoleón Franco. We scored 86.5 (compared to 86.1 in 2020). The survey allows us to understand our members' experiences with CRCC services over the year. It details strengths and the weaknesses that we will be working on in 2022.

We achieved a historic maximum double digit open position of COP 197tn in 2021

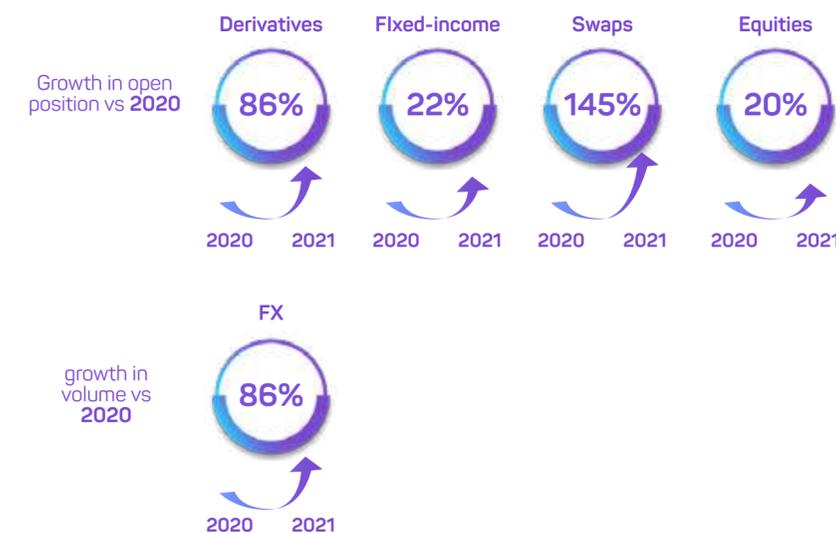


At 2021 year-end we had 53 members and 3 custodians participating in the following segments



A greater number of participants benefiting from simple processes and efficiencies we generate in collateral and capital

In the FX segment we consolidated our position as a multi-product, multi-market central counterparty entity



IBR Swaps innovation and growth were key factors in 2021



Stfx swap and FX NDF client register with differentiated accounts for third-parties with the same tax ID

Efficient capital use for members.
Frees up quotas for members and third-parties.

5.7.
GRI: 103-2

Visiting activity of the Web-site by hours



Worldwide customers activity



Web-site traffic



7345787



Digital Transformation

In 2021, we delivered for our members:

CRCC operational process efficiencies:

Web portal queries:

- Call margin simulator.
- Detail on required collateral.

Equities:

- Self-management for changing structure of third-party accounts from ISA to OSA and vice versa.
- Agility in settling cash operations.
- Web portal lookup of noncomplying third-parties.

COP cash collateral remuneration

Members can authorise CRCC to invest their COP cash collateral:

- With just one click on the web portal.
- With extended hours (to 3pm).
- With open of business next day cash availability.
- With detailed information by account downloadable from the web portal.

Self-management of collateral release by members.

In 2021, 97% of collateral was released in

12
minutes

Information Services and Electronic Media

Information

5.8.
GRI: 103-2

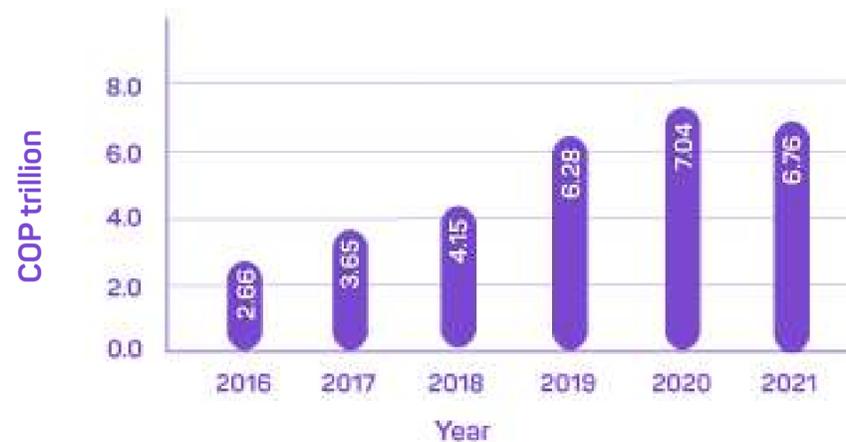
Information products are divided into four lines of business: index licensing, market information, e-bvc information screens, and databases and reports.

The good performance of information products is principally due to the excellent performance of COLCAP Index licensing, a product of our partnership with MSCI. Total income in this area rose by **14.2%** (from COP **1.68bn** to COP **1.92bn**). This result is even more relevant when one considers that ETF ICOLCAP assets under management fell slightly from COP **7tn** to COP **6.8tn**.

Market information grew by **7.6%**, going from COP **8.56bn** to COP **9.2bn**.

Income from e-bvc information screens, databases and reports did not change significantly.

Graph 1. ETF ICOLCAP Assets Under Management



Source: Colombian Financial Superintendence



5.8.

GRI: 103-2

Electronic Media

Electronic media products are divided into three lines of business: Master Trader, Back Office screens and electronic access services (EAS).

In spite of the ongoing pandemic, income did not change significantly in **2021**. Master Trader income fell by **0.26%** and was compensated by a **4.12%** increase in Back Office screens.

During **2021**, we continued to develop the X-Stream INET trading engine and the Master Trader trading screen, and optimised the user experience by activating equities and derivative markets on the Master Trader screen.

EAS received a higher number of orders in **2021** for electronic routing mechanisms. This reflects the market's evolution towards automated trading processes. A highlight was the new e-trading platform (order routing) for equities.

Graph 2. Evolution of Order Routing



Source: Colombian Securities Exchange

bvc has two ways of inputting orders: i) orders entered on exchange screens, and ii) orders entered using fix **4.4**. EAS. The ESS graph makes no distinction between the type of business entering orders (algorithm, DMA, e-trading or traditional - external screen).

Satisfaction Survey 2021

There was a slight reduction in Information and Electronic Media products from **82.5** to **82.1** points.

Our best evaluated attribute is market index reliability and availability. There is room for improvement in EAS related to completion and the demand for new services.

Main Challenges 2022

Our main challenges are guaranteeing permanent value creation by developing new and improved solutions that facilitate access to the exchange via multi market tools, attracting new customers and achieving operational efficiency, in addition to the challenges associated with regional integration and its implications for our product portfolio.

Strengthening the Index Portfolio

Complement our index offering via strategic partnerships, add new indexes, strengthen current indexes.

INET – Master Trader Project

Having added equities and derivatives to Master Trader, the next step is to strengthen the PATS value proposition and other functionality to drive full migration of the equities market XW screen to the Master Trader screen.

Access for Locals and Foreigners

Activate Master Trader tools that allow more investors to directly access the Colombian market.

Innovation

We aim to create new value added reports and analytics tools for customers that generate efficiencies in the decision making process.

Precia Services

5.9.
GRI: 103-2

Financial Results

Precia posted favorable financial results by incorporating new products and maintaining existing customers. The company's income grew and it worked to keeping spending under control, giving it satisfactory results. Over the year, it worked on improving current services for customers. This project continues.



Data in COP billion / Sources: ERP SAP

Customer Services

In **2021**, Precia continued to create value in the securities market by implementing new methodologies for fixed-income, equities, OTC derivatives and calculations, and offered its customers more solutions to value their portfolios.

We also implemented a new customer services tool, accessed via the web and WhatsApp, for customer questions and requests that the commercial and valuation teams can efficiently and opportunely answer and resolve.



Human Capital

Once again, the safety of our employees was of the highest importance, and the company worked to ensure that all employees received free vaccinations. In November, once people were fully vaccinated, we began to return to the office part time. We currently continue to use this model, while constantly monitoring the situation to allow us to make decisions that safeguard operations and keep our employees safe.



5.9.

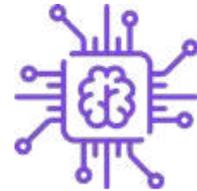
GRI: 103-2

Technology

During the year we broadened and strengthened the tools available to respond to businesses growth needs, and we overcame challenging situations. In accordance with our service promise, we implemented **52** improvements and efficiencies related to information generation for our customers.

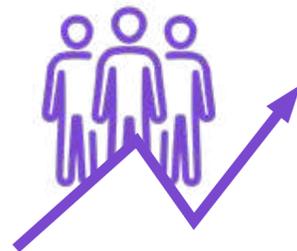
We have also been updating our technology infrastructure. Although this requires a huge financial effort, it is projected to optimise time and resources in the short term.

We executed two highly important operational projects that were designed to improve our value offering to customers.



2022 Outlook

We will continue to implement our strategic plan in **2022**, with a focus on updating the technology platform and offering new distribution channels. We will also continue to create value in the financial markets, prioritise process quality and contribute to the growth of our customers, shareholders and strategic partners. The company hopes to maintain its favourable financial situation.



Digital Product Strategy and Evolution

5.10

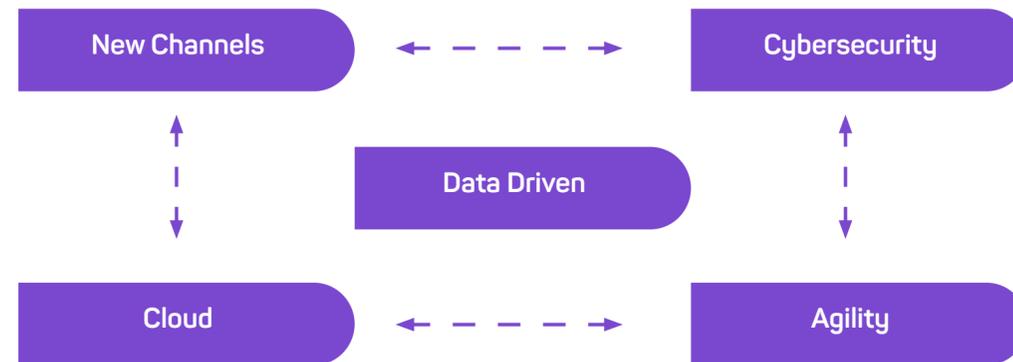
GRI: 103-2

Digital Transformation (2010)

Since 2010 bvc digital transformation has focussed on two fronts:

1. Developing digital capacity within bvc.
2. Implementing a new offering of digital products for our customers.

Development of Digital Capacity



bvc's new capacities have allowed us to work on digitalising processes with the following characteristics:

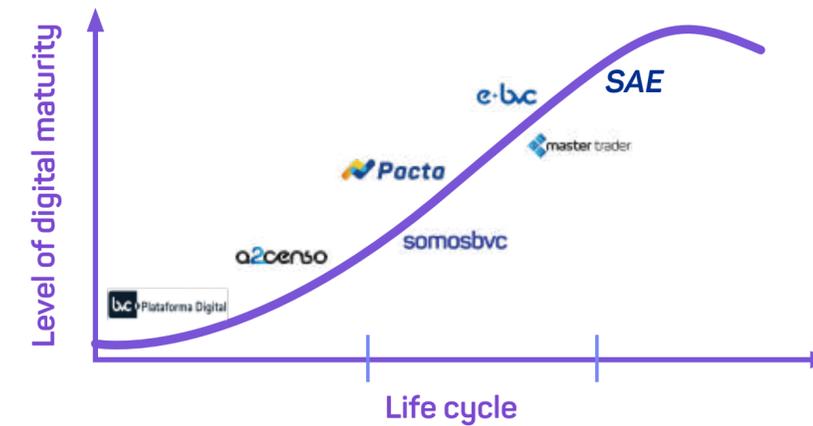
- **Automated:** low operating cost and low probability of human error.
- **Lean:** optimising the capital, time and effort needed to run processes.
- **Scalable:** processes run correctly regardless of the volume of use.
- **Self-managed:** efficacy is increased by empowering customers during process execution.

Evolution of bvc's Digital Offering - 2021

A new offering of digital products has been created that uses these characteristics to bring the capital market closer to all Colombians, and accelerate digitalisation processes in the local industry.

bvc achieved important milestones, such as:

1. Implementing the first intelligent multi-market screen for the Colombian market.
2. Enabling 24/7 access to credit with financial and non-financial entities.
3. Launching the first crowdfunding platform.



The Future: bvc digital

The new strategy aims to accelerate the transformation of our business model from being a "provider of value to the securities market" to being a "developer of digital ecosystems for financing and investment in Colombia."

To achieve this, we set the following 2025 goals:

1. Provide all Colombians with a comprehensive digital capital market offering.
2. Modernise the customer experience.
3. Improve our digital capacity.
4. Develop new digital offerings based on data and new technologies.

a2censo

5.10.1
GRI: 103-2

a2censo: The Principal Crowdfunding Platform

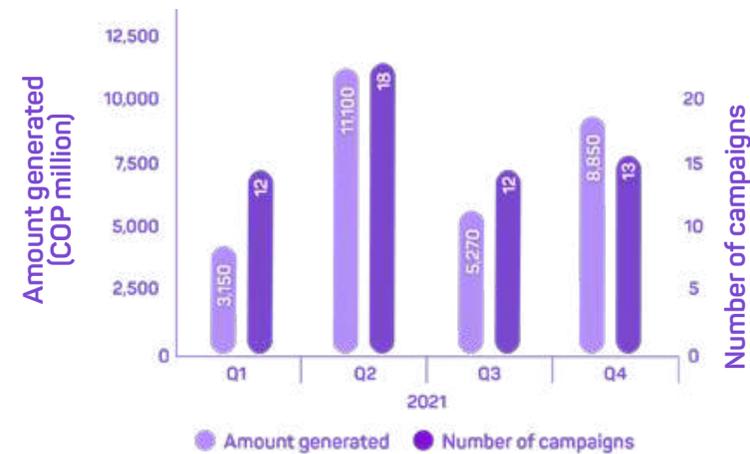
a2censo aims to give businesses and investors the ability to grow collectively by building and strengthening a digital community with a win-win relationship. a2censo has a diverse portfolio of financing and investment possibilities that provide a high level of value to both parties.

Since December 2019, a2censo has been a financing option for SMEs, and an investment option for people with no experience who want to contribute to the county's development and make their money grow. As a digital product, a2censo is continuously evolving both its platform and its customer offering. Some of our main achievements following two years of operations are summarised below:



a2censo raised COP 28.370bn in 2021 (243% more than 2020) over 55 campaigns that were worth an average of COP 516m each (143% more than 2020). The success rate was 100% and as an added value, the companies enjoyed improved market exposure and position. At 2021 year-end, the average rate of return offered to investors was 10.35% EAR (min. 8%, max. 13%). They also received National Guarantee Fund coverage of between 50% and 90%. Finally, following a rigorous company evaluation process, we can confirm that the non-performing portfolio is zero.

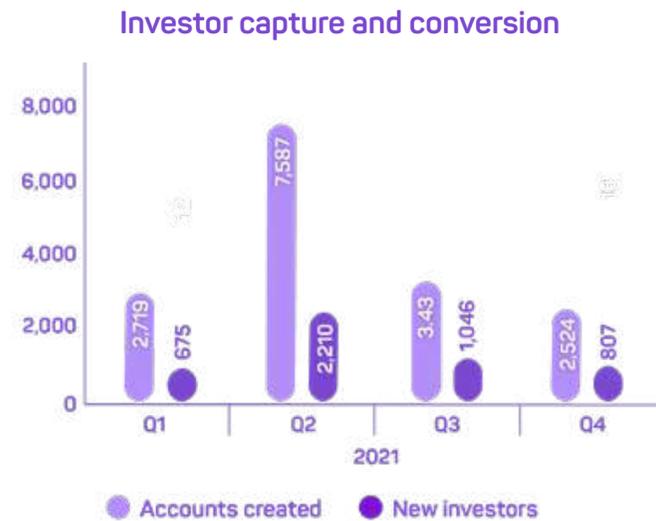
Amount raised and number of campaigns 2021



5.10.1

GRI: 103-2

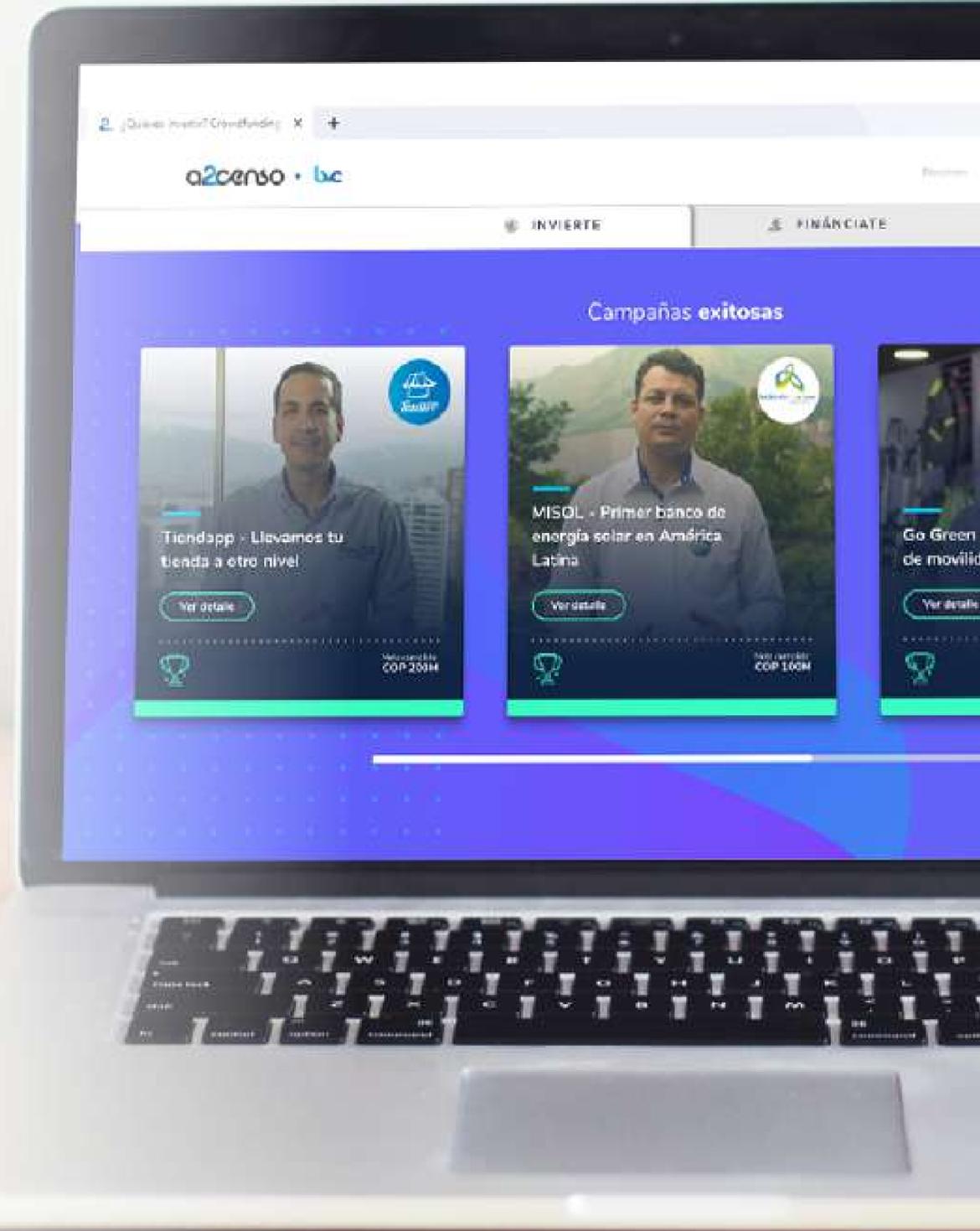
The collaborative platform gives investors the opportunity to participate from a low starting point (COP 200,000), and has consolidated a community of more than 7,000 investors (+204% compared to 2020), with a conversion rate of 780 basis point and a reinvestment rate of 810 basis point, all higher than the previous year.



Private individuals were responsible for 96% of all investments in 2021, and the average investment per campaign was COP 1.3m. It is worth mentioning that, although most investors reside in Colombia, a2censo's digital product broke borders and received capital from 19 other countries.

With regard to new product development, in 2021 the CFS approved changes to a2censo's general rules to permit the issuance of collaborative financing securities representative of capital (shares and promissory notes) on the a2censo equity platform that will be launched in the first half of 2022.

Finally, the customer experience survey score from SMEs was 97.3 points and from investors was 75.3 points. This was better than the previous year when the scores were 81.4 and 74.2, respectively. The general indicators are positive, mainly due to the excellent SME experience. With regard to investors, there is room for improvement in the number of investment opportunities available, the onboarding process, the information available in My Balance, and website performance. We will work on all these fronts in 2022.



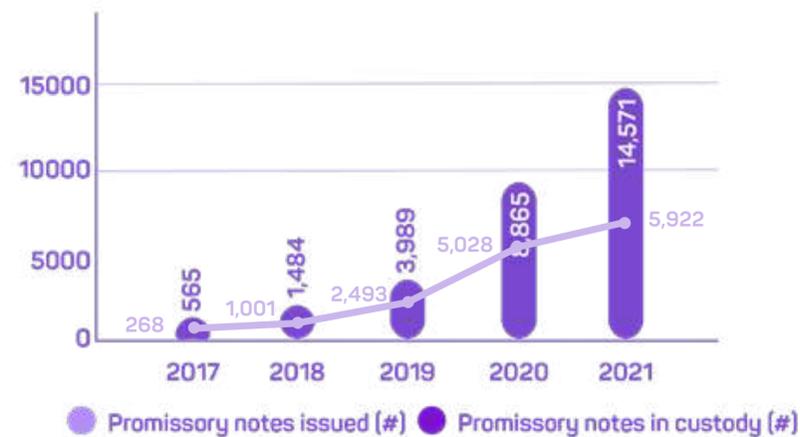
Pacta

5.10.2
GRI: 103-2

Dematerialised promissory note issuance and custody continued to grow, supported by progressive issuance volumes and a higher number of issuers (more than **270**). Over the year, we engaged **84** new customers with highlights being credit establishments and Fintechs. This allowed us to issue more than **5.9** million promissory notes (**17%** growth), and we now have **14.5** million promissory notes in custody (**+64%**). The monthly average at year end was **600,000** promissory notes issued.

We strengthened our value proposition over the year by evolving the liquidity loan product to include promissory notes payable to the central bank, and we strengthened digitalisation by implementing self-management processes and virtual system access.

Evolution of Dematerialised Promissory Notes 2017 - 2021
(thousands of promissory notes)



Our satisfaction survey score was **77** (**3** point higher than **2020**). In **2021** we will continue to explore options and mechanisms to improve our presale, sale and post-sale scores to above **80** points.

Our objective for **2022** is to increase the services we provide to existing customers, capture new customers, and enter new niches, segments and sectors. We will also strengthen our highly reliable technology platform (**99.8%** uptime) in accordance with new product and market realities. In addition, we will continue to implement actions that improve our value proposition and provide new functionalities like addendums to promissory notes, digital credit portfolios and electronic billing for securities.

Porto

5.10.3
GRI: 103-2

In **2021** we started developing a new service for the Colombian capital market, called Porto. It will be the country's first digital showroom for mutual funds, and will connect investors to mutual fund managers and allow them to invest in a friendly, easy, simple, informed and 100% digital manner.

This new service will allow investors to find, compare and evaluate all the investment funds on the market and make the best investment decision within their risk profile. The idea is to carry out the onboarding and investment process online in a completely digital experience. The product will be launched to market in **2022**.



Avances y resultados en la Agenda Regulatoria

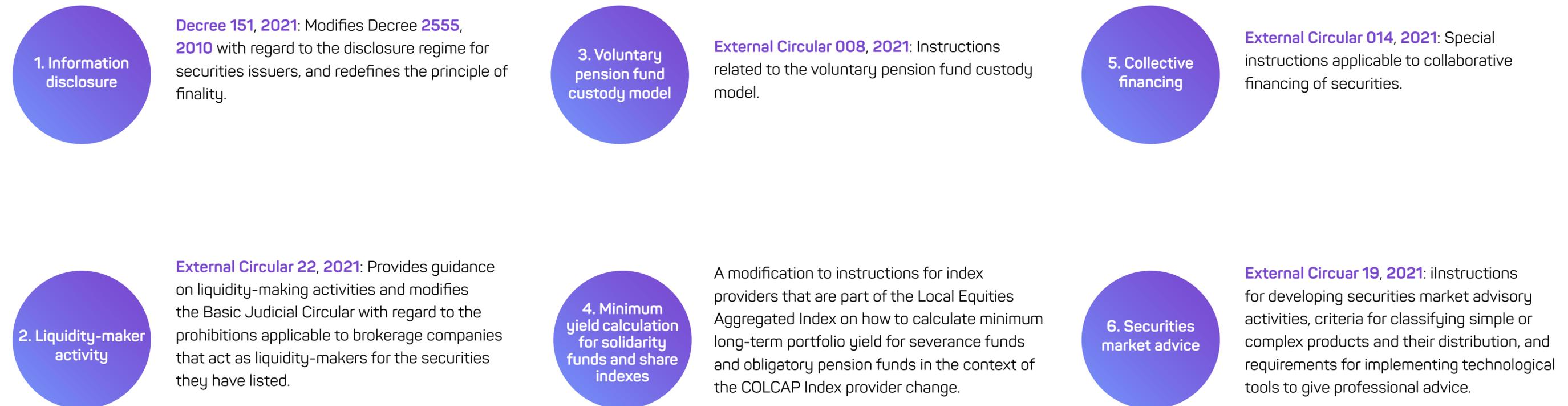
Legislative Modifications

5.11.

GRI: 103-1,
103-2
SASB: FN-EX-
410a.3.

Important changes were made to the regulatory framework in **2021** that will facilitate capital market development and growth. We monitored the capital market and payment system bill that was proposed during the first sitting of the year, and is pending a second debate in the Senate. The bill contains a series of items designed to update and modernise the securities market and align it with international best practice by incentivising securities issuances, attracting new investors and diversifying infrastructure providers' authorised functions.

Among the principal regulatory changes were the following:



5.11.

GRI: 103-1,
103-2
SASB: FN-EX-
410a.3.

Rule Changes

General bvc Rules

1. Share buybacks.
2. Updated rules for Colombian Global Market sponsor obligations.
3. New requirements for listing equity shares on the Exchange.
4. Admissible collateral for OTC temporary equity securities transfer transactions.
5. Inclusion of rules related to a transactional contingency mechanism used complete equity securities transactions.

CEM Rules

1. Implementation of a liquidity-maker programme for non-governmental securities.
2. Inclusion of voluntary pension funds in the fixed-income settlement model via a custodian.

Derivative Rules

1. Achievement No. **1** related to implementing the Master Trader project in the derivatives market.
2. Achievement No. **2** related to implementing the INET technology renovation project in the derivatives market.
3. Achievement No. **3** related to implementing the INET technology renovation project in the derivatives market.



5.11.

GRI: 103-1,
103-2
SASB: FN-EX-
410a.3.

Capital Market Mission Progress

Based on the Capital Market Mission recommendation document, and the public policy document for developing the financial system that was created by the Financial Regulation Unit and the Colombian Financial Superintendence, Bill of Law **413, 2021**, in which rules are determined for payment systems and the capital market, was submitted to the Senate.

Structure of the Bill

129 Articles

4 Sections

Payment Services

1. Intervention objectives and criteria.
2. Provider services and entities.
3. Provider services and entities.
4. Provider services and entities Supervision.

Capital Market Development

1. Market participants: Diversify participants' licenses and roles and establish rules related to the responsibility regime for managing public funds.
2. ESecurities issuers: Items related to issuing shares, permission for SAS (small limited companies) to issue securities, and implementation of new participation mechanisms for issuer management bodies.
3. Infrastructure providers: Adjustments to the equity composition of infrastructure providers and permission to develop new activities.

Financial System Modernisation

1. Pension system: The multi-fund framework can offer portfolios that differ from the three traditional ones (higher risk, moderate, conservative), delegated management of FONPET portfolios, assets and resources in accordance with government frameworks, adjustment to pension fund commission to include a fixed (% of declared income) and a variable (% of yield) component).
2. Insurer regime.
3. Capital structure: Migration of fixed-term deposits to the central bank IBR.

Strengthening Institutional Frameworks

1. Financial Regulations Unit: The unit's sources of financing are increased to include a special contribution from securities issuers and from organisations that require CFS authorisation to operate, among others.
2. CFS sanction regime.
3. CFS jurisdiction: Responsibility for incorrect information disclosure in the securities market.
4. Financial Superintendent terms.

State of the Bill of Law: Pending a second debate in the Senate
Legislative Initiative: National Government - Ministry of Finance
Author: H.S. Maria del Rosario Guerra - Partido Centro Democrático
Bill Number: Bill of Law No. 413, 2021 Senate

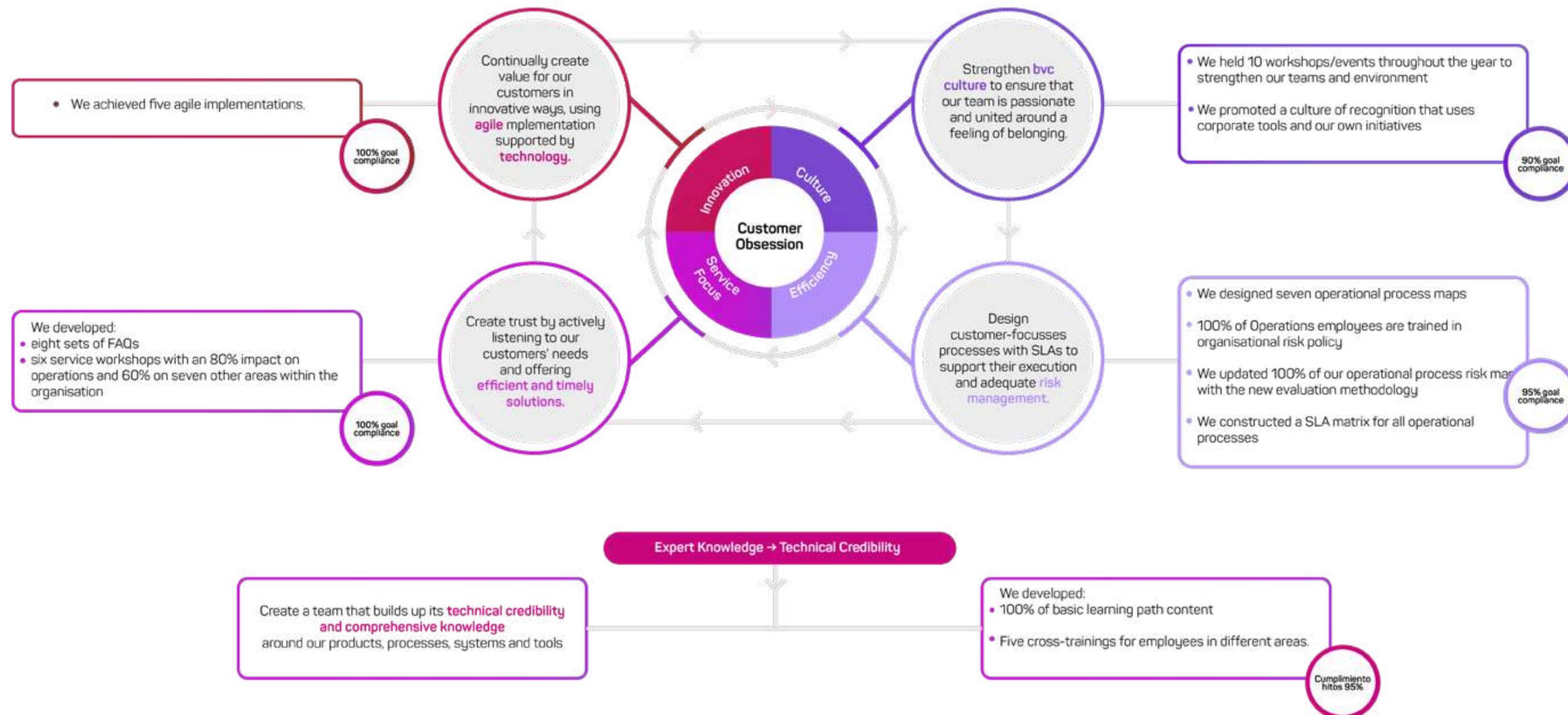
Operational Development and Evolution

2021 Operational Strategy

5.12.

GRI: 103-1, 103-2, 203-1
SASB: FN-EX-410a.2.

We began to develop our **2021 – 2025**, strategy, with the objective of using specialised human talent, efficient processes and customer obsession to manage bvc operations in a way that materialises people’s dreams and companies’ desires, all within a framework of digital transformation.



5.12.

GRI: 103-1,
103-2, 203-1
SASB: FN-EX-
410a.2.

Improvements

The Management and Excellence Committee prioritised and implemented improvements to various processes in **2021**, some of which are summarised below:

Trading

RPA

- FLASH 2.0: dividend management for XAI, XAI Prod. and C99.
- CAMVAL: file and information management for the equities risk model, updated equity value and shares in circulation, creation of types and issuers.

Automation (tools created).

- Billing annulments: automatic generation of the flat file for SAP upload.
- Monitoring volatility: automatic process that includes notifications.

Efficiencies:

- ISIN assignation for issuer changes: **1800** asignaciones that the algorithm had not identified.

Special Operations

- Automated debt swap processes for issuances paid in kind.

Implementations

- a2censo adjudication planning and control: creation of a risk map and checklist.
- GestionDoc tool for a2censo adjudication: campaign close tracking efficiencies.
- Parametrisable for the Issuance and Transfer System.
- USD tender offer system functionalities: automatic conversion to pesos for adjudicating and registering the transaction.

Efficiencies

- Optimised process for fixed-income issuances: elimination of controls that do not add value and creation of more robust new ones.

Compliance

Efficiencies:

- Information flow efficiencies: message creation when two investors are sent two or more fractions of the same transaction.
- Automatic complements: an adjustment to avoid queued operations.
- Cursor optimisation on the principal compliance dashboards.

Improvements:

- Improvements to the liquid file
- Separation of trading and compliance
- Opti Programmes
- Opticursors

Issuance Management

Primary collocations:

- Reduction in requirements to obtain a macrosecurity vault entry certificate.
- Internal automation of amortisation table loading.
- Efficiencies in the multi-denomination macrosecurity form.

Dividend payments:

- Creation of a unified structure for Grupo AVAL.
- Automated generation of equity rights for Grupo Bolívar.
- Efficiencies in the issuer invoice segment. QQ32 report efficiencies.

Other efficiencies.

- Fiscal conditions
- Balance annulment: reduction in operational process interventions.
- Income tax return certificate: creation of flexible templates according to issuers' needs.
- MasterFile ANNA: optimised QQ49 report for information sent to ANNA.
- Daily close: efficiencies in creating issuance process reports.

5.12.

GRI: 103-1,
103-2, 203-1
SASB: FN-EX-
410a.2.

Exchange Information Centre

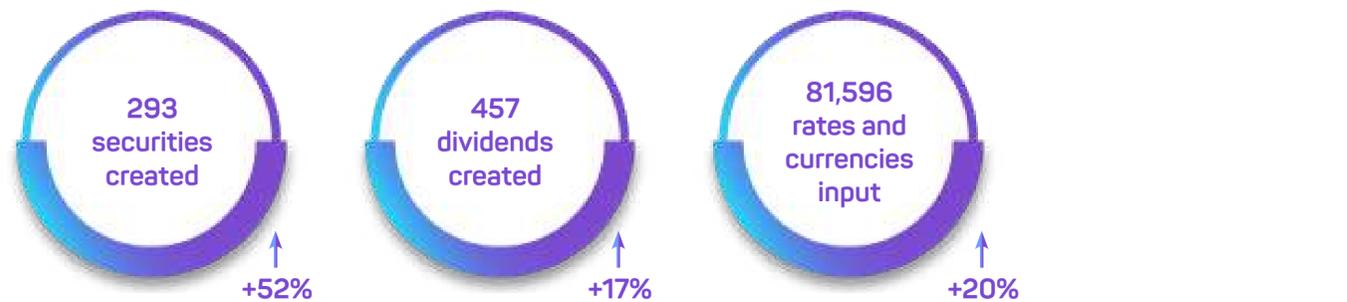
- Implementation of Datastudio dashboards with information management, trading and post-trade process statistics.
- Automation of reporting and information creation process optimisation for recurring requests.
- Migration of internal process activities to the JIRA platform.

Customer Services

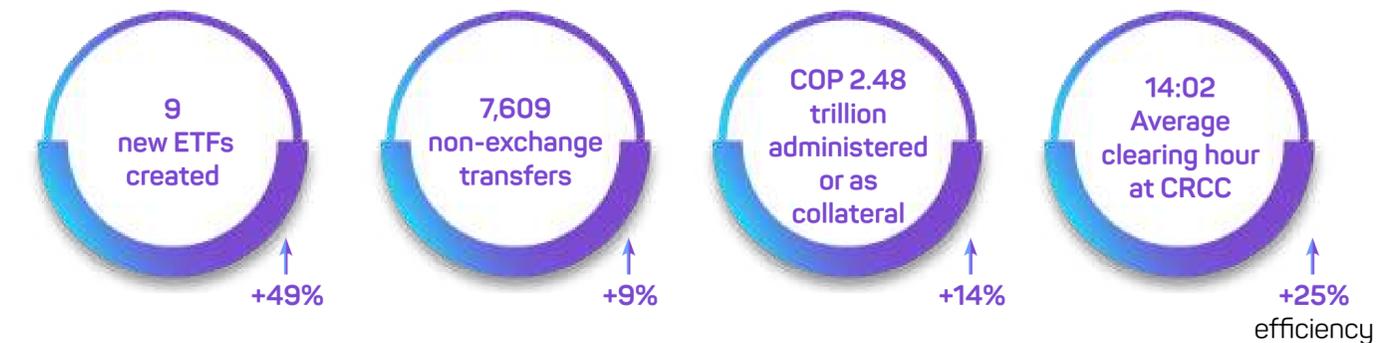
- Automised email reception for some products.
- Online creation of share certificates.
- General mail-out of income tax return certificates.
- Automatic customer request progress emails.

bvc - deceval Operations

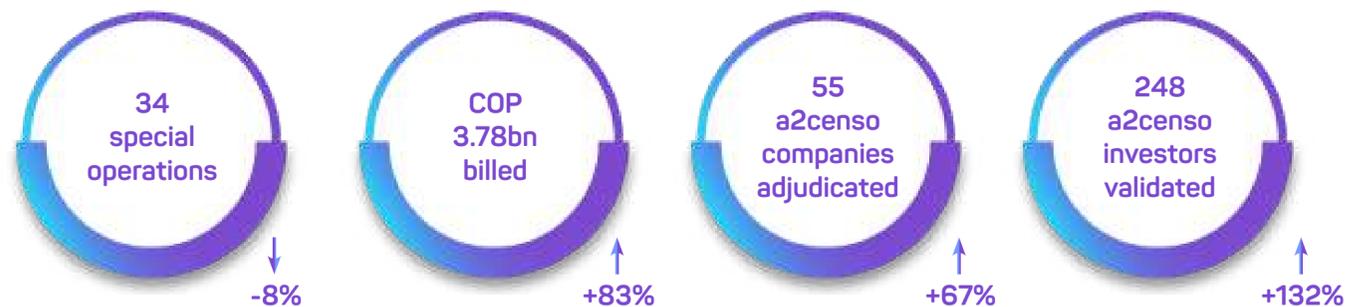
Trading



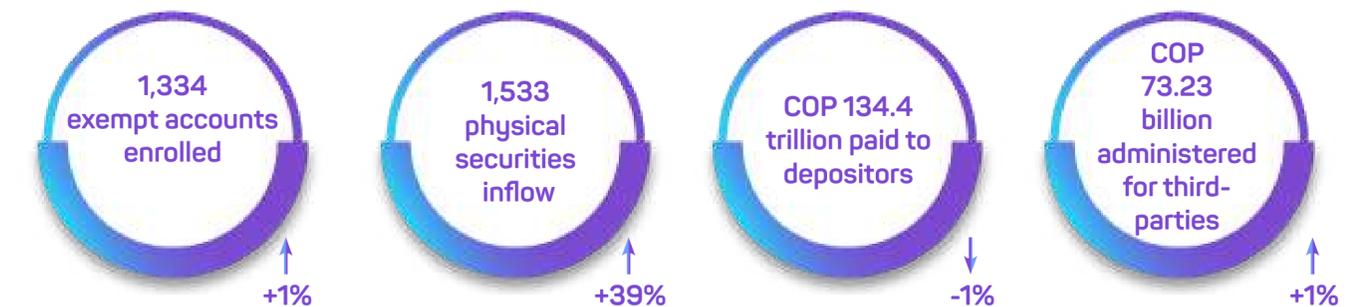
Market Trades



Special operations



Cash and Custody



5.12.

GRI: 103-1,
103-2, 203-1
SASB: FN-EX-
410a.2.

Exchange Information Centre



Customer Services



Issuances



Promissory Notes



Service Model Evolution

5.12.

GRI: 103-1,
103-2, 203-1
SASB: FN-EX-
410a.2.

Service Model

Our mature service model was complemented by the following activities:

- Transactional surveys: Transactional survey completion was strengthened in **2021**.

2,337 surveys with an **88%** level of satisfaction
(**467%** more interviews than in **2020**)

- Automation: Online responses to emails with frequent questions (mainly shareholder emails, certificates, training and promissory note signatures, ICETEX).

2,113 emails received automatic replies
(Sep to Dec)

- Automation: Shareholder IVR that sends share certificates online (**90** minutes saved per day during busy months, no impact in other months).

6,596 certificates managed via IVR

- Automatic generation of emails to customers about cases in progress (GestiónDoc).

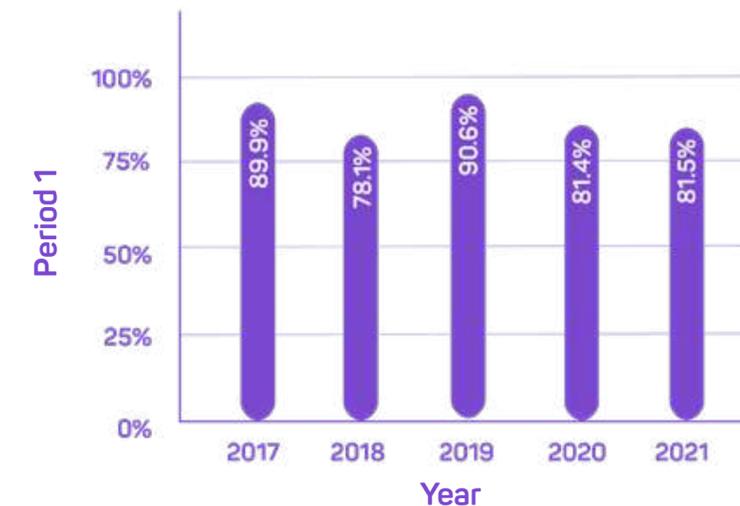
Confirmation was sent for **26.7%** of requests received.
In **2022** this figure should rise to **70%**.

Principal Requests

The highest volume processes in **2021** were:

- Comprehensive share management: **25.4%**
- Electronic document: **22.7%**
- Issuance management: **14.8%**
- Billing processes: **11.5%**
- Embargos / releases: **5.4%**
- Rights to petition - Information requests: **4.9%**
- Other requests: **15.4%**

Level of Service



Development, technological evolution and innovation

5.13.
GRI: 103-1,
103-2, 203-1

Summary

In **2021** Technology focussed on two priorities—operational continuity and operational excellence and transformation—that allowed us to help the organisation achieve its strategic objectives.

Operational continuity focusses on:

1. Adjusting the contingency model to guarantee services provided to customers, prevent interruptions and achieve satisfaction.
2. Continuing to mature our critical IT processes and strengthen governance.
3. Evolving preventative monitoring processes for IT and business services.
4. Strengthening critical team abilities for business processes, with a view to mitigating risk.

Operational excellence and transformation focusses on:

1. Continuing the accelerated cloud migration strategy for some of our services, and adjusting and refining existing services.
2. Accelerating the modernisation of core applications.
3. Optimising our standards to align them with market tendencies.

Strategic Transformation and IT Plan

bvc's Strategic Transformation and IT Plan was fundamental to overcoming challenges throughout the year. Initiatives that support **bvc** Group strategic vision were prioritised. The pillars of this strategy are digital transformation and value creation, as summarised below:

Digital Transformation and Value Creation



INTELLIGENT - New ways of thinking

- Culture, talent and transformation capacity.
- Open innovation, data and analytics-based decisions.



AGILE - New ways of working and delivering value

- Prioritise customer value, rapid and continuous delivery.
- Lean thinking and practices, greater productivity and more focus.



AUTOMISED - New ways of processing

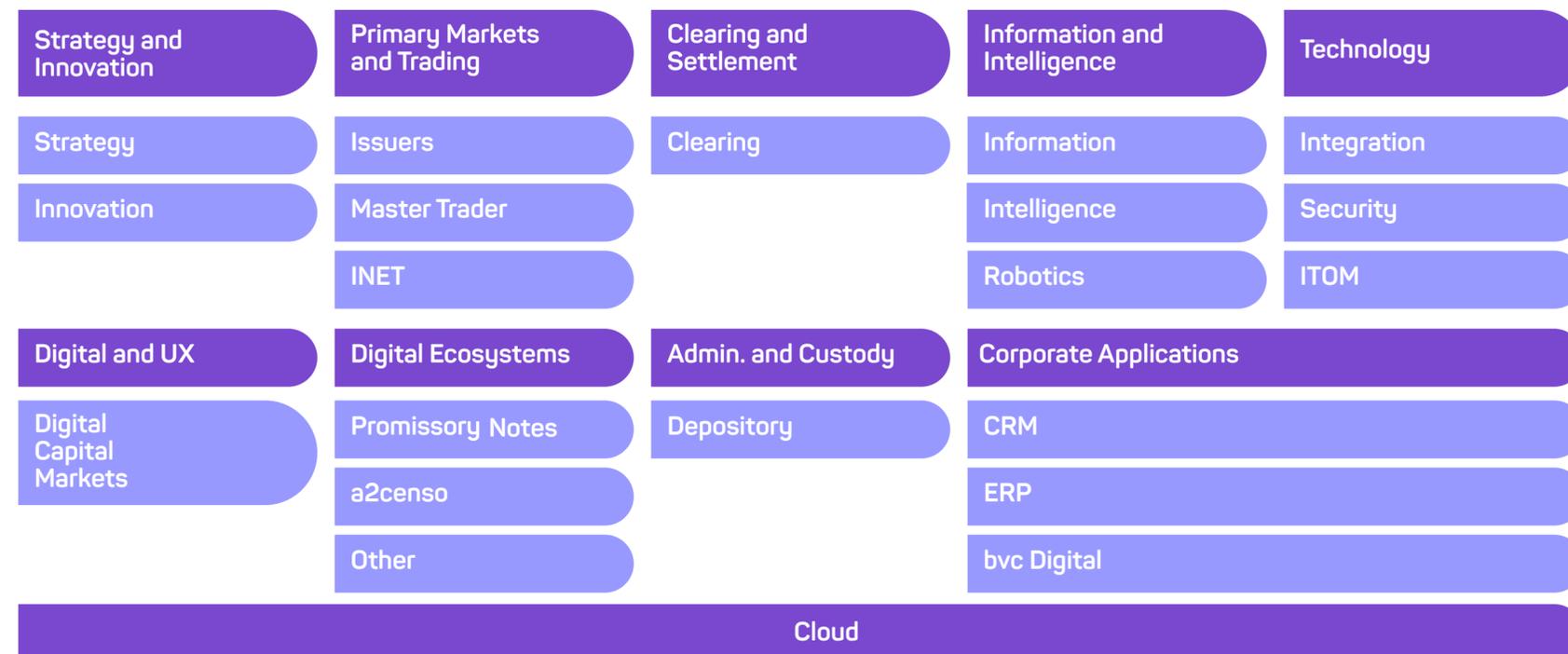
- Optimisation, process traceability and speed.
- Better quality execution, lower risk of human error.



CLOUD - News ways of solving and provisioning

- Standardised architecture and security.
- Elastic technology capacity, variable IT cost based on usage, reduction in idle infrastructure.
- Innovation enabler.

Diagrama General de Arquitectura Empresarial



Development, technological evolution and innovation

The following initiatives designed to deliver value to bvc customers were implemented in **2021**.

5.13.

GRI: 103-1,
103-2, 203-1

Promissory Notes

On the back of progress in **2020**, in **2021** we continued to evolve our services and optimise and improve functionality for our customers with the signature portal and virtual tokens, and made associated cloud cost optimisations.

Back Office Evolution

We implemented improvements that were reflected in customer satisfaction. Among our principal achievements were more efficient completion processes, messaging services that behave equally in all markets, stabilisation of CRCC processes to increase trust, and an optimised, better performing platform.

Core System Monitoring

We implemented intelligent monitoring on core systems—INET, Master Trader, Mec Plus, SAE, Backoffice—in conjunction with optimised internal processes and automation.

Alternative Equities Mechanism

We incorporated a contingency mechanism for equities to guarantee continuous trading operations, in accordance with the business continuity strategy.

a2censo

We changed the IBM DB2 managed database to a self-managed Postgres RDS datase in the cloud. We also improved technology evolution in adjudication, the campaign module and investor data management.

Digital Platform

We modernised **bvc's** web platform with the Kafka event bus for cutting-edge information distribution services. With regard to customer experience and the digital ecosystem, we created an analytics data pool with a by-business model, and a content management and monitoring module.



5.13.
GRI: 103-1,
103-2, 203-1

SIIDJ Infrastructure Renovation

We reduced technological obsolescence (access layer, backup, storage, database) in the backup datacenter in December **2021**, and started work on the principal datacenter that will be completed by the end of **2022**. The renovation includes advanced Oracle monitoring and resolution and SIIDJ contingency with CRCC.

Cybersecurity

A strategic prevention focus that raises employee awareness of risk and best practice strengthen cybersecurity and protect us from digital attacks. We automatised the detection and resolution of vulnerabilities and configuration errors, and strengthened the backup and continuity model.

Innovation

We defined an innovation catalogue with services such as experimentation with initiatives; generation, transfer and management of new capacities; and ecosystem development. We put together the a2censo team, created an equity business plan, defined and worked on the new PortoFics model, and made progress in cross-company digital services and mutual fund marketplace logic.

Cloud Governance

We continued to mature cloud governance of assets such as a2censo, promissory notes, special operations, SAP HANA, data driven, security. We defined a RACI matrix, implemented IAM policies for all products, defined an operational delivery protocol, and implemented runbooks and adjustments to baseline cloud services.

Automation and Robotisation

Our RPA strategy included putting into production six assistants, three of which were developed by contractors, two by an internal cell and one by a Risk Department incubator. The automation process (ITPA) was consolidated and three initiatives were put into production: the depository contingency platform, self-remediation of disk and memory events, and INET SLA notification.

Product-focussed Agility

Our goal was to foster agile working best practice (Design Thinking, Design Sprint, kanban, Scrum and Lean Startup) via continual value delivery to customers. Our principal catalysts were the establishment of work cells, roles and responsibilities around work backlogs, and focussed interdisciplinary teams.

Development and evolution of VDO Projects

5.14.
GRI: 103-2,
203-1

Value Delivery Office

The VDO continued to implement agile working frameworks to execute its strategic initiatives, and began a transformation that focusses on delivering value to internal and external customers.

Principal project achievements are listed below:

INET + Master Trader Project

Derivative and equity cash transaction functionality was added to the Master Trader platform, meaning that all markets can be accessed on just one screen, and PAT functionality was added to improve trading strategy.

In addition, the platform's value proposition was strengthened by adding the ability to enter Repo and TTS equities transactions, and the new MSCI-COLCAP Index was incorporated using international standards.

a2censo

a2censo successfully ran **55** financing projects in **2021**, that provided COP **28.73**bn in financing to Colombian SMEs.

Customer reinvestment was **55.21%** and the conversion rate was **26.83%**. We also engaged the first institutional customer to invest in our campaigns.

Hana

Hana's bvc, deceval and subsidiary accounting and financial processes were updated and unified into one unique ERP. We migrated to a new SAP version that permits digital transformation, consolidation of information sources and standardisation of methodologies and policies designed to increase process efficiency.

Digital Capital Markets

We implemented an information portal for funds, cross-sector onboarding services, Mi Recaudo and Mis Inversiones. The digital onboarding module allows customers to register themselves and access digital products. We renewed the "a Porto" brand

Operational Efficiency

We strengthened trust in systems, and specifically worked on optimising the Back Office platform. New monitoring and analysis tools were implemented that permit predictive monitoring of INET, Master Trader and MEC Plus.

In addition, we designed and implemented a new contingency mechanism for the equities market.

Digital Platform

We integrated the platform with the organisation's core systems and made the design system a cross-company asset that is **100%** scalable. The first version of the digital platform has been operational since December and is a new brand experience for customers.

Product Evolution

The product evolution project focussed on applying **20** fixes that our customers had prioritised. One of these means that from this year, issuers can begin negotiating equity shares on the equities market. We also have a new Back Office product unit that has improved performance and experience by **40%**.

Banco República ISO 20022

This project aligns us with the ISO **20022** international standard implemented by the central bank. Over the year, we defined the solution architecture for core systems and new developments, and made progress with SAG and Back Office system developments.

The impact of the project was disclosed to affiliates and a consolidated road map was defined. Our objective is to achieve implementation in **2022**.





6. Employees

6.1 Strategic Capital 2021

GRI 402-1, 103-1

bvc Group worked on six fronts that promoted **bvc**'s cultural, agile and digital transformation. In terms of our commitment to developing employee skills, the most relevant front in **2021** was learning. We maintained the certifications that make us unique, such as Family-Responsible Company and Great Place to Work.

Learning

At **bvc**, we value everything that our employees know and do. We value an ability to learn and unlearn.

Automation and Digitalisation

As a digital experience channel, we continually innovate our human resource processes and contribute to talent decision making.



6.1.

GRI 402-1, 103-1

Change Management

We support cultural, agile and digital transformation through change management that supports the operation and strategic initiatives, and strengthens the capital market.

Flexible Working

An operating model that aims to guarantee business continuity, efficiency and information security, and offer the highest level of service to our customers.

Growth

We are a high performance team that aims to constantly grow and find new ways of working that benefit our customers.

Employer Brand

We are a brand with a purpose. We raise awareness about what identifies us and makes us unique.



Principal Employment Rights

6.1.1.

GRI: 102-41,
103-2, 205-1,
402-1

Employment rights are aligned with current Colombian legislation and the legal team ensures compliance. Monitoring via internal audits, legal advisors, clear published policies and procedures ensures that working conditions are clear and decent, and guarantees a safe and decent working environment in which employee rights are protected. To create an excellent working environment, **bvc** Group has implemented a benefits package that goes beyond legal minimum requirements. Our employees have not felt the need to unionise to guarantee their rights, as these are already part of company practice.

In accordance with the law, **bvc** has a workplace coexistence committee, as detailed below:

Employee Representatives	Company Representatives
Luz Dary Pacheco Post-trade analyst	Angela Sierra Sierra Human Resources Manager
Sandra Ortiz Gonzalez Senior Acquisitions Analyst	Lizeth Rueda Risk and Process Manager
Sandra Ulloa Donoso Banking Capital Market Commercial Specialist	Celso Guevara COO
Linda Beltran Hernandez Post-trade Product Analyst	Catalina Ruiz Vergara Human Resources Specialist

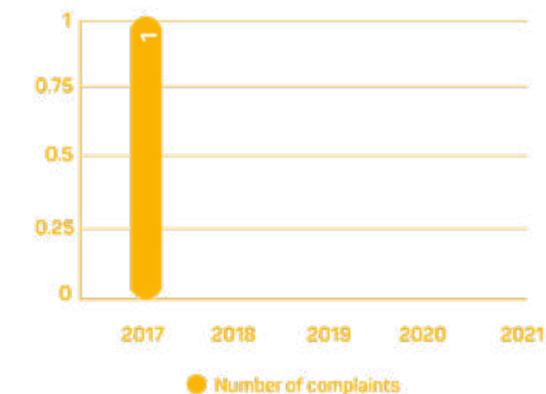
The relationship between **bvc** and its employees is determined by the Colombian Constitution, the Labour Code, ILO international agreements, and other high court jurisprudence that indicates how to interpret and implement the law.

In **2020** **bvc** became **1000**-edición **4** certified in responsibility and respect for a work-life balance. The Exchange has an active efr committee in which employees can participate by making suggestions, recommendations or submitting organisational management proposals. The committee is comprised of **13** employees from all over the company.



In **2020**, as in previous years, no complaints were received with regard to **bvc**'s relationship with its employees. During the pandemic, the company has made no redundancies nor reduced salaries; our employees are our most important asset.

Number of complaints



Training

6.1.2.
GRI: 404-2

We use a training ecosystem to manage **bvc** knowledge and contribute to organisational challenges and business continuity. There are three main organisational abilities: Core Business, Leadership, and Agile, Digital **bvc** Methodologies.

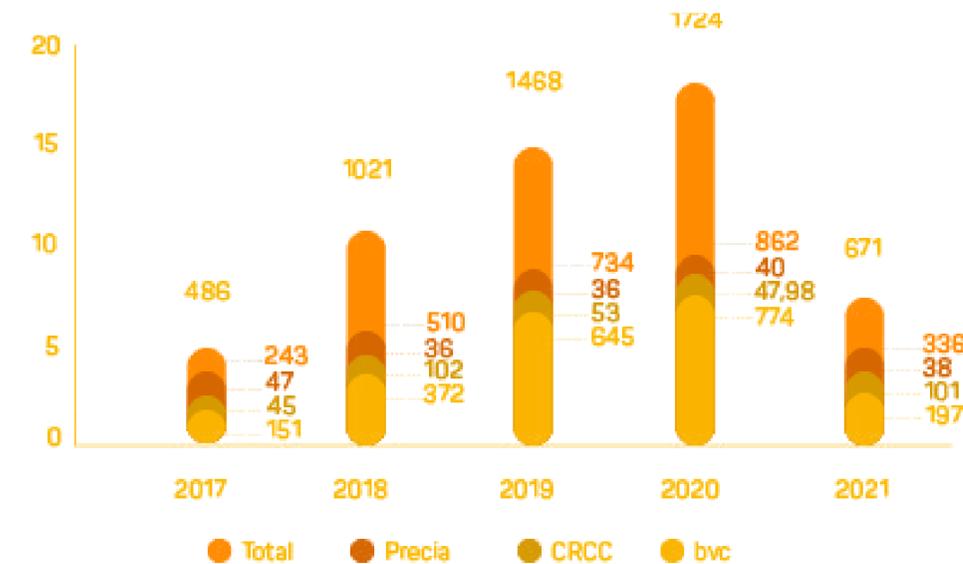


bvc Schools:

Over the year, we implemented four schools at which we develop organisational abilities:

- **SoyTec:** Strengthens technical abilities related to business priorities and contributes to the company's technology strategy.

Evolution of Investment in Training



- **Learning pathways:** We designed **24**, according to the needs of each team.
- **Agile:** Levelling-up knowledge among leaders and teams using strategic initiatives that facilitate agility through understanding and a common language.
- **Operations:** We created learning pathways that benefit our operations.

Communities:

We used best practice, knowledge and cascade communications to support our communities: Service Gurus, Agile Connections and **bvc** Trainers.

Closing Gaps:

- **English Club:** **47** Participants - **10** Groups.
- **Specialised training:** **13** grants worth COP **199** m— two Roberto Junguito Masters, two specialisations and nine Masters.
- **On demand:** We provided **17** employees with specific training to close gaps related to their jobs.

6.1.2.GRI: 103-2,
404-2**bvc Learning:**

We created a virtual learning library for employees that provides training and strengthens internal knowledge.

Self-learning:

We have initiatives that promote the development of our skills:

- **bvc Classroom:** An annual programme that develops and updates soft skills. We offered **60** sessions in **2021**.
- **Individual Development Plan:** All employees have an individual development plan that aims to strengthen their abilities and close any identified gaps. The plan is part of the Performance Management Integral System and is monitored quarterly.

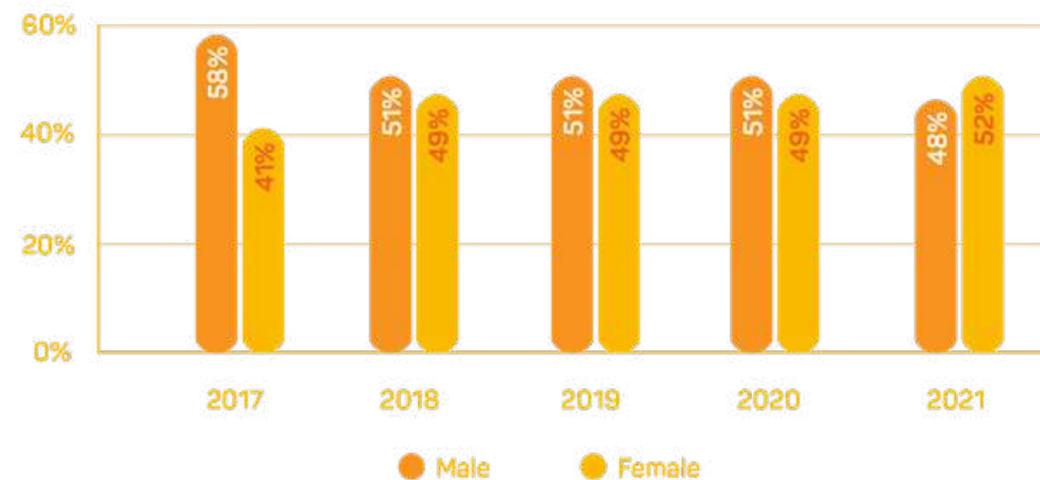
Performance Management Integral System

The Performance Management Integral System supports the development and achievement of organisational objectives. We use a traditional methodology with commercial incentives, and conduct quarterly monitoring.

We are agile and we create value that allows us to use agile frameworks in our conversations and our daily work. We focus on organisational competences and behaviours:

- Passion #VoyMásAllá .
- Innovation/Global Vision #AbiertoAldeas #FomentoElAprendizaje.
- Empowerment and self discipline/Results generation #AprendoDeLosErrores.
- Customer obsession #RelacionesdeConfianza #EnLosZapatosDelCliente.
- Quality and transparency #TrabajoAConciencia.
- Trust #SomosResilientes.

Percentage of employees with performance evaluations



6.1.2.GRI: 103-2,
404-2**bvc Leadership style:**

Our leaders use a Barrett Value Centre management style that is based on values, connecting teams, working with a purpose and generating results.



Some of the actions that we value are:

- LDR valuations and performance management.
- Rituals: Leader committees, amplifiers and meetings.
- Network sessions.
- Shadowing and development plans for leaders and teams.
- Training for leaders.

Training at CRCC

The CRCC team attended more conferences and seminars in **2021**. A teamworking workshop was held, and employees received educational grants, Coursera access for specialised courses and specialised coaching. The value invested was higher than in previous years.

Training at Precia

Precia followed a plan designed to develop and deliver tools to leaders and align them with organisational strategy through the Management **3.0** Agility and Leadership programme. We created a team of experts to generate a greater understanding of the business and standardise transversal core business content across precia products, legalisation and other relevant aspects.

Strategic Talent Management

6.1.2.
GRI: 403-1,
103-2

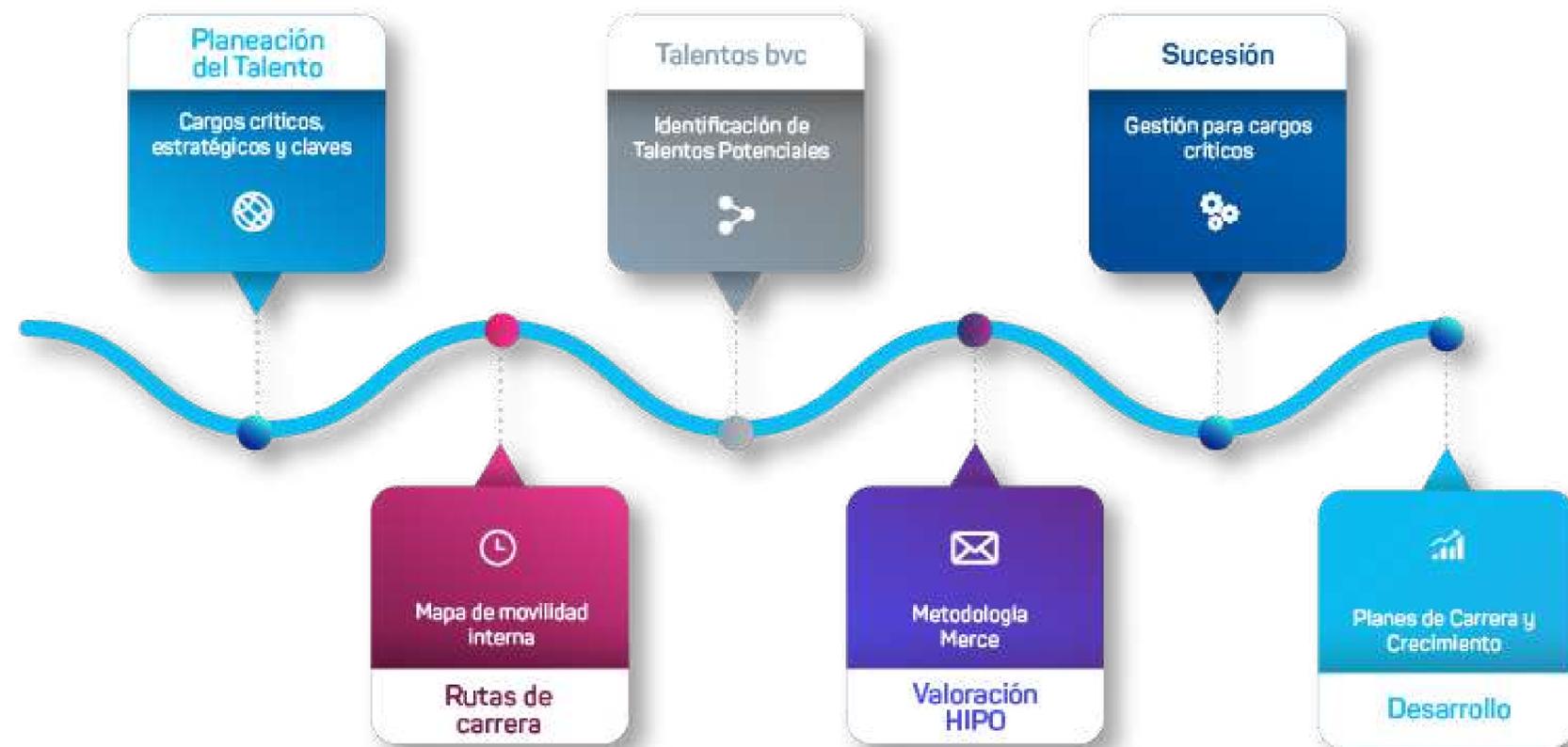
Talent management focusses on optimising people's abilities and achieving organisational objectives, creating a competitive advantage through learning strategies, and talent programmes based on measurable facts.

This guarantees:

- That the best talent will be attracted.
- The continual improvement of associated processes.
- Employee development and commitment.
- That new employees are aligned with organisational culture.
- Maximum productivity and employee development.

We have developed a strategic talent management plan to opportunely manage and mobilise talent based on current and future organisational needs, and guarantee that employees have the competences and abilities required to achieve their targets. The plan has the following initiatives:

- Identification of critical roles.
- Identification of potential.
- Implementation of a talent committee.
- Mobilisation of **bvc** internal talent.
- Career path design.
- Implementation of succession policy.



6.1.2.

GRI: 403-1,
103-2

Critical Roles:

The following variables determine how critical a role is:

- Impact and contribution: How difficult is it to fill the position with someone from the internal or external talent pool?
- The availability gap: The position's contribution to business strategy – objectives of the area being evaluated.

Potential Talent:

Potential is a set of innate qualities or talents, acquired knowledge and abilities. It is understood to be the best result a talent can offer in the long-term and is related to vertical and horizontal growth.



Competences: Ability to learn (mental, change and results agility). Emotional Maturity (self-management, management of others). Leadership (bravery in management, developing people, propensity).



Commitment: A desire to remain with the organisation. Making an effort and going above and beyond.



Performance: In daily tasks, project delivery. Over the past year.



Cultural fit: Adopts **bvc** culture, is coherent in what is said and done. Leaders, workmates and customers recognise this person as an example of organisational culture.

Occupational Health Management

6.1.3.

GRI: 103-2, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

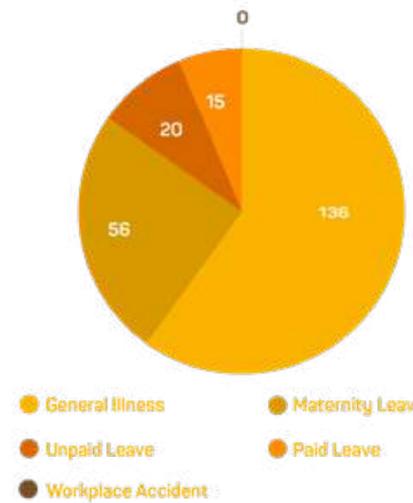
bvc understands the connection between quality of life and working environment, and has implemented a workplace health and safety system that focusses on prevention and promotion that stimulates a culture of self-care, and includes workplace and personal health and security recommendations.

In spite of the COVID-19 health emergency, in 2021 bvc promoted self care at work via technological resources. This included 33 training activities and 22 leaflets promoting a healthy lifestyle as a way of preventing muscular and skeletal disorders, protecting hearing, COVID prevention, etc. We also ran a virtual health month.

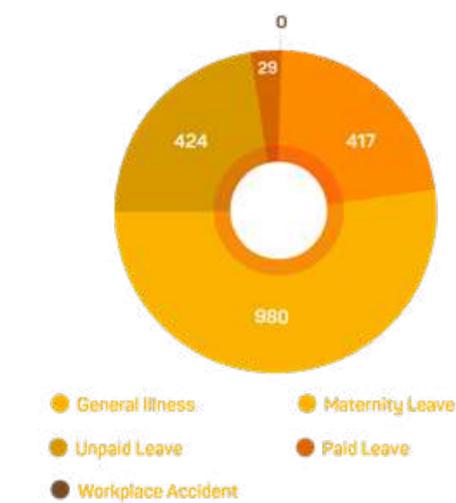
Our Health Committee offered information and activities related to self care, in conjunction with managers, and met 12 times over the year, with elections in July and a new committee in November. In addition, our 20-employee emergency brigade received virtual training on home emergencies.

Thanks to the health insurance bvc provides to its employees, we were able to closely monitor positive COVID cases, and people received quality health care. We signed an agreement for rapid PCR testing that was aligned with the company's Closer to You strategy and the Workplace Health and Safety Management System.

Male absences by number of days

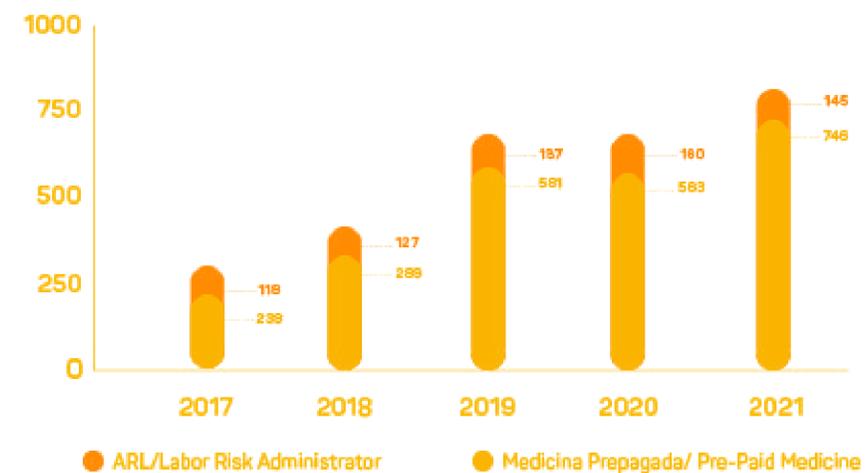


Female absences by number of days



Our promotion and prevention strategy aims to reduce absenteeism due to common and workplace illnesses and workplace accidents. Sick days fell in 2021 compared to previous years, going from 1,130 days to 417 days for women and 548 days to 136 days for men. No workplace accidents resulting in absenteeism were recorded.

Evolution of Investment in occupational health (COP million)



Wellbeing Management

6.1.4. GRI: 401-2, 103-2

By developing professional growth and reinforcement activities, we aim to increase motivation, improve our reputation, achieve greater productivity and create a better organisational climate. Each year, bvc designs a broad wellbeing plan. In 2021, work and life were the focal points—the former includes activities by area and the latter contains a wide range of activities.

During the ongoing health emergency we continued to seek ways to connect teams and people, while promoting a healthy work-life balance and creating a safe workplace for our human talent.

We offered the following activities:

Sports:

- Rumba classes, boxing
- Cookery classes
- Participation in the Bogota and Medellin half-marathons.
- Fitness challenge

Care and connections

- Harvest Time seminar
- Enneagram and self-knowledge workshop
- Grief management seminar

Celebrations:

- Mother's and Father's Day
- Children's Day

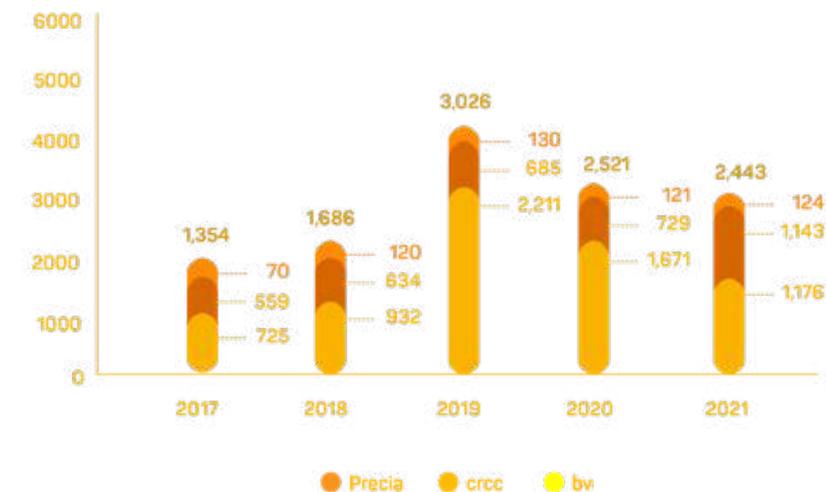
- Family Day
- Anniversaries
- Halloween
- Christmas for children
- New Year celebration

Activities by area

- Selection of a one hour workshop, a survey to choose a physical activity or the training school.

Providing support to people while they or their families are self-isolating has been a priority for the company.

Evolution of employee benefits



We continued to strengthen communication channels and recognise good work. We launched a new social network and a recognition programme called This is who we are, the value of belonging to the Exchange. This is a space in which employees can meet and interact around information of value to the company, and can recognise the good work that their workmates do and their delivery of value.

6.1.4.

GRI: 401-2,
103-2

The Somos**bvc** (We are **bvc**) platform is a digital space focussed on the experience of working for **bvc** and the benefits this brings. It has a **24** hour chat function that answers doubts, provides psychological support and receives suggestions.

To encourage staff retention, CRCC implemented new benefits such as Fonbolsa membership to promote saving and offer access to lower than market rate loans. It also began offering private medical insurance with Allianz, supporting everyone's wellbeing and health during the current pandemic.

During the first half of the year, precia ran activities designed to strengthen bonds during remote working. In the second half of the year, the flexible working environment we implemented ensured that all employees worked in the office two days per week, while ensuring biosecurity protocols were followed. We held a presential family day and end of year dinner. We ran a campaign to strengthen precia culture that helped integrate new employees and strengthen our values.



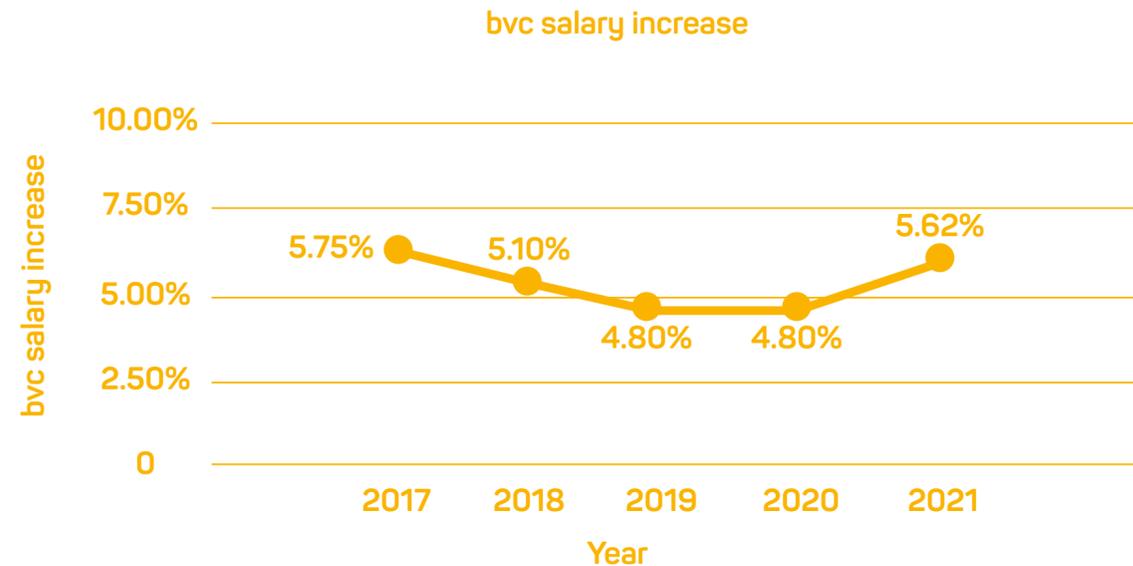
Remuneration Model

6.2.

GRI 102-38,
102-39, 103-2

Total remuneration is comprised of salary, benefits and extra-legal bonuses. Total remuneration aims to achieve an internal and external balance and strengthen our corporate competence in the market. In **2021** we strengthened our corporate benefits and transitioned them to a flexible model, in which employees can choose the benefits that best meet their current needs with regard to their age, socioeconomic position, etc.

Due to changing market conditions during the pandemic, we conducted a reference study with our technology and a2censo teams to check on the competitiveness of our remuneration package, and identify market changes and significant tendencies.



Our extra-legal bonus scheme shares the company's extraordinary results in accordance with performance.

In recent years, we have used the inflation rate to determine general salary increases.

In **2022** we plan to continue analysing market tendencies and will analyse the whole company and each of its different positions.



Employees

6.3.

GRI: 102-8,
103-2, 401-1

bvc Group has a passionate, empowered and innovative talent pool that works to the best of its abilities on each of its tasks. Some of our characteristics are our human qualities, our creativity, the fact that we trust our talent and that we can be authentic.

Our management culture is designed to strengthen our organisational environment, productivity and commitment. **bvc** leaders inspire, recognise and connect their teams to achieve results through development.

The following table shows employees by type of contract; the tendency is towards the stability, trust and commitment of an indefinite employment contract.

Type of contract		bvc	deceval	bvc + deceval	CRCC	Precia	bvc Group Total	
2021	Indefinite	Men	43%	48%	46%	65%	52%	54%
		Women	54%	49%	52%	35%	37%	41%
	Fixed-term	Men	2%	1%	2%	0%	8%	3%
		Women	1%	2%	2%	0%	3%	2%

Staff turnover

Staff turnover was a challenge in **2021**—it increased by **24.19%** at **bvc** compared to previous years—and we designed actions to reduce it. We designed a value proposition for employees that positively impacted perception inside and outside the company. We designed a talent committee to identify the needs and risks associated with current talent management, and implemented short, medium and long-term actions to improve retention, training and opportune management.

In **2022**, a broad talent strategy will focus on the actions that lead to resignations. A dashboard was designed to monitor areas with the greatest impact, and aid the predictive analysis of potential future resignations and their impact on business continuity and the organisation in general.

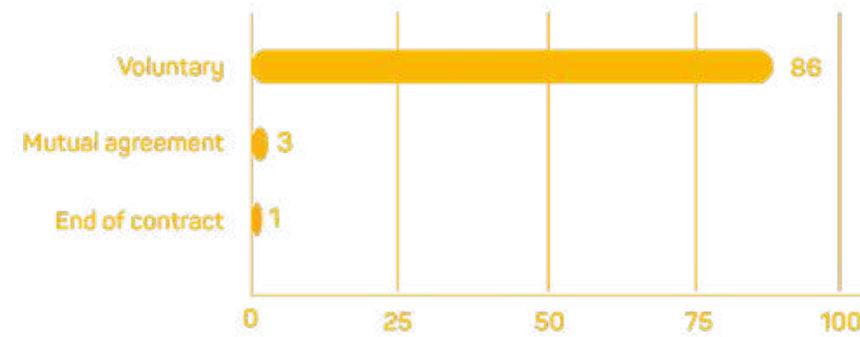


Resignation report

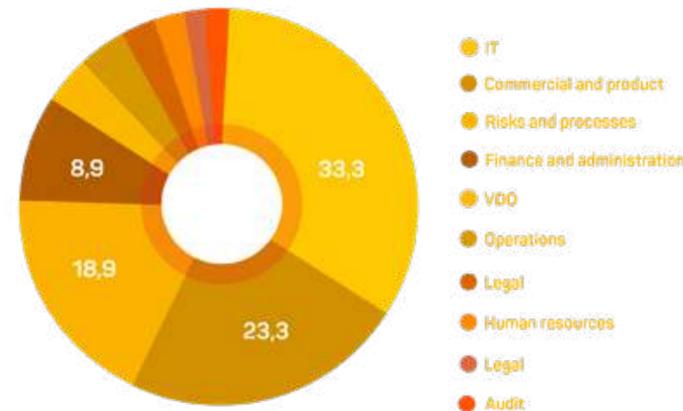
6.3.
GRI: 102-8,
103-2, 401-1

Role	No. resignations
Architect	6
Senior Information Security Analyst	4
IT Business Analyst	4
Process Analyst	3
Junior IT Business Analyst	3
Senior Software Engineer	3
a2censo New Business Analyst	2
Senior Education Analyst	2
Document Management Technician	2
Risk Analyst	2

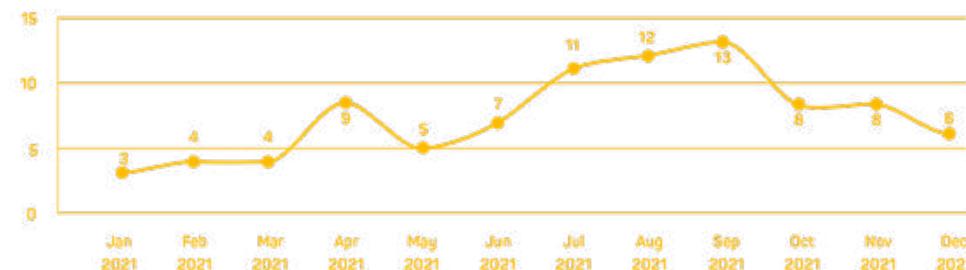
Type of resignation



5 of total resignations



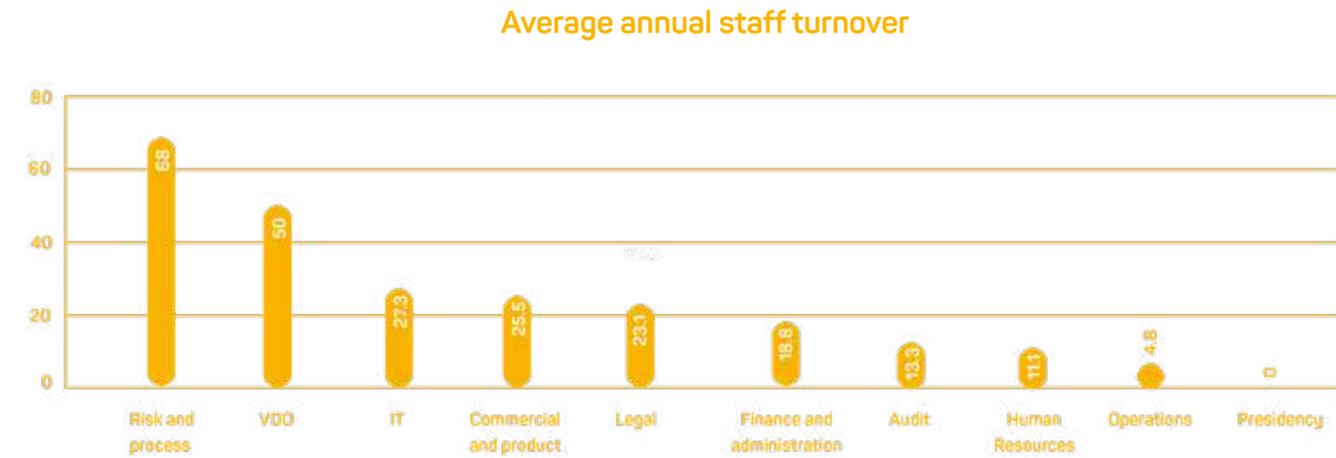
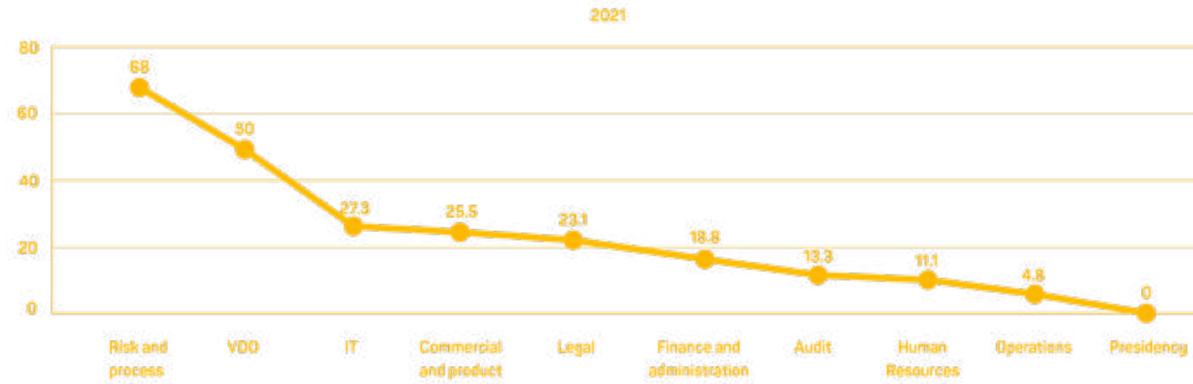
Number of resignations per month



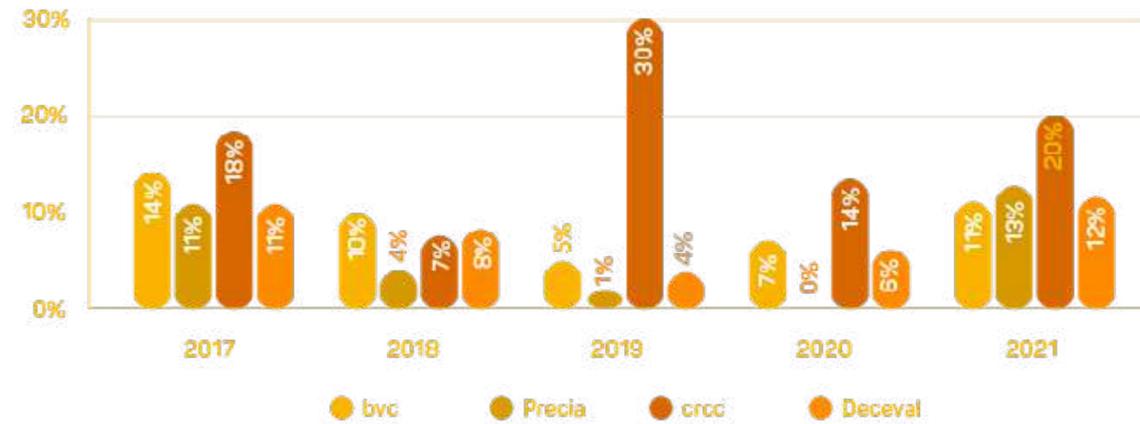
Name	Years of service
Moron Sierra Carlos Alberto	9
Granados Bonilla Carlos Eduardo	9
Torres Murcia Ingrid Carolina	9
Murillo Barrera Edison Leonardo	8
Reyes Naranjo María del Pilar	8
Barbosa Bocciga Laura Daniela	7
Naranjo Romero Catalina	7
Montiel Vargas Edgar	7
Castellanos Sandoval Leidy	7
Horta Alfaro Joseph Ferney	6
Glatz Lotero Anton	6

Staff turnover report

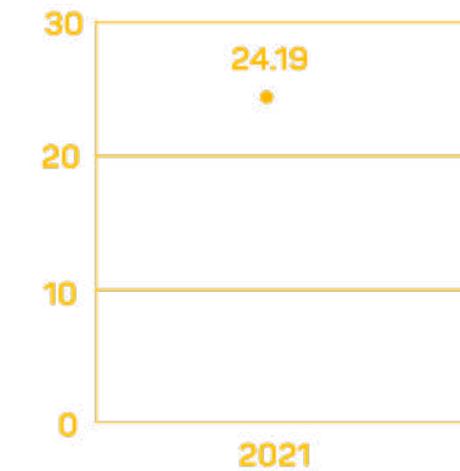
6.3.
GRI: 102-8,
103-2, 401-1



Staff turnover



Consolidated annual bvc staff turnover



At CRCC, staff turnover was **20%**, mainly in IT due to current market dynamics and the high demand for professionals in this area.

IT staff turnover also rose at Precia, but the increase did not have a significant impact. As a contingency, an incubator was created for universities to increase the number of work placements and support talent from early on.

6.3.
GRI: 102-8,
103-2, 401-1

Role	Exchange + Depository	Precia	Clearing House	bvc Group
President	1	0	0	1
Vice President	5	0	0	5
Manager	17	1	1	19
Deputy Manager	0	0	5	5
Director	45	8	4	57
Coordinator	28	5	6	39
Specialist	81	4	5	90
Senior Analyst	69	8	10	87
Analyst	97	3	13	113
Junior Analyst	12	13	2	27
Assistant	2	1	2	5
Other	19	5	0	24
TOTAL	376	48	48	472



7. Integrated Management Report

7.1. Stakeholder Groups

GRI: 102-40, 102-42, 102-43, 102-44, 102-47, 102-48, 102-49, 103-2, 103-3, 201-1

bvc Group is a capital market infrastructure provider and a listed company. We permanently interact with our stakeholders, who are classified according to the type of relationship they have with **bvc** Group companies. We have identified the following stakeholders:

As a listed company

- Shareholders
- Employees
- Providers

As a capital market infrastructure provider

- Government and supervisory authorities
- The media
- The general public
- Issuers
- Brokers
- Investors

Active communication has served to build solid long-term relationships with stakeholders, as well as identifying and understanding their needs and expectations by using a variety of measurement tools throughout the year, such as customer experience, Great Place to Work and the media survey.

This allows us to measure the impact **bvc** and its subsidiaries have on the economy, society and the environment, in their institutional role within the capital market ecosystem as a provider of products and services and as a corporate entity.

To explain the influence and impact stakeholder groups have on the **bvc** Group materiality matrix, a summary of **2021** results with regard to each group's expectations can be found below, as measured by a number of tools.

7.1

GRI: 102-40, 102-42, 102-43, 102-44, 102-47, 103-2, 103-3, 201-1

The **2021** customer experience survey allowed us to hear first hand opinions, suggestions and expectations related to the value proposition of the products and services we provide to market participants. The results showed improvements in most areas, alongside the more dynamic economic activity that began in **Q2** once the country's vaccination plan was underway.

Our employees are among our most important stakeholders, and the Great Place to Work survey reflected the impact of the new and complex challenges the Group faces now that it uses a mixed home and office working system.

The sixth annual financial press survey run by the Media and Corporate Reputation Department showed positive progress and scores were higher than in **2020**.

Customer Experience Survey

Methodology

One of our organisational commitments and strategic pillars is to put the customer at the centre of our business. To do this, we have built a robust ecosystem to listen to and evaluate our customers' experiences, that uses two methodologies directly related to our BSC objectives.

1. A relationship-based customer experience survey of **405** customers, conducted by Ipsos Napoleón Franco between September and November **2021** (**225** brokers, **47** issuers, **65** promissory note customers and **68** education customers).

Customers were randomly selected and evaluated homogeneously and without bias, according to the following income-led proportions: **55%** brokers, **35%** issuers, **5%** promissory note customers, **5%** education customers.

Data analysis used the Satisfaction Model to establish customer satisfaction ranges, as follows:

- Below **73.3** points – Requires immediate intervention.
- Between **73.3** and **85.5** points – Requires optimisation actions.
- Above **85.5** points – Requires maintenance actions.

2. We also measured the transactional customer experience using **30** periodic nano-surveys based on customer interaction with our products and services, and analysed their experience in real time with alerts for non-satisfaction.

We used the same methodology of simple averages and descriptive statistics.

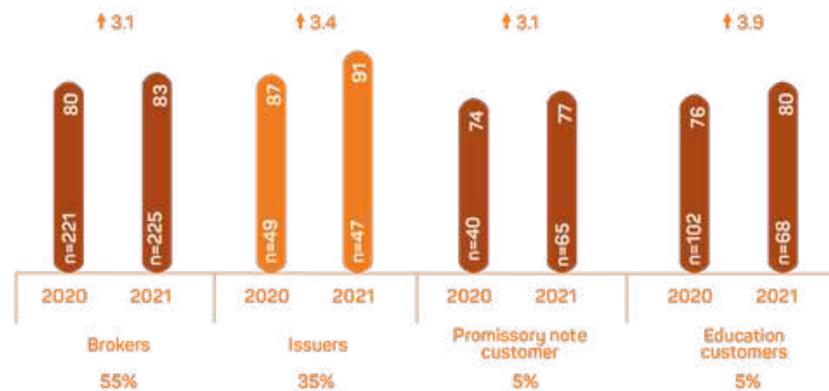
7.1.1.

Results

bvc scored 85 points on the relationship survey and 88 points on the consolidated transactional surveys, a high level of satisfaction according to our framework.



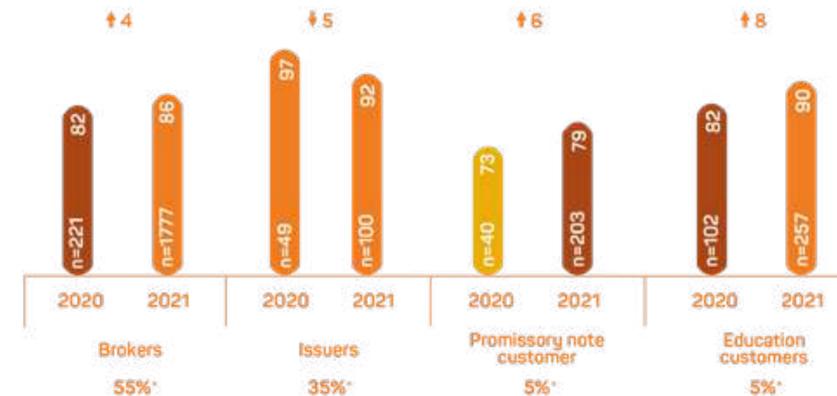
This allows us to conclude that the customer experience at bvc is at optimal levels. We need to continue updating our technology, innovating in onboarding, and closing technology gaps.



At a relationship level, customers highlighted our commercial accompaniment and support, project implementation, accompaniment in issuances and post-trade support. However, they identified room for improvement related to the agility of technical support and customer services, core platform updates and market liquidity and dynamics.

In our transactional experience surveys, customers highlighted post-trade broker and issuer support and service. Promissory note customers highlighted our commercial and education support, and reported a high level of satisfaction with our presential and virtual offerings.

In terms of improvements, our customers would like to see faster customer service responses, more communication and agility in technical and technology incident resolution, lightweight and digital onboarding processes, and easy to understand, intuitive billing and charging processes.



In conclusion, to meet our goal of being a 100% customer focussed company, we have made changes to the customer experience that have generated positive results. The company is conscious of the need to continue to simplify our enabling technology processes to require less customer time and effort, and more opportunely deliver information that resolves their doubts.

We are facing some important challenges in 2022, related to resolving product, commercial, technological and customer service issues that will allow us to provide more agile and simpler support. We need to continue innovating in the onboarding process, as well as applying strategies to guarantee a more liquid and dynamic capital market for our customers.

General 2021 Transactional Results

7.1.1.

Satisfaction Index**

High >85.5

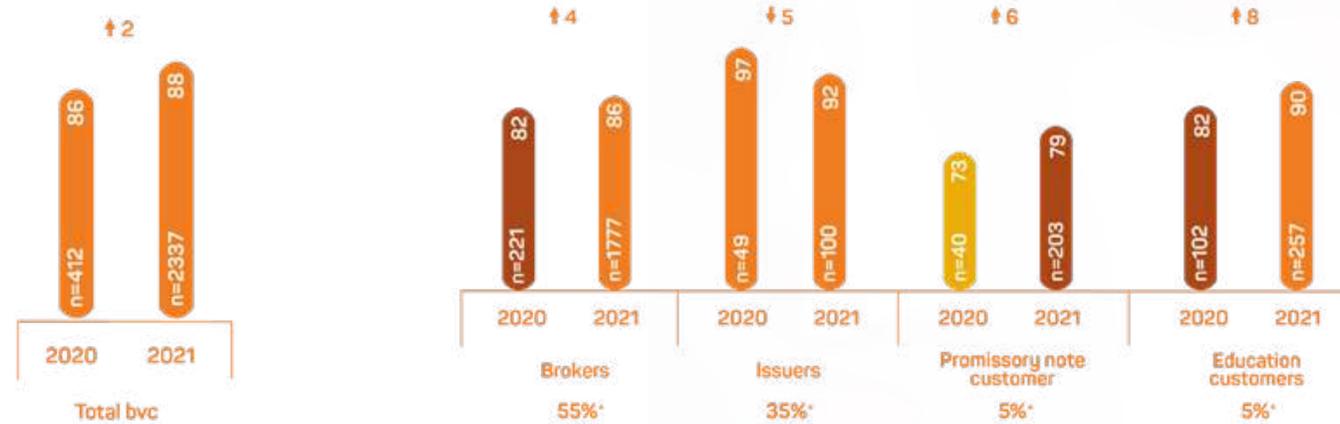
Maintain

Medium 73.3 -85.5

Optimise

Low <73.3

Immediate action



- **Brokers:** Focus on improving **market dynamics and liquidity**, **evolve platforms** such as SIIDJ, Terminal BO and SAG that are perceived as obsolete, and as a priority improve **technological support for customers** following incidents.
- **Issuers:** Focus on maintaining, **minimise gaps in the issuance process** and improve **customer service** attention.
- **Promissory note customers:** Focus on improving system stability and functionality, the speed and complexity of post-sale support (IT, Ops) and improving the onboarding process.
- **Education customers:** Focus on **maintaining product and closing the cycle** of customers that find themselves stuck in service scaling loops.

Customer Experience Survey Results 2021 - Products

7.1.1.

Fixed-income

Fixed income scored **82** points, meaning that this product is in an optimal state. Attributes that strengthen the customer experience were highlighted, such as: technological infrastructure, ease of operating in the fixed-income market and clarity around all the benefits to be had from operating in this market. In terms of improvements, dynamics and liquidity, clarity of fees and response to market conditions and needs were mentioned.

Equities

Equities scored **74** points, indicating brokers' lack of satisfaction with market dynamics and liquidity, clarity of fees, and price competitiveness with other agents such as brokers, SEN (National Electronic System), etc. Aspects that saw an increase in satisfaction compared to **2020** were infrastructure capacity, clarity of benefits and improvements to access terminals.

Derivatives

Derivatives scored **77** points and the customer experience must be optimised; customers mentioned infrastructure improvements, terminals, and system availability. The ease of derivative operations and the alignment of this market with international standards. However, market dynamics and liquidity still need to be addressed, as does clarity around fees.

Information and electronic media

Information and electronic media scored **82** points, and the customer experience is positive, with some room for improvement. Positive aspects mentioned by customers were the trust they have in bvc indexes and market information, and the channels available to access market information. However, the survey found that satisfaction in electronic access systems available for completion was low.

Promissory notes

Promissory notes scored **85** points, a five point improvement compared to **2020**. This increase can be explained by positive evaluations of system stability and the general speed of transactions on the system, and the product was very well evaluated as a tool to facilitate credit collocation. However, in spite of the improvements, customers want better post-sales support and there is a low level of satisfaction related to speed and resolution when technical support is required from the Exchange.

7.1.1.

Issuers

The issuer experience scored **91** points (**+3.4** compared to **2021**), a highly satisfactory general result that should be maintained, while elements that cause friction are addressed.

Among the well-evaluated elements are **bvc's** high level of commercial support and accompaniment, especially knowledge, management capacity and accompaniment by the commercial team. Other positively evaluated aspects were related to the primary market as an alternative source of financing, in which benefits such as the price obtained for issued securities and the visibility and reputation associated with being a **bvc** issuer generate satisfaction.

Brokers

The broker sector scored **83** points (**+3.1** compared to **2020**). This intermediate result had some very positive elements, such as commercial accompaniment and support, accompaniment in project implementation and post-trade customer support that served to improve the global indicator. There is room for improvement in market dynamics and liquidity, platform technical support, and the evolution of some post-trade platforms, such as Siidj and BO terminal.

Education

Education scored **80** (**+3.9** compared to **2020**). This is a reflection of the improvements made to our courses and diplomas, as evaluated by the student community. Course enrolment and payment service scores improved compared to **2020**, and information screen services support value creation in our relationship with universities.

There is room for improvement in the accompaniment and support available for directors at educational institutions, especially in terms of designing innovative products that adapt to their needs, and in the support administrative teams receive from **bvc** when designing, implementing and promoting their academic programmes.

Media Survey

7.1.2.
GRI: 103-3

Considerable progress was made with regard to the media's perception of **bvc** in **2021**. For the second time, we scored **4.53** (the first was in **2019**), the highest score since the survey began in **2014**. The score increased in **10** of the **14** variables measured, and just three experienced slight drops.

The principal improvement was in system service and uptime. This indicator improved by **59** basis points and scored **4.39** (last year's score was **3.8**).

The four highest scores in the survey were in the following areas: transactional security and transactional transparency (both scored **4.73**), followed by integrity and transparency, and customer service (**4.65**).

Unlike previous years, no variable scored less than **4**. The lowest scoring variable was education (**4.34**). The plan for **2022** is to maintain and consolidate these scores.



Areas evaluated	2018	2019	2020	2021
1. Integrity and transparency	4.3	4.68	4.47	4.65
2. Leadership	3.8	4.6	4.21	4.43
3. Vision	3.8	4.6	4.26	4.52
4. Image and recognition	4.03	4.65	4.65	4.43
5. Sustained and diversified performance and growth	3.8	4.36	4.26	4.52
6. Education and training	3.9	4.31	4.4	4.34
7. Internationalisation	3.8	4.28	4.4	4.39
8. System service and uptime	4	4.44	3.8	4.39
9. Good corporate governance practice	4.1	4.55	4.34	4.65
10. Legal compliance and an organised, transparent and honest market	4.03	4.65	4.43	4.43
11. Transactional security	4.2	4.65	4.34	4.73
12. Transactional transparency	4.2	4.68	4.39	4.73
13. Product and service management	4.13	4.5	4.26	4.65
14. Customer service	4.03	4.5	4.17	4.6
Average score	4.00	4.53	4.31	4.53

Great Place to Work Survey

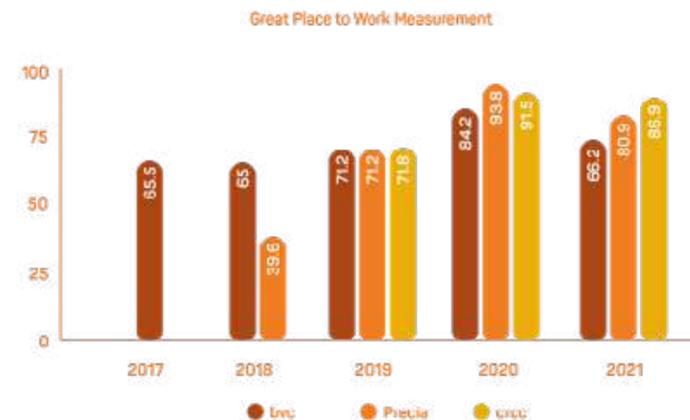
7.1.3.
GRI: 103-3

In **2021**, the company's organisational culture transformation plan focussed on five action points related to **2020**'s results.



Bvc measures its employees' perspectives of the organisation each year using the Great Place to Work workplace environment survey. This year, participation was **93%** and the margin of error was **5%**. The workplace environment index scored **66.2** points, considered to be Very Satisfactory, and GPTW certification was renewed.

The points drop is due to the COVID situation in society and all over the world. The Exchange continued to adapt to the changing environment by creating new practices and dynamics to develop and maintain formal, transactional and emotional bonds and ensure the continued commitment of our employees.



Subsidiary Results

CRCC obtained a very positive result in its working environment survey, and maintained its Very Outstanding result, in spite of a small drop compared to **2020**. According to People's Voice, the company that carries out the GPTW survey, **2020** was an atypical year in which keeping one's job and working from home were more relevant than usual. As the pandemic extended through **2021**, other factors became important, and it is perhaps more comparable to **2019** as topics and strategies implemented in previous years began to give fruit.

In **2021**, CRCC improved its employee benefits and worked on improving recognition and teamwork. It also continued to strengthen a wellbeing culture that is well suited to people's needs and is a common topic of conversation with employees.

precia posted a positive result. The improvement process continues to offer employees a trustworthy working environment by developing leadership styles and strengthening corporate culture.

Material topics 2020

7.1.4.
GRI: 102-47,
103-1

Material topics by level of impact on stakeholders	Stakeholders bvc						
	Employees	Issuers	Intermediaries	Investors	Media	Other organisations*	Students
Securities market							
Product and service management.	✗	✓	✓	✓	✓	✓	✓
Legislative compliance.	✗	✗	✗	✗	✓	✗	✗
Securities market development.	✗	✓	✓	✗	✓	✓	✓
Systems uptime.	✗	✗	✓	✗	✓	✓	✓
Technology evolution and updates.	✗	✓	✓	✗	✓	✓	✓
Internationalisation.	✗	✓	✓	✗	✓	✓	✓
Public policy.	✗	✗	✗	✗	✓	✗	✗
Operational security.	✗	✓	✓	✗	✓	✓	✗
Company							
Sustainable, diversified economic performance and growth.	✗	✓	✓	✗	✓	✓	✓
Corporate governance.	✗	✓	✓	✗	✓	✓	✓
Image and recognition.	✗	✓	✓	✗	✓	✓	✓
Customer services.	✗	✓	✓	✓	✓	✓	✓
Workplace environment							
Transactional (benefits, remuneration, development).	✓	✗	✗	✗	✗	✗	✗
Commitment.	✓	✗	✗	✗	✗	✗	✗
Bond.	✓	✗	✗	✗	✗	✗	✗
Workplace environment.	✓	✗	✗	✗	✗	✗	✗

Score

4 - 5

3 - 4

0 - 3

Evaluated



Not evaluated



*Other deceval promissory note customers in the real and financial sectors.

Integrated Management Report

7.2.

GRI: 102-45, 102-46, 102-50, 102-51, 102-52, 102-53, 102-54

Scope of bvc's Integrated Management Report

Scope 2021

bvc corporate and financial performance, including subsidiaries, permanent investments and joint ventures with companies that are part of the Colombian securities market value chain.

In **2021**, the main changes in the **bvc** Group were: the acquisition of an additional **2.89%** holding in CRCC, following its merger with CCDC in December **2020**.

Subsidiaries:

- Depósito Centralizado de Valores S.A. – deceval.
- Cámara de Riesgo Central de Contraparte S.A. – CRCC.
- Precia S.A.
- Invesbolsa S.A.S.

Joint Ventures:

- Set-Icap S.A.

Permanent Investments:

- Derivex S.A.
- XM Expertos en Mercados S.A.

Reporting period

GRI 102-50

Calendar year from **1** January to **31** December **2021**.

Reporting Cycle

GRI 102-52

Annual.

Previous Report

GRI 102-51

Published following approval by the General Assembly of Shareholders held on **26** March **2021**.

Accounting Standard

IFRS for individual (**bvc** only) and consolidated (**bvc** and subsidiaries) reports. IFRS financial reports contain previous year comparative data.

Sustainability Report

GRI 102-54

- For the sixth consecutive year, **bvc's** integrated annual report is aligned to Global Reporting Initiative (GRI) standards and contents for **2021**. This report was produced using the GRI Core option.
- The report presents quantitative and qualitative corporate information, with sustainability and stakeholder relationship guidelines.
- The **2021** report also uses the **11** disclosure criteria of the Security & Commodity Exchanges Sustainability Accounting Standard de SASB to present information.

Stakeholders

GRI 102-51

In 2021, we evaluated:

- Employees.
- Issuers.
- Intermediaries.
- The Media.
- Students.

7.2.GRI: 102-55
GRI 102-45**Scope**

GRI 102-46

In **2021**, **bvc** and market-defined material topics were evaluated through: Client Satisfaction Surveys that focussed on evaluating three stakeholder groups (issuers, brokers and educational institutions); the Media Survey; and the Great Place to Work Survey of **bvc** and deceval employees.

With a view to broadening information on subsidiaries, in this **2021** report, **bvc** will offer greater coverage and scope on some material topics compared to the **2020** report.

Material Topics

GRI 102-47

The material topics evaluated in **2021** were:

Securities Market:

Product and Service Management.
Legislative Compliance.
Securities Market Development.
Systems Uptime.
Internationalisation.
Operational Security.

Organisation:

Sustainable, Diversified Economic Performance and Growth.
Corporate Governance.
Image and Recognition.
Client Service.

Work Environment:

Camaraderie.
Credibility.
Impartiality.
Pride.
Respect.



External Assurance

GRI 102-56

7.2.

GRI: 102-45,
102-55, 102-56

Statutory Auditor:

KPMG was elected by the General Assembly of Shareholders to be the statutory auditor and independently audited the Individual and Consolidated Financial Statements for the year ending **31** December **2021**.

Scope of Financial Statement Assurance:

GRI 102-47

The auditor validates that the data is consistent with the company's financial information, contained within its financial statements, and proceeds to determine compliance with Article **38**, Law **222, 1995**, that states: "certified financial statements are attached to the auditor's professional opinion, or failing that, the opinion of an independent public accountant that has examined them in accordance with generally accepted audit standards."

When financial statements are presented together with a management report, the auditor must include in their report an opinion on whether the data in both reports concurs.

Scope of Financial Statement Assurance:

GRI 102-47

The statutory auditor elected by the General Assembly of Shareholders is responsible for revising the management report included with the financial statements, and its respective notes and disclosures.

The audit's scope with regard to the management report is to validate that it complies with the minimum requirements laid out in Article **47**, Law **222**, modified by Law **603, 2000**, and contains "(...) a faithful report of the business's evolution and economic, administrative and legal situation".

The auditor, therefore, verifies the existence of:

1. Any important events that occurred after year-end.
2. The company's foreseeable development.
3. Transactions with partners or managers.
4. Compliance with IP and copyright regulations.

Defining report content and topic Boundaries

GRI 102-46

7.2.

GRI: 102-55
GRI 102-45

Identifying relevant topics for stakeholders

- Identify Colombian regulatory requirements.
- Identify **bvc** Good Governance Code requirements.
- Identify GRI suggested content.
- Identify company stakeholders.

Determining and prioritising content

- Verify the material importance of management report content with the areas responsible for its production.
- Define report content.
- Define management report topic boundaries.

Preparing, validating and presenting content

- Compile the following information: administered markets, products and services, financial statements, risk management, corporate governance, sustainability and human resource management.
- Select, compile and report the information.
- Detailed management revision of information reported by each area.
- Revision and approval of the report by **bvc** Board of Directors.
- Audit of the financial statements and their notes by the statutory auditor to guarantee accuracy, trustworthiness and transparency.
- Revision and approval of the financial statements by the **bvc** General Assembly of Shareholders.
- Report submission to the Colombian Financial Superintendence and publication on **bvc's** website.

7.2.GRI: 102-55
GRI 102-45**Contributors****President****VP Finance and Administration:**

- Investor Relations and Sustainability Management.
- Finance Management.
- Communications Management.
- Administrative Management.

Risk Management**Audit Management****Human Resources Management****VP Legal**

- Legal Management.

VP Commercial and Product:

- Broker Management.
- Issuer Management.
- Market Management.
- Information and Electronic Media Management.
- deceval Product Management.
- Marketing Management.

VP Technology**VP Operations****PMO Management****For more information:**

GRI 102-53

Carlos Barrios Investor Relations and Sustainability Director

Tel: +57 1 3139800 Ext.1167**Email:** cbarrios@bvc.com.co

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GRI Index



CONTENT INDEX SERVICE

2022

7.3. GRI: 102-55

GRI Index COLOMBIAN SECURITIES EXCHANGE - bvc Core option GRI index contents

The GRI Content Index Service has confirmed that the GRI Index content of this report is clear and that the included references for each item correspond to the sections indicated in the report.

GRI standard	Contents	Page	Omissions	bvc Management Report 2021
General contents				
GRI 101: Foundations 2016				
Organisational profile				
GRI 102: Contenidos Generales 2016	102-1	Name of the organisation	22	2.1 Colombian Securities Exchange
	102-2	Activities, brands, products and services	22 23	2.1 Colombian Securities Exchange 2.2 bvc brand architecture
	102-3	Location of the headquarters	22	2.1 Colombian Securities Exchange
	102-4	Location of operations	22	2.1 Colombian Securities Exchange
	102-5	Ownership and legal form	22 25	2.1 Colombian Securities Exchange 2.4 bvc shareholders
	102-6	Markets served	22	2.1 Colombian Securities Exchange
	102-7	Scale of the organisation	27	2.5 bvc scale
	102-8	Information on employees and other workers	31 161	2.6 Employee profile 6.3 Employees
	102-9	Supply chain	33	2.7 Supply chain and significant changes to the supply chain
	102-10	Significant changes to the organisation and its supply chain	33	2.7 Supply chain and significant changes to the supply chain
	102-11	Precautionary principle or approach	35 44	2.8 Precautionary principle 2.9 Audit report
	102-12	External initiatives	22	2.1 Colombian Securities Exchange
	102-13	Membership of associations	22	2.1 Colombian Securities Exchange

GRI standard	Contents	Page	Omissions	bvc Management Report 2021
Strategy				
GRI 102: Contenidos Generales 2016	102-14	Statement from senior decision-maker	1	Letter to shareholders 2021
	102-15	Key impacts risks and opportunities	16 17 19	1.1 bvc Group strategic vision 1.2 Perspectives and future vision 1.3 Evaluation of 2021 strategy
Ethics and integrity				
GRI 102: Contenidos Generales 2016	102-16	Values, principles, standards and norms of behaviour	87	3.8 Ethics and integrity
	102-17	Mechanisms for advice and concerns about ethics	87 151	3.8 Ethics and integrity 6.1.1 Principal employment rights
Governance				
GRI 102: Contenidos Generales 2016	102-18	Governance structure	48	3.1.1 Board of Directors
	102-19	Delegating authority	51	3.1.2 Board of Director and senior management functions

7.3.

GRI: 102-55

GRI standard	Contents	Page	Omissions	bvc Management Report 2021
Governance				
GRI 102: Contenidos Generales 2016	102-20	Executive level responsibility for economic, environmental and social topics	59	3.1.6 Evaluation of bvc President and senior management
	102-21	Consulting stakeholders on economic, environmental and social, topics	82 83	3.4 Shareholders' rights 3.5 Good Governance Code reports
	102-22	Composition of the highest governance body and its committees	52	3.1.3 Board of Directors and Committees
	102-23	Chair of the highest governance body	48	3.1.1 Board of Directors
	102-24	Nominating and selecting the highest governance body	52	3.1.3 Board of Directors and Committees
	102-25	Conflicts of interest	57	3.1.4 Mechanisms for administering and managing conflicts of interest
	102-26	Role of the highest governance body in setting purpose, values and strategy	51	3.1.2 Board of Director and senior management functions
	102-27	Collective knowledge of the highest governance body	61 62 63 356	3.2 Corporate governance practice 3.2.1 Principal modifications to bvc Company Bylaws 3.2.2 Principal modifications to the Good Governance Code 8. Report on implementation of corporate best practice
	102-28	Evaluating the highest governance body's performance	58 59	3.1.5 Board of Directors' self-evaluation 3.1.6 bvc President and senior management evaluation
	102-29	Identifying and managing economic, environmental and social impacts	66	3.3 Audit Committee's annual report to the Board of Directors
	102-30	Effectiveness of risk management processes	66	3.3 Audit Committee's annual report to the Board of Directors
	102-31	Review of economic, environmental and social topics	66	3.3 Audit Committee's annual report to the Board of Directors

GRI standard	Contents	Page	Omissions	bvc Management Report 2021
	102-32	Highest governance body's role in sustainability reporting	52	3.1.3 Board of Directors and Committees
	102-33	Communicating critical concerns	82 83 84	3.4 Shareholders' rights 3.5 Good Governance Code reports 3.6 Legislative compliance
	102-34	Nature and total number of critical concerns	82 83 84	3.4 Shareholders' rights 3.5 Good Governance Code reports 3.6 Legislative compliance
	102-35	Remuneration policies	59	3.1.7 bvc Board and senior management remuneration policy
	102-36	Process for determining remuneration	59	3.1.7 bvc Board and senior management remuneration policy
	102-37	Stakeholder's involvement in remuneration	59	3.1.7 bvc Board and senior management remuneration policy
	102-38	Annual total compensation ratio	160	6.2 Remuneration model
	102-39	Percentage increase in annual total compensation ratio	160	6.2 Remuneration model
Stakeholder participation				
	102-40	List of stakeholders	165	7.1. Stakeholders
	102-41	Collective bargaining agreements	151	6.1.1 Principal employment rights
	102-42	Identifying and selecting stakeholders	165	7.1. Stakeholders
	102-43	Approach to stakeholder engagement	165	7.1. Stakeholders
	102-44	Key topics and concerns raised	165	7.1. Stakeholders

7.3.
GRI: 102-55

GRI standard	Contents	Page	Omissions	bvc Management Report 2021
	Reporting			
GRI 102: Contenidos Generales 2016	102-45	Entities included in the consolidated financial statements	174	7.2 Integrated management report
	102-46	Defining report content and topic Boundaries	174	7.2 Integrated management report
	102-47	List of material topics	165 173 174	7.1. Stakeholders 7.1.4 List of material topics 2021 7.2 Integrated management
	102-48	Restatements of information	165	7.1. Stakeholders
	102-49	Changes in reporting	165	7.1. Stakeholders
	102-50	Reporting period	174	7.2 Integrated management report
	102-51	Date of most recent report	174	7.2 Integrated management report
	102-52	Reporting cycle	174	7.2 Integrated management
	102-53	Contact point for questions regarding the report	174	7.2 Integrated management report
	102-54	Claims of reporting in accordance with the GRI Standards	174	7.2 Integrated management report
	102-55	GRI content index	179	7.3 GRI index
	102-56	External assurance	176	7.2 External assurance
	Material topics			
	Economic performance			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1 16 173	Letter to shareholders 2021 1.1 bvc Group strategic vision 7.1.4 List of material topics 2021
	103-2	The management approach and its components	17 89 27	1.2 Perspectives and future vision 4.1. Sustainability focus and vision 2.5 Scale of the organisation
	103-3	Evaluation of the management approach	19	1.3 Evaluation of 2021 strategy
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	89	4.1. Sustainability focus and vision
	201-4	Financial assistance received from government	357	Footnote 37 – Related-parties

GRI standard	Contents	Page	Omissions	bvc Management Report 2021
	Indirect economic impacts			
GRI 103: Management approach 2016	103-1	The management approach and its components	1 16 173	Letter to shareholders 2021 1.1 bvc Group strategic vision 7.1.4 List of material topics 2021
	103-2	The management approach and its components	17 89 96 105 107	1.2 Perspectives and future vision 4.1. Sustainability focus and vision 4.2.1 Corporate Social Responsibility Programme 4.4 Financial Education 5.1. Principal commercial results 2021
	103-3	Evaluation of the management approach	19	1.3 Evaluation of 2021 strategy
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	140 145 148	5.13 Technology and innovation development and evolution 5.12 Operational development and evolution 5.14 VDO project development and evolution 2021
	203-2	Significant indirect economic impacts	96 105	4.2.1 Corporate Social Responsibility Programme 4.4 Financial education
	Procurement practices			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1 16 173	Letter to shareholders 2021 1.1 bvc Group strategic vision 7.1.4 List of material topics 2021
	103-2	The management approach and its components	17 27 33	1.2 Perspectives and future vision 2.5 bvc scale 2.7 Supply chain and significant changes to the supply chain
	103-3	Evaluation of the management approach	19	1.3 Evaluation of 2021 strategy
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	33	2.7 Supply chain and significant changes to the supply chain

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Anti-corruption				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	1 16 173	Letter to shareholders 2021 1.1 bvc Group strategic vision 7.1.4 List of material topics 2021
	103-2	The management approach and its components	1 17 35 66 87 89 151	Letter to shareholders 2021 1.2 Perspectives and future vision 2.8 Precautionary principle 3.3 Audit Committee's annual report to the Board of Directors 3.8 Ethics and integrity 4.1. Sustainability focus and vision 6.1.1 Principal employment
	103-3	Evaluation of the management approach	19	1.3 Evaluation of 2021 strategy
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	66 151	3.3 Audit Committee's annual report to the Board of Directors 6.1.1 Principal employment rights
	205-2	Communication and training about anti-corruption policies and procedures	1 35 87 89	Letter to shareholders 2021 2.8 Precautionary principle 3.8 Ethics and integrity 4.1. Sustainability focus and vision
Tax				
GRI 103: Enfoque de Gestión 2016	103-1	Explanation of the material topic and its Boundary	344	Footnote 36 - Income tax
	103-2	The management approach and its components	344	Footnote 36 - Income tax
	103-3	Evaluation of the management approach	52	3.1.3 Board of Directors and Committees
GRI 207: Fiscalidad 2019	207-1	Approach to tax	52	3.1.3 Board of Directors and Committees
	207-2	Tax, governance, control and risk management	52	3.1.3 Board of Directors and Committees
	207-3	Stakeholder engagement and management of concerns related to tax	344	Footnote 36 - Income tax
	207-4	Country-by-country reporting	344	Footnote 36 - Income tax

GRI standard	Contents	Page	Omissions	bvc Management Report 2021
Energy				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	173 1 16	7.1.4 List of material topics 2021 Letter to shareholders 2021 1.1 bvc Group strategic vision
	103-2	The management approach and its components	1 16 17 96 99	Letter to shareholders 2021 1.1 bvc Group strategic vision 1.2 Perspectives and future vision 4.2.1 Corporate Social Responsibility Programme 4.3 Environmental management
	103-3	Evaluation of the management approach	19 165	1.3 Evaluation of 2021 strategy 7.1. Stakeholders
GRI 302: Energy 2016	302-1	Energy consumption within the	99	4.3 Environmental management
Employment				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	173 149	7.1.4 List of material topics 2021 6.1. Strategic capital 2021
	103-2	The management approach and its components	151 158 160 161	6.1.4 Wellbeing management 6.1.1 Principal employment rights 6.2 Remuneration model 6.3 Employees
	103-3	Evaluation of the management approach	19 172	1.3 Evaluation of 2021 strategy 7.1.3 Great Place to Work survey
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	161	6.3. Employees
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	158	6.1.4 Wellbeing management
Employee/management relations				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	173 149	7.1.4 List of material topics 2021 6.1. Strategic capital 2021
	103-2	The management approach and its components	151 158 160	6.1.4 Wellbeing management 6.1.1 Principal employment rights 6.2 Remuneration model
	103-3	Evaluation of the management approach	19 172	1.3 Evaluation of 2021 strategy 7.1.3 Great Place to Work survey

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Employee/management relations				
GRI 402: Labor/management relations 2016	402-1 Minimum notice periods regarding operational changes	149 151		6.1. Strategic capital 2021 6.1.1 Principal employment rights
Occupational Health and Safety				
GRI 103: Enfoque de Gestión 2016	103-1 Explanation of the material topic and its Boundary	173 149		7.1.4 List of material topics 2021 6.1. Strategic capital 2021
	103-2 The management approach and its components	151 158 160 161		6.1.4 Wellbeing management 6.1.1 Principal employment rights 6.2 Remuneration model 6.3 Employees
	103-3 Evaluation of the management approach	19		1.3 Evaluation of 2021 strategy 7.1.3 Great Place to Work survey
GRI 403: Salud y seguridad en el trabajo 2018	403-1 Occupational health and safety management system	157		6.1.3 Occupational health and safety
	403-2 Hazard identification, risk assessment, and incident investigation	157		6.1.3 Occupational health and safety
	403-3 Occupational health services	157		6.1.3 Occupational health and safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	157		6.1.3 Occupational health and safety
	403-5 Worker training on occupational health and safety	157		6.1.3 Occupational health and safety
	403-6 Promotion of worker health	157		6.1.3 Occupational health and safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	157		6.1.3 Occupational health and safety
403-8 Workers covered by an occupational health and safety management system	157		6.1.3 Occupational health and safety	

GRI standard	Contents	Page	Omissions	bvc Management Report 2021
Training and education				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	173 149		7.1.4 List of material topics 2021 6.1. Strategic capital 2021
	103-2 The management approach and its components	151 158 160 161		6.1.4 Wellbeing management 6.1.1 Principal employment rights 6.2 Remuneration model 6.3 Employees
	103-3 Evaluation of the management approach	19 172		1.3 Evaluation of 2021 strategy 7.1.3 Great Place to Work survey
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	152		6.1.2 Learning management
Local communities				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	173		7.1.4 List of material topics 2021
	103-2 The management approach and its components	1 16 17 96		Letter to shareholders 2021 1.1 bvc Group strategic vision 1.2 Perspectives and future vision 4.2.1 Corporate Social Responsibility Programme
	103-3 Evaluation of the management approach	19 96 165		1.3 Evaluation of 2021 strategy 4.2.1 Corporate Social Responsibility Programme 7.1. Stakeholders
GRI 413: Local communities 2016	413-1 Programs for upgrading employee skills and transition assistance programs	96		4.2.1 Corporate Social Responsibility Programme
Public policy				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	173 137		7.1.4 List of material topics 2021 5.1.1 Regulatory Agenda Market Development Advances and Results in 2021

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	103-2 The management approach and its components	137		5.11 Regulatory Agenda Market Development Advances and Results in 2021
	103-3 Evaluation of the management approach	19		1.3 Evaluation of 2021 strategy
GRI 415: Public Policy 2016	415-1 Political contributions	349		Footnote 37 - Related-parties
	Customer privacy			
	103-1 Explanation of the material topic and its Boundary	173 84		7.1.4 List of material topics 2021 3.6 Legislative compliance
GRI 103: Management approach 2016	103-2 The management approach and its components	86		3.7 State of bvc Group Compliance with Intellectual Property and Copyright Legislation
	103-3 Evaluation of the management approach	19		1.3 Evaluation of 2021 strategy
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	86		3.7 State of bvc Group Compliance with Intellectual Property and Copyright Legislation
	Socioeconomic compliance			
	103-1 Explanation of the material topic and its Boundary	163 74		7.1.4 List of material topics 2021 3.6 Legislative compliance
GRI 103: Management approach 2016	103-2 The management approach and its components	74 76		3.7 State of bvc Group Compliance with Intellectual Property and Copyright Legislation
	103-3 Evaluation of the management approach	9		1.3 Evaluation of 2021 strategy
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	74 353		3.6 Legislative compliance Footnote 38 - Contingencies

GRI standard	Contents	Page	Omissions	bvc Management Report 2021
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	103-1 Explanation of the material topic and its Boundary	173 107		7.1.4 List of material topics 2021 5.1. Principal 2021 commercial results
		22 23 112 115 117 119 121 124 129 133		2.1 Colombian Securities Exchange 2.2 bvc brand architecture 5.3.1 Equities market 5.3.1 Fixed-income market 5.3.3 Derivatives market 5.4.1 Issuers 5.4.1 Special operations 5.5 Post-trade services: clearing, settlement and custody 5.8 Information and electronic media services 5.10 Digital product strategy and evolution
GRI 103: Management approach 2016	103-2 The management approach and its components			
	103-3 Evaluation of the management approach	19		1.3 Evaluation of 2021 strategy
	Legislative compliance			
	103-1 Explanation of the material topic and its Boundary	173 84		7.1.4 List of material topics 2021 3.6 Legislative compliance
GRI 103: Management approach 2016	103-2 The management approach and its components	86		3.7 State of bvc Group Compliance with Intellectual Property and Copyright Legislation
	103-3 Evaluation of the management approach	19		1.3 Evaluation of 2021 strategy
Self-disclosure	Legislative compliance	84		3.6 Legislative compliance
	Securities market development			
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GRI 103: Management approach 2016	103-2 The management approach and its components	17		1.2 Perspectives and future vision
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		112		5.3.1 Equities market
Self-disclosure	103-3 Evaluation of the management approach	115		5.3.1 Fixed-income market
		117		5.3.3 Derivatives market
		119		5.4.1 Issuers
		121		5.4.1 Special operations
		124		5.5 Post-trade services: clearing, settlement and custody
		129		5.8 Information and electronic media services
		19		1.3 Evaluation of 2021 strategy
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System availability				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	173		7.1.4 List of material topics 2021
		39		2.8.3 Risk management
		66		2.8.3 Risk management
Self-disclosure	103-2 The management approach and its components	39		3.3 Audit Committee's annual report to the Board of Directors
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Self-disclosure	103-3 Evaluation of the management approach	19		1.3 Evaluation of 2021 strategy
		39		2.8.3 Risk management
Technology evolution and updates				
GRI 103: Enfoque de Gestión 2016	103-1 Explanation of the material topic and its Boundary	173		7.1.4 List of material topics 2021
		145		5.13 Technology evolution and updates
		148		5.13 Technology evolution and updates
Revelación propia	103-2 The management approach and its components	145		5.14 VDO project development and evolution 2021
		148		
Revelación propia	103-3 Evaluation of the management approach	19		1.3 Evaluation of 2021 strategy
		145		5.13 Technology evolution and updates

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GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	173		7.1.4 List of material topics 2021
		16		1.1 bvc Group strategic vision
Self-disclosure	103-2 The management approach and its components	110		5.2 Domestic and international macroeconomic evolution
		112		5.3.1 Equities market
		115		5.3.1 Fixed-income market
		117		5.3.3 Derivatives market
		119		5.4.1 Issuers
		121		5.4.1 Special operations
		124		5.5 Post-trade services: clearing, settlement and custody
129		5.8 Information and electronic media services		
Self-disclosure	103-3 Evaluation of the management approach	16		1.1 bvc Group strategic vision
Self-disclosure	Strategic orientation: Mission, vision	16		1.1 bvc Group strategic vision
Transactional security in the market				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	173		7.1.4 List of material topics 2021
		35		2.8 Precautionary principle
		66		2.8 Precautionary principle
Revelación propia	103-2 The management approach and its components	35		3.3 Audit Committee's annual report to the Board of Directors
		140		5.12 Operational development and evolution
Revelación propia	103-3 Evaluation of the management approach	19		1.3 Evaluation of 2021 strategy
		35		2.8 Precautionary principle
Revelación propia	Principio de Precaución	66		3.3 Audit Committee's annual report to the Board of Directors
		140		5.12 Operational development and evolution

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	Corporate governance			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	173 48 61	7.1.4 List of material topics 2021 3.1.1 Board of Directors 3.2 Corporate governance practice
	103-2	The management approach and its components	48 61	3.1.1 Board of Directors 3.2 Corporate governance practice
	103-3	Evaluation of the management approach	52 58 59 356	3.1.3 Board of Directors and Committees 3.1.5 Board of Directors' self-evaluation 3.1.6 Evaluation of bvc President and senior management 8. Report on implementation of corporate best practice
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	Image and recognition			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	173	7.1.4 List of material topics 2021
	103-2	The management approach and its components	1 16 17	Letter to shareholders 2021 1.1 bvc Group strategic vision 1.2 Perspectives and future vision
	103-3	Evaluation of the management approach	19 165	1.3 Evaluation of 2021 strategy 7.1. Stakeholders
Self-disclosure	Strategic orientation: Mission, vision	171		7.1.2 Communications media survey

GRI standard	Contents	Page	Omissions	bvc Management Report 2021
	Customer services			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	173	7.1.4 List of material topics 2021
	103-2	The management approach and its components	1 16 17 101	Letter to shareholders 2021 1.1 bvc Group strategic vision 1.2 Perspectives and future vision 5.1. Principal 2021 commercial results
	103-3	Evaluation of the management approach	19 169	1.3 Evaluation of 2021 strategy 7.1.1 Customer experience survey
Self-disclosure	Customer experience survey	169		7.1.1 Customer experience survey



8. Individual Financial Statements



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(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders
Bolsa de Valores de Colombia S.A.:

Opinion

I have audited the accompanying consolidated financial statements of Grupo Bolsa de Valores de Colombia S.A. and Subordinates (the Group), which comprise the consolidated statement of financial position as at December 31st, 2021 and the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31st, 2021, the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Accounting and Financial Reporting Standards accepted in Colombia, applied on a basis consistent with that of the preceding year.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Consolidated Financial Statements* section of my Report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) included in the Information Assurance Standards accepted in Colombia, together with the ethical requirements that are relevant to my audit of the consolidated financial statements established in Colombia, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



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Impairment assessment of capital gains and intangible assets generated as a result of the acquisition of the companies Depósito Centralizado de Valores de Colombia S.A. and Cámara de Riesgo Central de Contraparte S.A. (See notes 15 and 17 of the consolidated financial statements)	
Key Audit Matter	How it was addressed in the Audit
<p>The consolidated statement of financial position of the Group includes the recognition of an intangible asset and a capital gain of \$260,000 million and \$119,651 million, respectively, as a result of the acquisition of the Companies Depósito Centralizado de Valores de Colombia S.A. and Cámara de Riesgo Central de Contraparte S.A., transactions carried out in the years 2017 and 2020, respectively.</p> <p>In accordance with the applicable financial reporting regulatory framework, an impairment assessment of the value of these indefinite-lived assets is required at least once a year.</p> <p>The foregoing represents a key audit matter due to: 1) the materiality of the amounts, 2) the inherent uncertainty in the application by the Group, of judgments, complex estimates and the degree of subjectivity related to aspects such as the expected evolution of the business and the rates applied to discount the free cash flows and the discount rates and 3) to the significant judgment and audit effort to evaluate the evidence of the cash flow models, the inputs and assumptions, as well as the use of professionals with industry experience and expertise in valuation.</p>	<p>My audit procedures to evaluate the impairment of the intangible and the capital gains generated as part of the acquisition of the Deceval and Cámara businesses included, among others, the following:</p> <ul style="list-style-type: none"> • Involvement of professionals with experience and knowledge in valuation to evaluate certain internal controls related to the Group's process for determining the assumptions included in the calculation of the recoverable value. This included controls associated with: 1) validation of the methodology used to calculate the recoverable value of goodwill and intangible assets by the Group, 2) approval of the recoverable value calculation by senior management and 3) evaluation of significant changes in the assumptions used to calculate recoverable value from one year to another, if any. • Comparison, with the support of valuation professionals, of the key assumptions used by the Group in calculating free cash flows, with information obtained from external sources regarding key elements such as projected economic growth, CPI and interest rate tax. • Comparison of the assumptions used in the projections of previous years with the actual data, considering the potential risk of bias on the part of the Group. • Evaluation, with the support of professionals with experience and knowledge in the valuation of the key variables and the methodology adopted by the Group in its annual impairment test, with reference to the requirements established in the applicable regulatory framework and additionally to carry



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Impairment assessment of capital gains and intangible assets generated as a result of the acquisition of the companies Depósito Centralizado de Valores de Colombia S.A. and Cámara de Riesgo Central de Contraparte S.A. (See notes 15 and 17 of the consolidated financial statements)	
Key Audit Matter	How it was addressed in the Audit
	<p>out an independent analysis of sensitivity regarding the key assumptions with greater estimation uncertainty in the cash flow model.</p> <ul style="list-style-type: none"> • Recalculation of income statement projections, free cash flows, discount rates and net present value, by valuation professionals. • Evaluation of the appropriateness of the disclosures included in the consolidated financial statements in relation to the main assumptions used in the projections of cash flows and sensitivity of the result.

Evaluation of the migration to a new version of the financial reporting system (See note 39 of the consolidated financial statements)	
Key Audit Matter	How it was addressed in the Audit
<p>During the year 2021, Bolsa de Valores de Colombia S.A. y sus subsidiarias Depósito Centralizado de Valores de Colombia S.A., Proveedor de Precios para Valoración S.A. and Invesbolsa S.A.S. implemented the version of the financial reporting information system (SAP HANA).</p> <p>A system version change entails the implementation of new controls and delegation of authority, as well as the migration of legacy databases, operating systems, and financial data to the new system.</p> <p>I considered the change to the new version of the financial reporting information system as a key audit matter, because such process represents</p>	<p>My audit procedures to address this key matter included the involvement of professionals with experience and knowledge in information technology who assisted me in evaluating:</p> <ul style="list-style-type: none"> • The governance of the project on the implementation of the system version. • Controls over change management and migration of key financial data from the legacy system to SAP HANA, as well as critical migration controls for financial reporting. • The general information technology controls environment in SAP HANA, including program and data access controls, software change controls, and process-level automation controls. • The integrity of the initial balances migrated to



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Evaluation of the migration to a new version of the financial reporting system (See note 39 of the consolidated financial statements)	
Key Audit Matter	How it was addressed in the Audit
inherent risks of failure of the controls dependent on information technology and the loss of integrity of the financial data that is migrated, which could lead to financial reporting errors.	the new version of the system.

Other matters

The consolidated financial statements as at and for the year ended December 31st, 2020 are presented solely for comparative purposes. They were audited by another public accountant, a member of KPMG S.A.S. who in his report dated February 24th, 2021 expressed an unqualified opinion thereon.

Other information

Management is responsible for the other information. This includes: the chapters "Overview and Profile of the Organization" included in the Management Report bvc 2021 but does not include the consolidated financial statements and my corresponding audit report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion on it.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether there is a material inconsistency between that information and the consolidated financial statements or my knowledge obtained in the audit, or whether in any way, there appears to be a material misstatement.

If, based on the work I have performed, I conclude that there is a material error in this other information, I am required to report this fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with the Group's Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Accounting and Financial Reporting Standards accepted in Colombia. This responsibility includes designing, implementing, and maintaining such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.



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In preparing the consolidated financial statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events so as to achieve a fair presentation.
- I obtain sufficient appropriate audit evidence regarding the financial information of the Entities or business activities within the Group to express an opinion on the Group's consolidated financial statements. I am responsible for the direction, supervision, and performance of the Group's audit. I remain solely responsible for my audit opinion.

I communicate with Those Charged with the Group's Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

I also provide Those Charged with Governance with confirmation that I have complied with relevant ethical requirements for independence and that I have disclosed to them all relationships and other matters that might reasonably be considered to bear on my independence and, where applicable, related safeguards.

From the matters communicated with Those Charged with Governance, I determine the matters that were of most significance in the audit of the current period's consolidated financial statements and, therefore, are the Key Audit Matters. I describe these matters in my Auditor's Report unless law or regulation prevents public disclosure about the matter or when, in extremely exceptional circumstances, I determine that a matter should not be communicated in my Report because the adverse consequences of doing so would reasonably outweigh the benefits to the public interest of such communication.

Original signed



Gustavo Adolfo Roa Camargo
Statutory Auditor of Valores de Colombia S.A.
Registration 90879 - T
Member of KPMG S.A.S.

February 28th, 2022



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(FREE TRANSLATION OF THE REPORT ISSUED IN SPANISH)

STATUTORY AUDITOR'S INDEPENDENT REPORT ON COMPLIANCE WITH NUMERALS 1^o AND 3^o OF ARTICLE 209 OF COMMERCIAL CODE

To the Shareholders
Bolsa de Valores de Colombia S.A.:

Main matter description

As part of my duties as Statutory Auditor and in compliance with Articles 1.2.1.2. and 1.2.1.5. of Single Regulatory Decree 2420 of 2015, amended by Articles 4 and 5 of Decree 2496 of 2015, respectively, I must report on compliance with numerals 1^o and 3^o of Article 209 of the Commercial Code, detailed as follows, by Bolsa de Valores de Colombia S.A., hereinafter "the Society", as of December 31, 2020, in the form of a conclusion of independent reasonable assurance, that the management performance has complied with the statutory and the General Shareholders' Meeting's provisions and that there are adequate internal control measures, in all material aspects, in accordance with the criteria indicated in the paragraph titled "Criteria" of this report

1^o) If the Society's management performance is in conformity with the bylaws and the orders or instructions of the General Shareholders' Meeting, and

3^o) If there are measures of internal control, maintenance and custody of the Society's assets or of third parties' assets in its possession, and if these measures are adequate.

Management's responsibility

The Society's Management is responsible for compliance with the bylaws and the decisions of the General Shareholders' Meeting and for designing, implementing and maintaining internal control measures (Money Laundering and Terrorist Financing Prevention System - SIPLAFT and Operational Risk Management System - SARO), and the conservation and custody measures for the assets of the Company or of third parties that are in its possession, in accordance with the requirements of Part 1, Title 1, Chapter IV of the Legal Basic Circular Letter of the Financial Superintendence of Colombia.

Statutory Auditor's responsibility

My responsibility is to examine whether the Society's management performance conforms to the bylaws and the orders and instructions of the General Shareholders' Meeting's and if there are internal control, maintenance and custody measures of the Society's assets or of third parties' assets in its possession, and if these measures are adequate, and report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. I



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performed my procedures in accordance with the International Standard on Assurance Engagements 3000 accepted in Colombia (ISAE 3000 for its acronym in English, which was translated into Spanish and issued in April 2009 by the International Auditing and Assurance Standards Board – IAASB, for its acronym in English, issued by the International Auditing and Assurance Standards Board - International Auditing and Assurance Standard Board - IAASB). Such standard requires that I plan and perform the procedures that I consider necessary to obtain reasonable assurance about whether management performance complies with the bylaws and the decisions of the General Shareholders' Meeting and whether there are measures of internal control, and if these are adequate, that include the risk management systems implemented (Money Laundering and Terrorist Financing Prevention System - SIPLAFT and Operational Risk Management System - SARO), and the conservation, maintenance and custody of the Society's assets and of third parties' assets that are in its possession, in accordance with the requirements of Part 1, Title 1, Chapter IV of the Legal Basic Circular Letter of the Financial Superintendence of Colombia, in all material aspects.

The Accountants Firm to which I belong, and which appointed me as the Society's statutory auditor applies International Quality Control Standard No. 1 and, consequently, maintains a comprehensive quality control system that includes documented policies and procedures on compliance with ethical requirements, the relevant legal and regulatory professional standards.

I have complied with the independence and ethics requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants - IESBA, which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The procedures selected depend on my professional judgment, including the evaluation of the risk that management performance does not conform to the bylaws and decisions of the General Shareholders' Meeting and that the internal control measures, that include the risk management systems implemented (Money Laundering and Terrorist Financing Prevention System - SIPLAFT and Operational Risk Management System - SARO) for the maintenance and custody of the Society's assets and of third parties' assets that are in its possession are not properly designed and implemented, in accordance with the requirements of Part 1, Title 1, Chapter IV of the Legal Basic Circular Letter of the Financial Superintendence of Colombia.

This reasonable assurance engagement includes obtaining evidence as of December 31, 2021. Procedures include:

- Obtaining a written representation from Management about whether management performance conforms to the bylaws and the decisions of the General Shareholders' Meeting's and whether there are measures of internal control, that include the risk management systems implemented (Money Laundering and Terrorist Financing Prevention System - SIPLAFT and Operational Risk Management System - SARO) for the maintenance and custody of the Society's assets and of third parties' assets in its possession, and if these measures are adequate, in accordance with the requirements of Part 1, Title 1, Chapter IV of the Legal Basic Circular Letter of the Financial Superintendence of Colombia.



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- Reading and verifying compliance with the Society's bylaws.
- Obtaining a management certification on the meetings of the General Shareholders' Meeting, documented in the minutes.
- Reading of the General Shareholders' Meeting's minutes and the bylaws and verification of whether management performance conforms to them.
- Inquiries with Management about changes or modification projects to the Society's bylaws during the period covered and validation of its implementation.
- Evaluation of whether there are measures of internal control, that include the risk management systems implemented (Money Laundering and Terrorist Financing Prevention System - SIPLAFT and Operational Risk Management System - SARO) for the maintenance and custody of the Society's assets and of third parties' assets that are in its possession, and if these measures are adequate, in accordance with the requirements of Part 1, Title 1, Chapter IV of the Legal Basic Circular Letter of the Financial Superintendence of Colombia, which includes:
 - Design, implementation and operating effectiveness tests on the relevant controls of the internal control components on the financial report and the elements established by the Society, such as: control environment, risk assessment process by the entity, the information systems, control activities and monitoring of controls.
 - Evaluation of the design, implementation and operating effectiveness of relevant, manual and automatic controls of key business processes related to the significant accounts of the financial statements.
 - Verification of proper compliance with the regulations and instructions on the Risk Management systems applicable to the Society: Money Laundering and Terrorist Financing Prevention System - SIPLAFT and Operational Risk Management System - SARO
 - Issuance of management letters and letters to those in charge of governance with my recommendations about the deficiencies in internal control considered not significant that were identified during the statutory audit work.
 - Follow-up on the matters included in the recommendation letters that I issued regarding deficiencies in internal control, considered not significant.



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Inherent limitations

Due to the inherent limitations to any internal control structure, there may be effective controls at the date of my examination that change that condition in future periods, because my report is based on selective tests and because the evaluation of internal control has the risk of becoming inadequate due to changes in the conditions or because the degree of compliance with the policies and procedures may deteriorate. On the other hand, the inherent limitations to internal control include human error, failures due to the collusion of two or more people, or inappropriate override of controls by the administration.

Criteria

The criteria considered for the evaluation of the matters mentioned in the paragraph "Main Matter Description" include: a) the bylaws and the minutes of the General Shareholders' Meeting and b) the internal control components implemented by the Society, such as the control environment, the risk assessment procedures, its information and communications systems and the monitoring of controls by management and those in charge of governance, which are based on the provisions of Part 1, Title 1, Chapter IV of the Legal Basic Circular Letter of the Financial Superintendence of Colombia.

Conclusion

My conclusion is based on the evidence obtained on the matters described and is subject to the inherent limitations set forth in this report. I believe that the audit evidence I have obtained provides a reasonable assurance basis for the conclusion I express below:

the management performance conforms to the bylaws and the decisions of the General Shareholders' Meeting and the measures of internal control, including the risk management systems implemented (System for the prevention of asset laundering and financial of terrorism - SIPLAFT and Operational Risk Management System - SARO), for the maintenance and custody of the Society's assets or of third parties' assets in its possession are adequate, in all material aspects, in accordance with the requirements of Part 1, Title 1, Chapter IV of the Legal Basic Circular Letter of the Financial Superintendence of Colombia.

Original signed



Gustavo Adolfo Roa Camargo
Statutory Auditor of Bolsa de Valores de Colombia S.A.
Registration 90879 - T
Member of KPMG S.A.S.

February 25th, 2022

Bolsa de Valores de Colombia S.A. Individual Financial Statement

(Data in thousands of Colombian pesos)

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Assets

Current assets

	Footnote		At 31 December 2021	At 31 December 2020
Cash and cash equivalents	4	COP	21,450,295	120,252,561
Financial assets - investments	5		32,492,920	2,807,468
Accounts receivable from related parties	29		402,362	364,317
Dividends receivable	6		-	1,542,313
Net trade and other accounts receivable	7		7,216,414	5,973,531
Net current tax assets	15		1,645,027	-
Other non-financial assets	8		10,422,071	5,471,466
			73,629,089	136,411,656

Noncurrent assets

Noncurrent financial assets - investments	5		1,922,374	2,455,487
Investments in associates and joint ventures	9		8,929,399	7,758,099
Investments in subsidiaries	10		474,332,906	464,761,924
Net property, plant and equipment, and right-of-use	11		18,470,399	19,561,273
Net intangible assets	12		43,320,771	35,017,772
Other non-financial assets	8		3,562,711	8,512,364
Accounts receivable from related parties	29		784,198	814,293
			551,322,758	538,881,212
Total assets		COP	624,951,847	675,292,868

Liabilities and Shareholder Equity

Liabilities

Current liabilities

Financial liabilities	13	COP	307,217	6,745,054
Trade and other accounts payable	14		13,873,720	10,999,338
Accounts payable to related parties	29		232,069	90,258
Current tax liabilities	15		-	3,784,228
Employee benefits	16		2,346,925	1,652,190
Estimated liabilities and provisions	17		80,000	90,000
Prepaid income			4,430	2,598
			16,844,361	23,363,666

Noncurrent liabilities

Financial liabilities	13	1,316,987	13,284,875
Estimated liabilities and provisions	17	74,109	112,977
Net deferred tax liabilities	30	1,195,469	2,300,499
Other liabilities	18	3,175,790	2,832,415
		5,762,355	18,530,766
Total liabilities		22,606,716	41,894,432

Shareholder Equity

Capital and reserves attributable to shareholders

	19		
Subscribed and paid-up capital		30,256,734	30,256,734
Share premium		298,397,252	298,397,252
Reserves		232,793,451	152,521,022
Net profit		39,476,254	150,337,344
Accumulated loss		(592,477)	(379,108)
Other comprehensive income		51,376	51,376
IFRS first time adoption		1,962,541	2,213,816
Total shareholder equity		602,345,131	633,398,436
Total liabilities and shareholder equity		COP 624,951,847	675,292,868

The footnotes are an integral part of the Individual Financial Statements.

*Original signed by:

Diego Javier Fernández Perdomo
Legal Representative (*)

*Original signed by:

Nancy Fuquen Tocarruncho
Accountant (*)
T.P. No. 75520 - T
For: PricewaterhouseCoopers
Asesores Gerenciales AG SAS

*Original signed by:

Gustavo Adolfo Roa Camargo
Statutory Auditor
T.P. 90879 - T
For: KPMG
(See report dated 25 February 2022)

(*) We, the undersigned Legal Representative and Public Accountant, hereby certify that we have verified the contents of these individual financial statements, and that they are a faithful reproduction of the company accounts (certification attached).

Bolsa de Valores de Colombia S.A. Individual Financial Statement and Other Comprehensive Income

(Data in thousands of Colombian pesos, except net income per share)

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	Footnote	Year ended 31 December 2021	Year ended 31 December 2020
Income			
Operating income	20	COP 67,001,500	63,501,486
Net investment income	21	1,292,385	723,116
Earnings and other income	24	4,715,853	3,318,773
Total income		73,009,738	67,543,375
Expenses			
Ordinary expenses	25	(35,903,979)	(29,264,928)
Employee benefits	25	(17,131,965)	(15,752,192)
Depreciation and amortisation	25	(7,660,994)	(7,913,829)
Other ordinary expenses	26	(691,554)	(1,164,849)
Total		(61,388,492)	(54,095,798)
Operating profit		11,621,246	13,447,577
Equity method profits, subsidiaries	10	26,062,962	29,771,186
Equity method profits, associate companies and/or joint ventures	9	7,360,288	7,019,282
Income from the sale of equity – subsidiaries	22	-	86,883,018
Permanent investment value increase	23	-	10,781,055
CRCC investment value increase	23	-	19,008,558
Finance charges	27	(4,654,543)	(3,442,496)
Pre-tax profit		40,389,953	163,468,180
Income tax	30	(913,699)	(13,130,836)
Net income		COP 39,476,254	150,337,344
Other comprehensive income			
Other comprehensive income components not reported in the period		COP 39,476,254	150,337,344
Equity method – other comprehensive income		-	19,581
Other comprehensive income components that will be reported after the period			
Company cash flow hedges		-	22,232
Other comprehensive income from sale of subsidiaries		-	(859,052)
Amount from business combinations		-	(444,648)
Other comprehensive income, associate investment share swaps		-	(2,224)
Other comprehensive post-tax income		-	(1,264,111)
Comprehensive result		39,476,254	149,073,233

Shares in circulation		60,513,469	60,513,469
Basic earnings per share (COP)	28	652.35	2,484.36

The footnotes are an integral part of the Individual Financial Statements.

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Bolsa de Valores de Colombia S.A. Individual Statement of Changes to Shareholder Equity

(Data in thousands of Colombian pesos, except share dividends)

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GRI: 102-55

For the years ended 31 December 2021 and 2020

	Footnote	Subscribed and paid-up capital	Share premium	Legal reserves	Voluntary reserves	Total reserves	Net annual profit	Accumulated profit (loss)	Other comprehensive income	IFRS adoption	Total Shareholder Equity
Balance at 1 January 2020	COP	30,256,734	298,397,252	19,657,411	107,572,234	127,229,645	50,586,007	114,923	1,315,487	2,213,816	510,113,864
Transfer of income		-	-	-	-	-	(50,586,007)	50,586,007	-	-	-
Use of reserves	19	-	-	-	25,291,377	25,291,377	-	(25,291,377)	-	-	-
Dividend distribution of COP 418 per share x 60,513,469, act 34, 18 May 2020	19	-	-	-	-	-	-	(25,294,630)	-	-	(25,294,630)
Net income		-	-	-	-	-	150,337,344	-	-	-	150,337,344
Equity method other comprehensive income	19	-	-	-	-	-	-	-	19,581	-	19,581
Business combination other comprehensive income		-	-	-	-	-	-	-	(444,648)	-	(444,648)
Hedged derivatives	19	-	-	-	-	-	-	-	22,232	-	22,232
Sale of Sophos	19	-	-	-	-	-	-	-	(859,052)	-	(859,052)
Cámara de Compensación de Divisas and Cámara de Riesgo Central de Contraparte de Colombia share swap	19	-	-	-	-	-	-	-	(2,224)	-	(2,224)
Extraordinary dividend tax	19	-	-	-	-	-	-	(494,031)	-	-	(494,031)
Balance at 31 December 2020	COP	30,256,734	298,397,252	19,657,411	132,863,611	152,521,022	150,337,344	(379,108)	51,376	2,213,816	633,398,436
Transfer of income		-	-	-	-	-	(150,337,344)	150,337,344	-	-	-
Appropriation de reserves s/n	19	-	-	-	80,272,429	80,272,429	-	(80,272,429)	-	-	-
Dividend distribution of COP 1,157.84 per share x 60,513,469, act 35, 26 March 2021	19	-	-	-	-	-	-	(70,064,915)	-	-	(70,064,915)
Net income		-	-	-	-	-	39,476,254	-	-	-	39,476,254
Equity method other comprehensive income	19	-	-	-	-	-	-	-	-	-	-
Business combination other comprehensive income		-	-	-	-	-	-	-	-	-	-
Hedged derivatives	19	-	-	-	-	-	-	-	-	-	-
Sale of Sophos	19	-	-	-	-	-	-	-	-	-	-
Extraordinary dividend tax	19	-	-	-	-	-	-	(464,644)	-	-	(464,644)
Adjustment for first time adoption	19	-	-	-	-	-	-	251,275	-	(251,275)	-
Balance at 31 December 2021	COP	30,256,734	298,397,252	19,657,411	213,136,040	232,793,451	39,476,254	(592,477)	51,376	1,962,541	602,345,131

The footnotes are an integral part of the Individual Financial Statements.

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(*) We, the undersigned Legal Representative and Public Accountant, hereby certify that we have verified the contents of these individual financial statements, and that they are a faithful reproduction of the company accounts (certification attached).

Bolsa de Valores de Colombia S.A. Individual Cash Flow Statement

(Data in thousands of Colombian pesos)

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	Footnote	Year ended 31 December 2021	Year ended 31 December 2020
Operational cash flow			
Operational charges			
Charges for services		83,330,081	81,175,583
Other operational activity charges		-	10,238
Operational cash expenses			
(-) Goods and services		(42,404,645)	(37,818,790)
(-) Operational taxes		(26,114,541)	(21,878,932)
(-) Employees	16	(10,297,746)	(16,440,471)
(-) Other operational activities		(803,073)	(582,198)
(-) Interest on financial leases		(69,563)	(79,680)
Interest received from financial subleasing	29	30,379	17,767
Interest on financial performance		147,878	506,332
Other cash income and (expenses)		150,684	682,408
Other cash flow (government subsidies)	18 and 24	343,374	1,715,073
Net operational cash flow		47,966,221	42,296,380
Investment cash flow			
(-) Other payments to increase holding in other companies - CRCC	23	-	(7,275,403)
(+) Other charges for selling equity or debt instruments in other companies	22	-	111,651,009
(-) Other payments for associate stock acquisition - CDCC	9	-	(473,759)
(-) Property, plant and equipment purchases	11	(336,481)	(2,101,411)
(-) Intangible asset purchases	12	(9,665,734)	(8,480,941)
Dividends received	10	25,477,346	38,478,556
(-) Futures contracts charges		-	201,664
Acquisition of debt security investments	5	(32,457,400)	(2,562,442)
(-) Hedge contract collateral		-	(52,800)
Net investment cash flow		(16,982,269)	129,384,473

Financing cash flow

Other payments to increase share in other companies	10		
Amount from loans	13		
Amount from loans between related parties			
(-) Loan payments	13		
(-) Financial lease liabilities			
Income from financial subleases			
(-) Dividend payments	19		
(-) Loan interest payments			
Net financing cash flow		(88,295,298)	(28,267,214)
Net (reduction) increase in cash and cash equivalents before the effect of exchange rate changes		(100,964,739)	108,424,589
Effect of exchange rate changes on cash and cash equivalents		2,162,473	(60,161)
Net increase (decrease) in cash and cash equivalents		(98,802,266)	108,364,428
Cash and cash equivalents at the start of the year		120,252,561	11,888,133
Cash and cash equivalents at the end of the year		COP 21,450,295	120,252,561

The footnotes are an integral part of the Individual Financial Statements.

*Original signed by:

Diego Javier Fernández Perdomo
Legal Representative (*)

*Original signed by:

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T.P. No. 75520 - T
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(See report dated 25 February 2022)

(*) We, the undersigned Legal Representative and Public Accountant, hereby certify that we have verified the contents of these individual financial statements, and that they are a faithful reproduction of the company accounts (certification attached).

Bolsa de Valores de Colombia S.A. Footnotes to the Individual Financial Statements

At 31 December 2021 and 2020 (Data in thousands of Colombian pesos)

Footnote 1 – Corporate information

Economic entity

Bolsa de Valores de Colombia S.A. (henceforth, the Exchange, Colombian Securities Exchange or **bvc**) was incorporated by public deed No. **1234**, 17 April **2001** (valid to **2051**) at Notaría **4**, Bogota D.C., under the corporate name Servicios Integrados Bursátiles S.A. On **27** June **2001**, its name was changed by public deed No. **2697**. Its business purpose is organising, regulating, managing and operating commercial establishments dedicated to conducting all types of business related to all classes of securities and goods susceptible to stock market transactions, in accordance with legal and legislative precepts regulating securities' exchange activities.

At **31** December **2021** and **2020** the Exchange had **136** and **143** employees, respectively.

bvc is controlled and monitored by the Colombian Financial Superintendence. The company headquarters is in Bogota D.C., and it has an office in Medellin.

The company's incorporation is valid until **17** April **2051**.

On **11** December **2006**, the General Assembly of Shareholders authorised Colombian Securities Exchange to list shares on the National Securities Registry and the Colombian Securities Exchange (self-listing) from **22** June **2007**; trading began on **28** June **2007**.

At **31** December **2021** and **2020** had the following subsidiaries, all of which were properly incorporated companies in accordance with Colombian law and headquartered in Bogota:

Subsidiary	At 31 December 2021		At 31 December 2020	
	Direct share	Indirect share	Direct share	Indirect share
Invesbolsa S.A.	100.00%	0.00%	100.00%	0.00%
BVC Plus S.A.S.	100.00%	0.00%	100.00%	0.00%
BVC Pro S.A.S.	100.00%	0.00%	100.00%	0.00%
Inverbvc S.A.S.	100.00%	0.00%	100.00%	0.00%
Deceval S.A.	94.96%	5.04%	94.96%	5.04%
Precia S.A.	90.91%	9.09%	90.91%	9.09%
Cámara de Riesgo Central de Contraparte de Colombia S.A.	41.71%	15.48%	39.60%	14.70%

Control of Colombian Securities Exchange Group:

- (i) On **6** May **2010** in entry **01381319**, Book IX, Bogota Chamber of Commerce, Colombian Securities Exchange was registered as parent company of Invesbolsa S.A.S., a legally incorporated Colombian company headquartered in Bogota.
- (ii) On **2** March **2011** in entry **01457301**, Book IX, Bogota Chamber of Commerce, Colombian Securities Exchange was registered as parent company of Precia Proveedor de Precios para la Valoración S.A., a legally incorporated Colombian company headquartered in Bogota, that changed its corporate name through public deed No. **423**, **9** February **2018**.
- (iii) On **9** January **2018** in entry **02291766**, Book IX, Bogota Chamber of Commerce, Colombian Securities Exchange was registered as parent company of: (i) Depósito Centralizado de Valores – Deceval S.A.; (ii) Bvc Plus SAS; (iii) Inverbvc. SAS; and (iv) Bvc Pro SAS, a legally incorporated Colombian company headquartered in Bogota.

In **2020**, the following control changes occurred:

- (i) On **20** February **2020** in entry **02555625**, Book IX, Bogota Chamber of Commerce, Colombian Securities Exchange control of Cámara de Riesgo Central de Contraparte de Colombia S.A. was registered.
- (ii) During **2020**, **bvc** purchased shares in Cámara de Riesgo Central de Contraparte S.A., changing its direct holding, and Deceval S.A. also purchased shares in Cámara de Riesgo Central de Contraparte S.A., changing its indirect holding.
- (iii) On **14** December **2020**, Cámara de Riesgo Central de Contraparte S.A. CRCC and Cámara de Compensación de Divisas de Colombia CCDC merged following a CRCC share swap. It issued **10,903,340,937** shares bringing the total shares in circulation to **51,270,006,352**, and diluting **bvc** and Deceval's holdings.

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(iv) On 27 November 2020, Colombian Securities Exchange S.A. signed the sales contract for Sophos Solutions S.A., and the transaction was completed on 1 December 2020. The company had been controlled by bvc Group since 2 July 2015.

In 2021, the following control changes occurred:

(i) During 2021, bvc purchased shares in Cámara de Riesgo Central de Contraparte de Colombia S.A., and changed its direct holding. Deceval S.A. purchased shares in Cámara de Riesgo Central de Contraparte S.A., and increased its indirect holding.

The following table shows share and direct holding movements for Cámara de Riesgo Central de Contraparte de Colombia S.A. in 2021 and 2020:

Concept	Direct – bvc		Total holding	
	No. of shares	Holding	No. of shares	Holding
Initial holding at 1 January 2020	13,173,209,671	32.65%	19,166,250,910	47.30%
February 2020	2,425,134,495	6.01%	3,433,464,596	8.71%
June 2020	344,831,414	0.86%	499,610,201	1.24%
August 2020	844,111,538	2.07%	1,222,993,955	3.01%
Subtotal initial holding and purchases	16,787,287,118	41.59%	24,322,319,662	60.26%
Dilution due to CRCC – CCDD merger	3,514,189,201	-1.99%	3,514,189,201	-5.95%
Initial holding at 31 December 2020	20,301,476,319	39.60%	27,836,508,863	54.30%
February 2021	138,609,303	0.27%	190,055,099	0.37%
May 2021	92,613,274	0.18%	126,987,328	0.24%
June 2021	432,918,657	0.84%	593,599,394	1.15%
July 2021	420,775,565	0.82%	576,949,309	1.13%
Holding at 31 December 2021	21,386,393,118	41.71%	29,324,099,993	57.19%

These financial statements do not include consolidated operations with subsidiaries. Bvc and subsidiary individual financial statements are presented independently.

Footnote 2 – Summary of principal accounting policies:

2.1 Professional accounting rules

Declaration of compliance

Colombian Securities Exchange prepares its financial statements in accordance with Colombian Financial Reporting Standards (NCIF – Spanish acronym) enshrined in Law 1314:2009 (regulated by Decree 2420:2015, and modified by Decrees 2496:2015, 2131:2016, 2170:2017, 2483:2018, and 2270:2019, 1432:2020 and 938:2021), as well as accounting instructions and practices established by the Colombian Financial Superintendence (CFS).

The NCIF applicable in 2021 are based on IFRS and IASB rules and interpretations published by IASB. The baseline rules correspond to official IASB Spanish translations issued in the second half of 2020.

Colombian Securities Exchange did not adopt the guidelines established by Decree 938, 19 August 2021, in advance, as allowed for in said decree. Neither did it exercise the option stated in Decree 1311, 20 October 2021, of including in its accumulated results and equity in 2021 the deferred income tax variation derived from the increased income tax rate established by Social Investment Law 2155.

The following guidelines used by bvc are included in said decrees, and are exceptions to the IFRS issued by IASB:

1. Title four, chapter 1, Decree 2420:2015. When preparing individual financial statements, Group 1 current technical legislative frameworks must be applied, except when classifying and valuing investments under IAS 39 and IFRS 9 contained in the Group 1 technical annex.
2. Exceptions established by Colombian Financial Superintendence External Circular 036, 12 December 2014.
3. Book 2, Decree 2420:2015. According to modifications included article 3, Decree 2131:2016, applicable to Group 1 entities, holdings in subsidiaries by controlling entities must be recognised in the Individual Financial Statements using the equity method (article 35, Law 222: 1990), as described in IAS 28.

8.

GRI: 102-55

These individual financial statements were prepared in compliance with all legal requirements **bvc** is subject to as a legally independent organisation. Some accounting principles may differ from those used in the consolidated financial statements and, in addition, do not include the adjustments nor eliminations necessary in the consolidated financial statements and consolidated comprehensive income of the company and its subsidiaries.

Therefore, these individual financial statements should be read in conjunction with the Colombian Securities Exchange and subsidiary Consolidated Financial Statements. In Colombia, the individual financial statements are considered to be the principal financial statements, and are the basis for profit distribution, dividend declarations and the formation of equity reserves.

Non-effective issued rules

Rules and amendments applicable from 1 January 2023

There follows a list of amendments issued by IASB in **2019** and **2020** that became law in Decree **938:2021** and will be enforceable from **1 January 2023**. They may be implemented early if the rule allows. The company has not evaluated the potential impact of these amendments on its Individual Financial Statements in the first year they are adopted.

Financial Standard	Amendment	Detail
IFRS 9 – Financial Instruments		Paragraphs 6.8.1 to 6.8.12 were added to IFRS 9, regarding temporary exceptions to applying hedge accounting requirements.
IAS 39 – Financial Instruments: Recognition and Measurement	Interest Rate Benchmark Reform (Modification of IFRS 9, IAS 39 and IFRS 7)	Paragraphs 102A to 102N and 108G were added to IAS 39, regarding temporary exceptions to applying hedge accounting requirements.
IFRS 7 – Financial Instruments: Disclosures		Paragraphs 24H regarding uncertainty around reforming the interest rate benchmark, 44DE and 44DF (validity and transition) were added.
		The amendment is effective from 1 January 2020 and may be implemented earlier (although we do not expect significant impact for Colombian companies). The requirements apply retroactively to hedge relationships that exist at the start of the first reporting period in which the company applies these requirements.
IFRS 9 – Financial Instruments		Paragraphs 5.4.5 to 5.4.9 were added, regarding changes to the benchmark to determine contractual cash flows resulting from the interest rate benchmark reform (measured at amortised cost), as well as paragraph 6.8.13 regarding ending the temporary exception on hedge accounting, paragraphs 6.9.1 to 6.9.13 regarding additional temporary exceptions, paragraph 7.1.10 regarding, and 7.2.43 to 7.2.46 . Transition for phase 2 of reforming the interest rate benchmark in IFRS 9.
IFRS 7 – Financial Instruments: Disclosures	Interest Rate Benchmark Reform Phase 2	Paragraph 102M was modified ending temporary exceptions for hedge accounting, and the following paragraphs were added: 102O to 102Z3 , regarding additional temporary exceptions due to reforming the interest rate benchmark, and 108H to 108K regarding validity and transition. New headings were added to IAS 39 .
IFRS 16 – Leases		Paragraphs 24I and 24J regarding disclosure, 44GG and 44HH regarding validity and transition, and new headers were added to IFRS 7. Paragraphs 20R y 20S regarding changes to the benchmark to determine contractual cash flows resulting from the interest rate benchmark reform, paragraphs 50 and 51 regarding validity and transition, and new headers were added to IFRS 4. IFRS 16 paragraphs 104 to 106 regarding temporary exceptions due to reforming the interest rate benchmark are modified and paragraphs C20C and C20D on phase 2 of the reform were added. Early adoption is permitted.

8.
GRI: 102-55

Financial Standard	Amendment	Detail			
IFRS 3 – Business Combinations	Modification of the conceptual framework.	<p>Modifications were made to IASB's 2018 conceptual framework and incorporated into our legislation to ensure that identifiable acquired assets and liabilities in a business combination correspond to the asset and liability definitions contained in the conceptual framework on the transaction date.</p> <p>Incorporation of paragraphs 21A, 21B and 21C related to recognition principles for contingent assets and liabilities as described in IAS 37 and IFRIC 21.</p> <p>Incorporation of paragraph 23A defining a contingent asset and stating that an acquirer does not recognise contingent assets acquired in a business combination on the date of acquisition.</p> <p>The amendment is effective from 1 January 2022. Early adoption is permitted. Any effect of its application will be prospectively applied.</p>	IAS 37 – Provisions, Contingent Liabilities and Contingent Assets	Onerous Contracts – Cost of Fulfilling a Contract	<p>The cost of contract compliance is the cost directly related to the contract (direct person-hour and materials' costs, costs directly related to the contract).</p> <p>The amendment is effective from 1 January 2022 and may be adopted early.</p> <p>Comparative information shall not be re-expressed due to the effect of applying the amendment. The accumulated effect will be recognised as an adjustment to accumulated earnings' opening balance, or another equity component, on the date of initial application.</p>
IAS 16 – Property, plant and equipment	Modification of proceeds obtained before intended use.	<p>The modification affects costs directly attributable to acquiring an asset (part of PPE) and refers to "the cost of ensuring an asset functions correctly (that is, whether its technical and physical performance are such that it may be used in production or to deliver goods or services, be leased to third-parties or for administrative purposes)".</p> <p>Paragraph 20A states that inventory produced while in the state foreseen by management shall affect profit or loss for the period, together with its corresponding cost.</p> <p>The amendment is effective from 1 January 2022 and may be adopted early.</p> <p>Any effect of its application will be retroactively applied, but only on PPE in place and in operational condition as defined by management, from the start of the first period presented in the financial statements in which the company applies the amendment for the first time. The accumulated effect of the initial application will be recognised as an adjustment to the accumulated earnings' opening balance (or another equity component) at the start of the first period presented.</p>	IFRS annual improvements 2018– 2020	Modification of IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 – Financial Instruments and IAS 41 Agriculture.	<p>Amendment of IFRS 1. Subsidiary as first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs (also applies to associates and joint ventures).</p> <p>Amendment of IFRS 9. Fees in the '10%' test for derecognition of financial liabilities. Text is added to paragraph B3.3.6 and B3.3.6a is added to clarify recognition of commissions paid (in profit & loss if a liability is paid in full, or as a liability reduction if it is not full payment).</p>
			IFRS annual improvements 2018– 2020	Modification of IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 – Financial Instruments and IAS 41 Agriculture.	<p>Amendment of IAS 41. Taxation in fair value measurements. The amendment removed the phrase "nor cash flows from taxation" from paragraph 22 of IAS 41, because "prior to IFRS annual improvements 2018-2020, IAS 41 required entities to use cash flows prior to taxation when measuring fair value, but did not require a pre-tax discount rate to be used to discount these cash flows." IAS 41 requirements have now been aligned with IFRS 13.</p> <p>The amendment is effective from 1 January 2022 and may be adopted early.</p>

Financial Standard

Amendment

Detail

8.

GRI: 102-55

IAS 1 – Presenting financial statements.

Modifications were made to classifying liabilities as current or noncurrent.

The amendment was issued in January 2020 and modified in July 2020, and modifies the requirement to classify a liability as current if "its payment may not be deferred at the end of the reporting period for at least the following 12 months."

The additional paragraph 72a clarifies that "An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and, as illustrated in paragraphs 73 to 75, must exist at the end of the reporting period."

Early adoption is allowed, and its effect on comparative information shall be retroactively applied.

2.2 Preparation baselines

2.2.1 Relative importance

An economic event is material when knowledge of its type or amount could fundamentally change decisions made by users of the accounting information.

2.2.2 Functional currency

The values contained in the Colombian Securities Exchange individual financial statements correspond to the functional currency used during operations: the Colombian peso.

To determine its functional currency, Colombian Securities Exchange used its professional judgement to analyse a possible mix of primary and, if necessary, secondary factors related to the most used currency in service pricing, generating funds from financing activities, and in which payment is made for operational activities. The result was the Colombian peso. All data is presented in thousands of Colombian pesos, rounded to the closest unit.

2.2.3 Use of estimates

When preparing the Individual Financial Statements in accordance with the financial information rules accepted in Colombia, Colombian Securities Exchange may make estimates and assumptions that could affect the recognised amounts and disclosures.

There follows a list of the principal areas where Colombian Securities Exchange uses estimates:

- **Property, plant and equipment:** The lifetime of an asset during which it is depreciated or amortised is based on a management estimate of future usage and performance. The residual value of each asset is revised at least once a year and if there is a change compared to the previous estimate, it is added to the accounts.
- **Intangibles:** Intangibles are valued at the time of their procurement using appropriate methodologies, and amortised during their estimated useful life unless they have an indefinite useful life and there is no limit on the cash flow they will generate. Useful life estimates are management best-guesses on future performance and future value creation.
- **Provisions and contingencies:** A management decision is required on whether to recognise or disclose provisions and contingencies, and at what value, based on past experience and other factors relevant to each situation.
- **Bad debt:** A management decision is required on bad debt, basing estimates on past experience and other relevant factors.
- **Income tax:** Income tax calculations require estimates and judgements. If there is a difference between provisions and final obligations, an adjustment is made.

8.

GRI: 102-55

- **Deferred income tax:** Colombian Securities Exchange evaluates tax deferral over time. Deferred tax liabilities are tax amounts payable in future reporting periods, related to timing differences related to:

- Deductible timing differences.
- Offsetting losses from previous periods that have not yet received tax deductions.
- Clearing unused credits from previous periods.

Future tax income and the amount of probable future fiscal benefits are based on medium-term plans prepared by management. The business plan is based on management expectations considered to be reasonable according to the circumstances.

Financial and fiscal projections as a measure of prudence in determining deferred tax realisation.

- **Right-of-use:** Right-of-use terms and useful life are established in accordance with the contract or the best management estimate with regard to the good's use.

2.3 Measurement baseline

The Individual financial statements have been prepared using historical cost, except derivatives, tradable investments and private capital funds, which use fair value.

2.3.1 Fair Value

Colombian Securities Exchange uses a three-level hierarchy to classify the importance of factors used to measure asset and liability fair value.

Level 1

Non-adjusted quoted prices on active markets for assets and liabilities identified on the measurement date.

Level 2

Observable data different that used in Level 1. Colombian Securities Exchange discloses in this level available investments in private debt securities.

Level 3

Non-observable data will be used to measure fair value if relevant observable data is not available, taking into account situations where little, if any, market activity takes place related to an asset or liability.

The following chart details the principal fair value calculation techniques used for Level 2.

Asset	Valuation technique	Data
Investments in fair value debt securities	Observable market price	● Securities trade price in accordance with price provider methodology.
Mutual investment funds	Value provided by the administrator	● Estimated or theoretical price ● Mutual funds that capitalise or pay interest at the end of each month
Private capital funds	Value provided by the administrator	Pre-close unit price multiplied by the total number of units

8.

GRI: 102-55

Recurring baselines for fair value measurement

NCIF accounting rules require or allow these to be included in financial statements at the end of each accounting period.

The following table shows the book values and fair values of financial assets and liabilities at **31 December 2021** and **2020**, measured at fair value using recurring baselines. Where the book value is a reasonable approximation of fair value, data is not included for non-fair value measured financial assets and liabilities. For the current year, disclosure is not required for lease liabilities.

Financial assets	Book value		Estimated fair value	
	At 31 December 2021	At 31 December 2020	At 31 December 2021	At 31 December 2020
Cash equivalents (1)	COP 79,847	41,521,589	79,847	41,521,589
Tradable investments	32,492,920	2,807,468	32,492,920	2,807,468
Private capital funds (2)	1,906,689	2,439,802	1,906,689	2,439,802
Total	COP 34,479,456	46,768,859	34,479,456	46,768,859

(1) Short-term investment funds that are considered to be cash equivalents due to their level of liquidity.

(2) Fondo Inversor valuation: Colombian Securities Exchange is an investor in the Fondo Inversor private capital fund, with **156,851.5** equity units at **31 December 2021** and **227,828.50** equity units at **31 December 2020**. The equity unit value is calculated daily and corresponds to the pre-close underlying fund value, divided by the total number of equity units. Corredores Davivienda S.A. calculates profit or loss based on the daily published margin and reference prices or rates, in accordance with current CFS regulations.

At **31 December 2021** and **2020**, the following financial assets were classified as investments, measured at fair value, by hierarchical level:

	At 31 December 2021		At 31 December 2020	
		Level 2		Level 2
Public debt securities – TES [treasury bonds] (1)	COP	28,486,200		-
Securities guaranteed by financial sector entities		4,006,720		2,439,802
Private capital funds		1,906,689		2,807,468
Cash equivalents (mutual funds)		79,847		41,521,589
Total financial assets	COP	34,479,456		46,768,859

(1) The hierarchy of treasury bonds and securities guaranteed by financial sector entities is determined using the price provider's methodology. For **31 December 2021** and **2020**, the reference point was prices on Colombia's last trading day of the year (**30 December 2021** and **2020**).

It is not considered necessary to calculate the fair value of investments in associates and joint ventures as equity method assets because these organisations do not list shares on the Colombian Securities Exchange and the cost of valuation would exceed the benefit of disclosure.

Determining the fair value of registered financial assets and liabilities by amortised cost, only for disclosure purposes

Financial liabilities registered at amortised cost

For financial obligations and other short-term liabilities the book value is taken to be the fair value. Long-term obligation fair value was calculated using cash flow models discounted by risk-free interest rates adjusted for each organisation's risk premium.

In compliance with fair value measurement and disclosure requirements, the following were not included:

- Lease transactions that fall under IFRS **16** Leases, because bvc conducts financial lease operations.

8.

GRI: 102-55

The following table discloses the fair value of level 2 financial obligations:

Financial liabilities	At 31 December 2020	
	Book value	Fair value estimate
Short-term	COP 6,241,500	6,241,500
Long-term	13,284,875	14,462,056
Total	COP 19,526,375	20,703,556

In 2021, bvc paid in full its financial obligations to banks. At 31 December 2021 this comprises obligations originating in IFRS 16 Leases right-of-use measurement.

Financial assets registered at amortised cost

Because cash, trade and other accounts receivable, trade and other accounts payable are all short-term, their book value is a best estimate of their fair value.

The fair value of long-term accounts receivable is determined using cash flow models discounted using reference interest rates on sovereign guaranteed securities. These are considered to be risk-free rates and represent the minimum expected yield.

The fair value of long-term accounts receivable in hierarchical level 2 is disclosed below:

Long-term accounts receivable	At 31 December 2021	
	Book value	Fair value estimate
Accounts receivable from related parties: joint ventures	COP 284,198	245,050
Accounts receivable from related parties: other	500,000	471,244
Total long-term financial assets	COP 784,198	716,294

At 31 December 2020

Long-term accounts receivable	Book value		Fair value estimate	
Accounts receivable from related parties: joint ventures	COP	314,293		298,721
Accounts receivable from related parties: other		500,000		473,426
Total long-term financial assets	COP	814,293		772,147

At 31 December 2021 and 2020, none of the listed liabilities were reclassified by hierarchical level.

2.4 Transactions and settlement of assets, liabilities, income and expenses

As a general rule, in the individual financial statements, assets, liabilities, income and expenses are not cleared, except where this be required or allowed by law and is a faithful reproduction of the transaction.

Income and expenses related to transactions that by contract or legal imperative allow for clearing, and that Colombian Securities Exchange intends to settle at their net value, or to realise the asset and settle the liability simultaneously, are presented as net on the balance sheet.

2.5 Classification of current and noncurrent balances

Colombian Securities Exchange uses the following criteria to classify balances:

- Current assets have terms equal to or less than twelve (12) months, or may be sold or realised during normal operational activity and business cycles.
- Noncurrent assets have terms longer than twelve (12) months.
- Current liabilities have terms equal to or less than twelve months, or may be liquidated them during normal operational activity and business cycles.
- Noncurrent liabilities have terms longer than twelve (12) months.

8.

GRI: 102-7,
103-2, 201-4,
415-1
SFC: Artículo 29
Ley 222 de 1995

2.6 Financial statement reporting period

The Individual Financial Statements comprise the individual balance sheets, individual comprehensive income, individual changes to shareholder equity and individual cash flow statements for the reporting period **1** January to **31** December **2021**, with comparative data from **2020**.

2.7 Summary of accounting policies

Accounting policies and established baselines follow NCIF (Colombian Financial Reporting Standards).

2.7.1 Foreign currency transactions and balances

Transactions in currencies other than the Colombian Securities Exchange functional currency are converted at the market exchange rate on the transaction date. At the close of each reporting period, assets and liabilities in other currencies are converted to COP using the market exchange rate at the close. Foreign currency profits and losses resulting from currency conversion and clearing are disclosed in the comprehensive income statement.

At **31** December **2021** and **2020** the USD-COP exchange rate was **3,981.16** and **3,432.50**, respectively.

2.7.2 Cash and cash equivalents

Cash and cash equivalents are disclosed at nominal value, and comprise cash in hand and in banks, visible bank deposits, deposits in clearing, short-term deposits with original maturity equal to or less than three months, and other short-term, high-liquidity investments that are easily convertible to cash with a low-risk of change in value.

2.7.2.1 Presenting cash and cash equivalents

Colombian Securities Exchange presents cash and cash equivalent assets in descending order of liquidity on its balance sheet.

Cash flow does not include movement between cash and cash equivalents, nor investment of cash and cash equivalent remainders, because these are Colombian Securities Exchange cash management components.

2.7.3 Financial assets: fixed-income investments

2.7.3.2 Classifying investments

All investments Colombian Securities Exchange makes to manage with the intention of obtaining benefits from a change in their value are classified as **tradable investments**.

2.7.3.2 Initial recognition

In accordance with the tradable classification used by Colombian Securities Exchange, initial fixed-income investments are measured at fair value.

2.7.3.3 Subsequent measurement

In accordance with the Colombian Security Exchange business model and investment portfolio management guidelines, investments are measured at **fair value with profit and loss changes**.

The best evidence of fair value is the price quoted on an active market.

If there is no active market for a given investment, Colombian Securities Exchange uses a valuation technique that allows it to estimate a price if an orderly transaction were to take place between market participants, under current market conditions on the measurement date.

Financial assets classified as investments and measured at fair value are valued using Colombian market prices; foreign investments use market values from the assets' countries of origin.

In all cases, Colombian Securities Exchange strives to use relevant observable data, and minimise the use of non-observable data in valuation processes.

8.

GRI: 102-7,
103-2, 201-4,
415-1
SFC: Artículo 29
Ley 222 de 1995

2.7.4 Results-based equity investments**2.7.4.1 Initial recognition**

Initial recognition of investments in associates over which no significant influence is exercised is at cost, using the most trustworthy estimate.

2.7.4.2 Subsequent recognition

Following acquisition, **bvc** measures these investments at cost, and annually evaluates the following indicators to determine whether the cost is representative of fair value:

- Significant change in performance compared to budgets, plans or objectives.
- Changes in expectations on achievable results in technical production.
- Significant change in the market related to the organisation or its current and future products.
- Significant change in the global economy, or that of the organisation's country of operation.
- Significant change in the performance of comparable organisations, or in global market valuations.
- Internal problems such as fraud, commercial disputes, litigation, and management or strategy changes.
- Evidence of external transactions on the organisation's assets, initiated by the organisation itself (e.g. a recent securities issue), or of asset transfers between third parties.

2.7.4.3 Profit and loss

Colombian Securities Exchange discloses net profit and loss by transaction groups, or tradable derivative instruments. However, where a profit or loss has relative importance it is presented separately.

Profit and loss in investments measured at fair value is disclosed on the balance sheet for the period, unless they are part of a hedge—an investment in a non-tradable equity instrument.

Profit or loss resulting from investments measured at amortised cost, that are not part of a hedge, is disclosed during the reporting period if it has been cleared, fallen in value or been reclassified.

Other comprehensive income on the individual financial statements comprises income and expense items, including reclassification adjustments not included in profit or loss.

2.7.5 Permanent investments in associates, joint ventures and subsidiaries**2.7.5.1 Equity method**

Colombian Securities Exchange uses the equity method for entities over which it exercises joint control or significant influence, and this must be regularly evidenced in one or more of the following ways:

- Participation on the board, or an equivalent organisational management body.
- Participation in setting policy, including decisions on dividends or other distributions.
- Transactions of relative importance between both organisations.
- Exchange of management staff.
- Delivery of essential technical information.

2.7.5.2 Initial recognition

Initial recognition is at cost, using the most trustworthy estimate.

2.7.5.3 Subsequent measurement

Following acquisition, Colombian Securities Exchange increases or reduces the book value to reflect its share of income each reporting period. Dividends received reduce the investment's book value. It may also be necessary to adjust the book value to reflect changes in the proportional participation of the investor, due to changes in the investee's other comprehensive income. These changes may include revaluation of property, plant and equipment, and exchange rate variations. Any changes affecting the investor are reflected in other comprehensive income.

When using the equity method, the associate's, joint venture's or subsidiary's latest financial statements are used. If the reporting periods used by each organisation are different, the investor's reporting period is used, unless it is impractical to do so. If the transaction dates used on each organisation's financial statements differ, the necessary adjustment is made to reflect any significant transactions or events occurring between the two dates. Under no circumstances may the year-end of either organisation differ by more than three months.

8.

GRI: 102-55

The reporting period and any difference in end-dates must be the same from one period to the next. The entity's financial statements are produced using uniform accounting policies for similar transactions and other events that have occurred under similar circumstances.

If objective evidence exists of an investment's impairment, it is reduced to recoverable value—the greater of the following values: fair value less the cost of sale (net sale price) and value in use (anticipated cash flow). To this end, current value is estimated using anticipated dividends and the investment's final settlement value or participation in anticipated cash flow.

2.7.6 Transactions between related parties

2.7.6.1 Definition

A transaction between related parties is a transfer of resources, services or obligations between a reporting organisation and a related-party, regardless of whether a price is charged.

Colombian Securities Exchange considers related parties to be individuals defined as key personnel, and companies in which one party is directly or indirectly involved in the management, administration, control or capital of the other. This definition extends to:

- Subsidiaries
- Associates
- Joint ventures
- Shareholders with a **10%** holding or higher
- Managers
- Vice Presidents
- Board of Directors

Colombian Securities Exchange discloses relationships with its subsidiaries regardless of whether any transactions have occurred between them.

Colombian Securities Exchange ensures that its individual financial statements contain the information necessary to verify whether the reporting period's financial position and profit and loss could have been affected by the relationship, transactions made and their remaining balances, by:

- Identifying related-party relationships and transactions.
- Identifying remaining balances, including commitments, between Colombian Securities Exchange and related-parties
- Identifying circumstances that may require disclosure regarding subsections **(a)** and **(b)**
- Determining disclosable information on the above

Related-party transactions are reconciliated and revised each quarter by financial management. Colombian Securities Exchange discloses the nature of its relationship with each related-party, and information on transactions and remaining balances (including commitments), with a view to understanding the potential effect of the relationships on its financial statements.

2.7.7 Derivative investments - futures

2.7.7.1 Derivative transactions

In accordance with the portfolio business model designed for each company, **bvc** may trade derivative financial instruments with any of the following objectives:

- (a)** Risk mitigation
- (b)** Trading for profit

2.7.7.2 Initial measurement

Initial recognition is at fair value.

Fair value measurement assumes that a derivative liability is transferred to a market participant on the date of measurement. This transfer assumes that the derivative will remain in circulation and that the market participant is required to meet their obligation. The liability is not cleared with the counterparty nor discharged in any other way on the date of measurement.

8.

GRI: 102-55

2.7.7.3 Subsequent measurement

Subsequent adjustments to derivative contract fair value are recognised in profit and loss for the period, unless they are part of a hedging relationship.

The fair value of derivative portfolios is determined using prices and inputs provided by Credicorp. To incorporate the appropriate credit risk adjustment that market participants make for noncompliance, including credit risk, **bvc** organisations include their own credit risk to determine the fair value of liability positions and counterparty risk in the case of active positions.

2.7.7.4 Hedge accounting

2.7.7.4.1 Necessary criteria for hedge accounting

Hedge accounting may only be used if the following criteria are met:

- (a) The hedge is comprised only of eligible hedge instruments and hedge items.
- (b) From the outset, the hedge is supported by formal documentation stating the hedging relationship and the organisation's risk management objective and strategy. The documentation must identify the hedging instrument, the hedged item and its risk profile, and the mechanism used to evaluate whether the hedging relationship complies with hedge effectiveness requirements (including analysis of sources of ineffectiveness and how it determined the hedge ratio).
- (c) The hedge complies with the following effectiveness requirements:
 - There is an economic relationship between the hedged item and the hedging instrument (IFRS 9 paragraphs B6.4.4 a B6.4).
 - The effect of credit risk does not dominate the value change resulting from the economic relationship (IFRS 9 paragraphs B6.4.7 and B6.4.8)
 - The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged items. However, that designation may not reflect an imbalance between the hedged item's weightings and the hedging instrument that would create hedge ineffectiveness (irrespective of whether recognised or not) that could result in an ac-

counting outcome that would be inconsistent with the purpose of hedge accounting in accordance with IFRS 9 paragraphs B6.4.9–B6.4.11.

2.7.7.4.2 Types of hedge accounting

bvc may, at its discretion, use hedge accounting to mitigate impact or significantly reduce exposure to change in a financial asset or liability.

There are three classes of hedge accounting relationships:

- (a.) Fair value hedge: a hedge on exposure to fair value changes of a recognised asset or liability or an unrecognised firm commitment or a component of any such item, that is attributable to a particular risk and could affect profit or loss.
- (b.) Cash flow hedge: a hedge on exposure to cash flow variation attributable to a particular risk associated with all, or a component of, a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction, that could affect profit or loss.
- (c.) Hedge of net investment in a foreign operation as defined in IAS 21.

2.7.8 Accounts receivable

2.7.8.1 Initial recognition

Initial recognition of trade and other accounts receivable only occurs when contractual obligations have been met, services have been provided for the established period, and rights and risks have been transferred during the sale.

Definition and analysis of accounts receivable shows that they do not have a significant financial component, so initial measurement will be the transaction price.

2.7.8.2 Subsequent measurement

In view of the classification and initial recognition of trade accounts receivable, the following guidelines are used for their subsequent measurement:

Colombian Securities Exchange financial assets are accounts receivable and other accounts receivable. As there are no interest rates that affect the operation, the transaction value will be used.

8.

GRI: 102-55

2.7.8.3 Simplified impairment approach for accounts receivable

Colombian Securities Exchange always measures value correction at an amount equal to the expected credit losses over the lifetime of accounts receivable or miscellaneous debtors.

With a view to producing the best estimate of anticipated financial asset losses on trade accounts receivable, a model was defined to calculate said losses that is aligned with the business model and future cash flow recoverability processes for the collection of trade accounts receivable. The following rates are used to determine provisions for accounts receivable:

At 31 December 2021

Current	31 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	180 to 360 days overdue	More than 360 days overdue
0.1011%	0.4351%	0.6104%	0.7642%	0.9782%	100%

At 31 December 2020

Current	31 to 60 days overdue	61 to 90 days overdue	91 to 180 days overdue	180 to 360 days overdue	More than 360 days overdue
0.1009%	0.5807%	0.7788%	0.9374%	1.2506%	100%

2.7.9 Leases

Colombian Securities Exchange, recognises right-of-use assets and lease liabilities except for:

- Short-term leases (less than **12** months) , and
- Leases where the underlying asset is of low value (less than COP **15,000** per year).
- An underlying asset is of low value only if:
 - The lessee will benefit from using the underlying asset in itself, or together with other resources that are readily available to the lessee, and
 - The underlying asset is not highly dependent on nor interrelated with other assets.

An underlying asset may not be of low value if when new it is not usually of low value.

Colombian Securities Exchange recognises payment for short-term and low-value assets on a straight-line basis for the duration of the lease, or using another systematic baseline that better represents the expense. Short-term leases are considered to be new leases if they are amended or the lease period changes.

2.7.9.1 Initial right-of-use measurement

Colombian Securities Exchange measures right-of-use assets at cost. The right-of-use cost comprises:

- The initial measured lease liability amount.
- Lease payments made before or from the date of commencement, less any lease incentives received.
- Initial direct costs incurred.
- The estimated cost of dismantling and disposing of the asset, returning it to its place of origin, or returning it to its original state, as required by the terms and conditions of the lease.

2.7.9.2 Initial lease liability measurement

Colombian Securities Exchange measures lease liability using the current unpaid payment value, and discounts payments using the incremental loan rate applicable to the lease, based on its duration, type and value.

Colombian Securities Exchange recognises lease payments included in the liability measurement, that comprise the following future right-of-use payments for the underlying asset for the duration of the lease:

- Fixed payments.
- Variable payments that depend on an index or rate are initially measured using its current value at the date of commencement.
- Amounts Colombian Securities Exchange will pay as collateral on residual value.
- The cost of purchase options, if Colombian Securities Exchange is reasonably certain it will exercise them.
- Early exit penalty payments, if the lease reflects that Colombian Securities Exchange will exercise this option.

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2.7.9.3 Subsequent right-of-use asset measurement

Colombian Securities Exchange measures right-of-use assets using the cost model, and applies accounting policy depreciation requirements for PPE when depreciating the asset.

If ownership of the underlying asset is transferred at the end of the lease, or if the cost of the right-of-use asset reflects the fact that Colombian Securities Exchange will exercise a purchase option, it is depreciated from commencement until the end of its useful life. Otherwise, Colombian Securities Exchange depreciates the right-of-use asset from commencement until the end of its useful life or the end of the lease, whichever comes first.

Colombian Securities Exchange uses value impairment accounting policy to determine if a right-of-use asset is impaired and calculate the identified impaired value.

2.7.9.4 Subsequent lease liability measurement

Colombian Securities Exchange measures lease liabilities by:

- Increasing book values to reflect lease liability interest;
- Reducing book values to reflect lease payments made; and
- Remeasuring book values to reflect new measurements or amendments to the lease.

Lease liability interest for each period during the lease is the amount produced by the rate of interest on the remaining lease liability. Following the date of commencement, unless costs are included, Colombian Securities Exchange recognises in other asset book amounts:

- Lease liability interest; and
- Variable lease payments for events or conditions not included in lease liability measurement, in the period within which they occur.
- Changes to future lease payments following changes to an index or rate used to calculate payments, including, for example, a price change following a revision of lease market rates.

2.7.9.5 Subleases

bvc and its subsidiaries may obtain economic benefits from directly or indirectly using an asset in many ways, such as using, maintaining or subleasing it.

Measuring subleases

Sublease classification:

Bvc Group classifies subleases as financial or operational as follows:

- If the principal lease is short-term, as specified in IFRS 16 paragraph 6, the sublease is classified as an operational lease.
- Otherwise, the sublease is classified according to the right-of-use asset referenced in the principal lease, rather than that of the underlying asset (for example, the property, plant and equipment item being leased).

When classifying subleases, Colombian Securities Exchange evaluates the right-of-use asset referenced in the principal lease, rather than that of the underlying asset, because:

The risk for Colombian Securities Exchange associated with the right-of-use asset lease becomes a credit risk when converted to a sublease that covers most or all of the principal lease period. Accounting for the sublease as a financial lease (classified in reference to the right-of-use asset) recognises this risk because Colombian Securities Exchange recognises the net investment in the sublease as an account receivable rather than as a right-of-use asset. It is, therefore, appropriate for Colombian Securities Exchange to remove right-of-use assets from its accounts and recognise the net investment in the sublease.

bvc uses the discount rate used for the principal lease (adjusted to include initial direct costs related to the sublease) to measure net investment in the sublease.

During subsequent measurement, **bvc** applies lease payments for the period against gross investment in the lease, to reduce the principal as well as the non-accumulated financial earnings (yield).

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At the date of commencement, **bvc** recognises in its accounts the financial situation of financial lease assets, presented as an account receivable at a value equal to the net lease investment.

Net lease investment: Gross lease investment less the implicit rate of interest.

Gross lease investment: The sum of:

- Lease payments receivable by the lessor for the financial lease; and
- Any non-guaranteed residual value corresponding to the lessor.

In compliance with IFRS **16** paragraphs **75** and **76**, **bvc** Group recognises financial income during the lease term based on a regime that reflects a constant rate of return on the lessors net financial investment in the lease.

2.7.10 Property, plant and equipment

2.7.10.1 Initial measurement

Colombian Securities Exchange measures its fixed assets using the cost model.

Acquired movable assets are recognised using the cost model, in compliance with IAS **16** paragraph **30**. Historical cost is incremented after any additions, improvements and repairs that increase an asset's useful life.

2.7.10.2 Subsequent measurement

Measurement is made using the cost model—fair value at the time of acquisition, plus additions, improvements and repairs, minus accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment elements is comprised of their acquisition price plus all costs directly related to the asset's location and installation, according to management provisions. Also considered to be property, plant and equipment costs are all costs related to financing interest directly attributable to acquisition or construction of assets that require significant preparation time before being ready for use or sale.

Subsequent improvement and expansion costs, among others, are included in the asset's initial value or recognised as a separate asset, only when it is probable that the future economic benefits associated with property, plant and equipment items will flow toward Colombian Securities Exchange, and the element's cost can be faithfully determined and depreciated during the periods remaining to depreciate the initial asset.

Repair, preservation and maintenance costs are recognised in the period in which they are incurred. At the closing date, or whenever there is an indication of asset impairment, the recoverable value (the greater of fair value less sale costs and value-in-use) is compared to the net accounting value. Any indication or reversal of a loss in value resulting from this comparison is registered as a charge or credit accordingly. Property, plant and equipment depreciation is calculated using the straight-line method based on estimated useful life.

2.7.10.3 Registering elements as assets or expenses

Goods acquired by Colombian Securities Exchange are classified before they are registered as assets or expenses in the period, and include the materiality principal in their acquisition cost.

The following parameters are used to define whether a good is accounted for as an asset or expense:

a) Asset definition:

- Items not exceeding a value of **50** UVT (Tax Value Units, a Colombian accounting unit) (COP **36,308** per unit in **2021** and COP **35,607** in **2020**) are recognised as expenses.
- Goods costing less than **50** UVT, but whose relevance and use match the asset definition are treated as fixed assets.

b) UVT reference in the purchase or acquisition year:

- Property, plant and equipment calculations use the straight-line method for their estimated useful technical lives. The minimum a fixed asset can be depreciated in different tax periods is **50** UVT. An asset purchased in a given year is depreciated that same year.

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c) Useful life parameter:

- When an acquired good's useful life is equal to or less than one year, it is treated as an expense, and Colombian Securities Exchange values it using acquisition cost.

2.7.10.4 Asset group

Colombian Securities Exchange classifies assets into six (6) homogeneous groups:

Immovable goods

Buildings and land

Movable goods

Furniture and fittings

Computing, communications and electronic equipment

Transport equipment

Improvements to leased property

Right-of-use

2.7.10.5 Determining the goods that comprise each asset group

Colombian Securities Exchange places its assets into the following groups:

- **Buildings and land:** Real estate used by the Colombian Securities Exchange as commercial and administrative offices, and car parks.
- **Furniture and fittings:** Office items, e.g. furniture, drawers, filing cabinets, cabinets, shelving, etc.
- **Computing, communications and electronic equipment:** Desktop and portable technology items: computer, monitor, hard drive, printer, server, rack, scanner, CCTV, alarms, access systems, security doors, white goods, generators, UPS, telephone switchboard, telephones, router, switch.
- **Transport equipment:** mobile goods used to transport people or merchandise.
- **Improvements to leased property:** Improvements made to leased goods.
- **Right-of-use:** Leased goods, per IFRS 16.

When damaged property, plant or equipment is repaired, the cost is registered as an increase in value of the fixed-asset concerned.

2.7.10.6 Maintenance and replacement

Replacements, improvements and enhancements made to assets following acquisition are included in the initial value, or recognised as a separate asset, only if it is probable that future economic benefits attributable to the investment will flow towards the company, and the cost can be fairly measured.

If components are replaced, their book value is derecognised and substituted by the acquisition value of the replacement component.

Recurrent or periodic repair or maintenance outlays following acquisition are recognised as expenses.

2.7.10.7 Managing depreciation

Depreciation is registered using the straight-line technical value method in accordance with estimated useful life. Useful life refers to the time that an asset will contribute an element or good to Colombian Securities Exchange; assets may exist that have a useful life that is lower than their economic life.

The depreciation method and asset's useful life remain the same for the accounting period. However, if from one year to the next different depreciation methods or useful life estimates are used, these must be managed using IAS 8 indications, whether due to a change in policy or estimates, or through error.

When a used good is acquired, and has therefore already been partially or completely depreciated, Colombian Securities Exchange depreciates the good for its remaining useful life.

Useful life of improvements made to leased property or goods may not exceed the length of the contract.

Depreciation is calculated from the month after a fixed asset becomes available for use (when it is in the location and conditions necessary for its operation).

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2.7.10.8 Depreciation method

From the start of IFRS adoption, the useful life of existing assets and new assets subsequently acquired is revised and prospectively adjusted where necessary at each close of each financial statement.

The straight-line method is used to recognise assets' contribution to Colombian Securities Exchange income generation, because of the assets' continuous use characteristics and the advantages this method offers:

- The straight-line method permits fairer financial measurement of the future impact of asset depreciation.
- Colombian Securities Exchange asset usage does not present large variations in frequency.
- The impact on expenses in the period is constant.

Useful life for Colombian Securities Exchange assets is as follows:

Immovable goods

Buildings

Useful life

45 to 80 years

Movable goods

Computing, communications and electronic equipment
Furniture and fittings
Transport equipment
Improvements to leased property
Right-of-use

Useful life

3 to 5 years
5 to 10 years
3 to 5 years
Length of contract
Length of contract

2.7.10.9 Derecognition

Derecognition of fixed assets must be authorised by the corporate CFO. Property, plant and equipment elements may be derecognised due to theft, total loss or damage.

An item's book value is derecognised following its disposal, or when no future economic benefits are anticipated from its use or disposal. This can happen for various reasons, such as a sale, a financial lease purchase option not being exercised, or a donation.

2.7.10.10 Recognising property, plant and equipment impairment

Impairment occurs when an asset's book value exceeds the amount recoverable from its use or sale.

Impairment is recognised if objective evidence exists that an asset has become impaired due to events occurring after its initial recognition.

At the end of each reporting period, Colombian Securities Exchange evaluates whether any assets show evidence of impairment, and requests a valuation of the impaired assets to determine their recoverable value.

In compliance with IAS 36 – Impairment of assets, Colombian Securities Exchange must ensure that its assets are accounted for at amounts not exceeding their recoverable value. If this is not the case, assets are considered impaired and the impairment value is recognised.

For movable goods to be impaired, users must prove to Colombian Securities Exchange financial and administrative management that they will not generate future economic benefits.

For goods not in use, impairment value is equal to depreciation value. Some or all of the following indicators are used to determine signs of impairment:

N°	Indicator	Sign of impairment	Description
1	Market value	A significant reduction in an asset's market value.	An asset's value has fallen significantly more than expected during the period, as a consequence of usage and the passage of time.
2	Technological	Technological advances that affect assets.	Software or operating system changes that require hardware changes.
3	Availability	Significant changes to an asset's use or purpose.	Changes due to technology reorganisation or restructuring plans that change an asset's management or labour usage characteristics.
4	Obsolescence	Physical damage leading to a loss of function, or market or sector conditions that make its use redundant.	An asset's obsolescence is detailed in a technical report.

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2.7.10.11 Identifying impaired assets

Colombian Securities Exchange discloses the following information for each asset class:

- Impairment loss amounts recognised in profit and loss for the period, and in the relevant comprehensive income statement entries.
- Value reversal amounts for impairment losses recognised in profit and loss for the period, and in the relevant comprehensive income statement entries.
- The amount of revalued asset impairment losses, recognised directly in other comprehensive income for the period.
- The amount of reversals for revalued asset impairment losses, recognised directly in other comprehensive income for the period.



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2.7.11 Intangibles

2.7.11.1 Definition

Colombian Securities Exchange recognises an intangible asset only if:

- It is probable that future economic benefits attributable to the asset will flow towards the company.
- The asset's cost can be reliably measured.

Colombian Securities Exchange evaluates the probability of future economic benefit using reasonable, well-supported hypotheses based on a management best-estimate of economic conditions over the asset's useful life.

Colombian Securities Exchange may acquire or develop intangible assets.

Acquired intangibles include software and software licences.

Project development intangibles: To evaluate whether to recognise an internally generated intangible asset, Colombian Securities Exchange classifies project expenses during the following phases:

- Research phase: Costs incurred during this phase are recognised as expenses.
- Development phase: Costs comprise the sum of disbursements incurred once the following capitalisation conditions are met, and the following are demonstrated:
 - Technical feasibility of the project.
 - An intention to make the asset ready for use or sale.
 - The ability to use or sell the asset.
 - Technical, economic and other resource availability to make the asset ready for use and/or sale.
 - The probability the asset will generate future economic benefits.
 - The ability to reliably measure direct disbursements related to the asset.
- Training phase: Costs incurred in this phase by all asset classes and types are directly recognised as expenses.

- Production phase: When projects reach completion and amortisation begins, Colombian Securities Exchange classifies them as internally developed applications.

2.7.11.2 Initial measurement

Acquired intangible assets are initially measured at cost.

Brands are not recognised as intangibles, nor are newspaper or magazine mastheads, editorial imprints or names, customer lists and other similar items that have been internally generated.

2.7.11.3 Subsequent measurement

Colombian Securities Exchange uses the cost method for subsequent measurement, and intangible assets are accounted for at cost, less accumulated amortisation and impairment if it exists.

2.7.11.4 Impairment

The amortisation period and method used for intangible assets with finite useful lives is revised at a minimum at the end of each period. If their new useful life varies from previous estimates, the amortisation period is adjusted to reflect this. If there is a change in the pattern of their anticipated future economic benefits, the amortisation method is changed to reflect this. These amortisation method and period changes will be treated as accounting estimate changes.

2.7.11.5 Useful life

Intangible	Useful life
Software and licenses	5 years
Insurance policies	Contract term
Maintenance contracts	Contract term
Technical assistance	Contract term
Internal developments	Asset's economically useful life

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Intangible assets' useful lives are revised at the end of each period. In the event that a licence has a useful life shorter than amortisation policy it is amortised until the end of its useful life, regardless of the amount.

Internally developed intangible assets are straight-line amortised for the duration of their useful lives, as defined by the VP Software Technology and VP Projects using demonstrable technical analysis. Costs incurred during organisation, construction, installation, preparation and launch are considered as expenses.

2.7.11.6 Intangible asset derecognition and disposal

An asset is derecognised:

- Upon disposal (sale or donation)
- When no future economic benefits are expected from its use or disposal.

The profit or loss from disposing of intangible asset is the difference between the net amount obtained from its disposal and its book value, and is recognised in the period it is disposed (unless IAS 17 establishes otherwise in the case of a sale/leaseback). Profits are not classified as ordinary income.

2.7.12 Other non-financial assets

2.7.12.1 Definition

Prepaid expenses: Services and rights acquired by bvc that are amortised over their contracted period.

Insurance policies: Coverage the organisation purchases from insurance providers to protect people and assets, or in compliance with a provider's contractual requirements, that provide coverage for one or more future periods. Payment is made on the policy's date of commencement.

Prepaid services: Agreed services that are paid for upon contract commencement. bvc receives the right to these services over the duration of their contracts.

2.7.12.2 Accounting scope and treatment

Scope: This policy applies to expenses paid prior to obtaining a good or service.

Non-offset and other tax prepayments are recognised as other non-financial assets; **bvc** has the right to use these resources to offset future tax burdens.

Real estate taxes considered significant by **bvc** are recognised as non-financial assets and are straight-line amortised over the corresponding tax period.

Collateral on operational leases is recognised in other non-financial assets; **bvc** has the right to use these resources to offset future contractual obligations between the parties.

Prepaid expense disbursements are only recognised as expenses when the service is used. Under this policy, prepayment may be made on the following:

- a. Affiliations and subscriptions.
- b. Technical services.
- c. Insurance.
- d. Collateral.
- e. Non-offset and other tax payments.
- f. Social security contributions.

The following non-financial assets are also covered by this policy:

- a. Deposits received.
- b. Domestic commerce and industry tax and VAT prepayments.

2.7.12.3 Initial recognition

For a prepaid expense to be recognised, it must comply with all of the following requirements:

- a. Its value can be reliably measured.
- b. The monetary disbursement will allow **bvc** to obtain future goods or services
- c. Prepaid expenses are recognised as such when payment for services is made, for the amount transferred.

For other non-financial assets to be recognised, they must comply will all of the following requirements:

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- a. Their value can be reliably measured.
- b. The assets may not be subject to different treatment in another specific international rule.

2.7.12.4 Subsequent measurement

Prepaid expenses are amortised using the straight-line method on their full cost over the duration of the contract, or when right-of-use is exercised.

Amortisation is recognised in profit and loss in line with bvc's receipt of the contracted good or service. The straight-line method is applied to monthly amortisation to determine the total prepaid expense divided proportionally by the number of months it is anticipated that the service will generate economic benefits.

Other non-financial assets are measured subsequent to cost.

2.7.12.5 Derecognition

Prepaid expenses with future economic benefits related to receiving services or rights may not involve receiving money or other financial assets, and are therefore non-financial assets.

Only when **bvc** has the firm intention to withdraw in a given period corresponding to the prepaid expense, may it be reclassified as a receivable value that will be paid in cash, and therefore an account receivable (financial asset).

When **bvc** has made full use of a service it derecognises the prepaid expense. Other causes to derecognise a prepaid expense are:

- a. Non-recoverable balances and/or those that will not produce future benefits due to obsolescence, contract expiry or for legal reasons.
- b. Loss of the right to future use.

2.7.13 Financial liabilities**2.7.13.1 Initial recognition**

Financial liabilities are initially recognised at fair value, except loans and accounts payable where transaction costs are directly attributable.

Colombian Securities Exchange financial liabilities include trade accounts payable, loans and other accounts payable

Financial liabilities are initially registered at fair value less directly attributable transaction costs. Premiums or discounts applied at the start form part of the fair value.

2.7.13.2 Classifying financial liabilities

Colombian Securities Exchange uses the effective interest method to classify its financial liabilities by amortised cost, except for:

- Financial liabilities that are accounted for at fair value with changes to profit and loss. This includes derivative liabilities that are subsequently measured at fair value.
- Financial liabilities resulting from financial asset transfers that do not meet the criteria for derecognition or that are accounted for using a continual involvement focus.

2.7.13.3 Contract cash flow

Colombian Securities Exchange uses the following classes for contract cash flow financial liabilities:

- Financial obligations
- Accounts payable
- Prepaid income

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2.7.13.4 Loans and financial obligations

Loans and financial obligations are commercial credit and are initially recognised upon their origination.

Loans and financial obligations are initially measured at fair value, plus directly attributable acquisition transaction costs for elements that are not at fair value with changes to profit and loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and FX conversion profits or losses are recognised in profit and loss. Any profit or loss during derecognition is also recognised in profit and loss.

2.7.13.5 Accounts payable

Colombian Securities Exchange uses fair value for the initial recognition of accounts payable or financial liabilities; this is normally be the transaction price (that is, the nominal value of the paid good or service).

Transaction costs directly attributable to issuing a financial liability are subsequently included in amortised cost using the effective interest method over the useful life of the instrument.

2.7.14 Employee benefits

2.7.14.1 Definition

Employee benefits comprise all types of remuneration Colombian Securities Exchange provides to its employees in exchange for their services.

2.7.14.2 Short-term employee benefits

When an employee has been engaged by Colombian Securities Exchange for an accounting period, the company recognises the undiscounted value of the corresponding short-term benefits:

- As a liability (accumulated or accrued expenses), after verifying the amount already paid. If the amount already paid exceeds the benefits' undiscounted value, Colombian Securities Exchange recognises the

- As an expense, unless another IFRS requires or allows for the benefits to be included as an asset.

Short-term employee benefit accounting is usually immediate because it is not necessary to develop actuarial hypotheses to measure the corresponding costs or obligations, and therefore the possibility is low of actuarial gains or losses. Furthermore, short-term employee benefit obligations are measured without deducting the resulting amounts.

Employee benefits comprise the following:

- Wages, salaries and social security contributions.
- Half-yearly statutory bonus.
- Rights to paid leave and paid sick leave.
- Non-monetary benefits for current employees such as insurance, life, health and funeral expense policies.
- Annual performance-related bonus.
- Educational subsidies.
- Other benefits such as eyecare, dental care, etc.
- Company bus service.
- Contributions to the Fonbolsa employee fund.

2.7.14.2 Severance benefits

These employee benefits are the consequence of Deceval S.A.'s decision to terminate an employee's contract before its stated end-date, or an employee's decision to voluntarily conclude their working relationship in exchange for such benefits.

Deceval S.A. recognises severance benefits as a liability and an expense only when it has a demonstrable commitment to rescind the link it has with an employee or group of employees before their normal end date, or to pay severance benefits when employees have decided to accept voluntary redundancy.

Deceval S.A. initially recognises severance benefits according to their nature and subsequently measures

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and recognises changes in accordance with the requirements of the short-term employee benefits. This is because severance benefits are fully paid within 12 months, and subsequent to the annual period in which the severance benefit is informed and recognised.

Deceval S.A. recognises severance benefit liabilities and expenses on the first of the following dates:

- Once Deceval S.A. can no longer withdraw its offer to pay these benefits.
- Once Deceval S.A. recognises the restructuring costs and begins payment of severance benefits.

If Deceval S.A. creates a restructuring or severance benefit plan that is then modified, the profit or loss is recognised when the first of the following conditions occurs:

- The plan is modified or cut.
- The restructuring costs or severance benefits are recognised.

An offer to pay severance benefits for voluntary redundancy may not be withdrawn once accepted by an employee.

Involuntary redundancy severance benefit offers may not be withdrawn once Deceval S.A. has informed the affected employees. In addition, the severance plan must comply with the following criteria:

The actions required to execute the plan indicate that it is improbable that the plan will undergo significant change.

a. The plan identifies the number of redundancies, the roles and locations involved, and the expected date of termination.

The plan sets out in enough detail the severance benefits employees will receive.

2.7.15 Other non-financial liabilities

Prepaid income

2.7.15.1 Prepaid income

If a customer makes payment, or an invoice is generated for a customer, before a good or service is transferred to them, **bvc** presents the contract as a liability. A contract liability is an obligation for **bvc** to transfer a prepaid good or service to a customer or request payment from them.

2.7.15.2 Initial measurement

Colombian Securities Exchange recognises the liability as the received payment value or the payment due.

2.7.15.3 Subsequent measurement

As goods and services are transferred and the obligation is satisfied, Colombian Securities Exchange derecognises the contract liability and recognises it as ordinary income.

2.7.16 Contingent liabilities and provisions

2.7.16.1 Contingent liability

El pasivoA contingent liability is an obligation related to past events; its existence is confirmed by the occurrence of future events that are not all controlled by Colombian Securities Exchange. Although it is the consequence of a past event, it is not recognised because there is no probable resource outflow that incorporates future benefits and/or its amount cannot be reliably measured.

Colombian Securities Exchange does not recognise contingent liabilities in its financial statements, but discloses them in the footnotes, unless the possibility of a resource outflow is remote, in which case nothing is disclosed.

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Contingent liabilities can evolve or change form, and are periodically revised to determine if it has become likely that they will generate a resource outflow that incorporates future economic benefits. If this is considered probable, the provision is recognised in the financial statements in the period that the probability occurred.

If Colombian Securities Exchange is jointly responsible for a given obligation, the part of the debt corresponding to other parties is treated as a contingent liability. In this case, Colombian Securities Exchange will recognise a provision for the part of the obligation that is likely to cause a resource outflow that implies future economic benefits, unless the amount cannot be reliably estimated.

2.7.16.2 Recognising provisions

Colombian Securities Exchange only recognises a provision if it complies with the following conditions:

- There is a current legal or implicit obligation related to a past event.
- It is probable that to meet the obligation, Colombian Securities Exchange will have to assign resources that incorporate economic benefits.
- The obligation's value can be reliably measured.

If these conditions are not met, the provision is not recognised.

A reliable estimate of the amount is vital when preparing the financial statements, and Colombian Securities Exchange reliably determines its value. Only in exceptional cases will it use a range of possible outcomes related to an uncertain event to determine its recognisable value.

In the exceptional case that Colombian Securities Exchange is unable to determine a reliable estimate, the liability cannot be recognised, and must be disclosed in the footnotes as a contingent liability including details of why it is impractical or impossible to reliably measure it.

Colombian Securities Exchange does not recognise provisions for future operational losses because these do not meet the criteria to be liabilities or provisions. If they do exist, they are an indications of asset impairment and, if this is the case, Colombian Securities Exchange determines impairment based on IAS 36 Impairment of Assets.

Provisions may only be used for disbursements related to their original purpose; using them for any other purpose would conceal two separate events.

When all or part of a provision is reimbursable by a third party, the reimbursement is only recognised when it has been made or its reception is effectively certain. The reimbursement is treated as a separate asset and its value may not exceed that of the provision.

2.7.16.3 Legal proceedings

Evaluating and managing legal and administrative proceedings is the responsibility of the following Vice Presidents:

VP responsible	Type of proceeding
Human Resources Director and VP Legal	All legal proceedings on labour issues.
VP Finance and Administration	All administrative proceedings on tax issues.
VP Legal, General Secretary	All other proceedings not mentioned above.

The corresponding VP only recognises a provision when it has sufficient elements to determine at the start of proceedings, or during subsequent procedural stages, a probable outflow of Colombian Securities Exchange resources resulting from the proceedings.

Probability depends on each VP's professional judgement and is dependent on various factors such as: procedural budgets, the evidence presented, the procedural stage, jurisprudence from similar cases, internal or external legal analysis, and other factors that must be documented by the company and disclosed in its financial statements.

Colombian Securities Exchange is represented at proceedings by external lawyers.

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2.7.16.4 Initial measurement

Colombian Securities Exchange recognises provisions using the amount generated by a best estimate of the necessary disbursement to pay the current obligation at the close of the corresponding accounting period.

The best estimate must incorporate:

A rational evolution of the amount payable by Colombian Securities Exchange to settle or transfer the debt at the close of the corresponding period.

Management judgement and experience, and expert advice, on each of the possible outcomes and their financial effect. The evidence analysed must include information on events occurring after the corresponding accounting period but before publication of the financial statements.

The risk and uncertainty surrounding almost all provision valuations, although this does not justify the creation of excessive provisions nor the deliberate over-stating of liabilities.

Future events that may affect the sum necessary to settle the obligation, where enough objective evidence exists of their probability.

2.7.16.5 Subsequent measurement

Provisions are reviewed at the end of each reporting period, and adjusted to keep the best estimate up to date. In the case that a resource outflow (including economic resources) becomes improbable, Colombian Securities Exchange will reverse the provision. If the estimate changes, this is accounted for according to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2.7.16.6 Provisions for restructuring

Colombian Securities Exchange recognises restructuring provisions only when the general conditions for doing so are met, and a formal, detailed restructuring plan exists that details the following:

- The activities and those affected.
- The main facilities affected.

- The location, role and approximate number of employees who will receive severance payments.
- The resulting disbursements.
- The dates on which the plan will be implemented.

An implicit obligation becomes active when those affected are informed of the restructuring plan. If a restructuring decision is made before the end of a reporting period, it does not become an implicit obligation unless:

- The restructuring plan is in execution.
- The restructuring plan's main characteristics have been announced to those affected, and are firm enough for them to have formed valid expectations regarding whether Colombian Securities Exchange will carry out the restructuring.

If a restructuring plan commences after the close, it is disclosed in the footnotes as an event occurring after the reporting period (IAS 10).

2.7.17 Tax assets and liabilities**2.7.17.1 Income tax**

Current tax is the tax payable on income in a tax year, using current rates on the date of the balance sheet, plus any previous year adjustments to the amount payable.

2.7.17.2 Recognition

Current tax liabilities are recognised as such if they have not been paid. If the value, less previous period withholding tax and anticipated payments, plus anticipated future payments, is higher than the tax obligation, it is recognised as an asset.

Current tax liabilities (assets), whether from the current or previous periods, are measured at the end of the reporting period by the amount payable to (recoverable from) the tax authorities using approved legislation and rates.

8.

GRI: 102-55

2.7.17.3 Recognising deferred tax

Deferred tax assets and liabilities are measured using anticipated tax rates and legislation for the period in which they are recovered or paid.

Deferred tax assets and liabilities are calculated using the balance sheet liability method, that establishes the timing differences between book values and the amounts used for fiscal purposes. The deferred tax amount is always based on its forecast or on the way asset and liability book values are settled, using current tax rates at the date of the balance sheet.

Deferred tax liabilities are the amount of income tax payable in future periods, related to taxable timing differences. Deferred tax assets are the amount of income tax recoverable in future periods, related to:

- Deductible timing differences.
- Previous period losses that have yet to receive fiscal refunds.
- Unused credits from previous periods.

An asset or liability's tax base is its attributable amount for fiscal purposes.

An asset's tax base is the value deductible from future taxable Colombian Securities Exchange income when it recovers the asset's book value. If the income is not taxable, the tax base shall be equal its book amount.

A liability's tax base is its book value less any amount that may become tax deductible in the future. For prepaid ordinary income, the liability's tax base corresponds to its book value less any non-taxable future amount.

2.7.17.4 Initial measurement

Current tax liabilities (assets), from current or previous periods, are measured as the amount (or almost approved amount) payable to (recoverable from) DIAN (the Colombian tax authority) using current (or close to approved) tax rates and legislation at the close of the reporting period.

Colombian Securities Exchange measures deferred tax assets and liabilities using the tax rates it expects to be applicable during the period it intends to recover or pay them, based on approved rates and legislation at the end of the period.

2.7.17.5 Subsequent measurement

Colombian Securities Exchange revises how it intends to recover or pay the book value of assets and liabilities as this may affect one or more of the following:

- The applicable rate when Colombian Securities Exchange recovers the asset or settles the liability.
- The asset or liability's tax base.

In these cases, Colombian Securities Exchange measures deferred tax assets and liabilities using a rate and base that are coherent with the way in which it hopes to recover or pay for the corresponding item.

2.7.17.6 Initial recognition of current and deferred taxes

Colombian Securities Exchange recognises deferred and current taxes as income or expenses in profit and loss, except when resulting from:

- A recognised transaction or event from the current or previous period, outside earned income, whether in other comprehensive income or directly in shareholder equity.
- A business combination.

Current and deferred taxes are recognised outside earned income if related to recognised outside earned income entries from the same or a previous period.

8.

GRI: 102-55

2.7.18 Entering ordinary customer contract income activities

Colombian Securities Exchange recognises contracts with customers only if they meet all the following criteria:

- a) The parties have approved the contract (in writing, verbally, or according to traditional business practices), and are committed to complying with their respective obligations.
- b) The entity can identify each parties' rights with regard to the goods or services to be transferred.
- c) The entity can identify the payment terms of the goods or services to be transferred.
- d) The contract has a commercial basis, and the organisation's future cash flow risk, schedule and amount will change as result of the contract.
- e) It is probable that the organisation will collect the remuneration it is entitled to in exchange for the goods or services transferred to the customer. To determine if collection is possible, the organisation evaluates only the customer's capacity and intention to pay in accordance with the terms. If remuneration is variable, its amount may be lower than the price established in the contract because the organisation may gave the customer a discount.

Colombian Securities Exchange is the leading infrastructure operator in the Colombian capital market, and is present throughout the value chain with the following services:

Service	Value proposition
Capital market	Managing and administering trading operations and information, managing fixed-income, and standardised derivative trading platforms, and managing the foreign currency market in an operation that covers 100% of financial, registration and information, cash and foreign currency forwards market transactions.
Issuers	Facilitate issuers' access to financing in the Colombian market through debt and share issuances, and facilitating public tender offer processes.
Knowledge and information	Information delivery for investment valuations, complementary pricing services, company valuations, market information for vendors, and education services.
Technology and innovation	Consultancy services, core banking implementation, test and software fabrication mainly for companies in the financial and stock trading sectors.
Securities' management	Custody, transaction, clearing and settlement.

Colombian Securities Exchange recognises income from ordinary activities when it satisfies an obligation to provide services contracted by a customer. Colombian Securities Exchange performance and service obligations do not include obligations that are not described in the contracts nor quantified within the income figures.

Category (IFRS 15.B88 (a))	Income disaggregation (IFRS 15.114)	Schedule (IFRS 15.119)	Transaction price assigned to performance obligations (IFRS 15.121)
Capital market	Fixed-income Equities Derivatives Temporary transfer of securities	Monthly Monthly Monthly Monthly	Services referenced in fee instructions are recognised as bvc income. If no obligations are described in a contract nor quantified within income, benefit transfer to customers is still verified in accordance with IFRS 15 paragraph 22.
Information	Screens EAS connections Information publishing and subscriptions Master Trader	Monthly Monthly Monthly Monthly	
Issuers	Securities listing and maintenance Special operations A2censo	Monthly Monthly Monthly	
Other income	Education Other ordinary income	Monthly Monthly	

Long-term performance obligations:

An entity transfers control of a good or service over time, thus complying with a performance obligation, and recognises ordinary income over time if one of the following criteria are met:

- a) The customer receives and simultaneously consumes the benefits provided by the entity's performance at the rate they are provided.
- b) The entity's performance creates or improves an asset belonging to the customer.
- c) The entity's performance does not create an alternative-use asset, and it has an executable right to payment for its performance to date.

8.

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Performance obligations that are met at a given time:

If a performance objective is not met over time, it will be met at a given moment. The entity uses transfer indicators to determine exactly when a customer gains control of an asset, and when the entity meets its performance obligation, as follows:

- a) The entity has a current right to payment for the asset.
- b) The customer has a legal right over the asset.
- c) The entity has transferred physical possession of the asset.
- d) Owning the asset brings the customer significant risk and reward.
- e) The customer has accepted the asset.

2.7.18.1 Initial recognition

Income from ordinary activities is measured using the received or receivable payment value less any discount.

In most cases, payment is in cash, and ordinary income is measured as the amount of cash received or receivable. When the cash inflow is deferred over time, fair value is the nominal cash received or receivable over at most one year.

Colombian Securities Exchange invoices customers monthly for services, in accordance with the contract and based on tariff information published on the company website. However, there are some exceptions that are treated as follows:

- Prepayment of services: Prepayments are recognised as income in the corresponding period.

Colombian Securities Exchange annually revises valid contracts to ensure they comply with IFRS 15 guidelines and are properly recognised in the income statements.

2.7.19 Expense policy**2.7.19.1 Recognition**

Expenses are recognised on the income statement when a decrease in assets or an increase in liabilities has occurred, and the expenses can be reliably measured.

Expenses are recognised on the income statement using a direct association baseline between the cost incurred and the income obtained.

Expenses are immediately recognised on the income statement when disbursement will not produce any future economic benefits, or when future economic benefits do not materialise, or the conditions end that required them to be recognised as assets on the balance sheet.

Expenses are also recognised on the income statement in cases where a liability occurs without a corresponding asset.

2.7.20 Government subsidies**2.7.20.1 Recognition**

Colombian Securities Exchange recognises monetary subsidies as soon as it has reasonable certainty of compliance with the conditions attached to them, and that they will be received.

Reasonable certainty is understood to mean that all the conditions of being a real beneficiary of a subsidy have been met.

At **31 December 2021** and **2020**, Colombian Securities Exchange recognised COP **303** and COP **1,715** in subsidies.

8.

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2.7.20.2 Initial measurement

Monetary subsidies are recognised as deferred income using the income method, and amortised in the income statement over the period that the organisation recognises the costs associated with the subsidies as expenses.

A government subsidy received in exchange for previously incurred expenses or losses (in the current or previous periods), or to lend immediate financial support to the organisation without subsequent related costs, or having met the conditions of being a real beneficiary, is recognised as income in the period it becomes executable.

A government subsidy that becomes returnable, is accounted for as a change in accounting estimate according to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The return of an income-related subsidy generates results in the first instance the value of any income recognised as non-amortised deferred income related to the subsidy. When the refund is greater than the sum to be deferred (or if none remains), it will be immediately recognised on the income statement for the period.

Footnote 3 – Risk management**1. Internal control system**

The internal control system is aligned with Colombian Financial Superintendence regulations and the international COSO framework.

This system underpins the achievement of strategic objectives by ensuring operational efficiency and efficacy, adequate risk management, timely and trustworthy information, and compliance with applicable legislation.

The system has six (6) fronts—control activities, risk management, information and communication, monitoring, independent evaluation, and control environment—and provides a framework for action that is followed by the entire organisation.

The Internal Control System uses a three lines of defence model for process and risk management, and independent evaluations. The entire organisation applies principles of self-control, self-management and self-regulation, and process leads are aware of their responsibility regarding the risk they manage, and understand and respect the independence of risk management and audits.

In accordance with **bvc** Group policy, and to ensure procedures are aligned, our subsidiaries are given support with implementing risk management methodology changes.

2. Quality control system (not audited)

The Quality Control System's main objective is to maximise the efficiency and quality of **bvc** products and services by delivering value to customers, eliminating unnecessary steps, identifying areas for improvement and reducing errors.

In **2021**, our activities strengthened the management system with virtual assistants for various processes that optimise resources and improve response times. We also implemented a new corporate tool called Polaris to integrate all information held on management systems. This facilitated coordinated working, centralised various activities, and complied with each system's requirements.

An external audit was carried out in November to monitor the multi-company Bureau Veritas ISO **9001** certification. The audit concluded that the organisation has established and maintained a management system in accordance with the rules, and has demonstrated that the system has sufficient capacity to comply with product and service requirements and the organisation's policies and objectives. No findings were reported and the following strengths were identified, among others:

- Management's commitment to maintaining the management system.
- An organisational focus on customer satisfaction.
- Knowledge, understanding and consciousness of employees regarding the management system's importance.

8.

GRI: 102-55

3. Risk management

To comprehensively manage risk—including operational risk, market risk, liquidity risk, reputational risk, legal risk, information security risk, money laundering risk, financing of terrorism risk, and financial risk—the entity has a robust governance structure that includes policies, procedures, methodologies and manuals that provide an adequate risk profile for the securities market.

A cyclical risk management model permanently identifies, measures, controls and monitors risk including fraud, money laundering and the financing of terrorism in the following areas: human resources, processes, technology, infrastructure, external events, legal, reputational, financial and behavioural.

Execution and compliance of the above is based on current legislation and ISO **31000**, **27000** and **27005**, and AS/NZ **4360** international standards. The organisational structure is adequate, trained and independent, and the risk event register system monitors risks until a definitive solution is found. We have the technological infrastructure necessary, and have established the required evaluations and an employee training programme to ensure that employees in charge of risk management have the skills and knowledge they need to do their jobs.

Process and risk management reports are sent to the Audit and Risk Committee and the Board of Directors every two months at a minimum. There is an annual schedule that includes the different types of organisational risks managed and establishes specific monitoring plans.

Risk management is grouped as follows:

Operational risk management system (ORMS)

bvc risk management is aligned with the strategic context and complies with Colombian Financial Superintendence guidelines on risk, and assigns the resources, processes and tools required to implement the ORMS, based on the ISO **31000** standard.

Management covers processes that directly and indirectly deliver value to customers. Mechanisms have been established to identify, value, treat, monitor and communicate risks the organisation is exposed to in business activities and change.

In **2021**, **bvc** kept operational risk within tolerance thresholds, implying that the mechanisms to manage factors and consequences and the capacity to identify changes that may affect the delivery of value to customers.

The number of risks and processes were:

At 31 December 2021		At 31 December 2020	
Processes	Risks	Processes	Risks
21	495	21	495

Controls evolve and improve dynamically alongside the evolution of risks, projects, system and process changes, and RPA implementation.

In **2021**, net losses from operational risk events were (ser Footnote **26**):

At 31 December 2021	At 31 December 2020
-	17,295

In **2021**, the comprehensive risk management department carried out **77** prevention, awareness and monitoring activities related to operational risk, preventing criminal activity, preventing physical risk, preventing workplace risk, and employee, provider and third-party monitoring and due diligence. Training spaces were created for operational risk—What is this thing called risk?—and criminal activity—Fighting fraud together—that were shared with all employees.

The operational risk evaluation methodology was updated and incorporated into organisational processes. Available process controls were shown to be adequate and identified risk is within the appetite for risk.

In accordance with the established plan, the new methodology was incorporated into **34** subprocesses and five systems that are distributed throughout operational processes, some under the VP Technology, and support processes that are fully loaded into the Polaris corporate tool.

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We also designed and implemented a new corporate tool called Polaris that, in conjunction with Binaps, manages risk methodology, risk requests, risk events, risk action plans, audits and, in general, all documentation and process support on just one platform.

Business continuity management

In **2021**, we continued to constantly provide **bvc** crisis and business continuity management. We focussed our efforts on updating business impact analyses with a product emphasis. We took action to strengthen **bvc**'s resilience, adapted strategies and operations to the conditions caused by the COVID-19 health emergency, and ensured service provision was maintained.

We executed **15** planned tests on products and processes, as follows:



Technology contingency DRP*: Technology contingency tests including operations or simulations that partially or fully used the contingent datacentre.

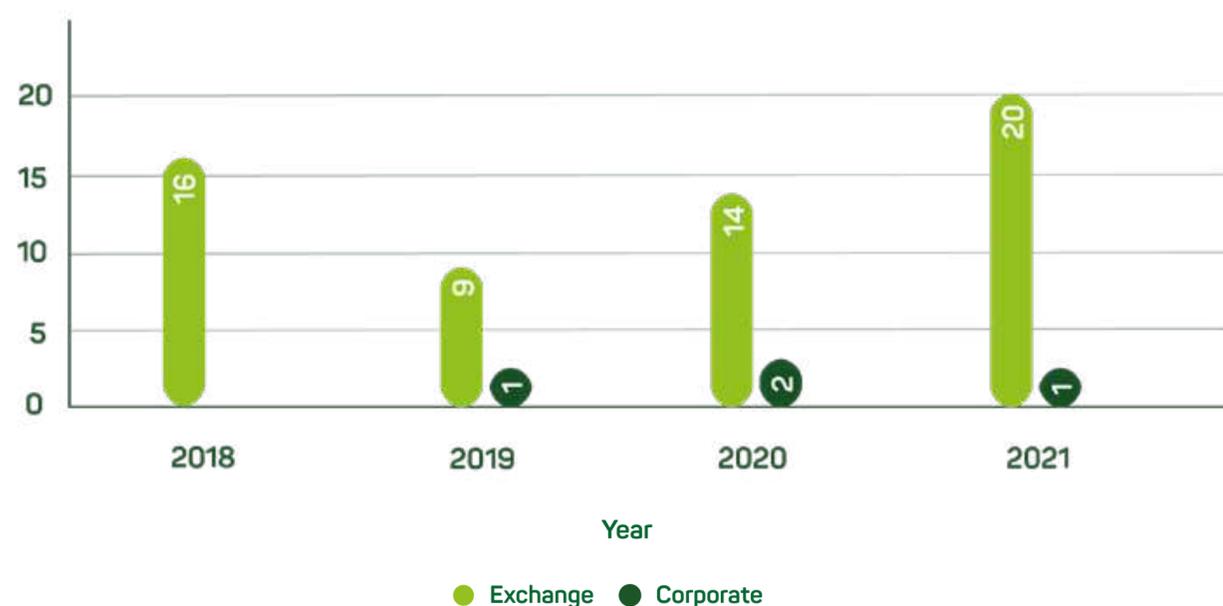
8.

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Comprehensive contingency tests were carried out during non-business hours on fixed-income, equities and derivatives. We carried out operational contingency tests on the fixed-income and equities markets, with customer participation. We tested cloud-hosted product contingency tests on special operations and a2censo that produced satisfactory results. A highlight was the first test of the securities and FX market disaster protocol in conjunction with other infrastructure providers.

In **2021**, we managed **21** continuity incidents, of which **16** exceeded the RTO* for products offered to the market. This was five incidents more than in **2020**. However, it should be noted that event duration fell compared to **2020**, and there were no interruptions due to market volatility in accordance with established rules.

Incidents 2018-2021



None of the incidents in **2021** were related to the COVID-19 health emergency due to the measures taken to confront it or data filtration. There were some partial interruptions that were properly managed using the technology and operational contingency plans available for each process and platform.

Of note was the implementation of a transactional contingency mechanism for the equities market that will operate as a contingency strategy in the case of an equities trading software failure.

Throughout **2021**, the disaster protocol team worked on the preparedness to overcome disasters caused by global or specific failures that supersede individual reaction capacity. Our focus was on including in the rules the protocol approved by the Colombian Financial Superintendence in Resolution **0674:2020**, and executing the first test of the protocol in September **2021**. We began to apply the protocol to all products, and will continue to work on this in **2022**.

We continually participated in the Colombian Securities and FX Market Disaster Management Committee, in conjunction with other infrastructure providers (bvc, CRCC, Set Icap FX, Set Icap Securities, Derivex, Precia, Tradition, and GFI).

Information Security and Cybersecurity Management System:

We strengthened the Information Security and Cybersecurity Management System in **2021**, and included challenges caused by the health emergency.

We strengthened the Information Security and Cybersecurity Management System by continuing to improve its processes and maintaining our commitment to customers to guarantee the security of bvc services. The Exchange ratified the Information Security Management System based on the ISO **27001** certification obtained in **2019**, for all services and branches. This strengthened our commitment to security in the Colombian securities market.

Part of our strategy to strengthen the Information Security and Cybersecurity Management System included updating the following documents: Rules for Managing Vulnerabilities, Rules for Managing Information Security and Cyber Security Risks, Rules for Managing Incidents, Information Asset Matrixes.

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A culture plan was developed in conjunction with the Communications, Marketing and Publicity departments to train **bvc** employees in social engineering, phishing, ransomware, BEC, simulated cyber-attack / emerging threats (ransomware/personal data), cyber-deception, specialised IT training. Information security policies, security incidents, espionage and cyberspace extortion.

Monitoring and prevention

In **2021**, the monitoring and prevention area carried out **607** prevention, awareness and monitoring activities on fraud prevention, personal data management and control, physical risk prevention, workplace risk prevention and control, and due diligence on employees, providers and third-parties.

We created and implemented a methodology to evaluate fraud, personal data, and workplace health and safety risk controls, and found that they are adequate and that identified risk is within the appetite for risk. In accordance with the approved plan we carried out **46** process analyses using walk-through tests, and found that fraud prevention, personal data management and control, and physical and workplace risk prevention controls are adequate.

AML/CFT compliance management

In compliance with local legislation and international recommendations on preventing and controlling money laundering and the financing of terrorism, we developed activities to implement and strengthen controls that mitigate these risks in a continuous improvement framework.

We continued to strengthen digital customer onboarding as part of our KYC process to improve the customer experience and onboarding security.

Legislative reports were opportunely sent to the Financial Analysis and Information Unit (UIAF), and we complied with the requirements of AML/CFT compliance bodies.

We distributed AML/CFT policies and processes to all employees via a risk and process training plan and new employee training, and promoted an AML/CFT culture.

We continuously supported AML/CFT processes in project development.

With regard to compliance our activities included the following:

- Monitoring compliance with issuer website information disclosure requirements for equity, fixed-income, mutual fund, private capital fund and Colombian global markets, and for securities issuer IR recognition.
- Managing and renewing noncompliance, financial risk, director and manager civil liability, and bvc Group company (cyber) information loss civil liability policies.
- Managing the customer risk audit process and supporting customer risk management.

Financial risk management for products, issuers and affiliates (not audited)

Financial risk management contributed to **bvc** strategic objectives throughout **2020** by managing risk in the evolving Colombian financial market that could affect our reputation, and contributing to risk management associated with the company's investment portfolio.

Work fronts

The Exchange focussed its efforts on improving the quantity and quality of information published by issuers, with a view to improving information disclosure standards and facilitating investor decision making. We revised existing issuer disclosure requirements and added controls to ensure compliance. We also strengthened the monitoring and detailed analysis process for current and prospective issuers.

In terms of products and affiliates, the Exchange periodically calibrated monthly risk management parameters applied to money market operations.

Finally, a methodology was developed to identify and measure risk together with the bvc Group strategic profile.

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Financial risk management of the investment portfolio

Colombian Securities Exchange investment portfolio risk management is based on establishing limits and policies to mitigate the materialisation of and exposure to risk and its impact on financial statements and profitability. The general objective is to facilitate the effective and efficient treatment of the inherent uncertainty and risk involved in managing financial resources, and improve value generation for shareholders.

The guidelines restrict portfolio exposure to four asset classes: (i) TES (treasury bonds) in COP, (ii) TES in UVR (Real Value Unit, a Colombian accounting unit), (iii) Local private debt securities, (iv) Derivatives. This selection reflects the Exchange's liquidity requirements and appetite for risk.

At the December 2021 close, the Exchange's investment portfolio was worth COP 32,492,920. The Exchange's investments in 2021 increased the investment portfolio by COP 29,685,452 (1,057%) compared to December 2020. The following graph shows investment portfolio evolution over the year:

Colombian Securities Exchange Investment Portfolio by Type of Asset



A daily valuation was made of the investment portfolio at market prices, with the objective of reflecting the fair exchange prices of securities in the investment portfolio.

Market risk

Market risk is defined as the probability that losses will be incurred due to adverse variables in the financial markets.

To date, the portfolio is exposed to fixed-income instruments with short and long-term local currency fixed rates. The risk is associated with possible losses generated by interest rate variance that lead to portfolio devaluation and a lower return. Exposure at the December 2021 close and by reference rate is as follows:

Rate	Market value (COP thousand) 2021	% Participation	Market value (COP thousand) 2020	% Participation	△ Market value
Fixed rate	32,492,920	100%	2,807,468	100%	29,685,453
Total	32,492,920	100%	2,807,468	100%	29,685,453
	31 December 2021		31 December 2020		

At 2021 year-end there continues to be a concentration of fixed-income securities in the Exchange's portfolio. This concentration mitigates significant variations in portfolio value due to shifting market rates.

Value at Risk (VaR):

We use VaR methodology to calculate market risk by determining the maximum expected portfolio value loss over time, using a normal distribution with a 95% level of confidence.

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Risk management has defined the VaR reference threshold to be **3.5%** monthly. In **2021**, the average monthly VaR was **2.6%**. This estimate is the standard deviation of daily portfolio returns.

Colombian Securities Exchange investment portfolio VaR evolution for **2021** is shown in the following table, with a **95%** level of confidence.

Portfolio VaR	
Date	bvc
31/12/2020	0.6%
29/01/2021	0.8%
26/02/2021	1.1%
31/03/2021	1.9%
30/04/2021	2.2%
31/05/2021	2.8%
30/06/2021	3.0%
30/07/2021	3.0%
31/08/2021	3.1%
30/09/2021	3.2%
29/10/2021	3.2%
30/11/2021	3.4%
31/12/2021	3.6%

It is worth mentioning that the limit of **3.5%** applied to the bvc and Deceval combined portfolio complies with the portfolio policy approved by management. In **2021** portfolio VaR did not exceed the **3.5%** limit, with a **95%** level of confidence.

The following table shows an analysis of Exchange investment portfolio VaR sensitivity to possible variations in asset values due to changes in macroeconomic variables. Two scenarios were simulated, in which

the standard deviation of daily portfolio returns was taken to be **2x** and **3x** greater than that experienced in **2021**. A **95%** level of confidence was assumed and Exchange's investment policy remained constant.

VaR Sensitivity Analysis

Scenario 1: 2x increase in standard deviation

Date	bvc
29/01/2021	1.54%
26/02/2021	2.16%
31/03/2021	3.73%
30/04/2021	4.45%
31/05/2021	5.70%
30/06/2021	5.99%
30/07/2021	6.07%
31/08/2021	6.16%
30/09/2021	6.33%
29/10/2021	6.39%
30/11/2021	6.77%
31/12/2021	7.17%
Average VaR	5.20%

Scenario 2: 3x increase in standard deviation

Date	bvc
29/01/2021	2.31%
26/02/2021	3.24%
31/03/2021	5.60%
30/04/2021	6.68%
31/05/2021	8.55%
30/06/2021	8.99%
30/07/2021	9.11%
31/08/2021	9.24%
30/09/2021	9.49%
29/10/2021	9.58%
30/11/2021	10.15%
31/12/2021	10.76%
Average VaR	7.81%

Estimated VaR with **95%** confidence.

The sensitivity analysis shows that with yield variations that double **2021**'s standard deviation (scenario **1**), VaR exceeds the **3.5%** monthly limit from March **2021**. Scenario **2** shows that variations that triple standard deviation generate an excess from March **2021**. This was the result of using high daily yield volatility of **2x** and **3x** yield deviation to simulate the results of an adverse situation.

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Credit risk

The Exchange is exposed to credit risk, understood to be the possibility that the organisation suffer financial losses as a consequence of an issuer or counterparty not complying with their contractual obligations. The effect is measured as the replacement cost of cash flow following default. Credit risk may also include losses generated if an issuer's credit rating is lowered by a credit rating agency, thus generating a fall in an asset's market value.

Credit risk to the investment portfolio

Credit risk is managed by determining counterparty and issuer quotas individually and by economic group, as a control measure on portfolio concentration and diversification.

To maintain high-quality assets in the investment portfolio, the treasury will only conduct operations with A-rated issuers and above. This policy minimises credit risk by choosing counterparties that demonstrate a high level of financial solidity. Foreign issuers must have a rating higher than or equal to that of the Colombian nation.

Portfolio distribution by issuer

In a worst-case scenario, credit risk materialises as full noncompliance of expected cashflows from issuers in the investment portfolio.

The following table shows exposure by issuer, their rating, and the invested value according to the approved limit:

Issuer (rating)	Market value (COP thousand) 2021	% Participation	Market value (COP thousand) 2020	% Participation
AAA	COP 4,006,720	12%	COP 2,559,350	91%
Nation	COP 28,486,200	88%	COP 248,118	9%
Total	COP 32,492,920	100%	COP 2,807,468	100%

Liquidity risk

Investment portfolio liquidity risk

Liquidity risk is the probability of full or partial noncompliance with anticipated and non-anticipated current and future cash flow. A funding liquidity risk is manifested as disposable liquid asset insufficiency and/or the need to meet unusual funding costs, where the company's capacity to generate or dissolve financial positions at market prices is limited because the market lacks adequate depth, or because of drastic changes to rates and prices (market liquidity risk).

Treasury management focusses on maintaining an adequate balance between the company's assets and liabilities, to ensure it has the cash flow required to meet its contractual obligations. Some of the more representative liquidity requirements are tax obligations, dividend payments and project cash flow, all of which are duly incorporated into cash flow projections and the budget, and are a determining parameter for short and medium-term investment strategy.

The following table shows the maturity of Exchange portfolio instruments:

Term	Market value (COP thousand) 2021	% Participation	Market value (COP thousand) 2020	% Participation
90-180 days	COP 4,006,720	12%	COP 2,807,468	100%
Private debt	COP 4,006,720		COP 2,559,350	
Public debt	-		COP 248,118	
180-360 days	-	0%	-	0%
Private debt	-		-	
Public debt	-		-	
6 and 10 years	COP -	0%	COP -	0%
More than 10 years	COP 28,486,200	88%	COP -	0%
Private debt	-		-	
Public debt	COP 28,486,200		-	
Total	COP 32,492,920	100%	COP 2,807,468	100%
	31 December 2021		31 December 2020	

8.

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From a liquidity perspective, the Exchange strives to maintain high liquidity assets that are easily realised, thus mitigating a significant impact on the investment portfolio returns in the case of exceptional resource needs.

Diversifying the portfolio across various issuers and securities facilitates its management and liquidation in the event of an extraordinary liquidity need.

Footnote 4 – Cash and cash equivalents

Cash and cash equivalents are as follows:

	Rating		At 31 December 2021	At 31 December 2020
Foreign currency banks (1)	AAA	COP	17,625,183	10,949,462
Local currency banks (2)	AAA		3,735,336	67,772,807
Cash equivalents (3)			79,847	41,521,589
Petty cash			9,929	8,703
Total		COP	21,450,295	120,252,561

At 2021 and 2020 year-end, bank reconciliations were COP 9,731 and COP 1,626, respectively:

At 31 December 2021					
	Number	< 30 days	Number	> 30 days	Total
Deposits pending identification	COP 1	9,731	-	-	9,731
	COP 1	9,731	-	-	9,731
At 31 December 2020					
	Number	< 30 days	Number	> 30 days	Total
Deposits pending identification	-	-	3	1,426	1,426
Debt applications	COP 1	200	-	-	200
	COP 1	200	3	1,426	1,626

(1) At 31 December 2021, the increase corresponds mainly to foreign currency banks, due to income from foreign customers such as JP Morgan, ICE Data, CitiGroup. The only provider payment made was to Rothschild. In addition, an increase was generated due to exchange rate fluctuations. At 31 December 2021 and 2020 the COP-USD exchange rate was 3,981.16 and 3,432.50, respectively.

(2) At 31 December 2021, the decrease corresponds mainly to the total payment of financial obligations (COP 19,526,375), part of a TES purchase (COP 6,655,514), part of bvc shareholder dividend payments (COP 64,938,292), the purchase of Cámara de Riesgos Central de Contraparte de Colombia S.A shares (COP 3,254,750). In addition, income was received from associate and joint venture dividend payments totalling COP 25,477,346, a net between renditions and terms deposit acquisitions of COP 1,044,600.

(3) Cash equivalents correspond to demand investments in the following funds, excluding Payulatam (a bvc payment gateway from which money is transferred to bvc savings accounts every two days).

	Rating		At 31 December 2021	At 31 December 2020
Payulatam	AAA	COP	56,146	7,066
Fondo Abierto Alianza (3.1)	AAA		20,932	13,085,002
Fiducuenta Bancolombia (3.1)	AAA		1,588	13,039,904
Fondo de Inversión Fonval 608 (3.1)			1,181	15,389,617
		COP	79,847	41,521,589

(3.1) At 31 December 2021, the decrease corresponds mainly to the other part of the TES purchase (COP 27,675,998) and payment of the first 50% of bvc shareholder dividends (COP 10,486,976).

Investment funds can be easily converted to cash because there is no restriction on their being used at any time, as established in IAS 7.

At 31 December 2021 and 2020 there is no restriction on cash or cash equivalents.

8.

GRI: 102-55

Footnote 5 – Financial investment assets

The following table shows current and noncurrent financial investment assets:

	At 31 December 2021	At 31 December 2020
Negotiable current investments		
TES	COP 28,486,200	248,118
Term deposits	4,006,720	2,559,350
Total current financial assets	32,492,920	2,807,468
Negotiable current investments with changes to profit and loss		
Private capital fund	1,906,689	2,439,802
Other securities	15,685	15,685
Total noncurrent financial assets	1,922,374	2,455,487
Total investment	COP 34,415,294	5,262,955

(1) Due to the increased cash available following the sale of **bvc's** investment in Sophos Solutions S.A.S in December **2020**, in January **2021** the company decided to invest in a public debt security to generate profit and manage the investment portfolio using risk-free rates.

The following table shows credit quality as determined by independent rating agencies:

Rating	At 31 December 2021	At 31 December 2020
Investment grade	COP 5,913,409	4,999,152
Issued and guaranteed by the nation and/or central bank	28,486,200	248,118
Not rated	15,685	15,685
Total	COP 34,415,294	5,262,955

There follows a summary of financial assets by term at **31 December 2021** and **2020**:

	At 31 December 2021		
	< 1 year	1-3 years	Total
Tradable investments			
TES	COP 28,486,200	-	28,486,200
Term deposits	4,006,720	-	4,006,720
Equity instruments with changes to profit and loss	-	1,922,374	1,922,374
	COP 32,492,920	1,922,374	34,415,294
	At 31 December 2020		
	< 1 year	1-3 years	Total
Tradable investments			
TES	COP 242,118	-	242,118
Term deposits	2,559,350	-	2,559,350
Equity instruments with changes to profit and loss	-	2,455,487	2,455,487
	COP 2,801,468	2,455,487	5,256,955

At **31 December 2021** and **2020** there is no restriction on tradable investments and other equity instruments.

Footnote 6 – Dividends receivable

The following table details dividends receivable from Sophos Solutions S.A.S. at **31 December 2020**, that were received in **Q1 2021**:

	At 31 December 2020
Dividends decreed 2019	COP 6,210,172
First payment	(1,063,927)
Second payment	(2,041,159)
Third payment	(1,562,773)
Balance receivable	COP 1,542,313

8.

GRI: 102-7,
103-2, 201-4,
415-1
SFC: Artículo 29
Ley 222 de 1995

Footnote 7- Net trade and other accounts receivable

Net trade and other accounts receivable are as follows:

Concept	At 31 December 2021	At 31 December 2020
Customers	COP 4,573,891	4,438,994
Colombian Securities Exchange brokers	1,214,343	1,364,683
Share and security issuers	1,193,358	251,730
Total customer accounts receivable (1)	6,981,592	6,055,407
Employee accounts receivable	131,055	79,697
Other debtors	312,802	345,072
Prepayments to providers	4,213	4,213
Other accounts receivable	13,229	29,809
Total other accounts receivable	461,299	458,791
Impaired trade and other accounts receivable	(226,477)	(540,667)
Total	COP 7,216,414	5,973,531

(1) Trade debt by term:

	At 31 December 2021						
	Not past due	31-60 days	61-90 days	91-180 days	181-360 days	> 360 days	Total
Trade debt	COP 6,285,038	262,842	96,813	120,143	20,228	196,528	6,981,592
Impaired trade debt	(15,509)	(3,643)	(1,016)	(9,086)	(695)	(196,528)	(226,477)
Net trade debt	COP 6,269,529	259,199	95,797	111,057	19,533	-	6,755,115

	At 31 December 2020						
	Not past due	31-60 days	61-90 days	91-180 days	181-360 days	> 360 days	Total
Trade debt	COP 5,068,768	185,525	117,891	185,780	85,656	411,787	6,055,407
Impaired trade debt	(5,432)	(2,360)	(918)	(77,810)	(42,360)	(411,787)	(540,667)
Net trade debt	COP 5,063,336	183,165	116,973	107,970	43,296	-	5,514,740

The following table shows changes to impaired debt for years-ended 31 December 2021 and 2020:

Concept	At 31 December 2021	At 31 December 2020
Initial balance	COP 540,667	790,974
Trade debt impairment in the period	21,738	190,936
Write-offs (1)	(147,213)	(292,498)
Recoveries	(188,715)	(148,745)
Total	COP 226,477	540,667

(1) Write-offs correspond to debt upon which Colombian Securities Exchange has carried out due debt recovery, and were approved by the Board of Directors in 2021 and 2020.

Footnote 8 – Other non-financial assets

Other non-financial assets:

	At 31 December 2021	At 31 December 2020
Current		
ICA (commerce & industry tax) prepayment	COP 8,622	6,001
Sales tax prepayment	379	452
Contract deposits (1)	11,391,063	5,465,013
Contract deposit impairment (1)	(977,993)	-
Total current	COP 10,422,071	5,471,466
Noncurrent		
Software maintenance services (2)	COP 2,389,201	2,082,745
Deposits received for sale of permanent investments	-	5,484,792
Deposits received as collateral	29,582	29,579
Insurance and bonds	821,696	602,205
Other assets	190,259	157,590
Social club rights and shares	100,000	100,000
Subscriptions	31,973	55,453
Total noncurrent	3,562,711	8,512,364
Total other non-financial assets	COP 13,984,782	13,983,830

8.

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(1) The sale of Sophos Solutions S.A.S. included contractual commitments corresponding to monies payable to **bvc** to hedge any possible actions that may arise. The agreement signed between **bvc** and Global Gorgona SL states that: "half the final **bvc** amount retained will be paid on the first anniversary of the closing date, less the amounts of any definitive claims and the amounts of pending claims that correspond to **bvc** on said date." At 31 December 2020 this was presented as distributed between current and noncurrent, taking in account the agreed terms.

In July and December 2021, **bvc** was notified of claims in accordance with the contractual agreement between **bvc** and the purchaser. These claims are being analysed and conciliated by the parties. **bvc** used the current state of this analysis to estimate expected impairment loss on the recoverability of this deposit.

Due to the current claims and the established contractual terms, the purchaser did not disburse the first instalment.

(2) At 31 December 2021 the increase corresponds mainly to Tadem licenses (COP 619,712), ULA Oracle services (COP 333,470), data protector support (COP 84,810).

Footnote 9 – Investments in associates, joint ventures and subsidiaries

Associate and joint venture investment balances:

	At 31 December 2021	At 31 December 2020
Set Icap FX S.A.	7,773,852	6,580,065
Set Icap Securites	1,155,547	1,178,034
Derivex S.A.(1)	-	-
Total	COP 8,929,399	7,758,099

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GRI: 102-55

Share ownership in these companies is as follows:

Joint ventures	Holding	At 31 December 2020	Dividends (see section 3, Footnote 10)	Additions and/or adjustments	Equity method income	At 31 December 2021
Set Icap FX S.A.	49.82%	COP 6,580,065	(6,082,077)	-	7,275,864	7,773,852
Set Icap Securities S.A.	50.00%	1,178,034	(106,909)	(2)	84,424	1,155,547
Total investment in joint ventures		COP 7,758,099	(6,188,986)	(2)	7,360,288	8,929,399

Associates	Holding	At 31 December 2020	Dividends (see section 3, Footnote 10)	Additions	Reclassifications	Equity method income	At 31 December 2020
Cámara de Riesgo Central de Contraparte de Colombia S.A. (2)	32.23%	COP 2,769,599	(800,460)	473,758	(3,033,443)	590,546	-
Cámara de Compensación de Divisas de Colombia S.A. (2)	32.63%	20,727,847	-	7,275,403	(28,231,121)	227,871	-
Total		COP 23,497,446	(800,460)	7,749,161	(31,264,564)	818,417	-

Joint ventures	Holding	At 31 December 2019	Dividends	Additions and/or adjustments	Reclassifications	Equity method income	At 31 December 2020
Set Icap FX S.A.	49.82%	COP 5.358.056	(4.860.068)	-	-	6.082.077	6.580.065
Set Icap Securities S.A.	50.00%	1.399.079	(339.833)	-	-	118.788	1.178.034
Total investment in associates and joint ventures		6.757.135	(5.199.901)	-	-	6.200.865	7.758.099
		COP 30.254.581	(6.000.361)	7.749.161	-	7.019.282	7.758.099

(1) For Derivex, the equity method is not recognised because the loss exceeds the holding, as referred to in IAS 28 paragraph 38. Equity method recognition will recommence once the yield is equal to the non-recognised loss.

Investments in joint ventures do not present impairments nor restrictions at 31 December 2021 and 2020.

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GRI: 102-55

Footnote 10 Investment in subsidiaries

Investment in subsidiaries is as follows:

		At 31 December 2021	At 31 December 2020
Depósito Centralizado de Valores de Colombia - Deceval S.A.	COP	379,934,288	374,957,884
Cámara de Riesgo Central de Contraparte de Colombia S.A. (2)		68,942,364	64,397,445
Invesbolsa S.A.S.		21,355,156	21,738,090
Precia Proveedor de Precios para Valoración S.A.		3,787,702	3,373,862
Bvc Plus S.A.S.		100,698	98,214
Bvc Pro S.A.S.		100,699	98,215
Inver Bvc S.A.S.		111,999	98,214
Total	COP	474,332,906	464,761,924

Share ownership in these companies is as follows:

Subsidiaries	Holding	At 31 December 2020	Dividends (3)	Additions and/or adjustments (5)	Equity method income (4)	At 31 December 2021
Depósito Centralizado de Valores de Colombia - Deceval S.A.	94.96%	COP 374,957,884	(15,185,425)	-	20,161,829	379,934,288
Cámara de Riesgo Central de Contraparte de Colombia S.A.(2)	41.71%	64,397,445	(1,331,897)	3,254,750	2,622,066	68,942,364
Invesbolsa S.A.S.	100%	21,738,090	(1,411,224)	-	1,028,290	21,355,156
Precia Proveedor de Precios para Valoración S.A.	90.91%	3,373,862	(1,818,183)	-	2,232,023	3,787,702
Bvc Plus S.A.S.	100%	98,214	-	-	2,484	100,698
Bvc Pro S.A.S.	100%	98,215	-	-	2,484	100,699
Inver BVC S.A.S.	100%	98,214	-	-	13,786	111,999
Total		COP 464,761,924	(19,746,728)	3,254,750	26,062,962	474,332,906

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Subsidiaries	Holding	At 31 December 2019	Dividends (3)	Additions and/or adjustments	Equity method income (4)	Other comprehensive income	At 31 December 2020
Deposito Centralizado de Valores de Colombia - Deceval S.A.	94.96%	COP 387,265,057	(27,512,001)	-	15,185,247	19,581	374,957,884
Sophos Solutions S.A.S.(1)	53.11%	32,462,350	(6,210,172)	(36,508,068)	10,304,893	(49,003)	-
Cámara de Riesgo Central de Contraparte de Colombia S.A. (2)	39.60%	-	(970,130)	64,174,134	1,193,441	-	64,397,445
Invesbolsa S.A.S.	100%	21,677,664	(1,350,799)	-	1,411,225	-	21,738,090
Precia Proveedor de Precios para Valoración S.A.	90.91%	1,712,262	-	-	1,661,600	-	3,373,862
Bvc Plus S.A.S.	100%	93,287	-	-	4,927	-	98,214
Bvc Pro S.A.S.	100%	93,289	-	-	4,926	-	98,215
Inver BVC S.A.S.	100%	93,287	-	-	4,927	-	98,214
Total		COP 443,397,196	(36,043,102)	27,666,066	29,771,186	(29,422)	464,761,924

(1) On 27 November 2020 Colombian Securities Exchange signed the Sophos Solutions S.A. sale contract, and the transaction was perfected on 1 December 2020. Sophos had been part of bvc Group since 2 July 2015.

The investment was wound down as follows:

Concept	Value
Sophos Solutions S.A.S investment cost	COP 29,216,438
Recognised Sophos Solutions S.A.S equity method	14,628,070
Intangible from the Sophos Solutions S.A.S acquisition	(7,336,440)
Total noncurrent assets kept for sale	COP 35,508,068

(2) In 2021, bvc purchased shares in Cámara de Riesgo Central de Contraparte de Colombia S.A. In February 2020, Cámara de Riesgo Central de Contraparte de Colombia S.A. went from being an associate to being a subsidiary due to the share purchase, detailed below (see Footnote 1, changes to holdings).

Recognition and measurement of the Cámara de Riesgo Central de Contraparte de Colombia S.A. acquisition:

Cost of investment, December 2019	COP 20,727,847
Equity method, January 2020	227,871
Increased holding from acquisition	7,275,403
Adjustment to fair value measurement	18,563,910
Holding acquired to 31 March 2020	46,795,031
Increased holding, 5 June acquisition	1,034,494
Increased holding, 12 August acquisition	2,532,335
Swap ratio CRCC and CCDC business combination	13,812,274
Total at 31 December 2020	COP 64,174,134

(3) Subsidiary, associate and joint venture dividends correspond to each company's distribution project, and differ from the values disclosed in direct cash flow because the latter recognises values received, that at 31 December 2021 and 2020 were COP 25,477,346 and COP 38,478,556, respectively. Dividends received in 2021 include COP 1,542,313 paid by Sophos Solutions S.A.S on 2019 profit.

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(4) Equity method income calculations for subsidiaries were made according to each company's financial statements at 31 December 2021 and 2020. None of the companies are listed so they do not have a published share value.

(5) Detail on the number of shares acquired and the change to the holding are detailed in Footnote 1.

Investments in subsidiaries do not present impairments nor restrictions at 31 December 2021 and 2020.

Footnote 11 – Net property, plant and equipment and right-of use

Property plant and equipment and right of use is as follows:

		Buildings and land	Computing and communications equipment	Furniture and fittings	Improvements to leased property	Right-of-use (2)	Transport equipment	Total
Acquisition cost								
At 1 January 2021	COP	15,235,923	21,570,312	1,490,177	647,960	1,202,027	209,812	40,356,211
Additions (1)		-	561,322	-	-	2,034,535	-	2,595,857
Disposal of assets (3)		-	(1,829,096)	(277,159)	(112,048)	(1,643,101)	-	(3,861,404)
At 31 December 2021		15,235,923	20,302,538	1,213,018	535,912	1,593,461	209,812	39,090,664
Accumulated depreciation								
At 1 January 2021		(2,257,539)	(15,681,366)	(1,213,018)	(549,276)	(938,846)	(153,862)	(20,793,907)
Depreciation charges		(263,067)	(2,423,922)	(56,862)	(98,684)	(378,185)	(41,962)	(3,262,682)
Disposal of depreciated assets (3)		-	1,828,081	258,836	112,048	1,237,359	-	3,436,324
At 31 December 2021		(2,520,606)	(16,277,207)	(1,011,044)	(535,912)	(79,672)	(195,824)	(20,620,265)
Impairment								
At 1 January 2021		-	(1,031)	-	-	-	-	(1,031)
Depreciation impairment adjustment		-	1,031	-	-	-	-	1,031
At 31 December 2021		-	-	-	-	-	-	-
Net book amount at 31 December 2021	COP	12,715,317	4,025,331	201,974	-	1,513,789	13,988	18,470,399

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	Buildings and land	Computing and communications equipment	Furniture and fittings	Improvements to leased property	Right-of-use (2)	Transport equipment	Total
At 1 January 2020	COP 15,153,616	20,624,257	1,513,532	647,960	1,021,554	209,812	39,170,731
Additions	82,307	1,002,121	-	-	180,473	-	1,264,901
Disposal of depreciated assets	-	(56,066)	(23,355)	-	-	-	(79,421)
At 31 December 2020	15,235,923	21,570,312	1,490,177	647,960	1,202,027	209,812	40,356,211
Accumulated depreciation							
At 1 January 2020	(1,997,964)	(13,141,175)	(1,164,073)	(439,544)	(471,267)	(111,899)	(17,325,922)
Depreciation charges	(259,575)	(2,582,763)	(66,173)	(109,732)	(467,579)	(41,963)	(3,527,785)
Disposal of depreciated assets	-	42,572	17,228	-	-	-	59,800
At 31 December 2020	(2,257,539)	(15,681,366)	(1,213,018)	(549,276)	(938,846)	(153,862)	(20,793,907)
Impairment							
At 1 January 2020	-	(1,176)	-	-	-	-	(1,176)
Depreciation impairment adjustment	-	145	-	-	-	-	145
At 31 December 2020	-	(1,031)	-	-	-	-	(1,031)
Net book amount at 31 December 2020	COP 12,978,384	5,887,915	277,159	98,684	263,181	55,950	19,561,273

(1) Property, plant and equipment additions are made according to asset use or readiness needs. This differs from direct method cash flow for disclosed fixed-asset purchase payments because only actual payments in the period are disclosed in cash flow. At **31 December 2021** and **2020** the values were COP **336,481** and COP **2,101,411**, respectively, and no right-of-use additions were made because they do not generate cash outflows.

(2) In **2021**, **bvc** recognised the renewal of its financial leases with Promotora La Enseñanza (COP **488,924**) and Inversiones Piedragrande SAS y CIA S en C (COP **1,545,611**). Under IFRS **16** guidelines, this value is not a cash outflow because it is paid in accordance with contractual terms. In addition, on **30 June 2021** **bvc** decided not to renew the lease on its bvc contact point at Calle **71** No **7 - 21**, first floor.

(3) The difference between the cost and depreciation of derecognitions at **31 December 2021** and **2020** corresponds to the book balance of assets when they are derecognised. These assets were donated, sold or lost due to derecognition or, in the case of right-of-use the contract value was paid and the difference recognised as income, as follows:

Concept	At 31 December 2021	At 31 December 2020
Furniture and fittings	COP 17,847	7,456
Computer equipment	1,015	-
Donation	476	5,939
Total	19,338	13,395
Sale of assets	-	1,415
Lease liability	416,119	-
Income from derecognition	(10,377)	-
Total right-of-use	405,742	1,415
Total	COP 425,080	14,810

At **31 December 2021** and **2020** property, plant and equipment and right-of-use had no restrictions and were correctly insured.

At **31 December 2021** and **2020** property, plant and equipment and right-of-use showed no signs of impairment; the values in the footnote correspond to impairment from previous periods.

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Footnote 12 – Net intangible assets

Intangible assets are as follows:

	Software and licences	Projects in development (2)	Internally developed applications	Total
Acquisition cost				
At 1 January 2021	COP 16,096,754	13,799,039	32,638,540	62,534,333
Additions (1)	942,526	11,758,785	-	12,701,311
Transfers	-	(7,908,530)	7,908,530	-
At 31 December 2021	17,039,280	17,649,294	40,547,070	75,235,644
Accumulated amortisation	(15,844,418)	-	(11,672,143)	(27,516,561)
Amortisation charges	(546,767)	-	(385,1545)	(4,398,312)
At 31 December 2021	(16,391,185)	-	(15,523,688)	(31,914,873)
Net book amount at 31 December 2021	COP 648,095	17,649,294	25,023,382	43,320,771
Acquisition cost				
At 1 January 2020	COP 15,942,730	2,111,248	32,638,540	50,692,518
Additions	154,024	11,687,791	-	11,841,815
At 31 December 2020	16,096,754	13,799,039	32,638,540	62,534,333
Accumulated amortisation	(15,115,575)	-	(8,016,826)	(23,132,401)
Amortisation charges	(728,843)	-	(3,657,346)	(4,386,189)
Amortisation adjustment	-	-	2,029	2,029
At 31 December 2020	(15,844,418)	-	(11,672,143)	(27,516,561)
Net book amount at 31 December 2020	COP 252,336	13,799,039	20,966,397	35,017,772

(1) This item differs from direct method cash flow for intangible purchase payments because only actual payments in the period are disclosed in cash flow. At 31 December 2021 and 2020 values were COP 9,665,734 and COP 8,480,941, respectively.

(2) Projects in development are as follows:

Project	31 December 2020	Additions	Disposal / transfer (1)	31 December 2021
RPA (1)	COP 87,122	-	(87,122)	-
Marketplace (second phase)	4,444,526	4,031,305	-	8,475,831
Master Trader (third phase) (1)	5,633,279	86,694	(5,719,973)	-
X-Stream INET (third phase) (1)	2,303,694	-	(2,303,694)	-
Digital platform	946,495	2,657,845	-	3,604,340
Other initiatives	383,923	1,360,106	-	1,744,029
Hana (1)	-	831,954	(831,954)	-
Master Trader (fourth phase)	-	2,790,881	1,034,213	3,825,094
Total	COP 13,799,039	11,758,785	(7,908,530)	17,649,294

Project	31 December 2019	Additions	Disposal / transfer (1)	31 December de 2020
RPA	COP 3,600	83,522	-	87,122
a2censo (second phase)	599,270	2,775,557	-	3,374,827
Marketplace (second phase)	172,878	896,821	-	1,069,699
Master Trader (third phase)	650,535	4,982,744	-	5,633,279
X-Stream INET (third phase)	684,965	1,618,729	-	2,303,694
Digital platform	-	946,495	-	946,495
Other initiatives	-	383,923	-	383,923
Total	COP 11,248	11,687,791	-	13,799,039

(1) Projects finalised in 2021 and transferred to active applications that began their productive phase.

At 31 December 2021 and 31 December 2020 intangibles show no restrictions nor signs of impairment.

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Footnote 13 – Financial Obligations

Current and noncurrent financial obligations are as follows:

	At 31 December 2021	At 31 December 2020
Current		
Financial obligations (1)	COP -	6,241,500
Financial leases (2)	307,217	362,464
Interest	-	141,090
Total current	307,217	6,745,054
Noncurrent		
Financial obligations (1)	-	13,284,875
Financial leases (2)	1,316,987	-
Total noncurrent	1,316,987	13,284,875
Total financial obligations	COP 1,624,204	20,029,929

(1) In February 2021, all obligations were fully paid, a total of COP 19,526,375.

The organisation's financial obligations are as follows:

Entity	Rate	At 31 December 2020	Due date
Banco de Bogotá	IPC + 3,5%	COP 10,000,000	30/05/2023
Bancolombia S.A.	IBR + 2,5%	9,526,375	17/02/2025
Total		COP 19,526,375	

(2) Corresponds to IFRS 16 financial lease implementation for offices at Cr 7 # 71 - 21 office 402, and the bvc contact point at Calle 72, first floor:

Financial lease at 31 December 2021	Value
< 1 month	COP 24,954
1-3 months	50,256
3-12 months	232,007
Total current	307,217
1-5 years	1,316,987
Total financial lease	COP 1,624,204

Financial lease at 31 December 2020	Value
< 1 month	COP 31,280
1-3 months	31,604
3-12 months	299,580
Total current	362,464
1-5 years	-
Total financial lease	COP 362,464

Lease payments and interest are shown using the direct cash flow method at 31 December 2021 and 2020.

Se cumplieron los convenants de las obligaciones financieras.

Footnote 14 – Trade and other accounts payable

Trade and other accounts payable are as follows:

	At 31 December 2021	At 31 December 2020
Fees and commissions (1)	COP 4,222,836	2,633,957
Other costs and expenses payable (2)	3,796,568	2,134,178
Domestic vendors and services	2,553,425	2,270,949
Withholding tax payable	1,612,840	2,342,867
Maintenance and repairs	657,414	166,941
Foreign providers	602,711	1,240,970
Salary discounts and contributions	322,113	87,177
Other	105,088	122,033
Travel expenses	725	266
Total	COP 13,873,720	10,999,338

(1) At 31 December 2021 the increase was mainly due to fees related to integrating the Peruvian, Chilean and Colombian exchanges, that are pending payment.

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(2) At 31 December 2021 the increase was mainly due to accounts payable to: Sophos Solutions S.A.S. for project consultancy services (COP 902,583) and Rothschild & Co. Mexico SA CV for specialised services (COP 401,961).

Footnote 15 – Net current tax assets and liabilities

Net current tax assets and liabilities are as follows:

	At 31 December 2021	At 31 December 2020
Current tax assets		
Self-withholding	COP 3,600,885	2,667,425
Credit balance (1)	-	6,802,862
Special self-withholding	-	1,550,121
Withholding (1)	13,592	615,411
Total current tax assets	3,614,477	11,635,819
Current tax liabilities		
Income tax (2)	(1,969,450)	(15,420,047)
	(1,969,450)	(15,420,047)
Total current tax liabilities	COP 1,645,027	(3,784,228)

(1) The drop in withholding tax at 31 December 2021 is mainly due to recorded income originating in the sale of the investment in Sophos Solutions S.A.S., that bvc was able to offset using a tax credit from 2019.

(2) The drop at 31 December 2021 compared to 31 December 2020 is mainly due to tax on dividends received in 2020 that was not applicable in 2021 because of the tax regime on dividends received.

Footnote 16 – Employee benefits

Employee benefits are as follows:

	At 31 December 2021	At 31 December 2020
Extra-legal benefits (1)	COP 1,370,640	536,106
Consolidated vacations	538,356	653,734
Severance funds	392,385	413,578
Severance fund interest	45,544	48,772
Total	COP 2,346,925	1,652,190

(1) The increase at 31 December 2021 is due to variable income benefits defined by Balanced Scorecard results. 2020's results meant that variable income was COP 834,534 lower.

Footnote 17 – Estimated liabilities and provisions

Contingent liabilities and provisions are as follows:

	Provision for restructuring (1)	Dismantling services (2)	Total
Balance at 31 December 2020	COP 90,000	112,977	202,977
Recovery of provisions	-	(38,868)	(38,868)
Use of provisions	(10,000)	-	(10,000)
Balance at 31 December 2021	80,000	74,109	154,109
Balance at 31 December 2019	487,896	108,841	596,737
Increase in provisions	-	4,136	4,136
Recovery of provision	(49,072)	-	(49,072)
Use of provision	(348,824)	-	(348,824)
Balance at 31 December 2020	COP 90,000	112,977	202,977

(1) At 31 December 2021 and 2020, COP 10,000 y COP 348,824 were used for redundancies in accordance with the restructuring plan; the remaining balance will be used in 2022.

(2) A December 2021 dismantling provision was recovered related to the cancelled bvc contact point lease.

Footnote 18 – Other liabilities

Other liabilities are as follows:

	At 31 December 2021	At 31 December 2020
Other liabilities (1)	COP 3,175,790	2,832,415
Other financial liabilities	COP 3,175,790	2,832,415

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(1) In **2021** the Inter-American Development Bank made a repayable contribution of COP **343,374**. In **2020**, it made a repayable contribution COP **1,640,781** and a non-repayable contribution of COP **74,292**. These contributions are being used to support a2censo development.

The main condition of these contributions are:

- (1) The contract was signed on **31 May 2018**.
- (2) The money has no rate of any kind.
- (3) The resources will be returned **54** months after the contract was signed and are subject to the project's expected results.

Footnote 19 – Shareholder equity

Subscribed and paid-up capital is COP **30,256,734** and authorised capital is COP **35,000,000**, represented by **70,000,000** ordinary shares with a value of COP **500** each. There were **60,513,469** shares in circulation at **31 December 2021** and **2020**.

Share premium

The difference between the value paid for a share and its nominal value.

Reserves

Reserves are as follows:

Reserves	At 31 December 2021	At 31 December 2020
Statutory reserves	COP 19,657,411	19,657,411
Occasional reserves (1)	213,136,040	132,863,611
Total reserves	COP 232,793,451	152,521,022

(1) In act **35, 26 March 2021**, the General Assembly of Shareholders approved appropriating COP **80,272,429** for working capital and technological renovation. In act **34, 18 May 2020**, it approved appropriating COP **25,291,377**.

Accumulated losses from previous periods

Accumulated profit 2019	COP 114,923
Special dividend withholding tax (1)	(494,031)
Accumulated loss 2020	(379,108)
Special dividend withholding tax (1)	(464,644)
First time adoption 2019 and 2020	251,275
Total previous year accumulated losses	COP (592,477)

(1) At **31 December 2021** and **2020** special dividend withholding tax was recognised in equity for **2020** and **2019**, respectively.

Paid dividends

Dividends are paid to shareholders based on the previous year's net profit. In **2021**, the General Assembly of Shareholders issued act N°**035** on **26 March**, and in **2020**, it issued act N°**034** on **18 May**, as follows:

	At 31 December 2021	At 31 December 2020
Previous year profits	COP 150,337,344	50,586,007
Cash dividends paid during the year	COP 1,157.84 per share paid in two instalments: 50% on 30 April 2021 and the remainder on 31 August 2021 , on 60,513,469 authorised, subscribed and paid-up shares.	COP 418 per share paid in one instalment on 30 June 2020 , on 60,513,469 authorised, subscribed and paid-up shares.
Shares in circulation	60,513,469	60,513,469
Liberation of reserves / appropriation to reserves	80,272,429	25,291,377
Total dividends (1)	70,064,915	25,294,630
Dividend per share	COP 1,157.84	418

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(1) At 31 December 2021, COP 64,938,292 in decreed dividends had been paid after applying the corresponding withholding tax.

On 30 June 2020, COP 23,356,795 was paid in 2020 dividends after applying the corresponding withholding tax.

Other comprehensive income and first-time adoption

Other comprehensive income is as follows:

	Other comprehensive income	
1 January 2020 balance	COP	1,315,487
Cash flow hedges (1)		22,232
Deceval S.A. – equity method		19,581
CRCC business combination – equity method (2)		(444,648)
Sale of Sophos Solutions (3)		(859,052)
CRCC / CDCC share swap (4)		(2,224)
31 December 2020 balance	COP	51,376

(1) At December 2020 future contracts were realised that originated in the finalisation of Colombian Securities Exchange hedging operations.

(2) Other comprehensive income from the CRCC business combination on 6 February 2020 is recognised using the equity method in accordance with IFRS 3 paragraph 42.

(3) The sale of Sophos Solutions S.A.S. means that its balance is removed from other comprehensive income.

Other comprehensive income 2020

November 2020 balance	COP	(146,741)
Reversion		146,741
Register		49,003
Sale		810,049
Total	COP	859,052

(4) The CRCC / CDCC share swap resulted in Cop 2,224 being removed from previous year's other comprehensive income.

Shareholder General Assembly Act N°35, 26 March 2021, approved first time adoption items as follows:

	First time NCIF adoption	
1 January 2021 balance	COP	(2,213,816)
Cost attributed to buildings in Bogota (1)		375,038
Realisation of deferred tax (1)		(123,763)
31 December 2021 balance	COP	1,962,541

In accordance with Colombian Financial Superintendence External Circular 036, 2014, Colombian Securities Exchange carried out an analysis of recognised items in the NCIF convergence process with the objective of determining each item's realisation and making it available.

The adjustment does not impact Colombian Securities Exchange shareholder equity because it is a reclassification of equity concepts between first time adoption and accumulated profit accounts.

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(1) This corresponds to the cost attributed to Colombian Securities Exchange buildings. This item is considered realised through usage during its useful life and deferred tax is included.

Footnote 20 – Operating income

Operating income is as follows:

	At 31 December	
	2021	2020
Securities listing and maintenance	COP 16,129,782	15,824,477
Equities (1)	12,884,035	11,549,942
Information publication and subscriptions	10,842,117	12,433,781
Fixed-income	10,264,418	9,752,844
Master trader	5,273,781	5,304,278
Special operations (2)	3,782,957	2,062,700
Derivatives	2,534,223	2,380,650
a2censo (3)	1,705,704	296,74
EAS transactions	1,509,680	1,558,101
Screens	1,097,567	1,054,109
Education	679,499	606,153
Other ordinary income	297,737	677,711
Total	COP 67,001,500	63,501,486

(1) Reduction at 30 December 2021 due to factors that generally affected the market, such as: pandemic, rise in US Treasury Bonds tax reforms, vaccination expectations, foreign disinvestment, and economic recovery.

(2) Income rise in 2021 due to special operations such as Valores Bancolombia (above COP 100,000) and tender offers (COP 1,235,000). In 2020, there was just one Colombian issuance worth more than COP 100,000 (for COP 108,220).

(3) In 2021, we began to receive income from a2censo campaigns, including: successfully funded campaign commissions of COP 393,220, National guarantee Fund - COP 348,120, Elepha - COP 60,000, Coasphafarma - COP 46,000, Lentes Plus - COP 75,000.

Footnote 21 – Investment income

Investment income is as follows:

Concept	At 31 December	
	2021	2020
Financial income (1)	COP 777,718	664,988
Investment value increase	164,440	42,401
Dividends and holdings	6,276	10,331
Value increase in tradable securities (2)	343,951	5,396
Total	COP 1,292,385	723,116

(1) Financial income is as follows.

Concept	At 31 December	
	2021	2020
Other – interest (1.1)	COP 449,158	17,874
Savings account interest	309,245	575,485
Other yields	19,315	71,629
Total	COP 777,718	664,988

(1.1) According to the Sophos Solutions sale contract, the purchaser must pay interest to bvc on the amount pending payment. In 2021, bvc recognised this interest, causing the main variation in this item.

(2) Variation due to value increase in private capital fund units.

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Footnote 22 – Income from sale of equity in subsidiary

There follows a description of the Sophos Soluciones S.A.S. sale.

Details of payment received on **31 December 2020**:

Concept	Value
Final adjusted sale price	COP 125,632,490
(-) Expenses proportional to % acquired	(3,051,454)
Net sale price	122,581,036
Final deferred payment of deposit (1) (See Footnote (8))	(10,930,027)
Value paid 31 December 2020	COP 111,651,009

(1) The total deposit value is different to that stated in Footnote 8 because COP **19,777** in interest was recognised.

Details of profit from sale at **31 December 2020**:

Concept	Value
Sale price	COP 122,581,037
Noncurrent assets held for sale (1.1)	(35,698,019)
Income from noncurrent assets held for sale	COP 86,883,018

(1.1) The net cost of the investment at **31 December 2020** is as follows:

Concept	Value
Investment cost	COP 29,216,438
Equity method recognised	14,628,070
Intangible originating in acquisition	(7,336,440)
Other comprehensive income loss	(810,049)
Total noncurrent assets held for sale	COP 35,698,019

Footnote 23 – Investment in Cámara de Riesgo Central de Contraparte de Colombia S.A.

In accordance with IAS **28** paragraph **32B**, the investment's fair value was determined on the transaction date (**6 February, 5 June and 12 August 2020**). **bvc's** previous stake was **32.63%**, or COP **20,727,847**, and the updated fair PPA value is COP **46,795,032**, generating a difference of COP **18,563,910** that is recognised in profit and loss as income from an increase in investment value. **bvc** purchased shares in June and August **2020**.

bvc investment in CRCC		
Cost of investment December 2019	COP	20,727,847
Equity method January 2020		227,871
Increased shareholding by acquisition		7,275,403
Adjusted fair value measurement		18,563,910
Shareholding acquired at 31 March 2020	COP	46,795,031
Increased shareholding by acquisition 5 June		1,034,494
Increased shareholding by acquisition 12 August		2,532,335
Swap ratio CRCC / CCDC business combination		13,812,274
Total 31 December 2020	COP	64,174,134

In addition COP **444,648** in CRCC equity method other comprehensive income from previous years was recognised (See Footnote **19**) and the results for the period increased to COP **19,008,558**.

In December **2020**, Cámara de Riesgo Central de Contraparte de Colombia and Cámara de Compensación de Divisas merged and there was a share swap in January that generated permanent investment income.

Cámara Contraparte de Divisas investment to November 2020	COP	(2,261,491)
Cámara Contraparte de Divisas equity method		(771,952)
Other comprehensive income Cámara Contraparte de Divisas		2,224
Post-merger share value (1)		13,971,506
Share issuance expenses		(159,232)
Income from increase in value of permanent investments	COP	10,781,055

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COP **3,566,829** in direct method cash flow following the acquisition is recognised as financing activities.

(1) The following table calculates shares after the merger.

Pre-merger bvc shares in CCDC to 14 December 2020	COP	896,476,837
Swap ratio		3,92
Number of CRCC shares received after the swap		3,514,170,147
CRCC share market value		3,98
Post-merger share value	COP	13,971,506

Footnote 24 – Earnings and other income

Earnings and other income are as follows:

	At 31 December	
	2021	2020
Exchange rate differences (1)	COP 2,780,027	1,722,684
Other income	862,923	599,657
Administrative services	642,693	453,425
Leases	224,462	197,307
Recovery of provision for accounts receivable	188,715	148,745
Recovery previous periods	17,033	84,166
Government subsidies	-	74,292
Income from future contracts	-	38,497
Total	COP 4,715,853	3,318,773

(1) Variation due to fluctuations in the exchange rate used to measure FX assets and liabilities.

Footnote 25 – Expenses

Ordinary expenses are as follows:

Ordinary expenses	At 31 December	
	2021	2020
Service and maintenance (1)	COP 16,637,334	12,176,913
Fees	11,076,783	10,396,802
Taxes, duties and fees	1,756,225	1,448,559
Insurance (2)	1,433,382	569,086
Marketing and promotion	1,188,649	1,564,608
Asset impairment – deposits (3)	977,993	-
Leases	985,602	1,066,005
Contributions and memberships	944,434	913,869
Other	322,230	448,731
Administration and mediation services	311,963	177,070
Meetings and symposia	85,456	122,799
Legal expenses	47,807	7,807
PR and advertising	56,611	57,939
Debt impairment (4)	21,738	190,936
Derecognition of property, plant and equipment (destruction)	19,338	7,456
Stationery, supplies and photocopies	17,321	14,051
Travel expenses	11,395	79,526
Installation and adaptation	9,718	22,771
Total	COP 35,903,979	29,264,928

(1) At 31 December 2021, the main increases correspond to OMX licenses - COP **458,999**, Tibco - COP **215,890**, Oracle - COP **129,592**, 2NV - COP **115,756** and Hewlett Packard - COP **105,076**. In addition, there were increases in the cost of IBM equipment maintenance - COP **213,506**, and BME technical assistance - COP **1,366,624**, compared to 2020.

(2) At 31 December 2021 National Guarantee Fund expenses increased due to a2censo demand..

(3) In July and December 2021, bvc received notice of claims due to contractual agreements between bvc and a purchaser. The claims are being analysed and validated by bvc legal and financial teams. Based on these revisions, bvc performed an impairment recoverability test on the deposit.

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Circular Externa
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(4) Difference due to debt performance, maturity and impairment for each period in accordance with **bvc's** established calculation model.

Employee benefits are as follows:

Employee benefits	At 31 December	
	2021	2020
Salaries (1)	COP 5,839,943	6,011,533
Wages (1)	4,605,848	4,264,387
Bonusses (2)	2,102,320	650,946
Social security contributions	1,354,146	1,272,172
Pension contributions	1,022,303	1,000,920
Other employee benefits (3)	745,387	803,638
Parafiscal taxes	624,604	643,282
Training	337,505	483,972
Health insurance contributions	315,515	382,871
Life insurance	66,843	110,137
Overtime	43,980	54,211
Professional risk insurance	42,435	43,831
Illness	17,487	22,041
Uniforms	10,604	4,281
Nutritional subsidies	2,307	2,304
Transport subsidies	738	1,666
Total	COP 17,131,965	15,752,192

(1) The principal variation corresponds to employer substitutions from **bvc** to deceval in **2021** and **2020**, in addition to approved salary adjustments.

(2) Variable remuneration rose by COP **1,451,374** in **2021**, compared to **2020**, due to compliance with Balanced Scorecard results.

(3) In **2021** and **2020** the main components of other employee benefits were wellbeing expenses, employee subsidies, Fonbolsa contributions and organisational culture.

Amortisation and depreciation expenses are as follows:

Amortisation and depreciation expenses	At 31 December	
	2021	2020
Amortisation	COP 4,398,312	4,386,189
Depreciation	3,262,682	3,527,640
Total	COP 7,660,994	7,913,829

Footnote 26 – Other ordinary expenses

Other ordinary expenses are as follows:

	At 31 December	
	2021	2020
Other expenses (1)	COP 211,417	790,039
Donations	480,137	374,810
Total	COP 691,554	1,164,849

(1) The principal decrease was due to not recognising previous period variable remuneration nor credit card expenses. At **31 December 2020** other expenses included COP **17,295** in operational risk.

Footnote 27 Financial costs

Financial costs are as follows:

Concept	At 31 December	
	2021	2020
TES value loss (1)	COP 3,745,312	-
Exchange rate difference (2)	512,947	1,656,048
Financial	250,457	267,913
Interest (3)	76,265	1,438,855
Lease liability interest	69,562	79,680
Total	COP 4,654,543	3,442,496

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- (1) In January 2021, bvc purchased a treasury bond classed as tradable, and so market value results are recognised in the period's balance sheet; due to market conditions in 2021, bvc recognised a loss.
- (2) Variation corresponds to exchange rate variations affecting measurement and settlement of foreign currency assets and liabilities. The impact was due to FX asset value increases, especially in foreign banks, that generated exchange rate variation income in 2021 (see Footnote 24).
- (3) In January and February 2021, bvc paid its financial obligations to banks, hence financial obligation interest fell compared to 2020.

Footnote 28 Earnings per share

Basic earnings per share are calculated by dividing the profits to be distributed by the number of ordinary shares in circulation, excluding reacquired ordinary stock held as treasury shares, if it exists.

Basic income per share is as follows:

Concept	At 31 December	
	2021	2020
Net profit in the period	COP 39,476,254	150,337,344
Number of shares in circulation	60,513,469	60,513,469
Net income per share (COP)	652,35	2,484.36



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Footnote 29 – Related parties

Accounts receivable, accounts payable, income and expenses with related parties are as follows:

Organisation	Relationship	At 31 December 2021		At 31 December 2021	
		Accounts receivable	Accounts payable	Income	Expenses
Derivex S.A. (1)	Joint venture	COP 1,567,019	754	211,999	11,778
Derivex impairment	Joint venture	(1,101,780)	-	-	-
Set Icap FX	Joint venture	54,471	10,759	7,419,822	121,164
Set Icap Securities	Joint venture	19,041	-	185,572	977
Deceval S.A.	Subsidiary	112,372	210,100	20,440,698	1,286,387
Precia S.A.	Subsidiary	20,970	3,598	2,714,560	41,529
Invesbolsa S.A.S.	Subsidiary	16	-	1,028,290	-
Bvc Pro S.A.S.	Subsidiary	-	-	4,981	-
Inverbvc S.A.S.	Subsidiary	-	-	13,785	-
Cámara de Riesgo Central de Contraparte de Colombia S.A.	Subsidiary	14,450	-	2,952,563	3,193
Other (3)	Shareholders	500,000	6,859	-	4,409,737
Total		COP 1,186,560	232,069	34,972,269	5,874,766

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Organisation	Relationship	At 31 December 2020		At 31 December 2020	
		Accounts receivable	Accounts payable	Income	Expenses
Derivex S.A. (1)	Joint venture	COP 1,417,904	400	129,019	7,585
Derivex impairment	Joint venture	(1,101,780)	-	-	-
Set Icap FX	Joint venture	-	10,079	6,210,356	104,974
Set Icap Securities	Joint venture	8,761	-	224,752	1,023
Deceval S.A.	Subsidiary	110,865	42,462	19,433,309	775,664
Precia S.A.	Subsidiary	20,497	31,706	1,924,438	73,576
Invesbolsa S.A.S.	Subsidiary	187	-	1,411,751	-
Bvc Plus S.A.S.	Subsidiary	-	-	4,978	-
Bvc Pro S.A.S.	Subsidiary	-	-	4,978	-
Inverbvc S.A.S.	Subsidiary	-	-	4,978	-
Cámara de Riesgo Central de Contraparte de Colombia S.A.(2)	Associate	222,176	-	31,899,889	6,453
Cámara de Compensación de Divisas de Colombia S.A.	Joint venture	-	-	590,545	-
Other (2)	Shareholders	500,000	5,611	-	-
Total		COP 1,178,610	90,258	61,838,993	969,275

(1) Includes financial sublease with Derivex S.A. in 2021—COP 83,433—and 2022—COP 17,174. The following table shows detail by timeframe:

Financial lease	At 31 December 2021	At 31 December 2020
< 1 month	COP 1,282	1,380
1-3 months	2,581	1,413
3-12 months	13,200	14,381
Total current	17,063	17,174
1-5 years	66,370	-
Total	COP 83,433	17,174

The increase is due to the new way the bvc-Derivex contract is measured, including changed terms and discount rates.

(2) In 2020, bvc purchased a controlling interest in Cámara de Riesgo Central de Contraparte de Colombia S.A., and recognised COP 19,008,558 in fair value income.

In addition, Cámara de Riesgo Central de Contraparte de Colombia S.A. merged with Cámara de Compensación de Divisas de Colombia S.A. bvc is a Cámara de Compensación de Divisas de Colombia S.A. shareholder and following the share swap recognised income of COP 10,781,055. (see Footnote 23)

(3) Other includes accounts payable by key personnel; in June 2018, a COP 500,000 loan was granted to the bvc president, payable over 5 years with a rate equivalent to annual portfolio yield.

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Key management personnel:

Key management personnel balances are as follows:

Concept	At 31 December			
		2021		2020
Value paid to key personnel (president, vice president, managers) (1)	COP	5,892,221	COP	6,033,994
Board of Director fees (2)		1,302,308		1,382,616
Total	COP	7,194,529	COP	7,416,610

(1) The decrease in **2021** compared to **2020** is due to an unfilled vacancy in **2021**. Among the most relevant resignations were two product managers.

(2) The decrease in **2021** compared to **2020** is due to the number of extraordinary sessions held in **2020** as a result of contingency plans related to the COVID-**19** health emergency.

Footnote 30 - Income tax

Income tax components

In accordance with current fiscal legislation, the company pays income and supplemental tax. For **2020** and **2021**, the applicable rate is **32%** and **31%**, respectively. Tax on unexpected earnings is **10%**.

The income tax calculation base may not be lower than **0.5%** (**2020**) and **0.0%** (**2021**) of liquid equity on the last day of the previous period (presumptive income).

Law **1819:2016**, article **22**, states that from **2017**, recognition and measuring systems will be used to determine income and supplemental taxes on the value of assets, liabilities, equity, income, costs and expenses, in accordance with current Colombian technical legislative frameworks, whether tax law expressly refers to them or not. In any case, tax law may expressly require differential treatment, as stated in Law **1314:2009**, article **4**.

In addition:

i) Income tax declarations from **2018**, **2019** and **2020** may be revised by the tax authorities. No extra tax is foreseen should an inspection occur.

ii) The following table details tax losses at **31 December 2021**:

Year of origin	Tax loss	Tax loss offset for up to 12 years
2018	COP 1,529,633	1,529,633
TOTAL	COP 1,529,633	1,529,633

Accumulated tax losses to **2016** can be offset against ordinary future liquid income at any time and without any percentage limit. Tax losses from **2017** and following years may be used to offset liquid income for the following **12** (twelve) years.

iii) At **31 December 2021**, an excess of COP **2,106,919** in presumptive tax had been paid. Excess presumptive tax payments can be offset against ordinary income for the following five years.

iv) Tax returns filed from **2016** onwards become final after three (**3**) years.

Law **2010:2019**, article **117**, establishes that income and supplementary tax declarations that liquidate or offset tax losses, or that are subject to the price transfer regime, become final after five (**5**) years.

v) In tax year **2021**, the company made use of the tax benefit contained in Tax Code article **256**, that refers to investment in innovation or technological research and development.

In tax years **2020** and **2021**, the company made investments in innovation or technological research and development projects of COP **7,283,585** and COP **8,958,287**, respectively, that generated tax discounts worth **25%** of the invested amount, equivalent to COP **1,820,896** and COP **2,239,572**, respectively.

1. Losses to be offset to 31 December 2016 are subject to the formula contained in Law 1819:2016, article 290, item 5.

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For tax year **2021**, the company is incorporating a non-accountable tax discount of **6,689,151**, an accountable tax discount of COP **2,269,136** and a tax discount of COP **2,239,572**.

At **31 December 2021**, the company had a tax discount from investment in science and technology that was worth COP **3,956,529**, and can be used to offset tax during the following four (4) tax periods.

	At 31 December 2021	At 31 December 2020
Tax discounts expiring on:	COP	
31 December 2023	1,716,957	1,820,896
32 December 2024	2,239,572	-
31 December 2025	COP 3,956,529	2,698,178

Reconciling the effective rate.

In accordance with IAS **12**, paragraph **81**, subsection (c), the following is a breakdown of the reconciliation between the company's total income tax expenses for **2021** and **2020** at current rates, and the tax expenses recorded for the respective year.



	At 31 December			
	2021		2020	
	Amount	Rate	Amount	Rate
Pre-tax income	COP 40,389,952		163,468,180	
Income tax at company's domestic rate	12,520,885	31.00%	52,309,818	32.00%
Equity income	(10,361,207)	(25.65%)	(11,772,950)	(7.20%)
Income from Sophos sale	-	0.00%	(17,741,720)	(10.85%)
Fair value of non-taxable permanent investments	-	0.00%	(9,307,285)	(5.69%)
Non-deductible expenses	1,371,171	3.39%	867,551	0.53%
Interest and other non-taxable income	(239,612)	(0.59%)	(119,430)	(0.07%)
Other concepts	-	0.00%	590,974	0.36%
Previous period current tax adjustment	49,279	0.12%	321,555	0.20%
Changes to non-recognised timing differences	(543,330)	(1.35%)	40,541	0.02%
Effect of rate variation on deferred tax: 32% (2020), 31% (2021) and 35% (2022 and after)	700,579	1.73%	251,596	0.15%
Science and technology investment tax discount	(2,239,572)	(5.54%)	(1,820,896)	(1.11%)
Other tax discounts	(344,494)	(0.85%)	(488,918)	(0.30%)
Total income tax expenses	COP 913,699	2.26%	13,130,836	8.03%

Recognised income and complementary tax in the period is as follows:

	At 31 December	
	2021	2020
Income tax expenses		
Current period	COP 1,969,450	15,420,046
Previous period adjustment	49,279	321,555
Subtotal current tax	2,018,729	15,741,601
Deferred tax expenses		
Origination and reversal of timing differences	(561,700)	(2,651,306)
Changes to non-recognised deductible timing differences	(543,330)	40,541
Subtotal deferred tax	(1,105,030)	(2,610,765)
Total income tax expenses	COP 913,699	13,130,836

The company incurred no income tax that must directly recognised in shareholder equity nor in other comprehensive income.

Deferred tax

8.
GRI: 102-55

Differences between asset and liability book values and their tax bases give rise to the following timing differences generated by deferred, calculated and registered taxes for the periods ending 31 December 2021 and 2020, based on applicable tax rates in the years the timing differences will be reversed:

	At 1 January 2020	Effect on income	At 31 December 2020	Effect on income	At 31 December 2021
Deferred tax asset					
Exchange rate differences	COP 46,215	11,313	34,902	34,902	-
Available investment in debt securities	-	-	-	(2,418,860)	2,418,860
Property, plant and equipment	87,176	86,867	309	309	-
Intangible assets	10,237	(26,552)	36,789	11,981	24,808
Unused tax discounts	3,038,979	841,342	2,197,637	(1,758,892)	3,956,529
Other assets	525,638	109,875	415,763	9,700	406,063
Lease liabilities	7,755	(844)	8,599	(845)	9,444
Liability provision	-	-	-	(507,724)	507,724
Provision for disposal	156,126	119,973	36,153	10,215	25,938
Excess presumptive income	632,076	-	632,076	(105,346)	737,422
Tax losses	458,890	-	458,890	(76,482)	535,372
Sub total	COP 4,963,092	1,141,974	3,821,118	(4,801,042)	8,622,160
Deferred tax liability					
Exchange rate differences	(21,283)	(15,010)	(6,273)	697,675	(703,948)
Investments	(184,302)	(64,778)	(119,524)	136,870	(256,394)
Intangible assets	-	8,666	(8,666)	(8,666)	-
Property, plant and equipment	(3,121,543)	268,472	(3,390,015)	2,595,970	(5,985,985)
Commercial credit	(2,706,321)	(109,182)	(2,597,139)	274,163	(2,871,302)
Subtotal	(3,840,907)	(3,840,907)	-	-	-
Deferred tax liability	COP (9,874,356)	(3,752,739)	(6,121,617)	3,696,012	(9,817,629)
Net total	COP (4,911,264)	(2,610,765)	(2,300,499)	(1,105,030)	(1,195,469)

In accordance with current Colombian tax legislation, neither dividend distribution nor profit retention affect the income tax rate.

In compliance with IAS 12, the company did not register deferred tax liabilities related to timing differences on investments in subsidiaries, principally for concepts related to non-distributed profits and tax readjustments on investments. This is because: i) The company controls its subsidiaries and therefore decides on reversals related to timing differences; and ii) the Company does not anticipate doing so in the medium-term and, even if this decision changes, the operation would not be taxable. Therefore, it is not probable that these timing differences will be reversed for the foreseeable future. To 31 December 2021 and 2020, timing differences for the indicated items were COP 379,958,386 and COP 366,633,145, respectively.

8.

GRI: 102-55

Realisation of deferred tax assets

We hope to continue generating taxable liquid income in future periods, against which we can recover the deferred tax assets. Estimated future income is based fundamentally on projections of company operations, and we expect the positive tendency to continue.

Estimates in these financial statements are based on recovering deferred tax assets to offset future taxes.

Uncertainty around open tax positions²

An evaluation of IFRIC 23 on tax uncertainties shows that at 31 December 2021, the company has no tax uncertainty that generates a provision, and therefore no risk of any additional tax burden.

Economic Growth Law

In December 2019 Colombian tax law was modified by Law 2010, the Economic Growth Law. Rules were adopted to promote economic growth, employment, investment, and strengthen public finances and the progressivity, equality and efficiency of the tax system. In tax year 2021, the law became applicable. Among the law's main principles are the following:

- The general rate for domestic taxpaying companies will be gradually reduced; it was 32% in 2020, and 31% in 2021.
- Presumptive tax will be gradually phased out from 2021.
- 100% of taxes, rates and contributions that are related to income generation and paid in the tax year continue to be deductible (except income tax); 50% of the financial transaction tax is deductible, regardless of whether it is income generating or not.

- 50% of commerce and industry tax may be treated as a tax discount on income tax in the tax year it is paid and according to its relationship with economic activity. From 2022, it may be 100% discounted.
- Continued tax discounts are: (i) VAT paid on importing, forming, constructing or acquiring real productive fixed-assets, including the services necessary for their construction and implementation; this discount may only be used by VAT registered organisations. (ii) Commerce and industry tax, as detailed above.
- The following modifications were made to the tax on dividends:
 - The rate was increased to 10% for non-taxable dividends paid to foreign companies and organisations, non-resident individuals and permanent establishments.
 - A 10% marginal rate will be applied to dividends in excess of 300 UVT (tax value units) paid to resident individuals and domestic estates in probate.
 - The taxable dividend rate was amended as follows: (i) 2020 – 32%, 2021 – 31%, 2022 onwards – 30%; and (ii) the remainder will be taxed at the non-taxable rate in accordance with the recipient (individuals and estates in probate as stated above, in all other cases at 7.5%).
 - No changes were made to the income tax regime for first-time dividend payments to domestic companies, that are transferrable to resident individuals or non-resident investors at a rate of 7.5%.
 - 2016 and prior dividends conserve their treatment. Dividends corresponding to 2017, 2018 and 2019 and 2020 that are paid in 2020 or 2021 will be subject to the rates specified in Law 2010.

² In June 2017, IASB issued IFRIC 23 – Uncertainty over Income Tax Treatments, valid from 1 January 2019. In Colombia, Decreto 2270, 13 December 2019, created the technical annex and updated IFRS – Grupo 1, enforceable from 1 January 2020, including IFRIC .

8.

GRI: 102-7

Social Investment Law

In September **2021**, Law **2155**, the Social Investment Law, modified Colombian tax law, and adopted rules designed to strengthen social spending and contribute to economic reactivation, employment and fiscal stability. Among the measures that will have an impact on the company are:

- The income tax rate applicable to the company in **2022** will be **35%**, and **2021**'s deferred tax will be taken into account in the rate, thus eliminating the gradual reduction contained in Law **2010:2019**.
- **50%** of commerce and industry tax may be treated as a tax discount on income tax in the tax year it is paid and according to its relationship with economic activity; the **100%** discount from **2022** was cancelled.
- The right to audit is extended to **2022** and **2023** when the net income tax rate will increase by **35%** or **25%**, meaning that the income tax declaration will become firm in **6** and **12** months, respectively.

Footnote 32 – Corporate governance

Board of Directors and senior management: As established in the company bylaws and the **bvc** Code of Good Governance, the Board of Directors is responsible for establishing the company's risk management policies, and periodically monitoring risk. This corporate body understand its responsibilities, is aware of business process and structure and is, therefore, able to carry out effective risk monitoring. The Board of Directors periodically monitors organisational risk management by analysing reports submitted by the Audit and Risk Committee. This committee supports the Board of Directors to monitor, verify and supervise risk management, accounting procedures, risk audits, and audit monitoring. It is also acts as a bridge between the Board of Directors and the statutory auditor.

- Policy and division of tasks: See Footnote **3**, item **3**.
- Reporting to the Board: See Footnote **3**, item **3**.
- Technology infrastructure: See Footnote **3**, item **3**.
- Risk measurement methodology: See Footnote **3**, item **3**.
- Organisational structure: **bvc** business areas operate independently and manage their own risk and accounting, although they are dependent on a number of functional areas.

- Human resources: See Footnote **3**, item **3**.
- Verifying transactions: **bvc** transactional security is optimal and allows us to verify that transactions are completed according to agreed conditions and via the company's own communication systems; this verifies the agreed conditions and avoids suspicion when verifying transactions. Accounting is done quickly and precisely, avoiding errors that may lead to incorrect profit or loss.
- Audit: **bvc**'s financial risk department and external auditor are aware of the organisation's operations, revision schedules, compliance with limits, close of operations, relationship with market conditions, and the terms of executed transactions. Our internal and external auditors are aware of transactions executed between companies or individuals that are linked to the organisation.

Footnote 33 – Relevant facts

The current situation has impacted various economic sectors and **bvc** has adequately managed risk. Special emphasis has been paid to identifying, measuring, controlling and monitoring operational risks inherent to our activities. This has allowed us to guarantee operational continuity and offer our services to market **100%** remotely, and we have worked on the following fronts:

1. Employees: Aligned with **bvc** values, our human capital is a vital resource during the crisis, and the health and wellbeing of employees and contractors is of primary importance. Since the start of the COVID-**19** health emergency, **100%** of our employees have worked remotely, with a framework of critical roles and operations. The Exchange is in constant communication with its employees and we have developed internal communications on measures and protocols with regard to: COVID-**19** prevention and control, flexible / alternative working hours, tips for remote working, cybersecurity, online training, recreational activities, and other everyday corporate communications.

In July **2021**, we began to pilot a flexible working scheme in which employees choose two days per week to come into the office and work remotely the other three days. The company implemented a number of protocols and adaptations to workspaces to comply with biosecurity measures

In addition, it is worth noting that salary and social security payments have continued as usual, and no salary reduction has been contemplated for employees; the company has found efficiencies among services that can be postponed or that by their nature have generated savings.

8.

GRI: 102-7

2. Business continuity: To ensure **bvc** managed markets function correctly, we have implemented technological and operational measures that have improved our resilience to the current situation and guaranteed continuity. We have given remote market access to **100%** of our customers via technology frameworks, while increasing our permanent cybersecurity risk monitoring capacity, keeping our incident monitoring and disaster management equipment running during the emergency, and activating cloud storage systems. All of this has led to more efficient remote working.

The company has migrated all of its information to the cloud and employees are able to efficiently do their jobs and stay connected in a hybrid model.

The result of these initiatives is that to date no business continuity risk has materialised, all services are working on all available channels without any changes to market opening hours. The **bvc** Board of Directors has been kept continuously informed of the situation and the action plans implemented; **bvc**'s subsidiaries have implemented their own specific business continuity plans to meet their operational needs.

3. Reputation: **bvc** uses active and updated customer monitoring protocols to mitigate reputational risk by continually monitoring the portfolio, providers and stakeholders in accordance with current operational and functional legislation.

Our internal processes track the market, and financially and qualitatively analyse each of our affiliates, participants and issuers using publicly available information to measure and prevent any situations of concern affecting the company, the industry or the market.

4. Financial: **bvc** has implemented the following measures to keep the financial situation healthy in the current situation, with regard to market, liquidity, credit, and interest and exchange rates:

- **Market risk:** To mitigate high price uncertainty in financial instruments, **bvc** uses a portfolio management policy that was approved by the Finance and Administration Committee in March **2021**. It establishes acceptable investment criteria for financial instruments that are adjusted to the company's acceptable level of risk.
- **Liquidity risk:** **bvc** strictly controls cash flow to ensure a solid net position. In addition, we have analysed different scenarios in which income drops, and better controlled costs and expenditure by

suspending non-essential activities. Due to our healthy cash flow in **2021**, we proposed a dividend distribution of **100%** of **2020** profits, plus some extraordinary dividends thanks to adequate management, and the resources obtained from extraordinary business operations.

- **Credit risk:** **bvc** uses a quota system to mitigate the risk of a financial transaction not complying with obligations; quotas were updated by the Finance and Administration Committee in December **2020**. However, during **Q1 2021**, **bvc** efficiently finalised payment of its financial obligations and currently does not foresee and future credit obligations.
- **Interest rate risk:** Interest rate risk from market uncertainty may affect index-linked assets and liabilities. Therefore, **bvc** continuously monitors its investments and investment strategies and makes decisions with regard to any type of change.
- **Exchange rate risk:** In **2021** there were positive exchange rate variations compared to **bvc**'s anticipated rate, that ensured the viability of foreign exchange payments. **bvc** conducts daily monitoring of the exchange rate to estimate any possible operational risk.
- **Income risk:** **bvc** continually monitors real income compared to the budget. In **Q4** ordinary income was **93%** of budget.

bvc continues to strategically monitor all its different lines of business and customer behaviour related to the company's portfolio. In addition, we have introduced a more exhaustive expense control policy that allows decisions to be made that maintain financial equilibrium.

On the capital market in **Q4 2021** there was a slight improvement in trading volumes as a result of falling pandemic spikes. In addition, information, issuers and other income performed well in **2021**, allowing **bvc** to continue its operations without concern.

Following **2021**'s results, **bvc** plans to continue following its financial indicator monitoring and control policy, and monitor the company forecast to ensure that it has sufficient reaction and decision making capacity.

5. Accounting system: **bvc** was instructed by finance and administration management to update ERP SAP **R3** to SAP **4/Hana**; migration occurred from **30** September **2021**.

8.
GRI:

Footnote 34 – Commitments and contingencies

Process	Plaintiff	Notification date	Objective	Status	Lawyer	Amount / Accounting value / Provision / % provisioned	Probability of loss
List of institutional charges – file number 2020261020-000 -000 (Derived from the on-site inspection from 13/03/2020 to 1/06/2020 following 13 March 2020 failures)	Colombian Financial Superintendence (CFS)	28/10/2020	CFS brings charges against bvc alleging that bvc infringed its legal obligation to comply with imperative market rules. CFS believes that bvc unknowingly acted in contravention of sections l) and m), article 2.10.5.2.4 , Decree 2555: 2010 . "l) Ensure the correct functioning of the system or systems on which securities trading takes place as referred to in article 2.10.5.1.1 of this decree; m) Adequately identify, control and manage risks the entity and systems are exposed to during securities trading, referred to in article 2.10.5.1.1 of this decree..."	Bvc receives notice of the administrative action on 28 October 2020 . On 14 December 2020 the response is presented to the CFS's list of charges, within the time limit. On 6 January 2021 , CFS proffers decision No. 01 2021 requesting evidence, and the probatory period begins (no appeal is filed on this decision): 1) Incorporate into the file and have proof for each, the documents supplied by the defence 2) Set a term of two months to obtain proof. On 30 March 2021 , CFS proffers decision No. 003, 23 March 2021 , in which it decrees the close of the probatory period and sets the date of 12 April 2021 to hear concluding arguments. On 12 April bvc submits its concluding arguments within the time limit granted by CFS.	Alberto Velandia Rodríguez - bvc	TBD	It is highly probable that the Exchange will be sanctioned. However, it is important to note that a robust defence has been mounted with a view to being exonerated from responsibility. In the alternative, a request was made to apply the materiality principle.

8.
GRI:**Footnote 35 – Events after the reporting period**

With a view to strengthening the capital market and permanently improving liquidity and new products and services of benefit to market agents, Santiago Commercial Exchange, Colombian Securities Exchange and Lima Securities Exchange Group were integrated.

This regional integration was approved by the respective boards of directors on **29 November 2021**.

Following approval, it is hoped that activities will commence with the signing of the Integration Framework Agreement by each exchange's shareholders.

Subsequently, legal and corporate actions will be carried out to close the deal and swap shares between the three individual entities and the regional holding company. It is projected that this will happen in **Q3 2022**, subject to regulatory and corporate approval.

Footnote 36 – Approval of the financial information

On **25 February**, in Act **304**, the board of directors approved the publication and presentation to the General Assembly of Shareholders of these financial statements for the year ended **31 December 2021**, in accordance with Commercial Code requirements.



Budgetverbrauch

Informe Total Pgs a Vista Detalles Opciones 192.168.95.174

Fecha 17.02.2022 Página 1 1

Entidad CP 9000 Entidad CP Deceval CP presupuesto
Ejercicio 2022 Versión 0

Fondo/grupo * Área Funcional/grupo
Progr.financiación/grupo Ejercicio efectividad caj
C00905103 del De Riesgos y Cumpliento *

FdsCtr/CantItem	Current Budget	Commitment/Actual	#FUNK#ZAFRUC000	Available Amount
* 5120431002 NIIF_SFC_ATENCIONES	18.000.004	0	0	18.000.004
* 5130951002 NIIF_SFC_ASESORIA TK	102.216.000	85.584.000	4.934.359	11.697.641
* 5130951014 NIIF_SFC_OTROS MUEBARIOS	202.014.559	0	0	202.014.559
* 5145050001 NIIF_SFC_ARRIENDO EQ	50.698.038	0	0	50.698.038
* 5155301002 NIIF_SFC_SEGUROS DIR	0	0	10.150.166	10.150.166
* 5155951001 NIIF_SFC_MULTIRIESGO	0	0	96.058.645	96.058.645
* 5160100001 NIIF_SFC_MANTENIMEN	91.661.274	8.406.800	0	83.254.474
* 5190000000 NIIF_SFC_GASTOS DE VIAJE	10.869.913	0	0	10.869.913
* 5190051001 NIIF_SFC_OUTSOURCING	212.607.543	0	0	212.607.543
01 Enero	21.738.731	21.738.731	0	0
02 Febrero	21.738.731	21.738.731	0	0
03 Marzo	21.738.731	21.738.731	0	0
* 5190051002 NIIF_SFC_OUTSOURCING	65.216.193	65.216.193	0	0
* 5190451001 NIIF_SFC_UTILILES Y PA	1.332.357	0	0	1.332.357
* 5190451001 NIIF_SFC_SUSCRIPCIONES	20.596.456	0	0	20.596.456
* 5190900002 NIIF_SFC_COMISIONES	3.683.591	0	0	3.683.591
** *	778.893.928	159.206.993	114.084.197	275.291.190

8. Consolidated Financial Statements

Colombian Securities Exchange and Subsidiaries - Consolidated Financial Statements

(thousands of Colombian pesos)

Assets	Footnote	At 31 December 2021	At 31 December 2020
Current Assets			
Cash and cash equivalents	9	46,843,822	146,988,206
Restricted cash	10	272,099,969	171,301,874
Financial assets - investments	5, 11	84,386,843	43,518,044
Net accounts receivable from related parties	36	234,324	26,538
Net trade and other accounts receivable	12	21,024,617	19,652,446
Other non-financial assets	13	10,413,070	5,465,013
Current tax assets	35	1,649,486	263,274
Counterparty transactions	5	105,061,648,029	65,655,527,491
		105,498,300,160	66,042,742,886
Noncurrent assets			
Financial assets – investments	5, 11	1,922,374	2,455,487
Other non-financial assets	13	9,849,204	14,664,467
Investments in joint ventures	14	8,968,693	7,795,245
Capital gains	17	119,651,716	119,651,716
Net property, plant & equipment and right-of-use	16	45,021,550	45,369,036
Net intangible assets other than capital gains	15	386,681,993	372,851,425
Net accounts receivable from related parties	36	784,198	814,293
		572,879,728	563,601,669
Total assets		COP 106,071,179,888	66,606,344,555
Liabilities and shareholder equity			
Liabilities			
Current liabilities			
Financial liabilities	18	2,222,320	8,468,869
Employee benefits	19	8,336,507	5,651,958
Deposits	20	272,095,745	171,299,389
Trade and other accounts payable	21	23,987,507	15,883,249
Current tax liabilities	36	3,911,854	5,517,200
Prepaid income	23	105,802	93,378
Accounts payable to related parties	37	82,153	24,944
Other non-financial liabilities	22	5,251,946	5,676,566
Estimated liabilities and provisions	24	80,000	90,000
Counterparty transactions	5	105,061,648,029	65,655,527,491
		105,377,721,863	65,868,233,044

Noncurrent liabilities

Financial liabilities	17	1,630,539	13,362,196
Estimated liabilities and provisions	24	936,278	252,852
Deferred tax liabilities	36	38,538,812	38,450,862
Other liabilities	25	3,272,934	2,954,499
		44,378,563	55,020,409
Total liabilities		COP 105,422,100,426	65,923,253,453

Shareholder equity

Subscribed and paid-up capital		30,256,734	30,256,734
Share premium		298,397,252	298,397,252
Reserves		236,108,850	156,584,206
Annual profit		39,794,524	151,974,041
Accumulated profit (loss)		173,100	(2,007,447)
Other equity and other comprehensive income		(13,795,376)	(13,019,931)
IFRS first time adoption		675,339	926,615
Assets attributable to the parent company's owners		591,610,423	623,111,470
Non-controlling interests		57,469,039	59,979,632
Total equity		COP 649,079,462	683,091,102
Total liabilities and equity		COP 106,071,179,888	66,606,344,555

The footnotes are an integral part of the consolidated financial statements.

*Original signed by:

Diego Javier Fernández Perdomo
Legal Representative (*)

*Original signed by:

Nancy Fuquen Tocarruncho
Accountant (*)
T.P. No. 75520 – T
For: PricewaterhouseCoopers
Asesores Gerenciales AG SAS

*Original signed by:

Gustavo Adolfo Roa Camargo
Statutory Auditor
T.P. 90879 – T
For: KPMG
(See report dated 25 February 2022)

(*) We, the undersigned Legal Representative and Public Accountant, hereby certify that we have verified the contents of these consolidated financial statements, and that they are a faithful reproduction of the owner's and subsidiaries' accounts (certification attached).

Colombian Securities Exchange and Subsidiaries - Consolidated Financial Statements and Other Comprehensive Income

8.
GRI:

(thousands of Colombian pesos, except net profit per share)

Continuing operations Income

	Footnote	At 31 December 2021	At 31 December 2020
Ordinary income	27	COP 199,772,531	180,142,055
Net investment income	28	2,792,416	4,403,586
Earnings and other income	29	6,271,105	5,264,130
		208,836,052	189,809,771

Costs and expenses

Employee expenses	30	(59,701,498)	(54,165,378)
Depreciation and amortisation	31	(16,475,730)	(14,644,028)
Other ordinary expenses	32	(74,884,510)	(74,959,167)
Non-ordinary expenses		(1,234,555)	(641,186)
		(152,296,293)	(144,409,759)

Operating profit

Equity method profit, joint ventures	14	7,373,565	7,245,795
Fair value investment value increase		-	31,779,595
Finance charges	33	(6,305,765)	(5,496,153)
		57,607,559	78,929,249

Pre-tax profit

Income tax	36	(15,121,818)	(12,380,090)
Net profit		42,485,741	66,549,159
Discontinued operations		-	86,802,161
Discontinued operating profit	34	-	-
Profit		COP 42,485,741	153,351,320

Other comprehensive income

Profit		COP 42,485,741	153,351,320
Other comprehensive income components not reported as income			
Profit from exchange rate differences, net of taxes		-	1,139,538
CCDC other comprehensive income		-	414,829
Profit from exchange rate differences, net of taxes		-	42,852
Other comprehensive income items prior to CRCC business combination		-	(444,647)
Other comprehensive income, net of taxes		-	1,152,572
Total income and other comprehensive income		COP 42,485,741	154,503,892

Final comprehensive results attributable to:

Parent company's owners		COP 39,794,524	153,126,613
Non-controlling interests		2,691,217	1,377,279
Total income and other comprehensive income		COP 42,485,741	154,503,892

Total comprehensive results from:

Continuing operations		39,794,524	67,315,802
Discontinued operations	34	-	85,810,811
		39,794,524	153,126,613

Earnings attributable to:

Parent company's owners		COP 39,794,524	151,974,041
Non-controlling interests		2,691,217	1,377,279
Annual profit		COP 42,485,741	153,351,320
Shares in circulation	26	60,513,469	60,513,469
Profit per share from continuing operations		657,61	1,112
Profit per share from discontinued operations		-	1,418

The footnotes are an integral part of the consolidated financial statements.

*Original signed by:

Diego Javier Fernández Perdomo
Legal Representative (*)

*Original signed by:

Nancy Fuquen Tocarruncho
Accountant (*)
T.P. No. 75520 - T
For: PricewaterhouseCoopers
Asesores Gerenciales AG SAS

*Original signed by:

Gustavo Adolfo Roa Camargo
Statutory Auditor
T.P. 90879 - T
For: KPMG
(See report dated 25 February 2022)

(*) We, the undersigned Legal Representative and Public Accountant, hereby certify that we have verified the contents of these consolidated financial statements, and that they are a faithful reproduction of the owner's and subsidiaries' accounts (certification attached).

Colombian Securities Exchange and Subsidiaries - Changes to Consolidated Shareholder Equity

(thousands of Colombian pesos, except dividend per share)

At 31 December 2021 and 2020

	Footnote	Subscribed and paid-up capital	Share premium	Legal reserves	Voluntary reserves	Total reserves	Net annual profit and accumulated profit (loss)	First time IFRS adoption	Other equity shares, other comprehensive income	Total attributable to parent company's owners	Non-controlling interests	Total shareholder equity
Balance at 1 January 2020		COP 30,256,734	298,397,252	19,816,635	114,499,614	134,316,249	43,462,641	886,489	(13,131,377)	494,187,988	13,574,031	507,762,019
Appropriation and release of reserves	26	-	-	2,441	27,464,411	27,466,852	(27,466,852)	-	-	-	-	-
Dividend distribution of COP 418 per share on 60,513,469 shares, act 34, 18 May 2020	26	-	-	-	-	-	(25,294,630)	-	-	(25,294,630)	(1,147,339)	(26,441,969)
Net annual profit	-	-	-	-	-	-	151,974,041	-	-	151,974,041	1,377,279	153,351,320
Increase in non-controlling interest business combination measured at fair value	26	-	-	-	-	-	-	-	-	-	38,683,186	38,683,186
CRCC controlling interest acquisition	26	-	-	-	-	-	-	-	(1,443,114)	(1,443,114)	(3,724,698)	(5,167,812)
Loss of holding business combination (CRCC - CCDC merger)	26	-	-	-	-	-	-	-	4,524,000	4,524,000	5,206,574	9,730,574
Capital increase business combination (CRCC - CCDC merger)	-	-	-	-	-	-	-	-	-	-	4,982,827	4,982,827
Share premium increase business combination (CRCC - CCDC merger)	-	-	-	-	-	-	-	-	-	-	14,601,803	14,601,803
Special dividend withholding	-	-	-	-	-	-	(43,600)	-	-	(43,600)	-	(43,600)
Sale of permanent investments	-	-	-	-	(5,198,895)	(5,198,895)	7,334,994	40,126	(2,377,265)	(201,040)	(13,039,702)	(13,240,742)
Other comprehensive income changes	26	-	-	-	-	-	-	-	-	-	-	-
Foreign businesses – Sophos conversion difference	26	-	-	-	-	-	-	-	(605,209)	(605,209)	(534,329)	(1,139,538)
Other comprehensive income items prior to CRCC business combination	26	-	-	-	-	-	-	-	(444,647)	(444,647)	-	(444,647)
CCDC other comprehensive income	26	-	-	-	-	-	-	-	414,829	414,829	-	414,829
Derivative hedges	26	-	-	-	-	-	-	-	42,852	42,852	-	42,852
Balance at 31 December 2020		COP 30,256,734	298,397,252	19,819,076	136,765,130	156,584,206	149,966,594	926,615	(13,019,931)	623,111,470	59,979,632	683,091,102
Balance at 1 January 2021		30,256,734	298,397,252	19,819,076	136,765,130	156,584,206	149,966,594	926,615	(13,019,931)	623,111,470	59,979,632	683,091,102
Appropriation and release of reserves	26	-	-	554,535	78,970,109	79,524,644	(79,524,644)	-	-	-	168,265	168,265
Dividend distribution of COP 1,157.84 per share on 60,513,469 shares, act 35, 26 March 2021.	26	-	-	-	-	-	(70,064,915)	-	-	(70,064,915)	(1,682,653)	(71,747,568)
Special Set Icap dividend withholding	26	-	-	-	-	-	(464,644)	-	-	(464,644)	-	(464,644)
Net annual profit	-	-	-	-	-	-	39,794,524	-	-	39,794,524	2,691,217	42,485,741
Increase in CRCC controlling interest	26	-	-	-	-	-	-	-	(775,445)	(775,445)	(3,687,326)	(4,462,771)
First time adoption adjustment	26	-	-	-	-	-	251,276	(251,276)	-	-	-	-
Other items	-	-	-	-	-	-	9,433	-	-	9,433	(96)	9,337
Balance at 31 December 2021		COP 30,256,734	298,397,252	20,373,611	215,735,239	236,108,850	39,967,624	675,339	(13,795,376)	591,610,423	57,469,039	649,079,462

The footnotes are an integral part of the consolidated financial statements.

(*) We, the undersigned Legal Representative and Public Accountant, hereby certify that we have verified the contents of these consolidated financial statements, and that they are a faithful reproduction of the owner's and subsidiaries' accounts (certification attached).

*Original signed by:

Diego Javier Fernández Perdomo
Legal Representative (*)

*Original signed by:

Nancy Fuquen Tocarruncho
Accountant (*)
T.P. No. 75520 – T
For: PricewaterhouseCoopers
Asesores Gerenciales AG SAS

*Original signed by:

Gustavo Adolfo Roa Camargo
Statutory Auditor
T.P. 90879 – T
For: KPMG
(See report dated 25 February 2022)

Colombian Securities Exchange and Subsidiaries - Consolidated Cash Flow

(thousands of Colombian pesos)

8.
GRI:

	Footnote	At 31 December 2021	At 31 December 2020
Operational cash flow			
Charges for the sale of goods and services		COP 240,319,838	220,644,588
Other operating charges		11,536	11,453
(-) Payment to providers for goods and services		(85,952,579)	(89,957,720)
(-) Operational tax payments		(56,742,308)	(48,342,086)
(-) Employee payments		(45,589,589)	(52,794,272)
(-) Other operational activity payments		(869,254)	(633,731)
(-) Financial lease interest payments		(115,074)	(154,348)
Financial lease interest received		30,379	7,397
Interest received		999,079	1,624,926
(-) Income tax paid		(4,029,296)	(7,898,445)
Cash guarantees delivered		172,014	84,961
Other cash income (A2censo BID project)		-	1,715,073
Other cash income (expenditure)		(268,525)	290,866
Net cash flow from discontinued operations	34	-	17,697,718
Net operational cash flow		47,966,221	42,296,380
Investment cash flow			
(-) Other payments to increase holding in other entities	14	-	(10,540,994)
Other charges for sale of equity or debt instruments in other entities	34	-	111,651,009
(-) Other payments to acquire holdings in associates	14	-	(473,759)
(-) Property, plant and equipment purchases	16	(3,196,337)	(3,257,480)
(-) Intangible asset purchases	15	(18,758,618)	(10,424,563)
Charges for futures contracts, term contracts, options and financial swaps		-	179,108
Interest received		17,235	-
Dividends received	14	5,751,152	9,236,534
Charges made to related entities		-	27,456
Other portfolio cash (outflows) inflows	11	(43,394,824)	11,703,025
(-) Other cash outflows for hedge collateral		-	(52,800)
Other cash outflows for business combination		-	6,901,017
Cash inflow from CRCC – CCD merger		-	7,724,363
(-) Cash outflow for discontinued operations	34	-	(9,344,774)
Net cash flow used for discontinued investment activities	34	-	(1,263,377)
Net investment cash flow		(59,581,392)	112,064,765

Financing cash flow

Amount from loans	18	1,450,000	12,657,500
(-) Other payments to increase holdings in other entities		(4,462,773)	(5,167,812)
(-) Loan payments	18	(21,050,546)	(10,267,878)
(-) Payment of IFRS 16 financial lease liabilities		(882,780)	(1,035,551)
Liability income from financial leases (subleases)		71,882	14,198
(-) Interest paid		(270,239)	(1,836,346)
(-) Dividends paid	26	(66,364,549)	(24,383,488)
Net cash flow used for discontinued financing operations	34	-	(12,109,882)
Net financing cash flow		(91,509,005)	(42,129,259)
Net increase (decrease) in cash and cash equivalents			
Effect of exchange rate variations on cash and cash equivalents		(103,124,176)	112,231,886
Effect of exchange rate variations on discontinued operations		2,979,792	475,390
Net increase (decrease) in cash and cash equivalents		(100,144,384)	112,443,027
Cash and cash equivalents at the start of the period		146,988,206	34,545,179
Cash and cash equivalents at the end of the period		COP 46,843,822	146,988,206

The footnotes are an integral part of the consolidated financial statements.

*Original signed by:

Diego Javier Fernández Perdomo
Legal Representative (*)

*Original signed by:

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Accountant (*)
T.P. No. 75520 – T
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Gustavo Adolfo Roa Camargo
Statutory Auditor
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For: KPMG
(See report dated 25 February 2022)

(*) We, the undersigned Legal Representative and Public Accountant, hereby certify that we have verified the contents of these consolidated financial statements, and that they are a faithful reproduction of the owner's and subsidiaries' accounts (certification attached).

Colombian Securities Exchange and Subsidiaries Footnotes to the Consolidated Financial Statements

At 31 December 2021 and 2020 (Data in thousands of Colombian pesos)

8.
GRI:

Footnote 1 - Reporting entity

Bolsa de Valores de Colombia S.A. (henceforth, Exchange, Colombian Securities Exchange or **bvc**) was incorporated by public deed No. **1234**, 17 April **2001** (valid to **2051**) at Notary Public **4**, Bogota D.C., under the corporate name Servicios Integrados Bursátiles S.A. On **27** June **2001**, its name was changed by public deed No. **2697**. Its business purpose is organising, regulating, managing and operating commercial establishments dedicated to conducting all types of business related to all classes of securities and goods susceptible to stock market transactions, in accordance with legal and legislative precepts regulating securities' exchange activities.

On **31** December **2021** and **2020**, **bvc** Group had **495** and **652** employees, and **bvc** individually had **136** and **143** employees, respectively.

bvc is controlled and monitored by the Colombian Financial Superintendence. The company is headquartered in Bogota D.C., and it has offices in Medellin and Cali.

On **11** December **2006**, the General Assembly of Shareholders authorised Colombian Securities Exchange to list shares on the National Securities Registry and the Colombian Securities Exchange (self-listing) from **22** June **2007**; trading began on **28** June **2007**.

These financial statements have been prepared using the going concern hypothesis. There is no uncertainty with regard to events or conditions that may generate significant doubt about the organisation's ability to continue as a going concern.

1.1 bvc Group companies

The group is domiciled in Colombia. Its consolidated financial statements at **31** December **2021** and **2020** include Colombian Securities Exchange and its subsidiaries. There follows a description of **bvc** Group companies, their business purpose and **bvc**'s direct or indirect holding.

- Depósito Centralizado de Valores de Colombia S.A. – Deceval S.A.

deceval (tax ID **800.182.091-2**) is a private equity company domiciled at Calle **7** No. **71-21** Torre B Piso **12**, Bogota, with branches in Medellín and Cali that cover the centre, north and south of the country. It is subject to Colombian Financial Superintendence control and monitoring. It was incorporated on **17** November **1992** by public document **10147** at Notary Public **4** in Bogota, with validity to **2091**. Its business purpose is the custody, administration, registration, clearing and settlement of **bvc** trades through a secure, high-technology computerised system that mitigates the risk of physically handling transfers, registrations and equity rights. At **31** December **2021**, **bvc** had a **94.96%** direct and **5.04%** indirect holding.

- Cámara de Riesgo Central de Contraparte de Colombia S.A. - CRCC

CRCC was incorporated on **3** October **2007** in public document **5909** at Notary Public **19** in Bogota. Its latest reform was on **14** December **2020** at Notary Public **45** in Bogota. Its creation was authorised by Colombian Financial Superintendence Resolution **1586:2007**, and certified by Colombian Financial Superintendence Resolution **0923** on **12** June **2008**. Its business purpose is to provide counterparty clearing services that reduce or eliminate risk of non-compliance. CRCC is subject to Colombian Financial Superintendence control and supervision. CRCC incorporation is valid to **3** October **2057**. At **31** December **2021**, **bvc** had a direct holding of **41.71%** and an indirect holding of **15.48%**

-Precia - Proveedor de Precios para Valoración S.A.

bvc has **90.91%** direct and **9.09%** indirect equity participation in **precia** S.A. It began formal operations on **4** March **2013** after Colombian Financial Superintendence resolution **1531**, **28** September **2012**, authorised **precia** as a legal provider of pricing. In **2018**, Infovalmer changed its name to **precia** S.A. Since its formation, **precia** has provided pricing for fixed-income, equity, OTC derivative, structured product instruments, and other assets not traded on the securities market. **precia** also provides pricing for assets not traded on the securities market, including companies, properties and projects. All prices are the result of applying proprietary valuation methodologies not objected to by the Colombian Financial Superintendence.

8.
GRI:

It continually updates its methodologies to guarantee information quality, and having the largest customer base in the industry means that these methodological updates are revised by a high percentage of relevant market participants, who submit comments for consideration. The company's incorporation is indefinite.

- Invesbolsa S.A.S.

bvc owns **100%** of Invesbolsa shares. The company was created on **10 March 2010** through a private document pertaining to its sole shareholder and registered with the Bogota Chamber of Commerce (No. **01368350**) with indefinite duration. Invesbolsa's main objective is to create and participate in companies and organisations directly related to **bvc** activities and services, with a view to facilitating, growing or complementing them. The company may invest in the share capital of companies in which **bvc** is legally able to invest. It may also conduct any other licit economic activity in Colombia and abroad.

- Inverbvc S.A.S.

bvc owns **100%** of Inverbvc shares. The company was created on **6 December 2017** through a private document pertaining to its sole shareholder and registered on **7 December 2017** with the Bogota Chamber of Commerce (No. **02282751**) with indefinite duration. Inverbvc's main objective is to create and participate in companies and organisations directly related to **bvc** activities and services, with a view to facilitating, growing or complementing them. The company may invest in the share capital of Colombian centralised securities depositories.

- bvc Plus S.A.S.

bvc owns **100%** of **BVC PLUS** S.A.S. shares. The company was created on **6 December 2017** through a private document pertaining to its sole shareholder and registered on **7 December 2017** with the Bogota Chamber of Commerce (No. **02282745**) with indefinite duration. **bvc Plus**'s main objective is to create and participate in companies and organisations directly related to **bvc** activities and services, with a view to facilitating, growing or complementing them. The company may invest in the share capital of Colombian centralised securities depositories.

- bvc Pro S.A.S.

bvc owns **100%** of **BVC PRO** S.A.S. shares. The company was created on **6 December 2017** through a private document pertaining to its sole shareholder and registered on **7 December 2017** with the Bogota Chamber of Commerce (No. **02282743**) with indefinite duration. **bvc Pro**'s main objective is to create and participate in companies and organisations directly related to **bvc** activities and services, with a view to facilitating, growing or complementing them. The company may invest in the share capital of Colombian centralised securities depositories.

bvc subsidiary company financial information for **2021** and **2020** is as follows:

At 31 December 2021

Company	Direct and indirect holding	Assets	Liabilities	Equity	Annual income
Deceval S.A.	100%	101,017,392	27,860,645	73,156,747	21,232,164
Cámara de Riesgo Central de Contraparte de Colombia S.A.	57.19%	105,442,177,172	105,342,275,094	99,902,078	6,286,421
Precia S.A.	100%	6,577,194	2,382,216	4,194,978	2,453,935
Invesbolsa S.A.	100%	21,306,793	27,460	21,279,333	1,028,190
BVC Plus S.A.S.	100%	100,727	29	100,698	2,485
BVC Pro S.A.S.	100%	100,729	29	100,700	2,485
Inverbvc S.A.S.	100%	111,299	134	111,165	13,785

8.
GRI:

At 31 December 2020

Company	Direct and indirect holding	Assets	Liabilities	Equity	Annual income
Deceval S.A.	100%	89,843,228	21,927,250	67,915,978	15,991,391
Cámara de Riesgo Central de Contraparte de Colombia S.A.	54.30%	65,932,781,419	65,835,824,954	96,956,465	3,013,741
Precia S.A.	100%	5,790,722	2,049,678	3,741,044	1,827,761
Invesbolsa S.A.	100%	21,688,112	25,011	21,663,101	1,411,224
BVC Plus S.A.S.	100%	98,378	165	98,213	4,926
BVC Pro S.A.S.	100%	98,380	165	98,215	4,926
Inverbvc S.A.S.	100%	98,377	165	98,212	4,926

1.2 Control of bvc Group

- (i) On 6 may 2010 in No. 01381319, Book IX, Bogota Chamber of Commerce, Colombian Securities Exchange was registered as parent company of Invesbolsa S.A.S., a legally incorporated Colombian company domiciled in Bogota.
- (ii) On 2 March 2011 2010 in No. 01457301, Book IX, Bogota Chamber of Commerce, Colombian Securities Exchange was registered as parent company of Precia Proveedor de Precios para la Valoración S.A. (name changed on 9 February 2018 in public document 423), a legally incorporated Colombian company domiciled in Bogota.
- (iii) On 9 January 2018 in No. 02291766, Book IX, Bogota Chamber of Commerce, Colombian Securities Exchange was registered as parent company of the following subsidiaries, all of which are legally incorporated Colombian companies domiciled in Bogota: (i) Depósito Centralizado de Valores – Deceval S.A., (ii) bvc Plus SAS, (iii) Inverbvc. SAS, (iv) bvc Pro S.A.S.
- (iv) On 20 February 2020 in Book IX, number 02555625, Bogota Chamber of Commerce, Colombian Securities Exchange control of Cámara de Riesgo Central de Contraparte S.A. was registered.

bvc and deceval purchased Cámara de Riesgo Central de Contraparte de Colombia S.A. shares and increased their holding, as follows:

Transaction date	Number of shares	Increase in holding	Accumulated holding
bvc			
At 31 December 2020	20,301,476,319		39.60%
February 2021	138,609,303	0.27%	39.87%
May 2021	92,613,274	0.18%	40.05%
June 2021	432,918,657	0.84%	40.89%
July 2021	420,775,565	0.82%	41.71%
Total bvc holding at 31 December 2021	21,386,393,118	2.11%	41.71%
deceval			
At 31 December 2020	7,535,032,544		14.70%
February 2021	51,445,796	0.10%	14.80%
May 2021	34,374,054	0.06%	14.86%
June 2021	160,680,737	0.31%	15.17%
July 2021	156,173,744	0.31%	15.48%
Total Deceval holding at 31 December 2021	7,937,706,875	0.78%	15.48%
Total holding 31 December 2021	29,324,099,993	2.89%	57.19%

These financial statements consolidate subsidiary operations. bvc's individual financial statements, and those of its subsidiaries, are presented separately.

8.
GRI:**Footnote 2 - Technical regulatory framework**

bvc Group consolidated financial statements are prepared in accordance with IFRS and their interpretations issued by IFRIC for companies using IFRS. The financial statements comply with IFRS issued by IASB.

bvc Group consolidated financial statements are prepared using historic cost, with the exception of financial instrument value increases that are measured at fair value, and hedging operations.

Preparing these financial statements in accordance with IFRS requires the use of estimates, and requires that management exercise its judgement with regard to applying **bvc** Group accounting policy. Accounting policy is detailed in Footnote 6 of these consolidated financial statements.

Footnote 3 - Functional currency and presentation

The values contained in these **bvc** Group consolidated financial statements correspond to the functional currency used during operations – the Colombian peso.

To determine its functional currency, **bvc** Group analyses primary factors and, if the result is inconclusive, secondary factors. This analysis requires that **bvc** Group use its professional judgement because primary and secondary factors may be combined. To determine its functional currency, **bvc** Group analysed primary factors related to the most used currency in service pricing and secondary factors related to the currency in which funds from financing activities are generated and that in which payment is received for operational activities. The functional currency has been determined to be the Colombian peso.

All data is presented in thousands of pesos rounded to the closest unit.

Footnote 4 - Estimates and judgement

In preparing these consolidated financial statements in accordance with the IFRS accepted in Colombia, **bvc** Group management uses estimates and assumptions that could affect the recognised amounts and disclosures, as follows:

Relevant estimates and suppositions are regularly revised, and are recognised in the period in which they are revised and any affected future period.

- **Property, plant and equipment.** The useful life of an asset during which it is depreciated or amortised is based on an estimate of future usage and performance. The residual value and useful life of each asset is revised at least at the end of each annual period, and if there is a change compared to the previous estimate, it is added to the accounts as a change to an accounting estimate.
- **Intangibles:** Impairment tests use the greater of fair value less the cost of sale, where available, and value-in-use calculations determined by management using best-estimates of future cash flow, long-term growth rates and appropriate discount rates. Intangibles are valued at the time of their procurement using appropriate methodologies, and amortised over their estimated useful life, unless they have an indefinite useful life and there is no apparent limit on the time that they will generate net cash flows. These estimates are management best-estimates on future performance and future periods in which it is hoped that these assets generate value.
- **Provisions and contingencies:** A management decision is required on whether to recognise or disclose provisions and contingencies, and at what value, based on past experience and other factors relevant to each situation.
- **Impairment of accounts receivable:** A management decision is required on bad debt, with estimates based on past experience and other relevant factors.
- **Income tax:** Income tax calculations require estimates and judgements. If there is a difference between provisions and final obligations, an adjustment is made.
- **Right-of-use:** **bvc** Group uses its judgement to decide the reasonable probability of lease extension or termination, based on the quality of the lessee or lessor.
- **Acquisition of subsidiaries:** Management judgment is required to evaluate the remuneration transferred based on valuation provider criteria.
- **Discontinued operations:** Management judgment is required to evaluate the contingent remuneration the company is subject to upon selling Sophos.
- **Impairment of intangible assets with indefinite useful life and of capital gains:** Management judgment

8.
GRI:

is required to determine impairment. Where there is a difference between market and book value, the identified amount is adjusted.

- **Deferred tax:** bvc Group evaluates deferred tax over time. Deferred tax liabilities are tax amounts that will be paid in future periods with regard to accountable timing differences related to:
 - a. Deductible timing differences.
 - b. Offsetting losses from previous periods, that have not yet been subject to tax deductions.
 - c. Offsetting unused credits from previous periods.

Future tax income and the amount of probable future tax benefits are based on medium-term plans prepared by management. The business plan is based on management expectations considered reasonable under the circumstances.

Financial and tributary projections are used to ensure prudence when determining deferred tax.

Footnote 5 - Measurement baselines

Fair value

Fair value the amount for which an asset or liability may be exchanged in a free and informed transaction between a buyer and seller.

bvc Group uses fixed criteria including relevant disclosures to determine fair value, and analyses its fair value measured financial assets to classify them into one of three levels:

Level 1: Non-adjusted quoted prices on active markets for identical assets and liabilities on the measurement date.

Level 2: Different observable data to the prices directly or indirectly produced in Level 1 for assets or liabilities.

Level 3: Non-observable data is used to measure fair value if relevant observable data is not available, taking into account situations where little, if any, market activity takes place related to an asset or liability on the measurement date.

8.
GRI:**Determining fair value**

Valuation techniques and principal input data for level 2 assets and liabilities measured at recurring fair value are as follows:

Investment	Valuation technique	Principal input data
Securities guaranteed by financial sector institutions and issued by the nation	Observable market price	- Securities trading prices according to the price provider's methodology
Mutual investment funds	Value provided by the administrator	- Estimated / theoretical price - Mutual funds that capitalise or pay interest each month
Private capital funds	Value provided by the administrator	Participation unit value, taken to be the pre-close value multiplied by the total number of units
Standardised derivatives		
Currency forwards	Income	- Price of the underlying asset - Underlying asset functional currency curves
Currency forwards	Market	- Closing price (price provider) - Multiplier (size of contract) - Number of contracts
Securities forwards		
Index futures		
Interest rate futures		
Energy futures		
Share options		
Interest rate swaps		
Non-standardised derivatives		
USD/COP NDF	Market	- Closing price (price provider) - Multiplier (size of contract) - Number of contracts
RRPs	Market	- Closing price (price provider) - *Multiplier (size of contract) - Number of contracts
Repos		
Temporary Transfer of Securities		
Cash share transactions	Market	- Closing price (Price provider) - Number of contracts
Cash FX transactions	Market	- Closing price (price provider) - Number of contracts - Exchange rate (daily close) - Nominal USD - Nominal COP

Measuring fair value using recurring baselines

These are recurring value measurements that IFRS require or allow in each period's financial statements.

The following tables show book values and fair values of financial assets and liabilities. They do not include fair value information for financial assets and liabilities not measured at fair value, if the book value is an approximation of fair value. This year it is not necessary to disclose the fair value of lease liabilities.

Cash, trade accounts payable and other accounts payable are not included in the tables because they are short-term and their book value is an approximation of their fair value.



8.
GRI:

a. Financial assets

The following table shows financial assets measured at fair value using recurring baselines and by hierarchical level at 31 December 2021 and 2020:

Financial assets at 31 December 2021	Book value	Fair value Level 1	Fair value Level 2	Total
Financial asset equity (1)				
Treasury bonds	80,380,123	51,893,923	28,486,200	80,380,123
Term deposits	4,006,720	-	4,006,720	4,006,720
Private capital fund	1,906,689	-	1,906,689	1,906,689
Cash equivalents (mutual funds)	1,639,613	-	1,639,613	1,639,613
Total financial asset equity	87,933,145	51,893,923	36,039,222	87,933,145
Operational financial assets (2)				
Derivatives				
Currency forwards	79,460,633,383	-	79,460,633,383	79,460,633,383
Interest rate swaps	23,941,329	-	23,941,329	23,941,329
Tradable futures contracts				
Securities	3,088,671,232	-	3,088,671,232	3,088,671,232
Currencies	946,749,094	-	946,749,094	946,749,094
Indexes	21,604,790	-	21,604,790	21,604,790
Interest rates	6,082,009	-	6,082,009	6,082,009
Tradable options				
Currency calls	794,568	-	794,568	794,568
Total derivatives	83,548,476,405	-	83,548,476,405	83,548,476,405
Temporary transfer of securities	2,702,844	-	2,702,844	2,702,844
Cash transactions				
Currencies	749,253,612	-	749,253,612	749,253,612
Securities	15,488,720	-	15,488,720	15,488,720
Total cash transactions	764,742,332	-	764,742,332	764,742,332
Money market transactions				
RRPs	20,462,408,461	-	20,462,408,461	20,462,408,461
Repos	283,317,987	-	283,317,987	283,317,987
Total money market transactions	20,745,726,448	-	20,745,726,448	20,745,726,448
Total operational assets	105,061,648,029	-	105,061,648,029	105,061,648,029
Total fair value financial assets	105,149,581,174	51,893,923	105,097,687,251	105,149,581,174

Financial assets at 31 December 2020	Book value	Fair value Level 1	Fair value Level 2	Total
Financial asset equity (1)				
Treasury bonds	40,958,694	30,505,200	10,453,494	40,958,694
Term deposits	2,559,350	-	2,559,350	2,559,350
Private capital fund	2,439,802	-	2,439,802	2,439,802
Cash equivalents (mutual funds)	42,898,083	-	42,898,083	42,898,083
Total financial asset equity	88,855,929	30,505,200	58,350,729	88,855,929
Operational financial assets (2)				
Derivatives				
Currency forwards	46,602,078,811	-	46,602,078,811	46,602,078,811
Interest rate swaps	24,721,933	-	24,721,933	24,721,933
Tradable futures contracts				
Securities	4,433,675,643	-	4,433,675,643	4,433,675,643
Currencies	378,854,050	-	378,854,050	378,854,050
Indexes	17,435,940	-	17,435,940	17,435,940
Interest rates	3,989,770	-	3,989,770	3,989,770
Other	1,095,034	-	1,095,034	1,095,034
Tradable options				
Currency puts	10,108	-	10,108	10,108
Total derivatives	51,461,861,289	-	51,461,861,289	51,461,861,289
Securities cash transactions	25,448,616	-	25,448,616	25,448,616
Money market transactions				
RRPs	13,987,884,108	-	13,987,884,108	13,987,884,108
Repos	180,333,478	-	180,333,478	180,333,478
Total money market transactions	14,168,217,586	-	14,168,217,586	14,168,217,586
Total operational assets	65,655,527,491	-	65,655,527,491	65,655,527,491
Total fair value financial assets	65,744,383,420	30,505,200	65,713,878,220	65,744,383,420

8.
GRI:

(1) Treasury bond hierarchy was determined based on each security's due date and available market information. CRCC and deceval securities used information on market prices. Market information was not available for bvc securities at 31 December, so the yield curve was used. This information was provided by the price provider at 31 December 2021 and 2020.

(2) Different valuation techniques are used for the following CRCC counterparty transactions that, in accordance with the IFRS 13-fair value hierarchy, are in level 2 because they are data not observable in the market: standardised and non-standardised derivatives, temporary transfer of securities, equity and currency market cash transactions, repos and RRPs coming from trading and/or registration systems or contracting mechanisms.

It is not considered necessary to calculate the fair value of investments in associates and joint ventures as equity method assets, because these organisations do not list shares on the Colombian Securities Exchange and the cost of valuation would exceed the benefit of disclosure.

b. Financial liabilities

(i) Financial liabilities measured at fair value

The following table shows liability positions at 31 December 2021 and 2020 where CRCC is the counterparty for the following: standardised and non-standardised derivatives, repos and RRPs coming from trading and/or registration systems or contracting mechanisms and repos from the equities market that are classified as level 2. The values coincide with book value.

	At 31 December 2021 By operation		At 31 December 2020 By operation	
Derivatives				
Tradable forward contracts				
Currency forwards	COP	79,460,633,383		46,602,078,811
Interest rate swaps		23,941,329		24,721,933
Tradable futures				
Securities		3,088,671,232		4,433,675,643
Currencies		946,749,094		378,854,050
Indexes		21,604,790		17,435,940
Interest rates		6,082,009		3,989,770
Other		-		1,095,034
Tradable options				
Currency calls		794,568		-
Currency puts		-		10,108
Total derivatives		83,548,476,405		51,461,861,289
Temporary transfer of securities		2,702,844		-
Cash transactions				
Currencies		749,253,612		-
Securities		15,488,720		25,448,616
Total cash transactions		764,742,332		25,448,616
Money market transactions				
RRPs		20,462,408,461		13,987,884,108
Repos		283,317,987		180,333,478
Total money market transactions		20,745,726,448		14,168,217,586
Total active positions	COP	105,061,648,029		65,655,527,491

8.
GRI:**(ii) Determining the fair value of financial assets and liabilities registered at amortised cost determined only for disclosure****Financial liabilities**

Short-term financial obligation book value is considered to be fair value. Long-term obligation fair value is determined by using cash flow models discounted by risk-free interest rates adjusted by each entity's own risk premiums.

In compliance with measurement and disclosure requirements, fair value is not applied to the following:

-Lease transactions classified as IFRS 16 Leases.

bvc Group conducts financial lease transactions.

The fair value of financial liabilities at 31 December 2021 and 2020, excluding leases and right-of-use goods, is as follows:

Financial liabilities	At 31 December 2021	
	Book value	Fair value
Current Financial liabilities	1,458,839	1,458,839
Total current financial liabilities	1,458,839	1,458,839

Financial liabilities	At 31 December 2020	
	Book value	Fair value
Current Financial liabilities	7,846,664	7,702,547
Noncurrent Financial liabilities	13,284,875	14,462,056
Total financial liabilities	21,128,512	22,164,603

(1) In 2021, bvc Group paid off all of its financial obligations with banks that were current at 31 December 2020. In August 2021, Deceval S.A. acquired a loan from Bancolombia with an interest rate indexed to the IBR plus a spread of 1.3 and a 12 month term, payable quarterly. The credit may be freely used and has a promissory note as collateral.

Financial assets registered at amortised cost

Cash, trade accounts receivable, other accounts receivable, trade accounts payable and other accounts payable are short-term and their book value is the best estimate of their fair value.

For long-term accounts receivable, fair value is determined using discounted cash flow models that use as a reference interest rates on securities guaranteed by the nation because they are considered to be risk-free rates and offer the minimum expected yield.

The fair value of long term accounts receivable from related parties is as follows.

Long-term accounts receivable	At 31 December 2021	
	Valor en libros	Estimación valor razonable
Accounts receivable from related parties – joint ventures	COP 284,198	245,050
Accounts receivable from related parties – other	500,000	471,244
Total long-term financial assets	COP 784,198	716,294

Long-term accounts receivable	At 31 December 2020	
	Valor en libros	Estimación valor razonable
Accounts receivable from related parties – joint ventures	COP 314,293	298,721
Accounts receivable from related parties	500,000	473,426
Total long-term financial assets	COP 814,293	772,147

At 31 December 2021 and 2020, none of the mentioned asset or liability levels had been reclassified.

Footnote 6 - Summary of principal accounting policies

The following accounting policies and baselines were consistently applied when preparing these consolidated financial statements, in accordance with IFRS.

6.1 Consolidation baseline

i. Acquisition of non-controlling interests

For each business combination, **bvc** measures non-controlling interests using:

- Fair value; or
- The proportional stake of the identified net assets acquired, generally at fair value.

Adjustments are not made to capital gains and no profit or loss is recognised.

Non-controlling interests acquired prior to **1 January 2014** were recognised as a net equity percentage stake on the first consolidation date.

ii. Subsidiaries

Subsidiaries are entities controlled by **bvc** Group and their financial statements are included in the consolidated financial statements, from the date control is acquired and until it ends. **bvc** Group controls an organisation when it is exposed to and has rights over variable yield items, and it has the capacity to influence their performance through its controlling interest.

A structured organisation is designed such that voting and other similar rights are not a fundamental factor in deciding who exercises control. For example, voting rights may refer exclusively to administrative tasks, while other activities are controlled through contractual agreements.

Subsidiary company financial results used in consolidation correspond to the same period and presentation date as those of the parent company.

iii. Impairment

bvc Group uses impairment recognition and valuation criteria developed for financial instruments to determine whether to recognise impairment losses additional to those already registered in the net investment in an associate, or in any other financial asset recognised using the equity method.

Impairment is determined by the comparing the book value with the recoverable value of the net investment in an associate. Recoverable value is understood to be the higher of: value-in-use or fair value less sale or disposal costs. Value-in-use is calculated using **bvc** Group's share of the current value of estimated ordinary cash flows and the amount that may result from selling the associate. The recoverable value of an investment in an associate is assessed in relation to each associate, unless it is not a cash-generating unit.

Impairment losses are not assigned to capital gains, nor to other assets related to investments in associates recognised using the equity method. In subsequent periods, value reversal on investments is recognised as income if the recoverable value increases. Impairment losses are presented separately to **bvc** Group's participation in associates' profit and loss.

iv. Transactions eliminated during consolidation

Intercompany transactions and balances, and any non-realised income or expense arising from transactions between **bvc** Group companies, are eliminated when preparing the consolidated financial statements. Non-realised earnings on transactions with companies in which the investment is recognised using the equity method are eliminated from the investment in proportion to **bvc** Group's stake. Non-realised losses are eliminated in the same way as non-realised earnings, but only if there is no evidence of impairment.

v. Loss of control

When control over a subsidiary is lost, its assets and liabilities and any non-controlling interest and other equity components are derecognised from accounts, and any earnings or losses are recognised in profit and loss. If any holding is maintained in the ex-subsidiary, and is accounted for using the equity method, earnings or losses are proportionally recognised at fair value in profit and loss. If the retained holding is accounted for using IFRS 9, earnings or losses are fully recognised in the period's profit and loss.

6.2 Clearing asset, liability, income and expense transactions

As a general rule, individual financial statement assets, liabilities, income and expenses are not cleared, except where this be required or allowed by law is a faithful reproduction of the transaction.

Income and expenses related to transactions that by contract or legal imperative allow for clearing, and that **bvc** and its subsidiaries intend to settle at net value, or to realise the asset and settle the liability simultaneously, are presented as net on the balance sheet.

6.2.1 Classifying current and noncurrent balances

bvc Group uses the following criteria to classify balances:

- a) Current asset – has a term equal to or less than twelve (12) months, or will be sold or realised during normal business or activity operational cycles.
- b) Noncurrent asset – has a term superior to twelve (12) months.
- c) Current liability – has a term equal to or less than twelve (12) months, or will be liquidated during normal business and activity operational cycles.
- d) Noncurrent liability – has a term superior to twelve (12) months.

6.3 Foreign currency transactions and balances

Transactions in currencies other than the **bvc** Group functional currency (foreign currencies) are converted at the market exchange rate on the transaction date. At the close of each reporting period, assets and liabilities in other currencies are converted using the exchange rates at the close. Foreign currency

profits and losses resulting from clearing foreign currency assets and liabilities are recognised in the comprehensive profit and loss statement.

At 31 December 2021, the exchange rate was COP 3,981.16 = US\$ 1, and at 31 December 2020 it was COP 3,432.50 = US\$ 1.

6.4 Cash and cash equivalents

Cash and cash equivalents are recognised at their nominal value, and comprise cash in hand and in banks, demand bank deposits, short-term deposits with an original term of three months or less, and other short-term, high-liquidity investments that are easily convertible to cash with a low-risk of value change.

6.4.1 Presenting cash flow:

Cash flow status is reported during the period and is classified by operational, investment and financing activity, with a view to providing information that allows users to evaluate its impact on **bvc** Group's financial position.

Cash flow from FX transactions is converted to the **bvc** Group functional currency at the exchange rate on the date it was produced.

bvc Group uses the direct method to present cash flow, under which principal gross charge and payment categories are presented separately. IAS 7 recommends that cashflow be presented using the direct method because this provides useful information for estimating future cash flows that would not be available were the indirect method to be used.

6.4.1.1 Presenting cash and cash equivalents

bvc Group presents cash and cash equivalent assets in descending order of liquidity on its balance sheet.

Cash flow presentation does not include movement between cash and cash equivalent items, nor investment of cash and cash equivalent remainders, because these are **bvc** Group cash management components.

6.4.2 Financial assets - investments

6.4.2.1 Financial instruments - investments

bvc Group classifies its investments as follows:

All investments **bvc** Group maintains with the intention of obtaining benefits from changes in their value are **measured at fair value with changes posted to profit and loss**, and are valued as such.

6.4.2.1.1 Initial recognition

Initial recognition is at fair value.

6.4.2.1.2 Subsequent measurement

In accordance with **bvc** Group's business model and management guidelines, investments are measured at fair value with changes posted to profit and loss.

The best evidence of fair value are the prices quoted on an active market.

If the market for a given investment is not active, **bvc** Group uses a valuation technique that allows it to estimate the price if an orderly transaction were to take place between market participants, under current market conditions on the measurement date.

Financial assets classified as investments and measured at fair value are valued using Colombian securities market prices for domestic investments, and market values from the assets' countries of origin for foreign investments.

In all cases, **bvc** Group strives to use relevant observable data, and minimise the use of non-observable data in valuation processes.

6.4.3 Profit and loss

bvc Group presents profit and loss by transaction group or tradable derivative instrument as net. However, where a profit or loss has relative importance it is presented separately.

Profit and loss in investments measured at fair value is recognised on the balance sheet for the period, unless they are part of a hedge—an investment in a non-tradable equity instrument.

Other comprehensive income on the individual financial statements comprises income and expense items, including reclassification adjustments not included in profit or loss.

6.4.4 Investments in investments in associates and joint ventures

6.4.4.1 Investments in associates

Associates are organisations over which **bvc** Group exercises significant influence, but not control or joint control, on financial and operational policy. Significant influence is assumed to exist when **bvc** Group owns between **20%** and **50%** of the voting rights in another organisation.

Joint ventures are agreements that grant **bvc** Group rights over the agreements' net assets. Investments in associates and joint ventures are recognised using the equity method, and are initially measured using the cost model. The cost of the investment includes the transaction costs.

6.4.4.2 Equity method

The equity method is used when **bvc** group has joint control of, or exercises significant influence over, another organisation. The existence of significant influence is normally evidenced in one or more of the following ways:

- Participation on the board, or an equivalent senior management body.

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GRI:

- Participation in setting policy, including decisions on dividends or other distributions.
- Transactions of relative importance between both organisations.
- Exchange of management staff.
- Delivery of essential technical information.

6.4.4.3 Initial recognition

Initial recognition is at cost.

6.4.4.4 Subsequent measurement

Following an acquisition, **bvc** Group increases or decreases the book value to reflect its share of income in the reporting period. Dividends received decrease the investment's book amount. It may also be necessary to adjust the book amount to reflect changes in the proportional participation of the investment due to changes in the entity's other comprehensive income. These changes may include revaluation of property, plant and equipment, and exchange rate variations. Any changes affecting the investor are reflected in other comprehensive income.

When using the equity method, the associate or joint venture's latest financial statements are used. If the reporting periods used by each organisation are different, the beneficiary produces financial statements that correspond to **bvc** Group's reporting period, unless it is impractical to do so. If the transaction dates used on each organisation's financial statements differ, the necessary adjustment is made to reflect any significant transactions or events occurring between the two dates. Under no circumstances may the year-end of either organisation differ by more than three months.

Reporting period duration and any difference in end-dates used are the same from one period to the next. The organisations' financial statements are produced using uniform accounting policies for similar transactions and other events that have occurred under similar circumstances. Any conversion adjustments related to NCIF (Colombian IFRS) are included in the associate's or joint venture's financial statements and the necessary reclassifications are made to unify **bvc** accounting policies and valuation criteria before making equity method calculations.

If objective evidence of investment impairment exists, it is reduced to recoverable value, this being the

greater of the following values: fair value less the cost of sale (net sale price) and value in use (anticipated cash flow). To this end, current value is estimated using anticipated dividends and the investment's final settlement value or share in anticipated cash flow.

6.4.5 Financial asset equity investments with changes posted to profit and loss

6.4.5.1 Initial recognition

Initial recognition of investment in an organisation over which significant influence is not exercised is at cost, using the most trustworthy estimate.

6.4.5.2 Subsequent measurement

Following acquisition, **bvc** Group measures equity investments over which it does not exercise significant control at cost, and annually evaluates the following indicators to determine whether the cost remains representative of fair value.

- Significant change in performance compared to budgets, plans or objectives.
- Changes in expectations on achievable results in technical production.
- Significant change in the equity market related to the entity or its current and future products.
- Significant change in the global economy, or that of the organisation's country of operation.
- Significant change in the performance of comparable organisations, or in global market valuations.
- Internal problems such as fraud, commercial disputes, litigation, and management or strategy changes.
- Evidence of external transactions on the organisation's assets, initiated by the organisation itself (e.g. a recent securities issue), or of asset transfers between third parties.

6.4.6 Derivative investments

6.4.6.1 Derivative transactions

In accordance with the portfolio business model, **bvc** Group may trade derivative financial instruments with any of the following objectives:

- (a) Risk hedging
- (b) Trading for the purpose of turning a profit

6.4.6.2 Initial recognition

Initial recognition of derivative instruments is at fair value.

Fair value measurement assumes that a derivative liability is transferred to a market participant on the date of measurement. The transfer of a derivative liability assumes that the derivative remains in circulation and requires that the receiving party satisfy the obligation. The liability is not settled with the counterparty nor cleared by any other means on the date of measurement.

6.4.6.3 Subsequent measurement

Subsequent adjustment to the fair value of derivative contracts is recognised in profit and loss for the period, unless they are part of a hedge.

The derivative portfolio's fair value is determined using prices and inputs from Credicorp.

To incorporate the appropriate adjustment to credit risk that market participants make for noncompliance risk, including credit risk, **bvc** subsidiaries include their own credit risk to determine the fair value of liability positions, and the counterparty risk in the case of active positions.

6.4.6.3 Hedge accounting

6.4.6.3.1 Necessary criteria for hedge accounting

A hedge complies with hedge accounting requirements only if the following criteria are met:

- (a) The hedge comprises only eligible hedge instruments and hedge items.
- (b) From the outset, the hedge is supported by formal documentation on the hedging relationship and the organisation's risk management objective and strategy. The documentation must identify the hedging instrument, the hedged item and its risk profile, and the mechanism the organisation will use to evaluate whether the hedging relationship complies with hedge effectiveness requirements (including

an analysis of sources of ineffectiveness, and how it determined the hedge ratio).

(c) The hedge complies with the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument (IFRS 9 paragraphs B6.4.4 to B6.4).
- The effect of credit risk does not take precedence over the value change resulting from the economic relationship (IFRS 9 paragraphs B6.4.7 and B6.4.8).
- The hedge ratio of the hedging relationship is the same as that resulting from the amount of the hedged item that the entity actually hedges and the amount of the hedging instrument that the entity actually uses to hedge that amount of hedged items. However, that designation may not reflect an imbalance between the hedged item's weightings and the hedging instrument that would create hedge ineffectiveness (regardless of whether recognised or not) that could result in an accounting outcome that would be inconsistent with the purpose of hedge accounting (IFRS 9, paragraphs B6.4.9–B6.4.11).

6.4.6.3.2 types of hedge accounting

bvc Group may, at its discretion, use hedge accounting to mitigate the impact of, or significantly reduce exposure to, change in a financial asset or liability.

There are three classes of hedge accounting relationship:

- (a) Fair value hedge: a hedge on exposure to fair value changes to a recognised asset or liability or an unrecognised firm commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss in the period.
- (b) Cash flow hedge: a hedge on exposure to cash flow variation is (i) attributable to a particular risk associated with a recognised asset or liability (such as some or all future interest payments on variable rate debt) or a highly probable forecast transaction, that (ii) could affect profit or loss in the period
- (c) Hedge of a net investment in a foreign operation as defined in IAS 21.

6.4.6.4 Other non-financial assets

6.4.6.4.1 Initial recognition

For a paid expense to be recognised it must comply with all of the following requirements:

- a. Its value can be reliably measured.
- b. The monetary disbursement will give **bvc** Group the right to obtain future goods or services.
- c. A prepaid expense is recognised as such when payment for the service is made, and at the amount transferred.

6.4.6.4.2 Subsequent measurement

Prepaid expenses are amortised using straight-line methodology on **100%** of their cost over the duration of the contract with a third party, or when right-of-use is exercised.

Amortisation is recognised in profit and loss as **bvc** Group earns the right to receipt of the contracted good or service. Straight-line methodology is applied to determine monthly amortisation instalments by taking the total prepaid expense and dividing it proportionally by the number of months the service is expected to provide benefits.

6.4.6.4.3 Derecognition

Prepaid expenses that generate the future economic benefit of receiving services or rights do not enjoy the right to receive cash or another financial asset, and are therefore non-financial assets.

Only when **bvc** Group has the firm intention to withdraw in a given period corresponding to the prepaid expense, may it be reclassified as a receivable value that will be paid in cash, and therefore an account receivable (financial asset).

When **bvc** has made full use of a service it derecognises the prepaid expense. Other causes to deregister a prepaid expense are related to:

- a. Non-recoverable balances and/or those that will not produce future benefits due to obsolescence, contract expiry or for legal reasons.
- b. Loss of the right to future use.

6.4.7 Accounts receivable

6.4.7.1 Initial recognition

Initial recognition of trade and other accounts receivable only occurs when contractual obligations have been met, services have been provided for the established period, and rights and risks have been transferred.

Definition and analysis of trade accounts receivable shows that they do not have a significant financial component, so initial recognition is at the transaction price.

6.4.7.2 Subsequent measurement

In view of the classification and initial recognition of trade accounts receivable, the following guidelines are used for subsequent measurement:

Subsequent to initial recognition, **bvc** Group measures trade and other accounts receivable at amortised cost, applying the initial measurement of the account minus capital repayments plus or minus accumulated amortisation minus any reduction for impairment or non-recoverability.

6.4.7.3 Simplified deterioration approach for accounts receivable

bvc Group always measures value corrections for losses using an amount equal to the expected credit loss over the lifetime of the account receivable.

With a view to calculating the best-estimate of expected financial asset losses on trade accounts receivable, a simplified calculation model was developed that is aligned to the business model and the recoverability process of future cash flows from the payment of trade accounts receivable.

6.4.8 Property, plant and equipment

6.4.8.1 Initial measurement

bvc Group measures its fixed assets using the cost method

Fixed and movable assets acquired are recognised using the cost model, in compliance with IAS **16** paragraph **30**.

Historic cost is increased by any additions, improvements and repairs that increase an asset's useful life.

6.4.8.2 Subsequent measurement

Measurement is made using the cost model. This is fair value at the time of acquisition, plus additions, improvements and repairs, minus accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment comprises its acquisition price plus all costs directly related to asset location and installation, according to management provisions. Also considered to be property, plant and equipment costs are all costs related to financing interest directly attributable to the acquisition or construction of assets that require significant preparation time before being ready for use or sale.

Subsequent improvement and growth costs, among others, are included in the initial value of the asset or recognised as a separate asset only when it is probable that the future economic benefits associated with property, plant and equipment items will flow towards **bvc** Group, and the cost can be reliably determined and depreciated during the periods remaining to depreciate the initial asset.

Repair, preservation and maintenance costs are recognised in the period in which they are incurred. At the closing date, or whenever there is an indication of asset impairment, the recoverable value (best of fair value less sale costs, or value-in-use) is compared to the net accounting value. Any loss or revaluation resulting from this operation is registered as a charge or credit accordingly. Property, plant and equipment depreciation is calculated using the straight-line method on estimated useful life.

6.4.8.3 Registering items as assets or expenses

Goods acquired by **bvc** Group are classified before their registration in an asset group or as expense in the period, and include the materiality principal in their acquisition cost.

The following parameters are used to define whether a good is accounted for as an asset or expense:

- a)** Asset definition parameter: Items not exceeding a value of **50** UVT (tax value units – a Colombian accounting unit) (COP **36,308** in **2021** and COP **35,607** in **2020**) are recognised as expenses. Goods costing less than **50** tax value units, but whose relevance and use match the asset definition are treated as fixed assets.
- b)** Tax value unit reference in the purchase year: Property, plant and equipment are calculated using the straight-line method on their estimated useful technical lives. The minimum a fixed asset can be depreciated in different tax periods is **50** tax value units; an asset purchased in a given year is depreciated that same year.
- c)** Useful life parameter: When an acquired good's useful life is equal to or less than one year, it is treated as an expense, and **bvc** Group values it at acquisition cost.

6.4.8.4 Asset group

bvc Group classifies assets into six (**6**) homogeneous groups:

Immovable goods

Buildings and land

Movable goods

Furniture and fittings
Computing, communications and electronic equipment
Transport equipment
Improvements to leased property
Right-of-use

6.4.8.5 Determining the goods that comprise each asset group

bvc Group places its assets into the following groups:

- **Buildings and land:** Real estate used by **bvc** Group as commercial and administrative offices, and car parks.
- **Furniture and fittings:** Office items, e.g. furniture, drawers, filing cabinets, cabinets, shelving, etc.
- **Computing, communications and electronic equipment:** Desktop and portable technology items: computer, monitor, hard drive, printer, server, rack, scanner, CCTV, alarms, access systems, security doors, white goods, generators, UPS, telephone switchboard, telephones, router, switch.
- **Improvements to leased property:** Improvements made to leased goods
- **Transport equipment:** mobile goods used to transport people or merchandise.
- **Right-of-use:** Leased goods, per IFRS 16.

Assets' significant components are identified in accordance with the following parameters:

- When a component is fully differentiated within an asset's general context.
- When its value meets the materiality concept within the asset's total value.
- When a component's useful life can be determined individually.
- When there are different residual values.

Components must be determined by technical evaluation or a report from **bvc** Group experts (technology, real estate, services, etc.) and they must be accounted for separately.

When damaged property, plant or equipment is repaired, the cost is registered as an increase in value of the fixed-asset concerned.

6.4.8.6 Maintenance and replacement

Replacements, improvements and enhancements made to assets following acquisition are included in their initial value, or recognised as a separate asset only if it is probable that future economic benefits attributa-

ble to the investment will flow towards the company, and the cost can be fairly measured.

Recurrent or periodic repair or maintenance outlays following acquisition are recognised as expenses.

6.4.8.7 Managing depreciation

Depreciation is registered using the straight-line technical value method in accordance with estimated useful life. Useful life refers to the time that an asset will contribute an element or good to **bvc** Group; assets may exist that have a useful life that is lower than their economic life.

The depreciation method and asset's useful life remain the same for the accounting period. However, if from one year to the next different depreciation methods or useful life estimates are used, these must be managed using IAS 8 indications, whether due to a change in policy or estimates, or through error.

When a used good is acquired, and has therefore already been partially or completely depreciated, **bvc** Group depreciates the good for its remaining useful life.

Useful life of improvements made to leased property or goods may not exceed the length of the contract.

Depreciation is calculated from the month after a fixed asset becomes available for use (when it is in the location and conditions necessary for its operation).

When more than one asset component is recognised, the largest component's useful life will be used for all components

The straight line method is used to recognise the asset's income generation for **bvc** Group given the characteristics of continuous use and the advantages this method represents:

- The straight line method allows fairer financial measurements to be made on the future impact of asset depreciation.
- **bvc** Group assets do not present large variations in frequency of use.
- The expense's impact over the period will remain constant.

6.4.8.8 Derecognition

Derecognition of fixed assets must be authorised by the corporate CFO. Property, plant and equipment elements may be derecognised due to theft, total loss or damage.

An item's book value is derecognised following its disposal, or when no future economic benefits are anticipated from its use or disposal. This can happen for various reasons, such as a sale, a financial lease purchase option not being exercised, or a donation.

6.4.8.8.1 Defining useful life

bvc Group asset useful life is as follows:

Real estate	Useful life
Buildings and land	45 to 80 years
Movable goods	Useful life
Furniture and fittings	5 to 10 years
Computing, communications and electronic equipment	3 to 5 years
Improvements to leased property	Length of contract
Transport equipment	3 to 5 years
Right-of-use	Length of contract

6.4.8.9 Financial lease goods

Financial lease property, plant and equipment is depreciated using the straight-line method, according to the contract term. This applies to bvc Group buildings and computing equipment.

6.4.8.10 Recognising property, plant and equipment impairment

Impairment occurs when an asset's book value exceeds the amount recoverable from its use or sale.

Impairment is recognised if there is objective evidence that an asset has become impaired due to events occurring after its initial recognition.

At the end of each reporting period, bvc Group evaluates whether any assets show evidence of impairment, and requests a valuation of the impaired assets to determine their recoverable value.

In compliance with IAS 36 – Impairment of assets, bvc Group must ensure that its assets are accounted for at amounts not exceeding their recoverable value. If this is not the case, assets will be considered to be impaired, and the impairment value will be recognised.

The following indicators are used by bvc Group to determine impairment:

No.	Indicator	Sign of impairment	Description
1	Market value	A significant reduction in an asset's market value.	An asset's value falls significantly more than expected during the period, as a consequence of use and the passage of time.
2	Technological	Technological advances that affect assets.	Software or operating system changes that require hardware changes.
3	Availability	Significant changes to an asset's use or purpose.	Changes due to technology restructuring or renovation plans that change the demand for an operational asset
4	Obsolescence	Damage leading to a loss of function, or market or sector conditions that make its use redundant.	An asset's obsolescence is informed in a technical report.

6.4.9 Intangibles and capital gains

6.4.9.1 Definition

6.4.9.1.1 Intangible assets

bvc Group recognises an intangible asset only if:

- It is probable that future economic benefits attributable to the asset will flow towards the company.
- The asset's cost can be reliably measured.

bvc Group evaluates the probability of future economic benefit using reasonable, well-supported hypotheses based on a management best-estimate of economic conditions during the asset's useful life.

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bvc Group may acquire or develop intangible assets.

Acquired intangibles include software licences and other intangibles that are acquired in business combinations.

Internally developed intangibles: When evaluating whether to record an internally generated intangible asset, bvc Group classifies project expenses during the following phases:

- Research: Costs during this phase are recognised as expenses.
- Development: Costs are the sum of disbursements once the following capitalisation conditions are met, and if the following are demonstrated:
 - Technical feasibility.
 - An intention to make the asset ready for use or sale.
 - The ability to use or sell the asset.
 - Availability of technical, economic and other resources to make the asset ready for use or sale.
 - A probability that the asset will generate future economic benefits.
- The ability to reliably measure direct disbursements related to the asset.
- Training: Costs in this phase related to any asset class or type are directly recognised as expenses.
- Production: When project amortisation begins and bvc Group classifies it as an internally developed application.

6.4.9.1.2 Capital gains

Capital gains generated by acquiring subsidiaries are measured using the cost model less accumulated impairment losses.

Capital gains are not amortised and impairment is measured annually, or earlier if there are indications of an asset's potential loss of value. Capital gains from business combinations are assigned to each of the cash-generating units, or groups of units, that will benefit from the combination's synergies.

Internally generated capital gains are not recognised as assets.

6.4.9.2 Initial recognition

Acquired intangible assets are initially measured at cost.

When an intangible asset is acquired through a business combination, its cost is its fair value on the acquisition date. If the acquired asset can be separated, or forms part of a contractual or legal obligation, enough information exists to reliably measure its fair value.

Brands are not recognised as intangibles, nor are newspaper or magazine mastheads, editorial imprints or names, customer lists or other similar items that have been internally generated.

6.4.9.3 Subsequent measurement

bvc Group uses the cost method, and intangible assets are accounted for according to their cost less accumulated amortisation and impairment where this exists.

Capital gains are measured at cost less accumulated impairment losses.

For investments that use equity method accounting, the capital gain's book value is included in the investment book value, and any impairment loss is assigned to the investment book value in accordance with the equity method.

6.4.9.4 Impairment

The amortisation period and method used for intangible assets with finite useful lives are revised at least at the end of each period. If useful life varies from previous estimates, the amortisation period is adjusted to reflect this. If there is a change in anticipated future economic benefits, the amortisation method is changed to reflect this. These changes are treated as accounting estimate changes.

The effects of these amortisation modifications are treated as changes to accounting estimates in the period.

bvc Group assesses whether intangible assets with indefinite useful live have suffered impairment loss by comparing their recoverable value with their book value each year, or at any time indications exist of their impairment.

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GRI:

bvc Group measures impairment to capital gains using valuation by a provider that determines whether the capital gains show signs of impairment and therefore must be adjusted in accounting balances (see Footnote 15).

6.4.9.5 Useful life

Intangible assets' useful lives are revised at the end of each period. In the event that a licence has a useful life shorter than that considered in amortisation policy, it is amortised until the end of its useful life, regardless of the amount.

Intangible	Useful life
Licences and software	5 years
Internally developed projects and applications	Asset's economically useful life
Acquired businesses and commercial brands	Indefinite
Technological and customer relationships	Asset's economically useful life
Other intangible assets from business combinations	Asset's economically useful life

The estimated useful life of intangible assets is revised each period, including recognised assets from business combinations.

Internally developed intangible assets are straight-line amortised for the duration of their useful lives, as defined by the VP Technology for software and VP Projects for projects using demonstrable technical analyses. Costs incurred during organisation, construction, installation, preparation and launch are considered to be expenses.

6.4.9.6 Intangible asset derecognition and disposal

An asset is derecognised:

- Upon disposal (sale or donation)
- When no future economic benefits are expected from its use or disposal.

The profit or loss resulting from intangible asset disposal is the difference between the net amount obtained from its disposal and its book value, and is recognised in the period in which it is disposed (unless IFRS 16 establishes otherwise in the case of a sale/leaseback). Profits are not classified as ordinary income.

6.4.10 Financial liabilities

6.4.10.1 Initial recognition

Financial liabilities are initially recognised at fair value, except loans and accounts payable in which transaction costs are directly attributable.

bvc Group financial liabilities include trade accounts payable, financial obligations and other accounts payable.

Financial liabilities are initially registered at fair value less directly attributable issuance transaction costs. Any premiums or discounts applied at the start, form part of fair value.

6.4.10.2 Classifying financial liabilities

bvc Group classifies its financial liabilities by amortised cost using the effective interest method, except for:

- Financial liabilities that are accounted for at fair value with changes posted to profit and loss. These liabilities include derivative liabilities and are subsequently measured at fair value.

6.4.10.3 Contractual cash flow

Contract cash flow liabilities are:

- Financial liabilities
- Accounts payable
- Vendors
- Prepaid income
- Tradable derivatives

6.4.11 Loans and Financial liabilities

Loans and financial obligations are commercial loans that are initially recognised upon origination.

Loans and financial obligations are initially measured at fair value, plus (if the element is not at fair value with changes posted to profit and loss) transaction costs directly attributable to their acquisition.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest costs, and profit and loss from FX conversion are recognised in profit and loss. Any profit or loss from derecognition is also recognised in profit and loss.

6.4.12 Accounts payable

bvc Group uses fair value for the initial recognition of accounts payable or financial liabilities; this is normally the transaction price (the nominal value of the good or service).

Transaction costs that are directly attributable to issuing a financial liability are subsequently included in amortised cost using the effective interest method over the instrument's useful life.

6.4.13 Other financial liabilities

6.4.13.1 Prepaid income

6.4.13.1.1 Recognition

If a customer makes payment, or an invoice is generated before a good or service is transferred, **bvc** Group presents the contract as a liability. A contract liability is an obligation for **bvc** Group to transfer a prepaid good or service to a customer or request payment from them.

6.4.13.1.2 Initial recognition

bvc Group recognises the liability at the initial received payment value, or that of the payment due.

6.4.13.1.3 Subsequent measurement

When goods and services are transferred and the obligation is satisfied, **bvc** Group removes the contract liability and recognises it as ordinary income.

6.4.14 Employee benefits

6.4.14.1 Definition

Employee benefits comprise all the ways **bvc** Group remunerates its employees in exchange for their services.

6.4.14.2 Short-term employee benefits

When an employee has been engaged by **bvc** Group for an accounting period, the company recognises the undiscounted value of their corresponding short-term cost:

- As a liability (accumulated or accrued expenses), after verifying the amount already paid. If the amount already paid exceeds the benefits' undiscounted value, **bvc** Group recognises the excess as an asset (a prepaid expense) if the prepaid service will be provided.
- As an expense, unless another IFRS requires or allows for the benefits to be included as an asset.

Short-term employee benefit accounting is usually immediate because it is not necessary to develop actuarial hypotheses to measure the corresponding costs or obligations, and therefore the possibility is low of actuarial gains or losses. Furthermore, short-term employee benefit obligations are measured without deducting the resulting amounts.

Employee expenses comprise:

- Wages, salaries and social security contributions.
- Statutory bonus payments (equivalent to one monthly salary each year, paid in two equal instalments).

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- Paid leave and sick leave entitlements.
- Non-monetary benefits such as life, health and funeral insurance.
- Annual performance bonuses.
- Educational support.
- Other benefits such as vision checks, dental support and others.
- Transport services.
- Contributions to the employee fund (Fonbolsa).

6.4.14.3 Severance benefits

These employee benefits are the consequence of **bvc** Group's decision to terminate an employee's contract before its stated end-date, or an employee's decision to voluntarily conclude their working relationship in exchange for such benefits.

bvc Group recognises severance benefits as a liability and an expense only when it has a demonstrable commitment to rescind the link it has with an employee or group of employees before their normal end date, or to pay severance benefits when employees have decided to accept voluntary redundancy.

bvc Group initially recognises severance benefits according to their nature, and subsequently measures and recognises changes in accordance with the requirements of short-term employee benefits. This is because severance benefits are fully paid within **12** months, and subsequent to the annual period in which the severance benefit is informed and recognised.

bvc Group recognises severance benefit liabilities and expenses on the first of the following dates:

- Once **bvc** Group can no longer withdraw its offer to pay these benefits.
- Once **bvc** Group recognises the restructuring costs and begins payment of the severance benefits.

If Deceval S.A. creates a restructuring or severance benefit plan that is then modified, the profit or loss is recognised when the first of the following conditions occurs:

- The plan is modified or cut.
- The restructuring costs or severance benefits are recognised.

An offer to pay severance benefits for voluntary redundancy may not be withdrawn once accepted by an employee.

Involuntary redundancy severance benefit offers may not be withdrawn once **bvc** Group has informed the affected employees. In addition, the severance plan must comply with the following criteria:

The actions required to execute the plan indicate that it is improbable that the plan will undergo significant change.

- a) The plan identifies the number of redundancies, the roles and locations involved, and the expected date of termination.

The plan sets out in enough detail the severance benefits employees will receive.

6.4.15 Contingent liability provisions

6.4.15.1 Contingent liability

A contingent liability is an obligation related to a past event, whose existence is confirmed by future events not all controlled by **bvc** Group. Although related to a past event, contingent liabilities are not recognised if a resource outflow is not likely and/or its amount cannot be reliably measured.

bvc Group does not recognise contingent liabilities in its financial statements but does disclose them in the footnotes, unless the possibility of the liability resulting in a cost is remote, in which case nothing is disclosed.

Contingent liabilities may evolve or change from their initial form, and are periodically revised to determine whether a resource outflow that incorporates future economic benefits has become probable. If it is determined probable, a provision is recognised in financial statements in the period the probability occurs.

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If **bvc** Group is jointly responsible for a given obligation, the proportion attributable to other responsible parties is treated as a contingent liability, and the company recognises a provision for the probable resource outflow that incorporates future economic benefits, unless it cannot be reliably measured.

6.4.15.2 Recognising provisions

bvc Group only recognises a provision if it complies with all of the following conditions:

- **bvc** Group has a current legal or implicit obligation related to a past event.
- It is probable that **bvc** Group will have to assign resources that include economic costs to meet the obligation, and can reliably estimate its value.

If these conditions are not met, the provision will not be recognised.

bvc Group undertakes to reliably determine value as required for the financial statements, and only in exceptional cases does it use a range of possible outcomes related to an uncertain event to determine its recordable value.

In the exceptional case that **bvc** Group is unable to determine a reliable estimate, the liability is not recordable and is disclosed in the footnotes as a contingent liability including details of why it could not be reliably measured.

bvc Group does not recognise provisions for future operational losses because these are not liabilities or provisions. If they do exist, they are an indication of asset impairment, and **bvc** Group determines the impairment based on IAS 36 – Asset impairment.

Provisions are only used for disbursements related to their original purpose. Using them for any other purpose would, in effect, conceal two separate events.

When all or part of a provision is reimbursable by a third party, the reimbursement is only recognised when it has been made or its reception is basically certain. The reimbursement is treated as a separate asset and its value may not exceed that of the provision.

6.4.15.3 Legal proceedings

Legal and administrative proceedings are the responsibility of **bvc** Group Vice Presidents, as follows:

Vice President in charge	Type of proceeding
Human Resources Director and VP Legal	All legal proceedings on labour issues.
VP Finance and Administration	All administrative proceedings on tax issues.
VP Legal, General Secretary	All other proceedings not mentioned above.

The corresponding VP only recognises a provision when there are sufficient elements to determine at the start of proceedings, or during subsequent procedural stages, a probable outflow of **bvc** Group resources resulting from the proceedings.

Probability depends on each VP's professional judgement and is dependent on various factors such as procedural budgets, the evidence presented, the procedural stage, jurisprudence in similar cases, internal or external legal analysis and other factors that must be documented by the company and disclosed in its financial statements.

6.4.15.4 Initial recognition

bvc Group recognises provisions using the amount generated by a best-estimate of the disbursement necessary to pay the current obligation, at the close of the corresponding accounting period.

The best-estimate must consider:

- A rational evolution of the amount payable by **bvc** Group to settle or transfer the debt at the close of the corresponding period.

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- Management judgement and experience and expert advice on each of the possible outcomes and their financial effect. The evidence analysed must include information on events occurring after the corresponding accounting period but before publication of the financial statements.
- The risk and uncertainty associated with almost all provision valuation processes; this does not justify the creation of excessive provisions nor the deliberate over-stating of liabilities.
- Future events that may affect the sum necessary to settle the obligation, if enough objective evidence exists of their probability.

6.4.15.5 Subsequent measurement

Provisions are reviewed at the end of each reporting period, and adjusted to keep the best-estimate up to date. In the case that a resource outflow (including economic resources) becomes improbable, **bvc** Group reverses the provision. If the estimate changes, this is accounted for according to IAS 8 - Accounting policies, changes in accounting estimates and errors.

6.4.15.6 Provisions for restructuring

bvc Group recognises restructuring provisions only when the general conditions for doing so are met, and a formal, detailed restructuring plan exists that identifies:

- The activities and those affected.
- The main facilities affected.
- The location, function and approximate number of employees eligible for redundancy payments.
- The resulting disbursements.
- The dates on which the plan will be implemented.

An implicit obligation becomes active when those affected are informed of the restructuring plan. If a restructuring decision is made before the end of a reporting period, it does not become an implicit obligation unless:

- The restructuring plan is in execution.
- The restructuring plan's main characteristics have been announced to those affected, and are firm enough for them to have formed valid expectations regarding whether **bvc** Group will carry out the restructuring.

If a restructuring plan commences after the close it is disclosed in the footnotes as an event occurring after the reporting period (IAS 10).

6.4.16 Tax assets and liabilities

6.4.16.1 Income tax

Current tax is the tax payable on income in a tax year at current rates on the date of the balance sheet, plus any previous year tax adjustments.

6.4.16.2 Recognition

Current tax liabilities are recognised as such if they have not been paid. If the value, less previous period withholding tax and anticipated payments, plus anticipated future payments, is higher than the tax obligation, it is recognised as an asset.

Current tax liabilities (assets), whether from the current or previous periods, are measured at the end of the reporting period as the amount payable to (recoverable from) the tax authorities using approved legislation and rates at the end of the reporting period.

6.4.16.3 Recognising deferred tax

Deferred tax assets and liabilities are measured using anticipated tax rates and legislation for the period in which they will be recovered or paid, based on tax law and rates.

Deferred tax assets and liabilities are calculated using the balance sheet liability method to determine timing differences between book values and the amounts used for tax purposes. The deferred tax amount

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is always based on its forecast or on the way asset and liability book values are settled, using current tax rates at the date of the balance sheet.

Deferred tax liabilities are the amount of income tax payable in future periods, related to taxable timing differences. Deferred tax assets are the amount of income tax recoverable in future periods, related to:

- Deductible timing differences.
- Previous period losses that have yet to receive tax refunds.
- Unused credits from previous periods.

An asset or liability's tax base is its attributable amount for tax purposes.

An asset's tax base is the value deductible from future taxable bvc Group income when the asset's book value is recovered. If the income is not taxable, the tax base is equal its book amount.

A liability's tax base is its book value less any amount that may become tax deductible in the future. For prepaid ordinary income, the tax base corresponds to book value less any non-taxable future amount.

6.4.16.4 Initial recognition

Current tax liabilities (assets), from current or previous periods, are measured as the amount (or almost approved amount) payable to (recoverable from) the Colombian tax authority (DIAN) using current tax rates and legislation at the close of the reporting period.

bvc Group measures deferred tax assets and liabilities using the tax rates it expects to be applicable during the period it intends to recover or pay them, based on approved rates and legislation at the end of the period.

6.4.16.5 Subsequent measurement

bvc Group revises the way it recovers or pays the book value of assets and liabilities as this may affect

one or more of the following:

- The applicable rate when bvc Group recovers the asset or settles the liability.
- The asset or liability's tax base.

In these cases, **bvc** Group proceeds to measure deferred tax assets and liabilities using a rate and base that are coherent with the way in which it hopes to recover or pay the corresponding item.

6.4.16.6 Initial recognition of current and deferred taxes

bvc Group recognises deferred and current taxes as income or expenses and includes this in profit and loss, except when resulting from:

- A recognised transaction or event from the current or previous period, outside earned income, whether in other comprehensive income or directly in shareholder equity.
- A business combination.

Current and deferred taxes are recognised outside earned income if related to recognised outside earned income entries from the same or a previous period.

6.4.17 IFRS 16 Leases

bvc Group recognises right-of-use assets and lease liabilities except for:

- Short-term leases (less than 12 months).
- Leases where the underlying asset is of low value – less than 15,000 per year.

An underlying asset is of low value only if:

- The lessee will benefit from using the underlying asset itself or together with other resources that are readily available to the lessee.
- The underlying asset is not highly dependent on nor interrelated with other assets.

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An underlying asset lease does not comply with low-value asset lease requirements if when new it is not usually of low value.

bvc Group recognises payment for short-term and low-value assets on a straight-line basis for the duration of the lease, or using another systematic baseline that better represents the expense. Short-term leases are considered to be new leases if they are amended or the lease period changes.

6.4.17.1 Initial measurement, right-of-use assets

bvc Group measures right-of-use assets at cost. Cost comprises:

- The initial measured lease payment liability.
- Lease payments made before or from the date of commencement, less any lease incentives received.
- Initial direct costs incurred.
- The estimated cost of dismantling and disposing of the underlying asset, returning it to its place of origin, or returning it to its original state, as required by the terms and conditions of the lease.

6.4.17.2 Initial measurement, lease liability

bvc Group measures lease liability at current unpaid value, and discounts payments using the incremental loan rate applicable to the lease, based on its duration, type and value.

bvc Group recognises the following lease payments included in the lease liability measurement that comprise future right-of-use payments for the underlying asset for the duration of the lease:

- Fixed payments.
- Variable payments that depend on an index or rate, initially measured using the current value at the date of commencement.
- Amounts **bvc** Group will pay as collateral on residual value.
- The cost of purchase options, if **bvc** Group is reasonably certain it will exercise them.
- Early exit penalty payments, if the lease reflects that **bvc** Group will exercise this option.

6.4.17.3 Subsequent measurement, right-of-use asset

bvc Group uses the cost model to measure right-of-use assets and applies the depreciation rules specified in property, plant and equipment accounting policy.

If ownership of the underlying asset is transferred to the lessee at the end of the lease, or if lease expenses include a purchase option, **bvc** Group depreciates the asset from the start date until the end of its useful life. Otherwise, **bvc** Group depreciates the asset from the start date until the end of its useful life or the end of the lease, whichever is sooner.

bvc Group applies impairment accounting policy on the asset, and calculates the value of identified impairment losses.

6.4.17.4 Subsequent lease liability measurement

bvc Group measures lease liabilities and:

- Increases book values to reflect lease liability interest.
- Reduces book values to reflect lease payments made.
- Remeasures book values to reflect the new measurements or amendments to the lease.

Lease liability interest for each period during the lease is the amount produced by the constant rate of interest on the remaining lease liability. Following the date of commencement, **bvc** Group recognises the following amounts corresponding to the period, unless the cost has already been added:

- Lease liability interest.
- Variable lease payments for events or conditions not included in lease liability measurement, in the period within which they occur.
- Changes to future lease payments following changes to an index or rate used to calculate payments, including, for example, price changes following a revision of lease market rates.

6.4.17.5 Sublease measurement

Sublease classification

bvc Group classifies subleases as financial or operational as follows:

- a. If the principal lease is short-term, as specified in IFRS **16** paragraph **6**, it is classified as an operational lease.
- b. Otherwise, the sublease is classified according to the right-of-use asset referenced in the principal lease, rather than that of the underlying asset (for example, the property, plant and equipment item being leased).

When classifying subleases, **bvc** Group evaluates the right-of-use asset referenced in the principal lease, rather than that of the underlying asset, because:

The risk to **bvc** Group associated with the right-of-use asset lease becoming a credit risk when converted to a sublease that covers most or all of the principal lease period. Accounting for the sublease as a financial lease (classified in reference to the right-of-use asset) recognises this risk because **bvc** Group recognises the net investment in the sublease as an account receivable rather than as a right-of-use asset. It is, therefore, appropriate for **bvc** Group to remove right-of-use assets from its accounts and recognise the net investment in the sublease.

To measure net investment in the sublease, **bvc** Group uses the discount rate used in the primary lease (adjusted for direct initial costs associated with the sublease).

During subsequent measurement, **bvc** Group applies lease payments for the period against gross investment in the lease to reduce the principal as well as the non-accumulated financial earnings (yield). **bvc** Group applies IFRS **9** account removal and depreciation requirements to the net lease investment. At the date of commencement, **bvc** Group recognises in its accounts the financial situation of financial lease assets, presented as accounts receivable at a value equal to the net lease investment.

Net lease investment: Gross lease investment less the implicit interest rate.

Gross lease investment: The sum of:

- Lease payments receivable by the lessor for the financial lease.
- Any non-guaranteed residual value receivable by the lessor.

In accordance with IFRS **16** paragraphs **75** and **76**, **bvc** Group recognises financial income for the duration of the lease, using a baseline that reflects a constant performance rate on the net financial investment the lessor has made in the lease.

6.4.18 Related-party transactions

6.4.18.1 Definition

A related-party transaction is the transfer of resources, services or obligations between a reporting organisation and a related-party, regardless of whether a price is charged.

bvc Group considers related-parties to be individuals defined as key personnel, and companies in which one party is directly or indirectly involved in the management, administration, control or capital of the other. This definition extends to:

- Associates
- Joint ventures
- Shareholders with a 10% stake or higher
- Managers
- Vice Presidents
- The Board of Directors

bvc Group ensures that its individual financial statements contain the necessary information to verify whether the period's financial position and profit and loss could have been affected by the relationship, transactions made and their remaining balances, as follows:

- Related-party relationships and transactions.

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- Remaining balances, including commitments, between bvc Group and related-parties.
- Circumstances that may require disclosure regarding subsections (a) and (b).
- A determination of the disclosable information on the above.

Related-party transactions are conciliated and revised each quarter. **bvc** Group discloses the nature of its relationship with each related-party, and information on transactions and remaining balances (including commitments), with a view to understanding the potential effect of the relationships on the financial statements.

6.4.19 Ordinary contract income

bvc Group recognises contracts with clients when they meet all of the following criteria:

- All parties have approved the contract in writing, verbally or by other customary means, and have committed to meeting their respective obligations.
- The organisation can identify each parties' rights with regard to the transferrable services.
- The organisation can identify payment conditions with regard to the transferrable services.
- The contract is commercially valid (i.e. organisational risk and cash flow will change as a result of the contract).
- It is probable that the organisation will collect the contracted value in exchange for the goods or services transferred to the customer. To evaluate this probability, the organisation evaluates the customer's intention and capacity to pay when due. The amount paid may be lower than the contracted price if payment is variable, because the organisation may give the customer a discount.

bvc Group recognises income from ordinary activities when it meets its obligation to provide the services contracted by the customer. **bvc** Group performance and service must not include obligations not described in the contract and that are not quantified in income.

Category (IFRS 15.B88 (a))	Disaggregated revenue (IFRS 15.114)	Performance obligation term (IFRS 15.119)	Transaction price allocated to the performance obligation (IFRS 15.121)
Capital market	Fixed-income Equities Derivatives Temporary transfer of securities	Monthly Monthly Monthly Monthly	Services referenced on the tariff sheet are recognised in bvc and deceval income, there are no obligations that are not described in the contract or that are not quantified in income, and benefit transfer to clients is identified in accordance with IFRS 15 paragraph 22.
Information	Screens EAS connections Information publishing and subscriptions Master Trader	Monthly Monthly Monthly Monthly	
Issuers	Securities listing and maintenance Special operations a2censo Issuance depository Issuance depository custody	Monthly Monthly Monthly Monthly Monthly	
Knowledge and information (bvc and precia)	Education Other ordinary income	Monthly Monthly	
	Price provision Asset valuation Mitra service	Per customer request Monthly (local equities are charged annually in advance) Monthly	
Post-trade	Securities management Transactions Enrolment fee Maintenance fee Securities custody	Monthly Monthly Once only Monthly Monthly	

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Category (IFRS 15.B88 (a))	Disaggregated revenue (IFRS 15.114)	Performance obligation term (IFRS 15.119)	Transaction price allocated to the performance obligation (IFRS 15.121)	
Clearing and settlement services	Clearing and settlement: standardised derivatives	Monthly	Variable according to transaction type as found in CRCC's annual fee information.	
	Clearing and settlement: non-standardised derivatives	Monthly		
	Clearing and settlement: Swaps	Monthly		
	Clearing and settlement: RRP's	Monthly		
	Clearing and settlement: Repos	Monthly		
	Notification and delivery	Monthly		
	Management from T+1 onwards	Monthly		
	Residual account use	Monthly		
	Fee for changing a third-party account in the cash equity segment	Monthly		
	Cash collateral management fee	Monthly		
	Delay events	Monthly		
	Preventative measures	Monthly		
	Collateral set up and release	Monthly		
	Changes to custody agent engagement and payment	Monthly		
	Collateral management by CRCC	Monthly		
	Extended hours	Monthly		
	Guarantee management session	Monthly		
	Variable monthly operating costs	Monthly		
	Membership	Once only upon CRCC enrolment		Fixed (50,000)
	Maintenance	Monthly		Fixed (1,222)
Connection type	Monthly	Fixed (326)		
Fixed operating charge	Monthly	Fixed (6,216)		
Debtor interest	Recurring	Variable - depends on lateness		
Liquidity providers	Monthly	Variable (depends on annually published fee)		

Category (IFRS 15.B88 (a))	Disaggregated revenue (IFRS 15.114)	Performance obligation term (IFRS 15.119)	Transaction price allocated to the performance obligation (IFRS 15.121)
Other ordinary income	Other	Monthly	In accordance with bvc Group fees for each segment
Information and valuation, other assets	Company valuation services	Per customer request	
	International fixed-income	Monthly	
	Domestic fixed-income	Monthly	
	Domestic equities	Anticipated annual	
	Foreign equities	Monthly	
	Foreign standardised OTC derivatives	Monthly	
	Structures promissory notes	Monthly - Customer consumption	On precia's tariff sheet
	CVA - OTC valuation	Monthly - Customer consumption	
	Foreign income	Monthly	
	Volatility factors	Monthly	
Suministro de proveeduría de precios	Calculation services	Monthly	
	Equity shares	Monthly	
	Vendor charges	Monthly	
	Mitra service	Mitra service	Monthly

At the start of non-standard contracts, **bvc** Group evaluates the goods and services contracted by the customer to identify the performance obligations of each transferrable item as follows:

- Identify the contract.
- Identify its individual items.
- Determine the transaction price.
- Distribute the transaction price among the obligations.
- Recognise income after meeting the terms of the contract.

6.4.19.1 Initial recognition

Income from ordinary activities is measured as the received or receivable payment value less any discount, bonus or commercial reduction.

In most cases, payment is in cash or cash equivalents and income from ordinary activities is measured at the amount of cash received or receivable. When a cash inflow is deferred over time, fair value is the

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nominal cash received or receivable over at most one year.

bvc Group invoices clients monthly for services in accordance with the contract and based on tariff information published on the company website. However, there are some exceptions, as follows:

- Prepayment of services: Prepayments are recognised as income in the corresponding period.
- Late settlement: **bvc** Group makes monthly provisions for services provided even when it has not issued an invoice. These provisions are settled once an invoice is issued for the associated services.

bvc Group annually assesses current contracts to validate that they comply with IFRS 15 guidelines and that they have been properly recognised as income on the financial statements.

bvc Group recognises income from ordinary activities when it meets its performance obligation by providing services to a customer. **bvc** Group performance obligations and services do not include anything that is not described in the contract or that is not quantified in income.

bvc Group income generating services are:

Service	Detail
Domestic custody	Custody and administration services for domestic securities, ensuring information privacy and notifying the issuer of any nominal values.
International custody	Facilitate managing individual and company overseas investment portfolios through deceval S.A. agreements with international custodians.
TIDIS (tax rebate certificates)	Issue, redemption and transfer of tax rebate certificates.
Dematerialised promissory notes	A DECEVAL product for financial and securities markets. A complete life-cycle solution for dematerialised promissory notes, providing agile, effective, risk-free processes, in a high-security web environment.
Dematerialised term deposits	Enjoy the same rights as a physical term deposit, but using technology. Security against robbery, fraud, loss or damage; agile issue and easy trading and redemption.
Securities administration	Equity rights management for issuers: capital, interest, returns and dividends on securities, deposited promptly in the indicated account. Services comply with decree 2555, 2010.

Transactions	deceval registers credit and debit values to and from depositor accounts. Payment is externally realised by the participating parties.
Capital market	Payment on delivery; deceval offers the service of securities transfer to counterparties that make immediate payment. This service eliminates securities trading risk (counterparty, credit and liquidity).
Issuers	Manage and administer trading operations; information; fixed-income, equity and standardised derivative platforms; and the foreign currency market, by operating in 100% of the financial, registration and information, cash and foreign currency forward markets.
Knowledge and information (precia)	Facilitate access to financing in the Colombian market through debt and share issues, and facilitate the sale and participation of shares in tender offer processes.
Technology and innovation	Investment valuations, supplemental pricing services, company valuations, market information for vendors, and education services.
Securities management	Consultancy, core banking implementation, and test and software construction mainly for financial and trading companies.
Other income	Custody, transaction, clearing and settlement.
Membership	All other activities not included in IFRS guidelines and not mentioned above. CRCC enrolment fee that allows the member to clear and settle in all segments, except swaps which are charged separately. The fee is charged once only to all types of member. Non-liquidating members that are admitted as individual liquidating members are charged the liquidating member fee six months after their enrolment as long as they are acting in both capacities in different segments, except swaps. Swap payment is charged once only to all types of member.
Maintenance	Monthly fee paid by liquidating and non-liquidating members and custody agents for maintaining their enrolment in the CRCC clearing and settlement system in all segments except swaps. Swaps: Liquidating and non-liquidating members pay an additional monthly maintenance fee.
Connection type	Monthly fee for members that use a second screen to connect to the company, as well as the "Station" screen.
Clearing and settlement: standardised derivative	Variable COP fee for each operation contract and part thereof, with clearing and settlement rights for each accepted transaction in accordance with the terms. Transactions that compound more than one instrument, for example roll overs or time spreads, are charged in accordance with the contract for each compound instrument.

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Service	Detail
Clearing and settlement: financial instrument	USD/COP NDF forward: Variable rate established as a COP fee for each USD in the transaction and each part thereof, with clearing and settlement rights for each accepted transaction in accordance with the terms.
Non-standardised derivative	IBR OIS formation: Variable rate established as a COP fee for each COP billion or its equivalent in a transaction and part thereof, with clearing and settlement rights for each accepted transaction in accordance with the terms. IBR OIS: Variable rate established as a COP fee for each COP billion or its equivalent in a transaction and part thereof, with clearing and settlement rights for each accepted transaction in accordance with the terms.
Clearing and settlement: Swaps	IS and OIS: Variable rate established as a COP fee for each COP billion or its equivalent in a transaction and part thereof, with clearing and settlement rights for each accepted transaction in accordance with the terms.
Clearing and settlement: RRP	Daily variable COP fee, including weekends and Colombian public holidays, based on the valid RRP transfer amount, with clearing and settlement rights for each accepted transaction in accordance with the terms.
Clearing and settlement: Repo	Daily variable COP fee, including weekends and Colombian public holidays, according to valid RRP transfer amount, with clearing and settlement rights for each accepted transaction in accordance with the terms.
Notification and delivery	Fee generated upon delivery of a future position, according to the type of liquidation, be that effective (delivery of an underlying asset) or financial, in the form of a value for each contract and purchase or sale point at the time of delivery.
Management from T+1 onwards	Contracted fee for position transfer, give up and adjustment, among others, on open positions traded prior to the management date.
Residual account use	Contracted fee for CRCC transactions assigned to a member's residual account if they did not assign them to the daily account on the day.
Cash collateral management fee	A percentage of interest earned on investments.
Fee for changing the structure of a third-party account in the cash equity segment	Variable fee according to the changes: From an identified third-party account to a third-party omnibus account segregated by clearing house, or from a third-party omnibus account segregated by clearing house to an identified third-party account, upon request from the members.
Delay events	Fee for member incurred delays, charged by the clearing house as a pecuniary COP value per event that is subject to debtor interest rates for late payment for the duration of the lateness.
Preventative measures	Per event fee for CRCC ordering one or various preventative measures, charged as a pecuniary COP value per event that is subject to debtor interest rates for late payment for the duration of the lateness.
Collateral set up and release	Charge for setting up and releasing collateral beyond established limits.
Changes to custody agent engagement and payment	COP fixed fee for clients that modify their securities custody situation or resource location more than once a quarter, whether employed by other members or themselves.

CRCC collateral management

Generated when CRCC manages collateral set-up for a member, other than extraordinary collateral requests.

Extended collateral management hours

CRCC will specify a term within which members must set up any regular collateral it requests. If the member has not done so at the end of this term, a percentage will be charged of the required collateral amount.

Liquidity providers

Generated when a member requests an extended session to set up and/or release collateral.

Variable monthly operating costs

Generated when CRCC has to carry out eligible currency monetary transactions in cash to comply with clearing and settlement of accepted transfer orders when one or more of the direct participants is late or noncompliant.

Fixed operating charge

Daily variable COP fee, including weekends and Colombian public holidays, based on the value of eligible currency purchase and sale transactions, with clearing and settlement rights for each accepted transaction in accordance with CRCC terms.

Debtor interest

Monthly amount charged to members that gives them the right to carry out purchase and sale transactions in eligible currency using CRCC.

An interest rate of 18.09% on unpaid CRCC member obligations when carrying out purchase or sale transactions in eligible currency.

6.4.20 Government subsidies

6.4.20.1 Recognition

bvc Group recognises monetary and non-monetary government subsidies as soon as it is reasonably certain that the recipient company complies with the necessary conditions and will receive the subsidy; Reasonably certain is understood to mean that all the necessary conditions to be a real beneficiary of the subsidy have been met.

At 31 December 2021 and 2020 Colombian Securities Exchange S.A, recognised 343 and 1,715 in subsidies.

6.4.20.2 Initial recognition

Monetary government subsidies are recognised as deferred income using the income method, and

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amortised in the income statement over the period the organisation recognises as expenses the costs associated with the subsidies.

A government subsidy received in exchange for previously incurred expenses or losses (in the current or previous periods), or to lend immediate financial support to the organisation without related subsequent costs, or having met the conditions of being a real beneficiary, is recognised as income in the period it becomes executable.

A government subsidy that becomes returnable is accounted for as a change in accounting estimates according to IAS 8.

The return of an income-related subsidy incurs in the first instance the cost of any income recognised as non-amortised deferred income related to the subsidy. When the refund is greater than the sum to be deferred (or if none remains), it is immediately recognised on the income statement for the period.

6.4.20.4 Classifying subsidies

bvc Group, recognises international IDB support for project development as one of the following types of government subsidy:

- **Repayable:** Funds received from IDB for bvc Group projects. Initial recognition is based on the value granted and the exchange rates specified in the cooperation agreement. These funds will be repaid according to the terms agreed with IDB.
- **Non-repayable:** Funds received for specific project development activities that are directly recognised in income when they are received from IDB.

6.4.21 Expense policy

6.4.21.1 Recognition

An expense is recognised when a decrease in assets or an increase in liabilities has occurred, and the expense can be reliably measured.

Expenses are recognised on the income statement using a direct association baseline between the cost

incurred and the income obtained.

Expenses are immediately recognised on the income statement when disbursement will not produce any future economic benefits, or when future economic benefits do not materialise, or the conditions end that required them to be recognised as assets on the balance sheet.

Expenses are also recognised in cases where a liability occurs without a corresponding asset.

6.4.22 Operating segments

6.4.22.1 Identifying operating segments

bvc Group information is structured by operating segment. Operating segments are **bvc** Group components for which financial information is available that is regularly assessed by **bvc** Group senior management. Operational decisions on resource distribution and performance assessment are also the responsibility of **bvc** Group senior management.

Operating segments are:

bvc:

Business purpose: organising, legislating, administering and operating securities trading establishments and electronic systems that facilitate trading in all classes of tradable securities and goods (foreign currency, derivatives), in accordance with relevant legal precepts and legislation.

Deceval:

Business purpose: custody, administration, clearing and settlement of credit securities, equities and financial instruments on deposit that are registered with the National Securities and Issuers Register, that are domestically or internationally issued, traded or registered.

CRCC:

Business purpose: providing clearing services as a central transaction counterparty, that reduce or eliminate the risk of noncompliance.

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Business purpose: Pricing and valuation of fixed-income, equity and OTC derivative instruments, structured products and other assets not traded on the securities market (including companies, real estate and projects); valuation system management; and risk fund analysis.

Other investment vehicles:

Other investment vehicles comprise Invesbolsa S.A.S, Inverbvc S.A.S, **bvc-pro** S.A.S and **bvc-plus** S.A.S. Their objective is to create and participate in companies and organisations that are directly related to **bvc** Group activities and services, with a view to facilitating, growing or complementing them.

6.4.22.2 Information disclosure

bvc Group regularly evaluates each segment's performance and discloses information separately for each, in compliance with the following quantitative thresholds:

- a) Disclosed ordinary income by segment and between segments that is equal to or greater than **10%** of combined ordinary income
- b) Total net income reported by segment is, in absolute terms, equal to or greater than **10%** of the higher amount of:
 - (i) Net combined income from all segments not reporting a loss.
 - (ii) The combined losses of all operational segments showing a loss.

Disclosed ordinary income is subdivided into the following business lines:

Capital market

Fixed-income
Equities
Derivatives and securities lending

Issuers

Issuer deposits and promissory notes
Securities registration and support
Special operations

Knowledge and information

Information publications and subscriptions
Screens
SAE connection
Master Trader
Education
precia

Post-trade (deceval)**Clearing and settlement (CRCC)****Other income (investment activities, earnings or other income)****Other ordinary income**

- c) **bvc** Group discloses expenses incurred during ordinary activities in the identified operational segment.
- d) Assets and liabilities that are equal to or greater than 10% of combined assets and liabilities from all operational segments, or assets and liabilities that management considers important to disclose. Information on business activities from operational segments not subject to disclosure is combined and divulged in the "Other" category.

6.5 Counterparty transactions

The principal CRCC recognition and measurement policies taken into account in these **bvc** Group consolidated financial statements are:

6.5.1 Repo transactions**Initial recognition**

IFRS 9 regulates financial investments and establishes the principles and criteria for classifying and valuing investments, and recognising them in income or equity.

CRCC recognises a financial asset or liability in its financial statements only when it becomes one of the instrument's contracted parties.

CRCC, in accordance its general collateral investment policy and item **2** of its operational rules, and the Unique Circular, may invest cash resources received as collateral. CRCC may execute repo or open-market

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transactions using a Banco de la República (central bank) interest-bearing account. These are measured at fair value.

Subsequent measurement

Financial liabilities are classified at fair value with changes posted to profit and loss depending on their designated category. Financial liabilities are measured at fair value with changes posted to profit and loss if they are classified as held for sale, if they are derivatives, or if they are classified as such during initial recognition. Profit and loss, including any interest expenses, are recognised in profit and loss.

6.5.2 Restricted cash – collateral

Non-freely transferrable cash funds that are held in frozen accounts, collateral deposit accounts or restricted accounts, such as the UDA account for cash collateral received from members and the Citibank account for US dollar collateral, are evaluated to see whether they comply with the definition for cash and cash equivalents or are restricted, as follows:

- Funds are available immediately, or in less than one day.
- Funds may be easily liquidated or converted.
- Funds are subject to insignificant value changes.

If this is the case, they are available to meet short-term payment commitments.

CRCC considers as restricted cash monies registered in the central bank's Unique Deposit Account and Citibank FX account, in which cash collateral received by CRCC from members is registered during clearing and settlement operations. This collateral is restricted and may not be used for CRCC operational purposes.

6.5.3 Deposits

Members are required to deliver their own or a third-party's collateral to CRCC for its irrevocable use. This collateral affects the clearing, settlement and compliance of transactions accepted by CRCC.

Articles 10 and 11 of Law **964:2005**, Decree **2555:2010**, and CRCC rules approved by the Colombian Financial Superintendence, confirm that collateral required by CRCC is protected by principle of purpose and collateral protection. Therefore, acts that increase or substitute collateral required by CRCC are irrevocable and may not be refuted, annulled nor declared ineffective.

As a consequence, the collateral constituted by members for clearing and settling accepted transactions may not be revendicated, redirected, retained, nor judicially or administratively affected, until the obligations derived from the transactions have been met in their entirety. Third parties are responsible for constituting any corresponding collateral with the member.

Members are obliged to constitute and maintain the collateral required by CRCC to cover at all times their obligations, those of their third parties and those of their non-liquidating members and third parties.

In all cases, the liquidating member is responsible to CRCC for constituting, delivering and adjusting collateral, and for substituting or replacing it, regardless of whether acting in their own name or that of a non-liquidating member or third party.

CRCC registers net accepted operations in its accounts. The CRCC risk model is used to manage the derivative and fixed-income segments, and each accepted transaction is registered according to whether it is a standardised or non-standardised primary segment derivative, a secondary segment RRP transaction, a tertiary or equity segment share repo transaction, or a quaternary or swap segment interest rate swap.

CRCC estimates and requires transfer of necessary and sufficient collateral to cover the clearing and settlement of accepted transactions, including potential losses from noncompliance, market price variations or new positions.

Collateral may be ordinary, extraordinary, collective or a contribution for service continuity. Collateral constituted in collective collateral funds for each segment allows CRCC to mutualise possible losses from a member's noncompliance.

CRCC conducts stress testing on each segment that includes a wide range of scenarios based on worst

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historic movements and plausible extreme price movements. Designing these scenarios involves breaking correlations between historically correlated assets and creating correlations between historically unrelated assets. Worst-case losses are calculated for each member and compared to the required or deposited collateral, and the results of this process determine each member's contribution to the mutual collateral fund. In addition, CRCC conducts a daily stress test on the mutual collateral fund to verify whether it covers at least the two most exposed members.

If a member does not substantially transfer all risk and reward inherent to the transferred asset and retains control of it, they continue recognising the transferred asset for as long as this situation continues.

If CRCC no longer has control of securities-based collateral, it is recognised as in commitments and contingencies. CRCC controls cash collateral and this is recognised in the accounts as restricted cash.

6.5.4 Commitments

CRCC's principal objective is to be a reciprocal creditor and debtor with regard to rights and obligations derived from the transactions on the Colombian capital market that it has agreed to clear and settle, irrevocably assuming this role with all parties in the transaction that have a legal bond with CRCC, but not with each other. In this sense, it is a buyer for all sellers and a seller for all buyers that mitigates the risk of transactional noncompliance.

CRCC clears and settles the following transactions:

- i. Standardised derivatives (COLCAP futures, specific reference treasury futures, stock index futures, stock delivery futures, OIS futures, electricity futures, FX futures and share options).
- ii. Non-standardised derivatives (USD/COP NDF and IBR OIS forwards).
- iii. RRP transactions.
- iv. Repo transactions.
- v. Cash and temporary transfer of securities transactions.
- vi. Interest rate swap and cross currency swap transactions
- vii. USD-COP cash foreign exchange.

The rights and obligations generated by these instruments are classified as open positions, and each open

position is recognised at fair value. CRCC registers all accepted transactions according to the code it assigns to each member or identified third party. Open positions are presented in the financial statements for each member or type of product (asset or liability).

Given that CRCC debits or credits the UDA account of members with open positions resulting from clearing and settlement processes each day, value changes are not recognised in its financial statements.

CRCC entered the FX segment following its business combination with Cámara de Compensación de Divisas de Colombia (CCDC) on **14 December 2020**. Under Banco de la Republica External Resolution **27: 2020**, CRCC is permitted to manage FX clearing systems according to the terms and conditions specified in the central bank's Resolution **4:2006**. From **1 February 2021**, CRCC became the counterparty for USD-COP cash FX transactions, and these transactions are recognised in its financial statements. At **31 December 2020** CRCC had not yet begun to execute these transactions as a counterparty, so they are in its control accounts.

Footnote 7 - Non-effective issued rules

Rules and amendments

There follows a list of IASB amendments in 2020 and 2021, some of which became internationally effective from 1 January 2021 and others that will become effective from 1 January 2022 and 2023.

Current rules and amendments:

Rule/interpretation/ modification	Issued	Related to or amending	Detail
Interest rate benchmark reform – Phase 2	August 2020	IFRS 9, IAS 39, IFRS 7, IFRS 4 y IFRS 16	IFRS 9 states that modifying a financial contract may require significant profit or loss to be recognised. This amendment introduces a practical expedient for modifications required by the IBOR reform and made on an economically equivalent basis. These modifications are accounted for by updating the effective interest rate.

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Recent rule changes that are effective after 1 January 2021 and that can be adopted early starting on 1 January 2022 are as follows:

Rule	Issued	Related to or amending	Detail
Onerous contracts – cost of fulfilling a contract	May 2020	IAS 37	<p>Clarifies the costs a company should include as a cost of fulfilling a contract as:</p> <ul style="list-style-type: none"> ● incremental costs, e.g. direct labour and materials, ● an allocation of other direct costs, e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. <p>Effective from 1 January 2022</p>
Annual improvements to IFRS's 2018-2020 cycle	May 2020	IFRS 1, IFRS 9, NIIF16	<p>IFRS 1: The amendment simplifies IFRS 1 and for a subsidiary that adopts and applies paragraph D16(a) of IFRS 1 after its parent company. The subsidiary may opt to measure the cumulative conversion differences from all foreign business using the amounts reported in its parent's consolidated financial statements, based on the parent's date of transition to IFRSs.</p> <p>IFRS 9: The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.</p> <p>IFRS 16: The amendment removes the illustration of lessor payments for lease improvements. As currently written, this example does not clarify why these payments are not a lease incentive.</p> <p>Effective from 1 January 2022</p>

Property, plant and equipment: Proceeds before intended use

May 2020

IAS 16

The amendments state that proceeds from selling a PPE item before it is available for use must be recognised in profit or loss together with its production cost identified and measured using IAS 2.

Companies must distinguish between:

- the cost of producing and selling a PPE item before it is available for use, and
- the cost of making a PPE item available for its intended use.

Effective from 1 January 2022

Reference to the conceptual framework

January 2020

IFRS 3

IFRS 3 states that companies must classify a liability as current when they have no unconditional right to defer its liquidation for at least 12 months following the end of the current reporting period. The amendment eliminates the requirement that the right be unconditional; it may now be substantial and exist at the end of the current reporting period.

Effective from 1 January 2023

Classifying liabilities as current or noncurrent

January 2020, modified in July 2020.

IAS 1

Modifies the requirement to class liabilities as current by establishing that entities must classify a liability as current when "they do not have the right at the end of the current reporting period to defer settlement for at least 12 months after the reporting period."

Clarifies in paragraph 72A that "the right of an entity to defer settlement of a liability for at least 12 months after the reporting period must be substantial and, as illustrated in paragraphs 73 to 75, must exist at the end of the reporting period."

Early application is allowed. The effect of application on comparative information shall be retroactive.

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Rule	Issued	Related to or amending	Detail
Insurance contracts	January 2017	IFRS 17	Applicable to insurers. Application date: 1 January 2023.
Disclosing accounting policies	October 2018	IAS 1	The key modifications to IAS 1 include: * Require companies to disclose their material accounting policy information rather than their significant accounting policies. ● Clarify that accounting policy information relating to immaterial transactions, other events or conditions need not be disclosed because it is immaterial. ● Clarify that not all accounting policies relating to material transactions, other events or conditions are themselves material to a company's financial statements. This adjustment is applicable from 1 January 2023
Defining accounting estimates	October 2018	IAS 8	Modification to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, clarifying that companies must distinguish between accounting policies used for changes to accounting estimates, with the principal focus being defining and clarifying accounting estimates.
Deferred tax related to Assets and Liabilities arising from a single transaction	May 2021	IAS 12	The modifications reduce the scope of exemption at initial recognition to exclude offsetting temporary differences, such as leases and decommissioning liabilities. Applicable from 1 January 2023

Footnote 8 - Risk Management

1. Internal control system

The internal control system is aligned with Colombian Financial Superintendence regulations and the international COSO framework.

This system underpins the achievement of strategic objectives by ensuring operational efficiency and efficacy, adequate risk management, timely and trustworthy information, and compliance with applicable legislation.

The system has six (6) fronts—control activities, risk management, information and communication, monitoring, independent evaluation, and control environment—and provides a framework for action that is followed by the entire organisation.

The Internal Control System uses a three lines of defence model for process and risk management, and independent evaluations. The entire organisation applies principles of self-control, self-management and self-regulation, and process leads are aware of their responsibility regarding the risk they manage, and understand and respect the independence of risk management and audits.

In accordance with bvc Group policy, and to ensure procedures are aligned, subsidiaries are given support with implementing risk management methodology changes.

2.2. Quality control system (not audited)

The Quality Control System's main objective is to maximise the efficiency and quality of bvc Group products and services by delivering value to customers, eliminating unnecessary steps, identifying areas for improvement and reducing errors.

In 2021, our activities strengthened the management system with virtual assistants for various processes that optimise resources and improve response times. We also implemented a new corporate tool called Polarix to integrate all information held on management systems. This facilitated coordinated working, centralised various activities, and complied with each system's requirements.

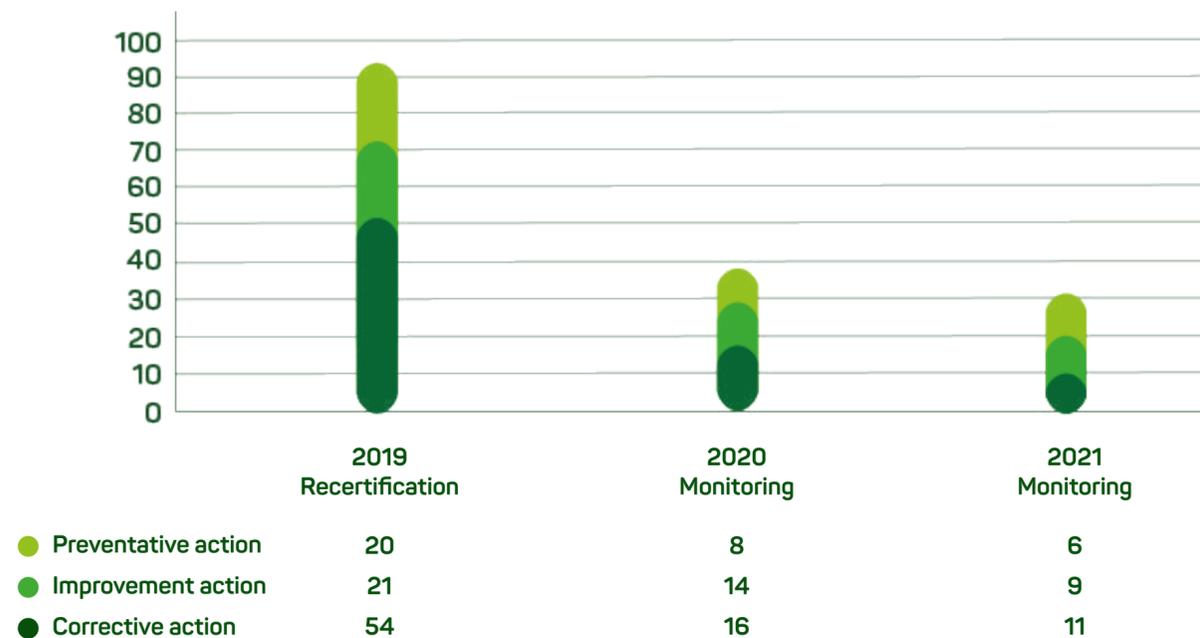
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An external audit was carried out in November to monitor the multi-company Bureau Veritas ISO **9001** certification. The audit concluded that the organisation has established and maintained a management system in accordance with the rules, and has demonstrated that the system has sufficient capacity to comply with product and service requirements and the organisation's policies and objectives. No findings were reported and the following strengths were identified, among others:

- Management's commitment to maintaining the management system.
- An organisational focus on customer satisfaction.
- Knowledge, understanding and consciousness of employees regarding the management system's importance.

Evolution of action plans over the past three years is as follows:

Quality Management System Action Plans 2019-2021 Evolution



As can be seen, there has been a fall in findings thanks to implementing actions that strengthen the monitoring system. At **31 December 2021, 96%** of action plans had been closed.

3.Risk management

To comprehensively manage risk—including operational risk, market risk, liquidity risk, reputational risk, legal risk, information security risk, money laundering risk, financing of terrorism risk, and financial risk—**bvc** Group has a robust governance structure that includes policies, procedures, methodologies and manuals that provide an adequate risk profile for the securities market.

A cyclical risk management model permanently identifies, measures, controls and monitors risk including fraud, money laundering and the financing of terrorism in the following areas: human resources, processes, technology, infrastructure, external events, legal, reputational, financial and behavioural.

bvc Group has adopted a corporate risk management policy that prevents and controls risks that may threaten the normal functioning of its businesses, and guarantees process and support quality standards that meet our guiding principles.

Execution and compliance of the above is based on current legislation and ISO **31000**, **27000** and **27005**, and AS/NZ **4360** international standards. The organisational structure is adequate, trained and independent, and the risk event register system monitors risks until a definitive solution is found. We have the technological infrastructure necessary, and have established the required evaluations and an employee training programme to ensure that employees in charge of risk management have the skills and knowledge they need to do their jobs.

Process and risk management reports are sent to the Audit and Risk Committee and the Board of Directors every two months at a minimum. There is an annual schedule that includes the different types of organisational risks managed and establishes specific monitoring plans.

bvc's risk model follows the Group's Corporate Governance Policy that defines relationships within **bvc** Group (see infographic) as being of Comprehensive Control and Control with Autonomy.

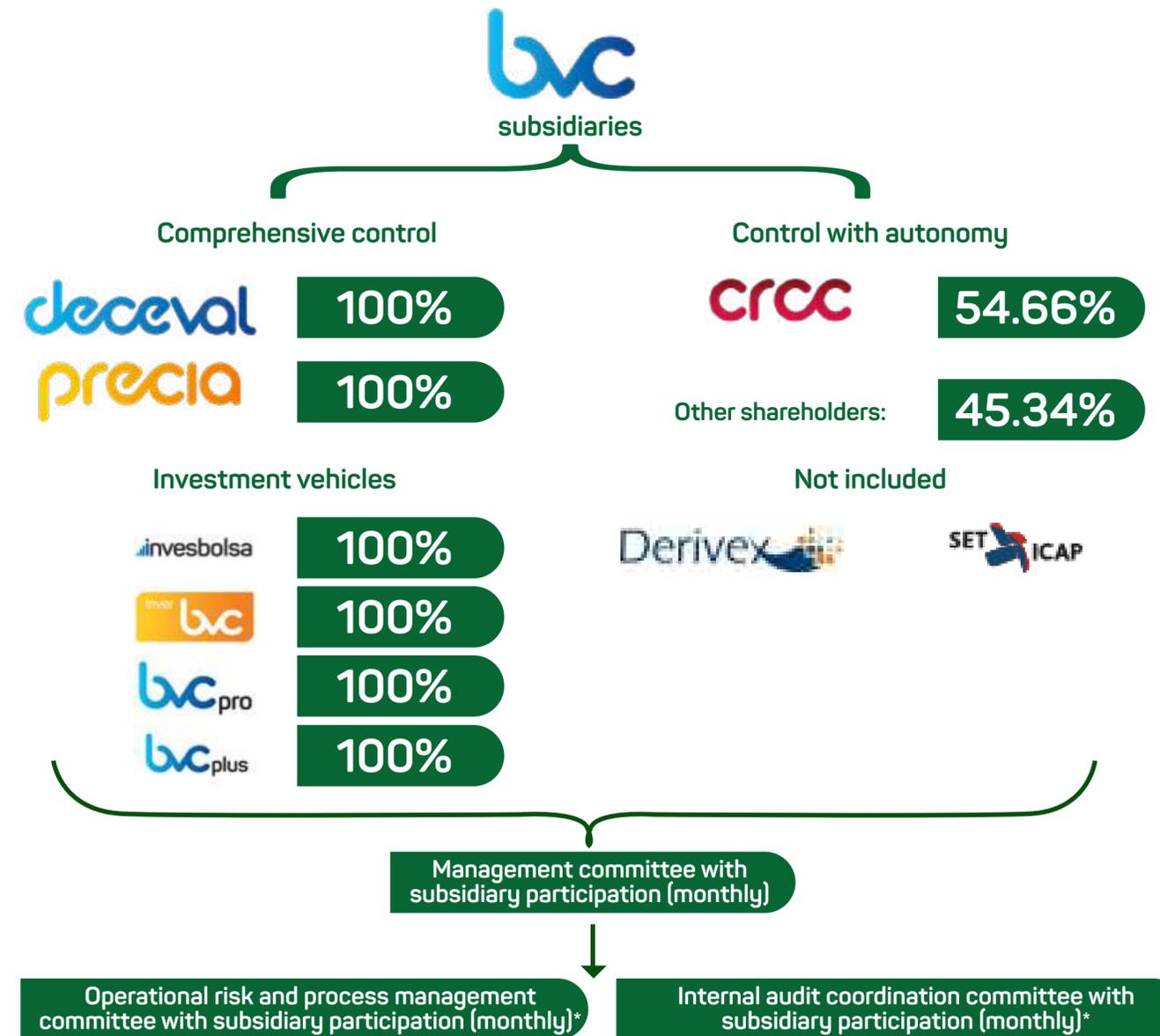
Comprehensive Control:

Companies where **bvc** is the direct or indirect owner of **100%** of shareholder equity. Subsidiaries must comprehensively apply the policy's guidelines and criteria with regard to corporate governance, accounting and finance, internal controls, audit and risk, and information and communication.

Control with autonomy:

Companies in which **bvc** has a direct or indirect majority holding, but there are also third-party shareholders. These entities are able to act with enough autonomy and independence to make their own decisions on operational development in day to day activities. In **2021**, this policy does not include SET-ICAP FX S.A., SET-ICAP SECURITIES S.A. or Derivex S.A.

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*Since Group Policy update in March 2021.

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In line with this model, precia and CRCC operating committees meet monthly to manage risk.

Risk management and processes include the following:

3.1. Operational risk management

Risk management is aligned with strategic context and Colombian Financial Superintendence guidelines, and assigns the resources, processes and tools required to implement the Operational Risk Management System, based on ISO 31000.

bvc Group entities follow the group's risk outlook and establish mechanisms to supervise risk exposure and risk management actions.

Risk management covers processes that directly and indirectly deliver value to our clients, and mechanisms have been established to identify, value, treat, monitor and communicate risk the organisation is exposed to in its business activities and changes.

In 2020, bvc and its subsidiaries managed operational risk within acceptable tolerance thresholds, meaning that mechanisms to manage factors and consequences and the capacity to identify change that could affect value delivery to customers.

Entity	31 December 2021		31 December 2020	
	Processes	Risks	Processes	Risks
Exchange and Depository	21	495	21	495
CRCC	35	246	9	299
Precia	18	276	19	272
bvc Grupo	48	1017	49	1066

Controls evolve and improve dynamically in line with the evolution of risks, projects, system changes, processes and RPA implementation.

Net losses in 2021 associated with operational risk events were:

Entity	31 December 2021 (thousands of Colombian pesos)	31 December 2020 (thousands of Colombian pesos)
bvc	-	17.295
Deceval	730.935*	31.596
CRCC	1.452.000	-
Precia	-	4.686
bvc Grupo	2.182.935	53.577

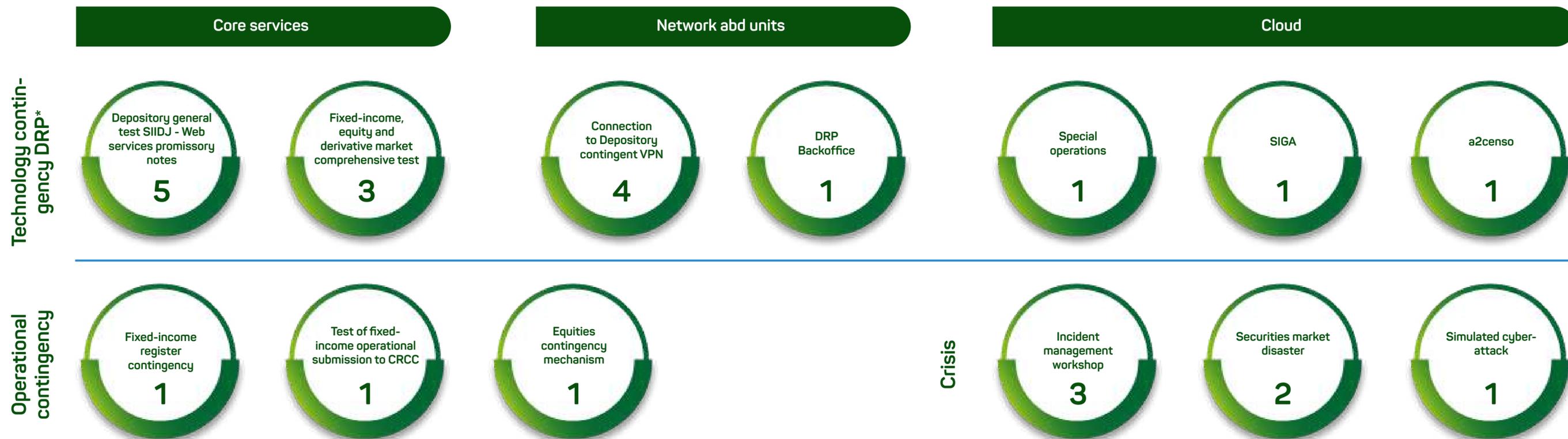
*Losses associated with operational risk events occurring in 2020 but accounted for in 2021. Per Colombian Financial Superintendence administrative order 2021162980-000-000, process 122 Administrative action – orders and activity 295 295-Administrative order, a provision was recognised of 727,024 (see Footnote 24), and an operational risk cost of 3,911 was recognised.

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3.2. Disaster management and business continuity

In **2021**, we continued to constantly manage **bvc** and deveral disaster and business continuity planning, and focussed our efforts on updating product focussed business analyses. We took action to strengthen the company's operational resilience to the changing nature of the COVID-19 health emergency and ensure service continuity.

A total of **25** planned tests were carried out at the Exchange and Depository, as follows:



Technology contingency DRP*: Technology contingency tests that fully or partially use or simulate the contingent datacentre.

8. GRI:

Technology contingency tests were carried out on Depository products in a contingency environment that complied with RTO objectives and showed that recovery capacity is as expected for critical processes. At the Exchange, comprehensive contingency tests were carried out during non-business hours on fixed-income, equities and derivatives. We carried out operational contingency tests on the fixed-income and equities markets, with customer participation. We tested cloud-hosted product contingency tests on special operations, the Comprehensive Assembly Management System and a2censo that produced satisfactory results. A highlight was the first test of the securities and FX market disaster protocol in conjunction with other infrastructure providers.

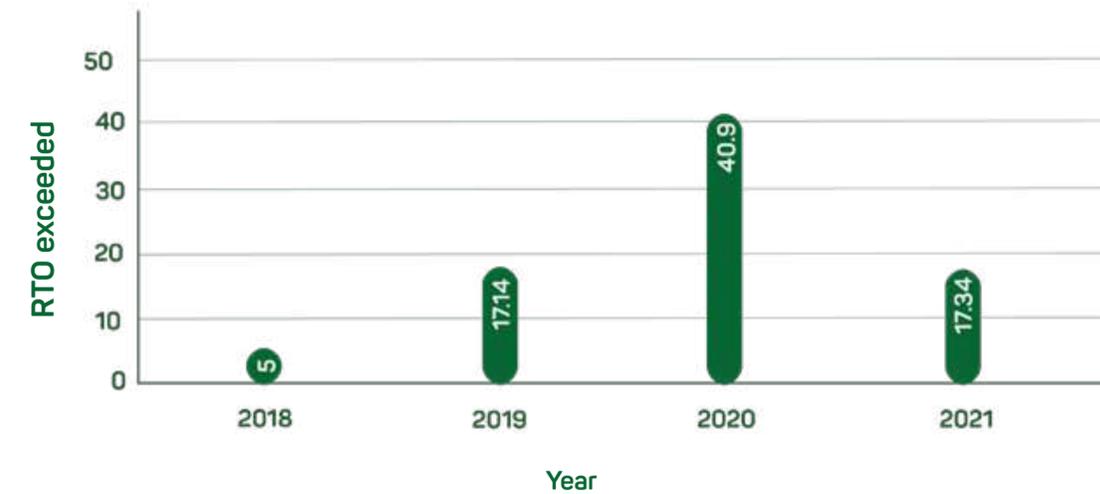
There were **31** continuity incidents in **2021**, of which **22** exceeded the RTO* for products offered to the market. This was an increase of **8** total incidents, and **10** interruptions, compared to **2020**. However, it should be noted that event duration fell compared to **2020**, and there were no interruptions due to market volatility in accordance with established rules.

*Recovery Time Objective

Incidents 2018 - 2021



RTO exceeded 2018 - 2021



None of the incidents in **2021** were related to the COVID-19 health emergency due to the measures taken to confront it, or data filtration. There were some partial interruptions that were properly managed using the technology and operational contingency plans available for each process and platform.

Of note was the implementation of a transactional contingency mechanism for the equities market that will operate as a contingency strategy in the case of an equities trading software failure.

Throughout **2021**, the disaster protocol team worked on our preparedness to overcome disasters caused by global or specific failures that supersede individual reaction capacity. Our focus was on including in the rules the protocol approved by Colombian Financial Superintendence Resolution **0674:2020**, and executing the first test of the protocol in September **2021**. We began to apply the protocol to all products, and will continue to work on this in **2022**.

We continually participated in the Colombian Securities and FX Market Disaster Management Committee, in conjunction with other infrastructure providers (**bvc**, CRCC, Set Icap FX, Set Icap Securities, Derivex, Precia, Tradition, and GFI).

8.
GRI:

Subsidiary management at CRCC in **2021** consolidated around a BCP structure as a fundamental pillar for permanently and securely providing member services, and guaranteeing the availability of clearing and settlement. In spite of the circumstances, operational equipment and application functioning and backup was tested according to the established timeline for operational and technological tests. Equipment, communications and information recovery functions, etc. were verified. We noted an important strengthening in our alternative operations centres.

Our Disaster and Contingency Protocol is an important tool for securities and FX market infrastructures. It was approved by the Colombian Financial Superintendence last year, and collective testing began this year to validate and verify its efficacy.

Precia updated its Disaster Management and Business Continuity Manual in **2021**. Procedures, plans and instruments were revised and updated, including the BIA to determine highly critical processes. Operational recovery procedures, plans and strategies from interruption to recovery were also updated.

Employees' knowledge and abilities regarding business continuity management were strengthened through training activities, and workshops on the system and the plans that support it.

In the context of the COVID-**19** health emergency, Precia S.A. management monitored identified risk in **2021** and continued to take pertinent measures to effectively manage any risk that emerged from the situation.

No structural changes were made to service provision processes, and no modifications were made to the design, implementation and continuous operation of their controls. No new risks emerged that required additional controls.

3.3. Information Security and Cybersecurity Management System

We strengthened the Information Security and Cybersecurity Management System in **2021**, and included challenges caused by the health emergency.

We strengthened the Information Security and Cybersecurity Management System by continuing to im-

prove its processes and maintaining our commitment to customers to guarantee the security of bvc services, and ratified the Information Security Management System based on the ISO **27001** certification obtained in **2019**, for all services and branches. This strengthened our commitment to security in the Colombian securities market.

Part of our strategy to strengthen the Information Security and Cybersecurity Management System included updating the following documents: Rules for Managing Vulnerabilities, Rules for Managing Information Security and Cyber Security Risks, Rules for Managing Incidents, Information Asset Matrixes.

A culture plan was developed in conjunction with the Communications, Marketing and Publicity departments to train **bvc** Group employees in social engineering, phishing, ransomware, BEC, simulated cyber-attack / emerging threats (ransomware/personal data), cyber-deception, specialised IT training.

3.4. AML/CFT compliance management

In compliance with local legislation and international recommendations on preventing and controlling money laundering and the financing of terrorism, we developed activities to implement and strengthen controls that mitigate these risks in a continuous improvement framework.

We continued to strengthen digital customer onboarding as part of our KYC process to improve the customer experience and onboarding security, especially for a2censo and dematerialised promissory notes that have **100%** digital onboarding processes.

Legislative reports were opportunely sent to the Financial Analysis and Information Unit (UIAF), and we complied with the requirements of AML/CFT compliance bodies.

We distributed AML/CFT policies and processes to all employees through a risk and process training plan and new employee training, and promoted an AML/CFT culture.

We continuously supported AML/CFT processes in project development.

With regard to compliance our activities included the following:

8.
GRI:

- Monitoring compliance with issuer website information disclosure requirements for equity, fixed-income, mutual fund, private capital fund and Colombian global markets, and for securities issuer IR recognition.
- Managing and renewing noncompliance, financial risk, director and manager civil liability, and **bvc** Group company (cyber) information loss civil liability policies.
- Managing the customer risk audit process and supporting customer risk management.

3.5. Financial risk management of the investment portfolio

bvc Group investment portfolio risk management is based on establishing limits and policies to mitigate the materialisation of and exposure to risk and its impact on financial statements and profitability. The general objective is to facilitate the effective and efficient treatment of the inherent uncertainty and risk involved in managing financial resources, and improve value generation for shareholders.

Among **bvc** Group companies, only Deceval, Colombian Securities Exchange and CRCC have an investment portfolio, and they each participate in the securities market according to the policies, investment strategies and level of risk determined by their management. This means that different financial asset portfolios are managed within the permitted limits and levels of risk.

The guidelines restrict portfolio exposure to four asset classes: **(i)** TES (treasury bonds) in COP, **(ii)** TES in UVR (Real Value Unit, a Colombian accounting unit), **(iii)** Local private debt securities, **(iv)** Derivatives. This selection reflects entities' liquidity requirements and appetite for risk.

At the December **2021** close, the Exchange's investment portfolio was worth **32,492,920**. The Exchange's investments in **2021** increased the investment portfolio by **29,685,452 (1,057%)** compared to December **2020**.

At the December **2021** close, Deceval's investment portfolio was worth **9,735,808**; the company's liquidity needs in **2021** reduced the portfolio by **469,568 (-4.60%)** compared to December **2020**.

CRCC resource management was aligned with its investment policy. This establishes that investments may be made in: **i)** Colombian government securities with **3**-year terms or greater, and **ii)** savings account deposits with AAA-rated and CAMEL **3.5+** banks for a maximum of **1.5** years. At the December **2021** close, the CRCC's investment portfolio was worth **42,158,115**. CRCC's investments in **2020** increased the investment portfolio by **11,652,915 (38%)** compared to December **2020**.

3.5.1. Market risk

Market risk to the investment portfolio

Market risk is defined as the probability that losses will be incurred due to adverse variables in the financial markets.

The different business areas and the treasury mitigate market risk by efficiently managing resources in accordance with investment strategy. Equally, risk departments contribute by measuring and monitoring risk. To do this, measurement tools were defined such as Value at Risk (VaR) and internal analytics.

The risks that **bvc** Group may be exposed to are detailed below:

Interest rate risk

Interest rate variations can devalue portfolios and affect their performance.

At **31** December **2020**, **bvc** Group subsidiary investment portfolios are exposed in the following short and long-term local currency fixed-rate fixed-income instruments that allow risk to be mitigated:

Exchange portfolio composition by type of rate:

Rate	Market value 2021	% Participation	Market value 2020	% Participation	Market value
Fixed-rate	32,492,920	100%	2,807,468	100%	29,685,453
Total	32,492,920	100%	2,807,468	100%	29,685,453
	At 31 December 2021		At 31 December 2020		

8.
GRI:

At **2021** year-end, compared to **2020**, there was a concentration of fixed-rate titles in the Exchange's portfolio. This concentration consists of mitigating significant portfolio value variations due to changing market rates

Deceval portfolio composition by type of rate:

Rate	Market value 2021	% Participation	Market value 2020	% Participation	Market value
Fixed-rate	9,735,808	100%	10,205,376	100%	(469,568)
Total	9,735,808	100%	10,205,376	100%	(469,568)
	At 31 December 2021		At 31 December 2020		

At **2020** year-end, compared to **2019**, there was a concentration of fixed-rate titles in Deceval's portfolio. This concentration consists of mitigating significant portfolio value variations due to changing market rates, with a view to facilitating the company's **2020** cash flow compliance.

CRCC composition by type of rate

Rate	Market value 2021	% Participation	Market value 2020	% Participation	Market value
Fixed-rate	42,158,115	100%	30,505,200	100%	11,652,915
Total	42,158,115	100%	30,505,200	100%	11,652,915
	At 31 December 2021		At 31 December 2020		

CRCC is exposed to interest rate fluctuations that affect its financial position and future cash flows. Interest margins can increase when interest rates change, but they can also fall and generate losses due to unexpected rate movements. CRCC mitigates risk exposure by monitoring these movements.

In addition, as mentioned previously, subsidiaries' risk departments are in charge of measuring and monitoring exposure to risk; measurement uses Value at Risk (VaR).

Value at Risk (VaR):

We use VaR methodology to calculate market risk by determining the maximum expected portfolio value loss over time, through a normal distribution with a **95%** confidence level.

bvc and deceval risk management departments have defined the combined VaR reference threshold to be **3.5%** monthly, to preserve resources in accordance with established strategy. Although the Colombian Securities Exchange individual portfolio exceeded the **3.5%** in December, the limit applies to the combined **bvc** and Deceval portfolio approved by management. The combined portfolio's VaR did not exceed the **3.5%** monthly limit in **2021**, with **95%** confidence

Exchange VaR

Average Colombian Securities Exchange monthly VaR evolution in **2021** is shown below with **95%** confidence.

Portfolio VaR

Date	bvc
31/12/2020	0.6%
29/01/2021	0.8%
26/02/2021	1.1%
31/03/2021	1.9%
30/04/2021	2.2%
31/05/2021	2.8%
30/06/2021	3.0%
30/07/2021	3.0%
31/08/2021	3.1%
30/09/2021	3.2%
29/10/2021	3.2%
30/11/2021	3.4%
31/12/2021	3.6%

8.
GRI:

The following table shows an analysis of Colombian Securities Exchange investment portfolio VaR sensitivity to possible variations in asset values due to changes in macroeconomic variables. Two stress scenarios were simulated in which the standard deviation of daily portfolio returns was taken to be **2x - 3x** greater than that experienced in **2021**. A **95%** level of confidence was assumed and Exchange investment policy remained constant.

VaR Sensitivity Analysis

Scenario 1: 2x increase in standard deviation		Scenario 2: 3x increase in standard deviation	
Date	bvc	Date	bvc
29/01/2021	1.54%	29/01/2021	2.31%
26/02/2021	2.16%	26/02/2021	3.24%
31/03/2021	3.73%	31/03/2021	5.60%
30/04/2021	4.45%	30/04/2021	6.68%
31/05/2021	5.70%	31/05/2021	8.55%
30/06/2021	5.99%	30/06/2021	8.99%
30/07/2021	6.07%	30/07/2021	9.11%
31/08/2021	6.16%	31/08/2021	9.24%
30/09/2021	6.33%	30/09/2021	9.49%
29/10/2021	6.39%	29/10/2021	9.58%
30/11/2021	6.77%	30/11/2021	10.15%
31/12/2021	7.17%	31/12/2021	10.76%
Average VaR	5.20%	Average VaR	7.81%

Estimated VaR with **95%** confidence.

The sensitivity analysis shows that with yield variations that double **2021**'s standard deviation (scenario **1**), VaR exceeds the **3.5%** monthly limit from March **2021**. Scenario **2** shows that variations that triple standard deviation generate an excess from March **2021**. This was the result of using high daily yield volatility of **2x** and **3x** yield deviation to simulate the results of an adverse situation.

Deceval VaR

Average month-end VaR was **0.44%** in **2021**, using standard deviation on portfolio daily yield

Average Deceval monthly VaR evolution in **2021** is shown below with **95%** confidence.

Portfolio VaR

Date	Deceval
31/12/2020	0.55%
29/01/2021	0.56%
26/02/2021	0.57%
31/03/2021	0.58%
30/04/2021	0.59%
31/05/2021	0.36%
30/06/2021	0.37%
30/07/2021	0.39%
31/08/2021	0.39%
30/09/2021	0.36%
29/10/2021	0.36%
30/11/2021	0.38%
31/12/2021	0.37%

In **2020** and **2021** the **3.5%** limit was not exceeded at any time.

The following table shows an analysis of Deceval investment portfolio VaR sensitivity to possible variations in asset values due to changes in macroeconomic variables. Two stress scenarios were simulated in which the standard deviation of daily portfolio returns was taken to be **2x - 3x** greater than that experienced in **2021**. A **95%** level of confidence was assumed and Deceval investment policy remained constant.

8.
GRI:

VaR Sensitivity Analysis

Scenario 1: 2x increase in standard deviation		Scenario 2: 3x increase in standard deviation	
Date	Deceval	Date	Deceval
29/01/2021	1.12%	29/01/2021	1.67%
26/02/2021	1.14%	26/02/2021	1.70%
31/03/2021	1.16%	31/03/2021	1.74%
30/04/2021	1.18%	30/04/2021	1.77%
31/05/2021	0.73%	31/05/2021	1.09%
30/06/2021	0.74%	30/06/2021	1.10%
30/07/2021	0.77%	30/07/2021	1.16%
31/08/2021	0.77%	31/08/2021	1.16%
30/09/2021	0.73%	30/09/2021	1.09%
29/10/2021	0.72%	29/10/2021	1.09%
30/11/2021	0.75%	30/11/2021	1.13%
31/12/2021	0.74%	31/12/2021	1.11%
Average VaR	0.88%	Average VaR	1.32%

Estimated VaR with 95% confidence.

The sensitivity analysis shows that with yield variations that double 2021's standard deviation (scenario 1), VaR does not exceed the 3.5% monthly limit. Scenario 2 shows variations that triple standard deviation, and the limit was not exceeded.

VaR Cámara de Riesgo Central de Contraparte

The investment committee periodically reviews VaR with Valores Bancolombia, who calculate a daily 10 day outlook with 99% confidence. The established limit is 1.7% for capital protection portfolios, and results were below this limit throughout 2021, as shown below by quarter:

Portfolio VaR

Date	CRCC
31/03/2021	0.39%
16/06/2021	0.38%
30/09/2021	0.26%
27/12/2021	0.65%

3.5.2. Credit risk

bvc Group subsidiaries are exposed to credit risk—understood to be the possibility that the organisation suffer financial losses as a consequence of an issuer or counterparty not complying with their contractual obligations. Risk is measured as the replacement cost of cash flow in the case of default. Credit risk also includes losses incurred if an issuer's credit rating is lowered by a credit rating agency, thus generating a fall in the securities' market price.

Credit risk to the investment portfolio

bvc Group subsidiary credit risk is managed by determining counterparty and issuer quotas individually and by economic group, as a control measure on portfolio concentration and diversification. Administrative and finance committees at subsidiaries monitored compliance with investment policy in 2020 and 2021.

bvc Group subsidiary investment portfolios use contain AAA-rated or nation-level issuers.

Portfolio distribution by issuer

The worst-case scenario is that a credit risk materialises due to full noncompliance with expected cash flow from issuers in which the portfolio is invested.

Exposure by issuer rating and invested value in accordance with the quota is shown below.

8.
GRI:

Exchange portfolio distribution

Issuer rating	Market value 2021	Part. %	Market value 2020	Part. %
AAA	4,006,720	12%	2,559,350	91%
Nation	28,486,200	88%	248,118	9%
Total	32,492,920	100%	2,807,468	100%

Deceval portfolio distribution

Issuer rating	Market value 2021	Part. %	Market value 2020	Part. %
Nation	9,735,808	100%	10,205,376	100%
	9,735,808	100%	10,205,376	100%
	At 31 December 2021		At 31 December 2020	

CRCC portfolio distribution

Issuer rating	Market value 2021	Part. %	Market value 2020	Part. %
Nation	42,158,115	100%	30,505,200	100%
	42,158,115	100%	30,505,200	100%
	At 31 December 2021		At 31 December 2020	

3.5.3. Liquidity risk

Investment portfolio liquidity risk

Liquidity risk is the probability of full or partial noncompliance with anticipated and non-anticipated current and future cash flow. A funding liquidity risk is manifested as a disposable liquid asset insufficiency and/or the need to meet unusual funding costs, where the company's capacity to generate or dissolve financial positions at market prices is limited because the market lacks adequate depth, or because of drastic changes to rates and prices (market liquidity risk).

Treasury management is focussed on maintaining an adequate balance between the company's assets and liabilities, and having the required cash flow to meet acquired contractual obligations. Some of the more representative liquidity requirements are tax obligations, dividend payments and project cash flow, all of which are duly incorporated into cash flow projections and the budget, and are a determining parameter for short and medium-term investment strategy.

The following table shows the maturity of **bvc** Group subsidiary portfolio instruments:

Colombian Securities Exchange:

Term	Market value 2021	Part %	Market value 2020	Part %
90-180 days	4,006,720	12%	2,807,468	100%
Private debt	4,006,720		2,559,350	
Public debt	-		248,118	
180-360 days	-	0%	-	0%
Private debt	-		-	
Public debt	-		-	
6 and 10 years	-	0%	-	0%
More than 10 years	28,486,200	88%	-	0%
Private debt	-		-	
Public debt	28,486,200		-	
	32,492,920	100%	2,807,468	100%
	31 December 2021		31 December 2020	

From a liquidity perspective, the Exchange strives to maintain high liquidity assets that are easily realised, thus mitigating a significant impact on the investment portfolio returns in the case of exceptional resource needs.

Diversifying the portfolio across various issuers and securities facilitates its management and liquidation in the event of an extraordinary liquidity need.

8.
GRI:

Deceval:

Term	Market value 2021	Part. %	Market value 2020	Part. %
0-90 days	-	0%	-	0%
Private debt	-	-	-	-
Public debt	-	-	-	-
90-180 days	9,735,808	100%	-	0%
Private debt	-	-	-	-
Public debt	9,735,808	-	-	-
180-360 days	-	0%	-	0%
Private debt	-	-	-	-
Public debt	-	-	-	-
1-2 years	-	0%	10,205,376	100%
Private debt	-	-	-	-
Public debt	-	-	10,205,376	-
Total	9,735,808	100%	10,205,376	100%
	31 December 2021		31 December 2020	

From a liquidity perspective, Deceval strives to maintain high liquidity assets that are easily realised, thus mitigating a significant impact on returns in the case of exceptional resource needs.

CRCC

Term	Market value 2021	Part. %	Market value 2020	Part. %
90-180 days	42,158,115	100%	30,505,200	100%
Private debt	-	-	-	-
Public debt	42,158,115	-	30,505,200	-
Total	42,158,115	100%	30,505,200	100%
	31 December 2021		31 December 2020	

CRCC's Board of Directors set **1.5** years as the maximum portfolio duration, and established that the portfolio may comprise Republic of Colombia issued securities with terms less than or equal to three years, and savings account deposits at AAA rated and CAMEL **3.5+** banks.

Footnote 9 - Cash and cash equivalents

The following table details cash and cash equivalents:

	At 31 December 2021	At 31 December 2020
Local currency banks (1)	29,286,345	92,731,766
Foreign currency banks (2)	15,877,121	11,321,831
Cash equivalent (3)	1,639,613	42,898,083
Foreign currency cash	16,093	31,015
Petty cash	24,650	5,511
Total	46,843,822	146,988,206

Cash and cash equivalents have no restrictions.

1. The local currency variation at **31 December 2021** is principally due to dividend payments of **66,364,548**, financial obligations of **21,050,546**, TES security coupon maturity of **4,585,000**, and joint venture investment dividends of **5,751,152**.

2. Foreign currency bank deposits at year-end **2021** and **2020**, in COP using the official exchange rate, were:

Currency	At 31 December 2021	At 31 December 2020
US dollar	3,981.16	3,432.5

8.
GRI:

The following table details the US dollar-based re-expression processes:

Entity	At 31 December 2021		At 31 December 2020	
	USD	COP	USD	COP
Banco de Bogotá Miami	3,723,216	14,822,719	2,646,163	9,082,956
Bancolombia Panamá	233,090	927,969	562,450	1,930,609
Citibank	29,384	116,983	88,121	302,475
JP Morgan	2,374	9,450	1,687	5,791
Total	3,988,064	15,877,121	3,298,421	11,321,831

3. The following table details mutual funds classed as cash equivalents at 31 December 2021 and 2020:

Fund	Rating	At 31 December 2021	At 31 December 2020
Fondo de inversión Itaú (3.1)	AAA	1,404,378	-
Contrato comisión Bancolombia (3.2)	AAA	123,177	-
Fondo Fonval Credicorp Capital-Deceval	AAA	87,985	156,440
Fondo Inversión Abierto Alianza (3.3)	AAA	20,932	13,090,120
Fiducuenta Bancolombia (3.3)	AAA	1,588	13,039,904
Payulatam (3.4)		1,181	7,066
Fondo se inversión abierto BBVA (3.3)	AAA	278	1,213,018
Fondo Capital Trust	AAA	94	1,918
Fondo de Inversión Fonval-bvc (3.3)	AAA	-	15,389,617
Total fondos de inversión		1,639,613	42,898,083

3.1. Precia investment in 2021.

3.2. At 31 December CRCC had a commission contract with Bancolombia to manage exchange rate futures contract resources.

3.3. The fall at 31 December 2021 is principally due to moving TES security resources to local bank deposits to pay bvc shareholder dividends.

3.4. Payulatam is a bvc payment gateway from which money is transferred to bvc savings accounts every two days.

At 31 December 2021 and 2020 bank conciliation amounts were 9,731 and 1,627, respectively

	At 31 December 2021				
	Number	Less than 30 days	Number	More than 30 days	Total
Deposits pending identification	COP 1	9,731	-	-	9,731
Debt allocation	-	-	-	-	-
	COP 1	9,731	-	-	9,731

	At 31 December 2020				
	Number	Less than 30 days	Number	More than 30 days	Total
Deposits pending identification	-	-	3	1,426	1,426
Debt allocation	COP 1	200	-	-	200
	COP 1	200	3	1,426	1,626

Footnote 10 - Restricted cash

Restricted cash comprises collateral required from CRCC members to mitigate noncompliance risk.

Cash collateral may be remunerated in accordance with CRCC rule 2.7.5, unless a member states that they do not agree.

8.
GRI:

At 31 December 2021 and 2020 remuneration was realised through an OMO on the central bank's remunerated deposit account, at rates of 2.0% and 0.72%, respectively. The economic benefits of these transactions are distributed among the members that constitute the collateral and do not object to remuneration.

Restricted cash composition is as follows:

	At 31 December 2021	At 31 December 2020
Collateral in UDA (1)	111,138,439	149,993,389
Monetary contraction deposits (2)	54,460,000	14,441,000
USD collateral at Citibank (3)	106,501,530	6,867,485
Total	272,099,969	171,301,874
Own resources for banking charges (4)	(4,224)	(2,485)
Total	272,095,745	171,299,389

(1) The drop in UDA collateral corresponds to an increase in OMOs on the central bank remunerated deposit account.

(2) The increase is due to CRCC members authorising OMOs in accordance with CRCC cash collateral investment policy.

(3) From 1 February 2021, CRCC is a counterparty for FX transactions, making it a reciprocal debtor and creditor for each party; these transactions are recognised in its financial statements. At 31 December 2021 there is an increase in US dollar collateral from members. At 31 December 2020, the US dollar collateral balance corresponded to non-FX member transactions.

(4) CRCC resources deposited to cover Citibank charges.

Footnote 11 - Financial investment assets

Fair value of investments at 31 December 2021 and 2020:

Concept	At 31 December 2021	At 31 December 2020
Domestic treasury securities (1)	80,380,123	40,958,694
Private debt securities	4,006,720	2,559,350
Debt security investments	84,386,843	43,518,044
Total current investments	84,386,843	43,518,044
Private capital fund	1,906,689	2,439,802
Other securities	15,685	15,685
Total noncurrent investments	1,922,374	2,455,487
Total	86,309,217	45,973,531

(1) At 31 December 2021 bvc and CRCC purchased TES securities worth 46,304,700 and 31,393,633, respectively. This year securities' coupons matured at bvc and CRCC that were worth 13,847,300 and 20,456,209, respectively.

Detail of credit quality determined by independent risk rating agencies:

Rating	At 31 December 2021	At 31 December 2020
Issued and guaranteed by the nation or the central bank	COP 80,380,123	40,958,694
Investment grade	5,913,409	4,999,152
Unrated	15,685	15,685
COP	86,309,217	45,973,531

8.
GRI:

bvc Group investment portfolio by term at 31 December 2021 and 2020:

At 31 December 2021	Less than 1 year	Greater than 1	Total
Term deposits	4,006,720	-	4,006,720
TES	80,380,123	-	80,380,123
Other investments (1)	-	1,922,374	1,922,374
Total	84,386,843	1,922,374	86,309,217

At 31 December 2020	Less than 1 year	Greater than 1	Total
Term deposits	2,559,350	-	2,559,350
TES	40,958,694	-	40,958,694
Other investments (1)	-	2,455,487	2,455,487
Total	43,518,044	2,455,487	45,973,531

1. Private capital funds and bvc's investment in XM.

At 31 December 2021 and 2020 there were no restrictions on investments, except domestic treasury securities used as collateral on Deceval derivative future hedge transactions via CRCC worth **9,735,808**.

A 31 December 2021 and 2020, the bvc Group investment portfolio showed no signs of impairment.

Footnote 12 - Net trade and other accounts receivable

Trade and other accounts receivable at 31 December 2021 and 2020:

Concept	At 31 December 2021	At 31 December 2020
Clients	17,857,694	17,789,869
Securities Exchange brokerage firms	1,214,343	1,364,683
Securities and share issuers	1,193,358	251,730
Accounts past due	548	6,134
Total trade debt	20,265,943	19,412,416
Prepayments and advances	186,430	86,304
Tax prepayment	192,603	148,431
Employee accounts receivable	131,055	95,523
Other debts	623,122	656,414
Total other accounts receivable	1,133,210	986,672
Trade and other accounts receivable impairment (1)	(374,536)	(746,642)
Total	21,024,617	19,652,446

(2) bvc Group measures impairment using the simplified method of expected loss, as indicated in IFRS 9.

The following table shows the evolution of portfolio impairment:

Concept	At 31 December 2021	At 31 December 2020
Starting balance	746,642	1,299,133
Impairment in the period	55,895	392,295
Derecognition Sophos Solutions S.A.S.	-	(374,688)
Derecognition in the period	(186,751)	(399,700)
Recoveries	(241,250)	(170,398)
Total impairment	374,536	746,642

Impairment by subsidiary is as follows:

	At 31 December 2021	At 31 December 2020
Colombian Securities Exchange	226,477	540,667
Deceval S.A.	148,044	205,572
Precia S.A.	14	220
CRCC S.A.	1	183
Total impairment	374,536	746,642

8.
GRI:

Debt by age:

Trade debt by age at 31 December 2021 and 2020:

At 31 December 2021							
	Not yet due	31-60 days	61-90 days	91-180 days	181-360 days	> 360 days	Total
Trade debt	18,881,093	614,143	207,804	203,407	162,968	196,528	20,265,943
Trade debt provision	(18,800)	(5,025)	(1,587)	(9,161)	(143,435)	(196,528)	(374,536)
Net trade debt	18,862,293	609,118	206,217	194,246	19,533	-	19,891,407

At 31 December 2020							
	Not yet due	31-60 days	61-90 days	91-180 days	181-360 days	> 360 days	Total
Trade debt	17,318,388	945,480	213,921	250,875	271,965	411,787	19,412,416
Trade debt provision	(15,322)	(10,801)	(2,045)	(78,018)	(228,669)	(411,787)	(746,642)
Net trade debt	17,303,066	934,679	211,876	172,857	43,296	-	18,665,774

Footnote 13 - Other non-financial assets

Other non-financial assets at 31 December 2021 and 2020:

	At 31 December 2021	At 31 December 2020
Current		
Contract deposits (1)	11,391,063	5,465,013
Contract deposit impairment (1)	(977,993)	-
Total current	10,413,070	5,465,013
Noncurrent		
Services – software maintenance	6,387,225	6,821,632
Insurance and deposits (2)	2,681,855	1,739,582
Other assets	298,429	147,064
Social club shares	359,096	358,845
Subscriptions, memberships and contributions	122,599	112,552
Deposits received (1)	0	5,484,792
Total noncurrent	9,849,204	14,664,467
Totals	20,262,274	20,129,480

(1) The sale of Sophos Solutions S.A.S. included contractual commitments corresponding to monies payable to **bvc** to hedge any possible actions that may arise. The agreement signed between **bvc** and Global Gorgona SL states that: "half the final **bvc** amount retained will be paid on the first anniversary of the closing date, less the amounts of any definitive claims and the amounts of pending claims that correspond to **bvc** on said date." At 31 December 2020 this was presented as distributed between current and noncurrent, taking in account the agreed terms.

In July and December 2021, **bvc** was notified of claims in accordance with the contractual agreement between **bvc** and the purchaser. These claims are being analysed and conciliated by the parties. **bvc** used the current state of this analysis to estimate expected impairment loss on the recoverability of this deposit.

Due to the current claims and the established contractual terms, the purchaser did not disburse the first instalment.

(2) At 31 December 2021 the global banking, civil liability and all risk policy values increased due to market volatility.

Footnote 14 - Investments in joint ventures

bvc Group investments in joint ventures:

Entity	At 31 December 2021	At 31 December 2020
Set Icap FX S.A.	7,978,793	6,782,728
Set Icap Securites	989,900	1,012,517
Derivex S.A.(1)	-	-
	8,968,693	7,795,245

(1) The equity method is not being recognised for Derivex because the loss exceeds the holding, as mentioned in IAS 28 paragraph 38. Equity method recognition will recommence once profit equals the non-recognised loss.

8.
GRI:

At **31 December 2021** and **2020** investments in joint ventures showed no signs of impairment.

Evolution of investments in associates and joint ventures:

Joint venture	Holding at 31 December 2021	Investment value at 31 December 2020	Additions	Dividends (1)	Equity method income	Investment value at 31 December 2021
Set Icap FX S.A.	50.00%	6,782,728	300	(6,093,377)	7,289,142	7,978,793
Set Icap Securities S.A.	50.00%	1,012,517	-	(107,040)	84,423	989,900
Total		7,795,245	300	(6,200,417)	7,373,565	8,968,693

Associate or joint venture	Holding 31 December 2020	Value 31 December 2019	Additions	Dividends (1)	Equity method income	Change of investment category	Value 31 December 2020
Cámara de Riesgo Central de Contraparte de Colombia S.A. (2)	0%	35,801,819	10,540,994	-	443,286	(46,786,099)	-
Cámara de Compensación de Divisas de Colombia S.A. (2)	0%	2,769,600	473,759	(800,462)	590,546	(3,033,443)	-
Set Icap FX S.A.	50.00%	5,549,620	-	(4,860,068)	6,093,176	-	6,782,728
Set Icap Securities S.A.	50.00%	1,233,564	-	(339,834)	118,787	-	1,012,517
Total		45,354,603	11,014,753	(6,000,364)	7,245,795	(49,819,542)	7,795,245

1. Dividends are recognised in accordance with each **bvc** Group associate or joint venture's distribution project, and differ from those disclosed in direct cash flow at **31 December 2021** and **2020** by **5,751,152** and **9,236,534** (includes Sophos dividends from November **2020**), respectively, after tax.

2. In **2020** the Group's holding in CRCC increased from **47.28%** to **54.30%**, giving it control over CRCC as

a subsidiary. CRCC now appears in the consolidated accounts, rather than as an associate. In December **2020**, CRCC absorbed CCDC and they are now one entity; CDCC disappeared as a legal entity.

The following table shows **bvc** Group holdings in joint ventures at **31 December 2021** and **2020**:

Company	At 31 December 2021		At 31 December 2020		Share capital 2021
	%	Shares	%	Shares	
Derivex S.A.	42.50%	304,000	42.50%	304,000	715,292
Set Icap FX S.A.	50.00%	549	50.00%	549	330,000
Set Icap Securities S.A.	50.00%	428,500	50.00%	428,500	1,667,722

Joint venture income, and asset and liability composition:

Company	At 31 December 2021			
	Assets	Liabilities	Equity	Profit & loss
Set Icap FX S.A.	COP 24,385,402	9,037,028	15,348,374	14,604,833
Derivex S.A.	3,305,958	2,433,484	872,474	(563,920)
Set Icap Securities S.A.	2,533,421	237,463	2,295,958	168,879
Total	COP 30,224,781	11,707,975	18,516,806	14,209,792

Company	At 31 December 2020			
	Assets	Liabilities	Equity	Profit & loss
Set Icap FX S.A.	COP 19,068,037	6,115,957	12,952,080	12,208,543
Derivex S.A.	3,714,168	2,277,776	1,436,392	(809,666)
Set Icap Securities S.A.	2,559,859	218,962	2,340,897	237,576
Total	COP 25,342,064	8,612,695	16,729,369	11,636,453

8.
GRI:

At 31 December 2021						
Associate or joint venture	Income	Income from interest	Depreciation and/or amortisation	Interest expenses	Income tax	Profit & loss
Set Icap FX S.A.	39,295,894	65,789	1,299,974	184,194	6,509,596	14,604,833
Derivex S.A.	107,995	27,163	17,154	103,169		(563,920)
Set Icap Securities S.A.	1,705,444	8,743	2,227	40	86,330	168,879
Total	41,874,765	100,440	1,319,355	133,950	6,595,926	14,209,792

At 31 December 2020						
Associate or joint venture	Income	Income from interest	Depreciation and/or amortisation	Interest expenses	Income tax	Profit & loss
Set Icap FX S.A.	33,903,569	37,965	1,081,770	48,244	5,946,853	12,208,543
Derivex S.A.	157,461	45,356	17,166	132,331	2,301	(809,666)
Set Icap Securities S.A.	1,865,726	-	2,227		115,236	237,576
Total	35,926,756	83,321	1,101,163	180,575	6,064,390	11,636,453

DERIVEX S.A. Manages the first standardised energy commodity derivative market, in association with XM Compañía de Expertos en Mercados S.A. E.S.P as a strategic partner. Derivex began operations in October **2010**, and is headquartered at **7 # 71 21** torre B piso **12**, Bogota.

SET ICAP FX S.A. The foreign exchange market leader with a **100%** transactional market operation for cash and foreign exchange forward market registry and information. The foreign exchange market point of reference in Colombia, headquartered at Carrera **11 # 93 46**, Bogota.

SET ICAP SECURITIES S.A. On **16** March **2015**, Colombian Securities Exchange acquired a **50%** shareholding in Icap Securities, a company providing fixed income and OTC derivative trading services at international levels of best practice that allow it to access offshore investment flows interested in Colombian securities. Headquartered at Carrera **11 # 93 46**, Bogotá.

It is not considered necessary to calculate the fair value of investments in these associates and registered joint ventures as assets, because they are organisations that do not list shares on Bolsa de Valores de Colombia and the cost of valuation would exceed the benefit of disclosure.

Associates' financial statements for consolidation were measured at **31** December **2021** and **2020**.

Footnote 15 - Net intangible assets other than capital gains

8.
GRI:

	Software and licence costs	Projects in development (3)	Internally developed applications (projects in production)	Intangibles acquired during business combination	Client and technology relations	Acquired business and trademark value (4)	Total
Acquisition cost at 1 January 2021	25,833,967	21,825,499	59,519,188	50,200,000	-	260,000,000	417,378,654
Additions (1)	1,908,311	22,718,573	16,800	-	-	-	24,643,684
Adjustment to additions (2)	(59,250)	-	-	-	-	-	(59,250)
Project write-offs	-	(505,961)	-	-	-	-	(505,961)
Transfers	-	(9,667,364)	9,667,364	-	-	-	-
At 31 December 2021	27,683,028	34,370,747	69,203,352	50,200,000	-	260,000,000	441,457,127
Accumulated amortisations	(22,207,494)	-	(17,619,735)	(4,700,000)	-	-	(44,527,229)
Amortisation charges in the period	(1,775,246)	-	(8,472,659)	-	-	-	(10,247,905)
At 31 December 2021	(23,982,740)	-	(26,092,394)	(4,700,000)	-	-	(54,775,134)
Net book amount at 31 December 2021	3,700,288	34,370,747	43,110,958	45,500,000	-	260,000,000	386,681,993
	Software and licence costs	Projects in development	Internally developed applications (projects in production)	Intangibles acquired during business combination	Client and technology relations	Acquired business and trademark value	Total
Acquisition cost at 1 January 2020	22,275,150	20,977,728	34,245,863	4,700,000	14,035,914	241,700,000	337,934,655
Additions	1,457,263	20,865,895	-	-	-	-	22,323,158
Additions from business combination	1,745,754	13,298,032	8,193,684	19,800,000	-	18,300,000	61,337,470
Additions from CRCC-CCD merger	87,992	-	-	25,700,000	-	-	25,787,992
Transfers	2,161,788	(20,848,753)	18,686,965	-	-	-	-
Disposal of discontinued operations	(1,893,980)	(558,594)	(1,607,324)	-	(14,035,914)	-	(18,095,812)
Project disposal	-	(2,471,400)	-	-	-	-	(2,471,400)
Project write-offs	-	(9,437,409)	-	-	-	-	(9,437,409)
At 31 December 2020	25,833,967	21,825,499	59,519,188	50,200,000	-	260,000,000	417,378,654
Accumulated amortisations	(20,770,983)	-	(8,948,000)	(4,700,000)	(13,486,334)	-	(47,905,317)
Amortisation charges in the period	(1,291,455)	-	(6,178,419)	-	(549,580)	-	(8,019,454)
Charge for amortising additions from business combination	(1,430,915)	-	(3,637,298)	-	-	-	(5,068,213)
Amortisation charge CRCC-CCD merger	(28,762)	-	-	-	-	-	(28,762)
Disposal of discontinued operations	1,314,621	-	1,143,982	-	14,035,914	-	16,494,517
At 31 December 2020	(22,207,494)	-	(17,619,735)	(4,700,000)	-	-	(44,527,229)
Net book amount at 31 December 2020	3,626,473	21,825,499	41,899,453	45,500,000	-	260,000,000	372,851,425

8.
GRI:

(1) Intangible software and licence additions take into account the acquired asset's start of use date. This differs from the intangible purchase payment revealed in direct cash flow, because cash flow contains items paid for during the period. At **31 December 2021** the value was **18,758,618**, and at **31 December 2020** it was **10,424,563**.

(2) In the first half of **2021**, CRCC made a greater value adjustment to the cost of the Oracle Real Application license acquired from Nexys de Colombia S.A.

(3) The following projects are in development:

	31 December 2020	Additions	Transfers	31 December 2021
Master Trader (third stage)	5,633,279	86,694	(5,719,973)	-
Amarú (Deceval)	5,517,264	3,583,596	(505,961)	8,594,899
X-Stream Inet third stage (bvc)	2,303,694	-	(2,303,694)	-
Digital platform (Deceval)	1,336,869	2,169,978	-	3,506,847
Marketplace (bvc)	4,444,526	4,031,305	-	8,475,831
Digital platform (bvc)	946,495	2,657,845	-	3,604,340
Depository integration (CRCC)	614,008	633,538	-	1,247,546
Other initiatives (bvc)	383,923	1,360,106	-	1,744,029
TTS and OTC (Deceval)	319,434	-	(319,434)	-
Technological transformation (CRCC)	130,000	-	(34,667)	95,333
RPA (bvc)	87,122	-	(87,122)	-
Analytics (CRCC)	54,600	25,539	-	80,139
(Precia)	54,285	606,965	-	661,250
Hanna (bvc)	-	831,954	(831,954)	-
Master Trader (fourth stage) (bvc)	-	2,790,881	1,034,213	3,825,094
ERP SAP additions (1.2) (Deceval)	-	1,404,733	(1,404,733)	-
Capital Digital Markets additions (1.3) (Deceval)	-	2,173,572	-	2,173,572
Promissory note screen additions (Deceval)	-	361,867	-	361,867
Total Projects	21,825,499	22,718,573	(10,173,325)	34,370,747

	31 December 2019	Additions	Additions from business combination	Transfers	31 December 2020
Amarú (Deceval)	17,593,889	2,002,969	-	(14,079,594)	5,517,264
Promissory notes (Deceval)	713,996	2,331,761	-	(3,045,757)	-
Digital platform (Deceval)	-	1,336,869	-	-	1,336,869
TTS and OTC (Deceval)	-	319,434	-	-	319,434
Banking as a Service (Sophos)	558,595	-	-	(558,595)	-
X-Stream Inet third stage (bvc)	684,965	1,618,729	-	-	2,303,694
Master Trader (third stage)	650,535	4,982,744	-	-	5,633,279
Marketplace	172,878	896,821	-	-	1,069,699
Digital platform	-	946,495	-	-	946,495
RPA	3,600	83,522	-	-	87,122
Ascenso	599,270	2,775,557	-	-	3,374,827
Other initiatives	-	383,923	-	-	383,923
Depository integration (CRCC)	-	497,765	116,243	-	614,008
Share clearing phase 2 (CRCC)	-	1,051,031	10,920,458	(11,971,489)	-
Swaps 3 (CRCC)	-	1,399,390	2,261,332	(3,660,722)	-
Analytics (CRCC)	-	54,600	-	-	54,600
Technological transformation (CRCC)	-	130,000	-	-	130,000
(Precia)	-	54,285	-	-	54,285
Total Projects	COP 20,977,728	20,865,895	13,298,033	(33,316,157)	21,825,499

(4) bvc Group has determined that the intangible resulting from the bvc and CRCC business combination, and following CRCC-CDCC merger, has an indefinite useful life because:

- (i) This intangible asset refers to economically exploiting CRCC's central counterparty clearing and settlement, and will continue operating for as long as CRCC exists.
- (ii) CRCC has a remaining useful life of **36** years according to its Bogota Chamber of Commerce certificate, and CRCC plans to renew this certificate when it expires.

At **31 December 2021** and **2020**, is no restriction on bvc Group intangibles.

At **31 December 2021** and **2020** there is no evidence of impairment of intangibles other than capital gains.

8.
GRI:

Footnote 16 - Net property, plant and equipment and right-of-use

Property plant and equipment movements:

	Buildings and land	Computing and communications equipment	Furniture and fittings	Improvements to leased property	Right-of-use	Transport equipment	Total
Acquisition cost							
At 31 December 2020	39,077,414	31,238,136	2,495,970	944,477	2,557,355	209,812	76,523,164
Additions (1)	5,927	3,377,703	11,917	-	1,390,839	-	4,786,386
Disposal of depreciated assets	-	(1,939,736)	(277,468)	(112,048)	(113,202)	-	(2,442,454)
At 31 December 2021	39,083,341	32,676,103	2,230,419	832,429	3,834,992	209,812	78,867,096
Accumulated depreciation							
At 31 December 2020	(4,666,610)	(21,885,349)	(1,723,152)	(777,692)	(1,940,035)	(153,862)	(31,146,700)
Depreciation charge	(714,176)	(4,254,623)	(220,403)	(156,577)	(840,084)	(41,962)	(6,227,825)
Disposal of depreciated assets	-	1,929,851	258,844	112,048	1,235,664	-	3,536,407
At 31 December 2021	(5,380,786)	(24,210,121)	(1,684,711)	(822,221)	(1,544,455)	(195,824)	(33,838,118)
Accumulated depreciation	-	(7,428)	-	-	-	-	(7,428)
Net book amount at 31 December 2021	33,702,555	8,458,554	545,708	10,208	2,290,537	13,988	45,021,550

8.
GRI:

	Buildings and land	Computing and communications equipment	Furniture and fittings	Improvements to leased property	Right-of-use	Transport equipment	Total
Acquisition cost							
At 31 December 2019	45,415,204	26,362,975	3,058,359	1,474,940	5,227,739	209,812	81,749,029
Additions (1)	163,549	1,900,777	12,555	-	121,443	-	2,198,324
Additions from CRCC business combination	749,927	3,714,222	299,690	-	757,764	-	5,521,603
Additions from CRCC-CCD merger	-	163,767	19,885	-	-	-	183,652
Disposal of depreciated assets	-	(205,232)	(73,453)	-	-	-	(278,685)
Disposal of assets from discontinued operations	(7,251,266)	(698,373)	(821,066)	(530,463)	(3,549,591)	-	(12,850,759)
At 31 December 2020	39,077,414	31,238,136	2,495,970	944,477	2,557,355	209,812	76,523,164
Accumulated depreciation							
At 31 December 2019	(3,752,423)	(15,944,901)	(1,844,680)	(876,554)	(1,547,143)	(111,899)	(24,077,600)
Depreciation charge	(740,729)	(4,459,617)	(234,983)	(191,517)	(902,827)	(41,963)	(6,571,636)
Depreciation from business combination	(550,793)	(2,218,425)	(118,765)	-	(357,168)	-	(3,245,151)
Depreciation acquired from CRCC-CCD merger	-	(61,065)	(13,434)	-	-	-	(74,499)
Disposal of depreciated assets	-	194,180	67,327	-	-	-	261,507
Disposal of assets from discontinued operations	377,335	604,479	421,383	290,379	867,103	-	2,560,679
At 31 December 2020	(4,666,610)	(21,885,349)	(1,723,152)	(777,692)	(1,940,035)	(153,862)	(31,146,700)
Accumulated impairment	-	(7,428)	-	-	-	-	(7,428)
Net book value at 31 December 2020	34,410,804	9,345,359	772,818	166,785	617,320	55,950	45,369,036

(1) Property, plant and equipment additions are made according to the needs of each asset. This differs from direct method cash flow for disclosed fixed-asset purchase payments because only actual payments in the period are disclosed in cash flow. At 31 December 2021 and 2020 the value is 3,196,337 and 3,257,480, respectively.

At 31 December 2021 and 2020 bvc Group property, plant and equipment has no restrictions and is fully insured.

At 31 December 2021 and 2020, property, plant and equipment and right-of-use show no signs of impairment; the movement shown in this footnote corresponds to previous period depreciation and impairment adjustments.

8.
GRI:

Footnote 17 - Capital gains

Capital gains movement:

	Balance at 31 December 2019	Additions	Sale of investments	Balance at 31 December 2020
Sophos Solutions S.A.S.	21,613,197	-	(21,613,197)	-
Deceval S.A.	88,871,891	-	-	88,871,891
Cámara de Riesgo Central de Contraparte de Colombia S.A. (1)	-	30,779,825	-	30,779,825
Total	110,485,088	30,779,825	(21,613,197)	119,651,716

(1) In 2020, the following business combinations were executed:

Capital gains from CRCC business combination (1.1)	COP 18,593,798
Capital gains from CCDC business combination (1.2)	12,186,027
Total plusvalía	COP 30,779,825

1.1 bvc Group acquired control of CRCC by increasing its holding, as follows:

CRCC	Value
Cash	6,901,018
Restricted cash	75,109,535
Financial assets	27,993,205
Accounts receivable	1,531,421
Material assets	2,276,453
Other assets	22,770,362
Liabilities	(7,873,925)
Collateral	(75,109,535)
Counterparty transactions	68,732,767,147
Counterparty transactions (CR)	(68,732,767,147)
Acquired intangibles	38,100,000
Deferred tax	(3,810,000)
Total net assets	87,888,534
Less fair value of acquired assets	121,099,996
Less non-controlled holding capital gains	14,617,664
Capital gains	18,593,798

1.2 Subsequently, in December 2020 CRCC absorbed CCDC:

CCDC	Valor
Cash	7,724,363
Accounts receivable	1,278,753
Material assets	100,276
Other assets	111,135
Accounts payable	(1,060,630)
Labour obligations	(129,981)
Total net assets acquired	8,023,916
Assets and liabilities identified in the business combination	
Intangibles	25,700,000
Deferred tax	(2,570,000)
Total identified assets	23,130,000
Recognition adjustments	
Property, plant and equipment	8,878
Total adjustments	8,878
Fair value of acquired assets	43,348,821
Business combination capital gains	12,186,027

At 31 December there were no indications of capital gains impairment.

Footnote 18 - Financial obligations

Current and noncurrent financial obligations are as follows:

	At 31 December 2021	At 31 December 2020
Financial obligation (1)	1,458,839	7,846,664
Right-of-use liability (2)	763,481	622,205
Total current	2,222,320	8,468,869
Noncurrent		
Financial obligations (1)	-	13,284,875
Liability and right-of-use (2)	1,630,539	77,321
Total noncurrent	1,630,539	13,362,196
Total financial obligations	3,852,859	21,831,065

8.
GRI:

(1) Financial obligation detail:

At 31 December 2021		
Entity	Interest rate	Capital and interest
Bancolombia	IBR+2.76%	1,458,839
Total obligaciones financieras		1,458,839

At 31 December 2020		
Entity	Interest rate	Capital and interest
Banco de Bogotá (1.1)	CPI+3.5%	COP 10,141,090
Bancolombia	IBR+2.76%	1,461,047
Bancolombia (1.1)	IBR+2.5%	9,526,375
Total financial obligations		21,128,512
Bancolombia (1.2)	FTD+5.50 points	3,027
Total leasing		3,027
Total financial obligations		COP 21,131,539

(1.1) At 31 December 2021, these bvc obligations worth 21,050,546 were paid in full.

Banco de Bogotá and Bancolombia loans use a promissory note as collateral.

Financial liabilities by term, except right-of-use, are as follows:

	At 31 December 2021
Concept	Less than 1 year
Capital	1,458,839
Total	1,458,839

Concept	At 31 December 2020					Total
	< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	
Loans						
Capital	7,702,547	6,241,500	4,241,500	2,241,500	560,375	20,987,422
Interest	141,090	-	-	-	-	141,090
Total loans	7,843,637	6,241,500	4,241,500	2,241,500	560,375	21,128,512
Financial leasing	3,027	-	-	-	-	3,027
Total	7,846,664	6,241,500	4,241,500	2,241,500	560,375	21,131,539

(1.2) Deceval computer leasing contract termination.

(2) At 31 December 2021 and 2020, this corresponds to financial leases of the following properties: Cr 7 # 71 - 21 oficina 402, and punto bvc on calle 72 first floor, CRCC offices at Cr 7 # 71 - 21 oficina 1002 and deceval in the Santa Mónica Central building in Cali.

Right-of-use by term is as follows:

Right of use liability	At 31 December 2021	At 31 December 2020
< 1 month	COP 76,751	71,479
1-3 months	169,121	142,107
3-12 months	517,609	408,619
Subtotal current	763,481	622,205
1-5 years (2.1)	1,630,539	77,321
Subtotal noncurrent	1,630,539	77,321
Total right-of-use liabilities	2,394,020	699,526

(2.1) Increase due to bvc Group contract renewals for periods greater than one year.

In 2021 and 2020 all financial obligation covenants were met.

8.
GRI:**Footnote 19 - Employee benefits**

Employee benefits at **31 December 2021** and **2020** are as follows:

Concept	At 31 December 2021	At 31 December 2020
Extra-legal benefits (1)	4,999,406	2,014,375
Consolidated vacations	1,764,872	2,474,040
Consolidated severance funds, current portion	1,365,443	1,016,753
Severance fund interest	158,874	134,425
Unpaid salaries	47,912	12,365
Total	8,336,507	5,651,958

(1) bvc Group variable remuneration bonus payments in accordance with the Balanced Scorecard, payable in **2022** on **2021** results. There was no variable remuneration in **2020**.

Paralegal tax balance by company:

Concept	At 31 December 2021	At 31 December 2020
Depósito Centralizado de Valores S.A.	2,218,580	180,000
Colombian Securities Exchange	1,370,640	554,677
Cámara de Riesgo Central de Contraparte S.A.	1,048,000	729,010
Precia Proveedor de Precios Para Valoración S.A.	362,186	550,688
Total	4,999,406	2,014,375

Footnote 20 - Deposits**Cash collateral**

Cash collateral accepted by CRCC from liquidating members at **31 December 2021** and **2020**:

Concepto	At 31 December 2021	At 31 December 2020
UDA collateral (1)	123,253,712	164,432,945
USD next day transaction collateral (2)	96,942,522	-
COP next day transaction collateral (2)	42,332,909	-
USD collateral	9,554,784	6,865,000
Interest on remunerated deposits	11,818	1,444
Total other deposits	272,095,745	171,299,389

(1) At **31 December 2021** CRCC realised larger OMO transactions on the central bank remunerated account than at **31 December 2020**, and this in turn generated a drop in the cash collateral balance.

(2) From **1 February 2021**, CRCC is a counterparty for members' FX transactions, making it a reciprocal debtor and creditor for each party; these transactions are recognised in its financial statements. At **31 December 2021** CRCC recognises member collateral receipts as liabilities.

Footnote 21 - Trade and other accounts payable

Trade and other accounts payable at **31 December 2021** and **2020**:

Concept	At 31 December 2021	At 31 December 2020
Costs and expenses payable (1)	22,156,627	14,060,294
Other accounts payable (2)	861,895	1,586,926
Salary discounts and contributions (3)	919,970	232,231
Other	49,015	3,798
Total	23,987,507	15,883,249

8.
GRI:

(1) Costs and expenses payable:

Concept	At 31 December 2021	At 31 December 2020
Fees (1.1)	7,521,884	5,371,500
Costs and expenses payable for service provision (1.2)	6,695,121	1,892,876
Miscellaneous	3,884,767	2,622,584
Services	3,227,542	3,991,951
Maintenance and repairs	804,943	176,567
Insurance	21,645	3,541
Travel	725	1,275
Total	22,156,627	14,060,294

(1.1) Increase corresponds to professional services contracted by **bvc** Group as part of the Chilean, Peruvian and Colombian exchange integration process, that were payable at **31 December 2021**.

(1.2) Main variation corresponds to **1,586,544** received from Grupo Bolivar by Deceval for depository transactions. The funds must be transferred to a special deposit account, and insurance policies contracted in **2021** are pending payment; in **2020** the insurance policies were paid during the year.

(2) Variation due to **bvc** and Deceval social security payments made after **2021** year-end; in **2020** these were paid in December.

Footnote 22 - Other non-financial liabilities

Other non-financial liabilities at **31 December 2021** and **2020**:

Concept	31 December 2021	31 December 2020
VAT payable	COP 2,594,607	2,548,265
Withholding tax	2,164,391	2,649,856
Commerce and industry tax	485,318	465,066
VAT retained	7,630	13,379
Otros	COP 5,251,946	5,676,566

bvc Group classifies all of its tax obligations as other non-financial liabilities, except income tax.

Footnote 23 - Prepaid income

Prepaid income is as follows:

	At 31 December 2021	At 31 December 2020
Starting balance	COP 93,378	1,985,849
Additions	17,732,109	22,807,746
Amortisation charge	(17,719,685)	(23,418,883)
Sophos Solutions sale reduction	-	(1,281,334)
Total	COP 105,802	93,378

At **31 December 2021** there was no prepaid income for securities listing and maintenance at Deceval and **bvc**, nor for equity charges by precia. Income is amortised monthly until December.

8.
GRI:

Footnote 24 - Estimated liabilities and provisions

bvc Group estimated liabilities and provisions at 31 December 2021 and 2020.

	Provision for restructuring	Dismantling services	Operational risk (1)	Total
Balance at 31 December 2020	90,000	252,852	-	342,852
Increase in provisions	-	6,898	727,024	733,922
Use of provision	(10,000)	(50,496)	-	(60,496)
Balance at 31 December 2021	80,000	209,254	727,024	1,016,278

	Provision for restructuring	Dismantling services	Operational risk (1)	Total
Balance at 31 December 2019	3,087,896	142,574	-	3,230,470
Increase in provisions	135,307	110,278	-	245,585
Recovery of provision	(49,072)	-	-	(49,072)
Use of provision (1)	(3,084,131)	-	-	(3,084,131)
Balance at 31 December 2020	90,000	252,852	-	342,852

(1) Increase corresponds to an operational risk provision made by Deceval for unblocking 96,566.3 units subject to embargo (see Footnote 8, 3.1).

Footnote 25 - Other liabilities

Other liabilities at 31 December 2021 and 2020:

Concept	At 31 December 2021	At 31 December 2020
Other liabilities (1)	COP 3,175,789	2,832,415
Trade deposits received and accounts payable	97,144	122,084
Total	COP 3,272,933	2,954,499

(1) In 2021 the Inter-American Development Bank made a repayable contribution of 343,375. In 2020, it made a repayable contribution 1,640,781 and a non-repayable contribution of 74,292. These contributions are being used to support a2censo development.

The main condition of these contributions are:

- The contract was signed on 31 May 2018.
- The money has no rate of any kind.
- The resources will be returned 54 months after the contract was signed and are subject to the project's expected results.

Footnote 26 - Shareholder equity

Subscribed and paid-up capital is 30,256,734 and authorised capital is 35,000,000, represented by 70,000,000 ordinary shares with a value of COP 500 each. There were 60,513,469 shares in circulation at 31 December 2021 and 2020.

(1) Dividends

Dividends are paid to shareholders based on the previous year's net profit. In 2021, the General Assembly of Shareholders issued act N°035 on 26 March, and in 2020, it issued act N°034 on 18 May, as follows:

	At 31 December 2021	At 31 December 2020
Previous year profits	150,337,344	50,586,007
Cash dividends paid during the year	COP 1,157.84 per share paid in two instalments: 50% on 30 April 2021 and the remainder on 31 August 2021, on 60,513,469 authorised, subscribed and paid-up shares.	COP 418 per share paid in one instalment on 30 June 2020, on 60,513,469 authorised, subscribed and paid-up shares.
Shares in circulation	60,513,469	60,513,469
Liberation of reserves / appropriation to reserves	80,272,429	25,291,377
Total dividends (a)	70,064,915	25,294,630
Dividend per share (in pesos)	COP 1,157.84	418

(a) In 2021 special dividend withholdings of 464,644 were recognised in shareholder equity.

In April 2021, the first dividend payment was made; this differs from the amount presented in direct cash flow where the effective amount paid was recognised: 66,364,549 at 31 December 2021 and 24,383,488 at 31 December 2020.

8.
GRI:**(2) Reserves**

Reserves differ from the Statement of Changes to Shareholder Equity due to reserves decreed by CRCC, investment vehicles, and the liberation and constitution of Precia S.A. reserves.

(2.1) Statutory reserves

In accordance with current legislation, **bvc** Group and its subsidiaries in Colombia must create a statutory reserve equal to **10%** of each year's net profit, until reaching a total equivalent to **50%** of subscribed share capital. The reserve may fall below **50%** to offset losses in excess of retained profits. The statutory reserves decreed on **2021** and **2020** profits were **554,535** and **2,441**, respectively, as follows:

	Statutory reserves				
	At 31 December 2019	Movement	At 31 December 2020	Movement	At 31 December 2021
Colombian Securities Exchange	19,657,411	-	19,657,411	-	19,657,411
Precia Proveedor de Precios para Valoración S.A.	15,301	-	15,301	182,776	198,077
Cámara de Riesgo Central de Contraparte de Colombia S.A.	-	-	-	371,201	371,201
Bvc Plus S.A.S.	-	814	814	186	1,000
Bvc Pro S.A.S.	-	814	814	186	1,000
Invesbolsa S.A.S.	143,923	813	144,736	186	144,922
Total	19,816,635	2,441	19,819,076	554,535	20,373,611

8.
GRI:**(2.2) Voluntary reserves**

At **31 December 2021**, working capital reserves were **215,735,239**, including bvc reserves of **213,136,041**.

Reserves at **31 December 2021** by company:

	Balance at 31 December 2019	Additions	Reductions	Balance at 31 December 2020	Additions	Balance at 31 December 2021
Colombian Securities Exchange	107,572,235	25,291,377	-	132,863,612	80,272,429	213,136,041
Sophos Solutions S.A.S	3,661,862	1,537,033	(5,198,895)	-	-	-
Precia S.A.	434,244	614,032	-	1,048,276	(1,148,276)	(100,000)
Deceval	2,831,273	-	-	2,831,273	-	2,831,273
CRCC	-	-	-	-	(168,264)	(168,264)
bvc plus	-	7,323	-	7,323	4,740	12,063
bvc pro	-	7,323	-	7,323	4,740	12,063
Invesbolsa	-	7,323	-	7,323	4,740	12,063
Total	114,499,614	27,464,411	(5,198,895)	136,765,130	78,970,109	215,735,239

8.
GRI:**(3) Other changes comprehensive income and other equity holdings**

Other comprehensive income movement at 31 December 2021 and 2020 is as follows:

First time adoption	At 1 January 2021	Reduction	At 31 December 2021
IFRS adoption	9,476,298	-	9,476,298
IFRS adoption variation Icap Securities	(137,119)	-	(137,119)
IFRS adoption variation bvc (3.1)	(4,948,112)	(251,276)	(5,199,388)
IFRS adoption variation Derivex	(6,000)	-	(6,000)
IFRS adoption variation CRCC	62,642	-	62,642
IFRS adoption variation Deceval	(3,521,094)	-	(3,521,094)
IFRS adoption	926,615	(251,276)	675,339

Other comprehensive income and other holdings	At 1 January 2021	Reduction	At 31 December 2021
Fair value Deceval equity instruments	307,532	-	307,532
Fair value Deceval debt instruments	139,620	-	139,620
Fair value adjustment Deceval assets	534,406	-	534,406
Other comprehensive income	981,558	-	981,558
Excess paid by bvc for share purchases	(16,949,837)	-	(16,949,837)
Excess paid by Invesbolsa for share purchases	(132,072)	-	(132,072)
Variation CRCC business combination (3.2)	3,080,886	(775,445)	2,305,441
Other equity holdings	(466)	-	(466)
Other net equity	(14,001,489)	(775,445)	(14,776,934)
Total equity holdings and other comprehensive income	(13,019,931)	(775,445)	(13,795,376)

Concept	At 1 January 2020	Increase	Reduction	At 31 December 2020
IFRS adoption	9,476,298	-	-	9,476,298
IFRS adoption variation Icap Securities	(137,119)	-	-	(137,119)
IFRS adoption variation Sophos	(40,126)	-	40,126	-
IFRS adoption variation bvc	(4,948,112)	-	-	(4,948,112)
IFRS adoption variation Derivex	(6,000)	-	-	(6,000)
IFRS adoption variation CRCC	62,642	-	-	62,642
IFRS adoption variation Deceval	(3,521,094)	-	-	(3,521,094)
IFRS adoption	886,489	-	40,126	926,615

Other comprehensive income and other equity holdings	At 1 January 2020	Increase	Reduction	At 31 December 2020
Sophos foreign business conversion difference (3.3)	COP 605,209	(605,209)	-	-
Fair value Deceval equity instruments	307,532	-	-	307,532
Fair value Deceval debt instruments	139,620	-	-	139,620
Fair value adjustment Deceval assets	534,406	-	-	534,406
Recognition of CRCC other comprehensive income	444,647	(444,647)	-	-
Recognition of CCDC other comprehensive income	(414,829)	-	414,829	-
Deceval cash flow hedges	(20,621)	-	20,621	-
bvc cash flow hedges	(22,231)	-	22,231	-
Other comprehensive income	1,573,733	(1,049,856)	457,681	981,558
Non-controlled other comprehensive income				
Sophos foreign business conversion difference (3.2)	-	(534,329)	-	-
Total other comprehensive income	-	(1,584,185)	457,681	-
Excess paid by bvc for share purchases	(16,949,837)	-	-	(16,949,837)
Excess paid by Invesbolsa for share purchases	(132,072)	-	-	(132,072)
Variation CRCC business combination	-	(1,443,114)	4,524,000	3,080,886
Other equity interests (3.3)	2,376,799	(2,377,265)	-	(466)
Other net equity	(14,705,110)	(3,820,379)	4,524,000	(14,001,489)
Total other equity	COP (13,131,377)	(4,870,235)	4,981,681	(13,019,931)

(3.1) In accordance with Colombian Financial Superintendence External Circular **036:2014**, Colombian Securities Exchange analysed the items recognised in NCIF (Colombian IFRS) convergence to determine their realisation and availability.

The adjustment does not impact Colombian Securities Exchange shareholder equity because it is a re-classification of equity concepts between first time adoption and accumulated profit.

This item corresponds to the cost attributed to Colombian Securities Exchange buildings. It is considered realised by using the good over its useful life, and includes deferred tax.

(3.2) The difference between the value paid and the equity value of the acquired CRCC holding.

(3.3) Sophos conversion differences recognised in other comprehensive income that were realised upon the sale of Sophos in November **2020**.

8.
GRI:**(4) CRCC business combination**

bvc Group shareholder equity movement following the CRCC business combination in 2020:

	CRCC PPA Equity	Non-controlled holding	Reclassification of non-controlled equity following increase in bvc and Deceval's holding	Loss of holding following CRCC-CDCC merger
		44.0139%	4.238%	(5.924%)
Subscribed and paid-up capital	40,366,665	17,766,950	1,710,739	(2,391,347)
Statutory reserves	1,214,252	534,440	51,460	(71,933)
Voluntary reserves	5,464,140	2,404,982	231,570	(323,699)
Unrealised other comprehensive income profit or loss	276,135	121,538	11,703	(16,358)
Previous period accumulated income	5,579,075	2,455,569	236,441	(330,508)
Annual income	698,267	307,335	29,593	(41,366)
Other asset surplus PPA	38,100,000	16,769,302	1,614,678	(2,257,069)
Other asset surplus PPA	(3,810,000)	(1,676,930)	(161,468)	225,707
Total non-controlled holding		38,683,186	3,724,716	(5,206,573)

**Footnote 27 - Ordinary income**

Ordinary income:

	At 31 December	
	2021	2020
Fixed-income	10,264,418	9,492,388
Equities	10,825,767	12,101,748
Derivatives and securities lending	2,534,223	2,317,377
Capital market	23,624,408	23,911,513
Issuer deposits and promissory notes	40,383,864	37,587,164
Securities registration and maintenance	16,129,782	17,520,829
A2censo (1)	1,705,705	296,740
Special operations	3,782,957	2,062,700
Issuers	62,002,308	57,467,433
Information publications and subscriptions	12,672,572	12,092,414
EAS connection	1,509,680	1,671,195
Master Trader	6,387,699	6,819,934
Education	672,360	606,156
Precia	12,449,283	10,732,478
Knowledge and information	33,691,594	31,922,177
deceval post-trade	44,657,651	44,491,234
CRCC clearing and settlement (2)	35,145,515	19,760,130
Other ordinary income (3)	651,055	2,589,568
Ordinary income	199,772,531	180,142,055

(1) In 2021 we began to receive income from A2censo campaigns. Highlights were: success commission - 393,220, National Guarantee Fund - 348,120, Elepha - 60,000, Coasphafarma - 46,000, and Lentos Plus - 75,000.

(2) Variation mainly due to income from FX segment following the business combination that provided just one month's income in 2020, but in 2021 was recognised for the full 12 months.

(3) CRCC new FX segment income in 2021.

8.
GRI:

Footnote 28 - Net investment income

Investment income:

Concept	At 31 December	
	2021	2020
Investment value increase (1)	COP 1,787,238	3,011,278
Financial income (2)	1,005,103	1,379,154
Dividends and holdings (3)	6,277	14,264
Profit (loss) from sale of investments	(6,202)	(1,110)
Total	COP 2,792,416	4,403,586

(1) Investment value increase at 31 December 2021 and 2020:

Class of security	At 31 December	
	2021	2020
COP treasury certificates (1.1)	COP 1,546,437	2,668,068
Currency forwards	240,801	343,210
Total	COP 1,787,238	3,011,278

(1.1) Fall due to market and rate volatility due to the economic emergency caused by COVID-19 and protests in Q3 that caused lower valuation in 2021.

(2) Financial income at 31 December 2021 and 2020:

Concept	At 31 December	
	2021	2020
Other interest	956,729	658,825
Financial returns (2.1)	48,374	720,329
Total	COP 1,005,103	1,379,154

(2.1) Fall due to mutual fund capital withdrawals to pay dividends. In addition, yields fell considerably in 2021.

Footnote 29 - Earnings and other income

Earnings and other income:

Concept	At 31 December	
	2021	2020
Exchange rate differences	COP 3,847,474	3,785,893
Reversal of expense provisions	2,113,681	1,222,272
Recovered provision (1)	241,043	170,398
Other income	68,907	11,101
Profit from sale of assets	-	174
Government subsidies	-	74,292
Total	COP 6,271,105	5,264,130

(1) Recovery of bvc (188,715) and Deceval (52,328) provisions for accounts receivable.



8.
GRI:

Footnote 30 - Employee benefit expenses

Employee benefit expenses:

Concept	At 31 December	
	2021	2020
Salaries	COP 19,588,010	18,497,812
Wages	17,400,726	16,973,004
Bonusses (1)	5,853,676	1,646,202
Pension contributions	4,067,620	3,809,176
Other employee benefits	2,861,058	2,872,077
Parafiscal taxes	2,231,168	2,031,190
Holiday pay	1,672,077	1,586,844
Severance fund	1,564,409	1,498,123
Statutory bonus	1,535,776	1,488,565
Health contributions	1,217,862	1,314,571
Staff training	726,824	880,664
Sport and recreation	224,008	162,896
Severance fund interest	171,123	172,956
Insurance	166,190	182,018
Other contributions and assistance	140,267	70,277
Overtime	111,509	120,662
Illness	75,676	92,340
Severance (2)	72,400	749,014
Uniforms and delivery of investments	10,604	4,281
Transport subsidy	8,208	10,402
Nutritional subsidy	2,307	2,304
Total	59,701,498	54,165,378

(1) Management evaluated the variable remuneration payment at 31 December 2021, subject to BSC performance, and made the adjustment in accordance with the estimated payment to be made in 2022. In 2020, bvc and Deceval did not achieve their expected results, and the bonus amount was lower.

(2) Severance payments due to Deceval restructuring in 2020.

Footnote 31 - Depreciation and amortisation expenses

Depreciation and amortisation expenses:

Concept	At 31 December	
	2021	2020
Depreciation	6,227,825	6,646,135
Amortisation (1)	10,247,905	7,997,893
Total	16,475,730	14,644,028

(1) In 2021 some bvc projects were put into production, and amortisation expenses increased.

Footnote 32 - Other ordinary expenses

Other ordinary expenses:

Concept	At 31 December	
	2021	2020
Service and maintenance (1)	28,832,348	25,579,480
Fees	22,720,619	21,105,633
Liquidity provider (2)	4,529,909	349,833
Taxes	4,307,378	3,667,420
Other	3,831,553	4,523,692
Insurance	2,751,784	1,468,345
Contributions and memberships (3)	2,358,369	1,935,743
Leases	2,202,331	2,298,318
Marketing and publicity	1,647,832	1,472,238
Asset impairment (4)	977,993	11,199,083
Public relations	158,680	92,097
Assembly and symposia	127,767	128,870
Administration and mediation services	118,855	127,899
Travel	93,958	203,478
Legal	81,321	32,809
Debt impairment	55,895	392,297
Stationary, supplies and photocopies	48,768	358,091
Installation and adaptation	39,150	23,841
Total	74,884,510	74,959,167

8.
GRI:

(1) At 31 December 2021 the main increases correspond to OMX licenses - **458,999**, Tibco - **215,890**, Oracle - **129,592**, 2NV - **115,756** and Hewlett Packard - **105,076**. Equipment maintenance expenses by IBM also increased compared to 2020 - **213,506**, as did BME technical support - **1,366,624**, MEFF technology services - **200,599**, and Columbus Networks - **277,955**.

(2) FX clearing and settlement expenses that began following the merger on 14 December 2020.

(3) Main increase due to increased CRCC holding following its merger with CDCC on 14 December.

(4) Main variation due to Amarú project write-off in 2020 by Deceval (11,199,083).

Footnote 33 - Financing costs

Detail of financing costs in 2021 and 2020.

Concepto	Por los años terminados el 31 de diciembre de	
	2021	2020
Investment valuation (1)	3,885,189	-
Bank charges	1,151,565	511,106
Bank and other financial credit (2)	1,018,052	3,383,499
Property and right-of-use interest	131,729	131,511
Exchange rate difference (3)	119,230	1,470,037
Total	6,305,765	5,496,153

(1) In January 2021, bvc purchased a tradable treasury bond. Its valuation is recognised in the period. Due to market performance in 2021, bvc recognises a valuation loss. At 31 December 2020 bvc treasury bond investments present valuation income.

(2) Fall due to settling bvc and Deceval financial obligations in 2021. At 31 December 2020 the obligations are current so financial expenses are recognised for them.

(3) Variation due to exchange rate fluctuations when measuring and settling FX assets and liabilities.

Footnote 34 - Profit from discontinued operations

Discontinued operations at 31 December 2020 due to the sale of Sophos in November 2020.

Concept	At 31 December 2020
Operating income	142,991,904
Costs	(91,277,378)
Administrative and sales expenses	(22,047,950)
Tax on discontinued operations	(9,678,920)
Discontinued minority operation	(9,261,421)
Reversal of intangible amortisation	(490,190)
Profit and loss	10,236,045
Income from discontinued operations (1)	86,883,018
Income tax	(10,316,906)
Profit and loss discontinued operations	86,802,157
Other comprehensive income	
Conversion difference	(1,139,538)
Total comprehensive pre-tax income from discontinued operations	85,662,619
Net operating cash flow	17,697,718
Net investment cash flow	(1,263,377)
Net financing cash flow	(12,109,882)
Net cash flow from discontinued operations	4,324,459
Exchange rate differences on cash and cash equivalents	(264,249)
Cash and cash equivalents at the start of the period	5,284,564
Net discontinued operation cash flow	9,344,774

8.
GRI:

(1) Profit from the sale of discontinued operations is as follows:

Concept	Value
Final adjusted sale price	125,632,490
(-) Expenses corresponding to % acquired	(3,051,454)
Net sale price	122,581,036
Final deferred deposit payment	(10,930,027)
Value paid on 31 December 2020	111,651,009
Assets	
Accounts receivable	39,199,993
Property, plant and equipment	8,619,142
Intangible assets	2,121,393
Capital gains	21,613,197
Other assets	289,325
Total assets	71,843,050
Liabilities	
Operational lease liabilities	(1,427,501)
Financial liabilities	(2,118,985)
Accounts payable	(12,410,228)
Employee expenses	(10,477,619)
Other liabilities	(1,070,301)
Total liabilities	(27,504,634)
Non-controlled interest	(17,985,172)
Cash and cash equivalents	9,344,774
Book value of net assets sold	35,698,018
Pre-tax profit on sale	86,883,018

Footnote 35 - Financial information by segment

Operating segments are **bvc** Group components participating in commercial activities that generate income and expenses for which financial information is available and regularly revised by the **bvc** Group Board of Directors.

Each segment's income generating products and services are described in Footnote **6.4.19**.

At **31 December 2021**, **bvc** Group had five operational segments: **bvc**, Deceval, CRCC, **precia** and other in-

vestment vehicles.

At **31 December 2020**, **bvc** Group had the following operational segments: **bvc**, Deceval, **precia**, other investment vehicles, CRCC (acquired February **2020**) and Sophos (sold on **30 November 2020** as part of the capital market infrastructure vertical integration strategy).

Other investment vehicles create and participate in companies and organisations that are directly related to Colombian Securities Exchange activities and services, with a view to facilitating, growing or complementing **bvc**'s investment activities.

Factors **bvc** Group management uses to identify reportable operating segments

The operating segments above are based on **bvc** Group organisational strategy with regard to Colombian economic sectors; each of the organisations have been operating in Colombia for a number of years.

Consolidated **bvc** Group information is assessed by the Board of Directors in accordance with international standards and current Colombian financial legislation, and is made available to the general public.



8.
GRI:

Assets and liabilities at 31 December 2021.

	bvc	Deceval	Precia	CRCC	Other*	Eliminations	Consolidated at 31 December 2021
Assets							
Current							
Cash and cash equivalents	21,450,295	10,881,812	3,332,218	10,163,960	1,015,537	-	46,843,822
Restricted cash	-	-	-	272,099,969	-	-	272,099,969
Financial asset investments	32,492,920	9,735,808	-	42,158,115	-	-	84,386,843
Trade and other accounts receivable	7,216,414	11,263,471	1,398,036	980,825	-	165,871	21,024,617
Counterparty transactions	-	-	-	105,061,648,029	-	-	105,061,648,029
Other assets	12,469,460	1,186,131	150,645	319,440	4,049	(1,832,845)	12,296,880
Noncurrent							
Financial asset investments	1,922,374	-	-	-	-	-	1,922,374
Investments in joint ventures	483,262,307	15,320,448	-	-	20,599,549	(510,213,611)	8,968,693
Capital gains	-	-	-	12,186,028	-	107,465,688	119,651,716
Intangible assets other than capital gains	43,320,771	21,677,100	1,181,982	41,164,181	-	279,337,959	386,681,993
Property, plant and equipment	18,470,399	25,783,624	514,313	1,456,625	-	(1,203,411)	45,021,550
Other assets	4,346,909	5,168,998	-	-	410	1,117,085	10,633,402
Total assets	624,951,849	101,017,392	6,577,194	105,442,177,172	21,619,545	(125,163,264)	106,071,179,888
Liabilities							
Current							
Financial obligations	307,217	1,515,910	133,310	333,916	-	(68,033)	2,222,320
Employee expenses	2,346,925	3,993,842	605,162	1,390,578	-	-	8,336,507
Trade and other accounts payable	13,873,720	10,585,480	262,945	1,239,792	27,633	(2,002,063)	23,987,507
Deposits	-	-	-	272,095,745	-	-	272,095,745
Counterparty transactions	-	-	-	105,061,648,029	-	-	105,061,648,029
Accounts payable to related parties	232,069	113,128	31,336	-	-	(294,380)	82,153
Other liabilities	4,430	4,241,725	1,125,174	2,385,749	20	1,592,504	9,349,602
Noncurrent							
Financial obligations	1,316,987	-	197,434	116,118	-	-	1,630,539
Other liabilities	4,525,368	7,410,560	26,855	3,065,167	-	27,720,074	42,748,024
Total liabilities	22,606,716	27,860,645	2,382,216	105,342,275,094	27,653	26,948,102	105,422,100,426

8.
GRI:

Assets and liabilities at 31 December 2020

	bvc	Deceval	Precia	CRCC	Other*	Eliminations	Consolidated at 31 December 2020
Assets							
Current							
Cash and cash equivalents	120,252,561	8,838,346	3,337,584	13,107,948	1,451,769	(2)	146,988,206
Restricted cash	-	-	-	171,301,874	-	-	171,301,874
Financial asset investments	2,807,468	10,205,376	-	30,505,200	-	-	43,518,044
Trade and other accounts receivable	5,973,531	9,493,178	1,212,554	1,173,154	-	257,716	18,110,133
Counterparty transactions	-	-	-	65,655,527,491	-	-	65,655,527,491
Other assets	7,741,746	935,155	134,030	1,184,999	-	(2,384,499)	7,611,431
Noncurrent							
Financial asset investments	2,455,487	-	-	-	-	-	2,455,487
Investments in associates, joint ventures and subsidiaries	472,520,023	13,633,630	-	-	20,527,133	(498,885,541)	7,795,245
Capital gains	-	-	-	12,186,028	-	107,465,688	119,651,716
Intangible assets other than capital gains	35,017,772	13,063,220	665,691	44,812,529	-	279,292,213	372,851,425
Property, plant and equipment	19,561,273	25,170,587	440,862	1,645,804	-	(1,449,490)	45,369,036
Other assets	8,960,004	5,156,274	-	(658,144)	-	1,706,333	15,164,467
Total assets	675,289,865	86,495,766	5,790,721	65,930,786,883	21,978,902	(113,997,582)	66,606,344,555
Liabilities							
Current							
Financial obligations	6,745,054	1,774,981	156,914	147,187	-	(355,267)	8,468,869
Employee expenses	1,652,190	2,304,521	550,688	1,144,559	-	-	5,651,958
Trade and other accounts payable	8,566,142	5,458,162	210,342	1,739,866	24,985	(116,248)	15,883,249
Deposits	-	-	-	171,299,389	-	-	171,299,389
Counterparty transactions	-	-	-	65,655,527,491	-	-	65,655,527,491
Other liabilities	6,310,280	3,566,887	907,793	1,000,548	(3,825)	(469,596)	11,312,088
Noncurrent							
Financial obligations	13,284,875	-	77,322	-	-	(1)	13,362,196
Other liabilities	5,335,891	5,475,241	146,619	2,971,379	-	27,819,084	41,748,213
Total liabilities	41,894,432	18,579,792	2,049,678	65,833,830,419	21,160	26,877,971	65,923,253,453

Income and expenses at 31 December 2021.

	bvc	Deceval	Precia	CRCC	Other*	Eliminations	Consolidated at 31 December 2021
Ordinary income							
Fixed-income	COP 10,264,418	-	-	-	-	-	10,264,418
Equities	10,842,117	-	-	-	-	(16,350)	10,825,767
Derivatives and securities lending	2,534,223	-	-	-	-	-	2,534,223
Capital market	23,640,758	-	-	-	-	(16,350)	23,624,408
Issuer deposits and promissory notes	-	37,006,179	-	-	-	3,377,685	40,383,864
Securities registration and maintenance	16,129,782	-	-	-	-	-	16,129,782
A2censo	1,705,705	-	-	-	-	-	1,705,705
Special operations	3,782,957	-	-	-	-	-	3,782,957
Issuers	21,618,444	37,006,179	-	-	-	3,377,685	62,002,308
Information publications and subscriptions	12,884,035	-	-	-	-	(211,463)	12,672,572
EAS connection	1,509,680	-	-	-	-	-	1,509,680
Master Trader	5,273,781	-	-	-	-	1,113,918	6,387,699
Education	679,499	-	-	-	-	(7,139)	672,360
Pricing information	-	-	12,571,285	-	-	(122,002)	12,449,283
Knowledge and information	20,346,995	-	12,571,285	-	-	773,314	33,691,594
Post-trade	-	48,498,486	-	-	-	(3,840,835)	44,657,651
CRCC clearing and settlement	-	-	-	35,160,275	-	(14,760)	35,145,515
Other ordinary income	1,395,303	-	-	-	-	(744,248)	651,055
Total ordinary income	67,001,500	85,504,665	12,571,285	35,160,275	-	(465,194)	199,772,531
Investment income	2,312,610	1,265,818	86,048	1,238,837	1,087,403	(1,084,619)	4,906,097
Other earnings or income	3,190,733	1,043,168	15,989	128,601	-	(221,067)	4,157,424
Total income	72,504,843	87,813,651	12,673,322	36,527,713	1,087,403	(1,770,880)	208,836,052
Costs and expenses							
Employee benefits	(17,131,968)	(29,779,987)	(4,475,294)	(8,314,249)	-	-	(59,701,498)
Depreciation and amortisation	(7,660,994)	(3,265,332)	(393,267)	(5,447,962)	-	291,825	(16,475,730)
Other ordinary expenses	(36,095,634)	(23,177,389)	(4,080,019)	(12,577,526)	(40,678)	1,086,736	(74,884,510)
Non-ordinary expenses	(499,859)	(733,244)	-	(1,452)	-	-	(1,234,555)
Total costs and expenses	(61,388,455)	(56,955,952)	(8,948,580)	(26,341,189)	(40,678)	1,378,561	(152,296,293)
Operating profit	11,116,388	30,857,699	3,724,742	10,186,524	1,046,725	(392,319)	56,539,759
Operating profit							
Associate and joint venture equity method profit	7,360,288	-	-	-	-	13,277	7,373,565
Financing costs	(4,794,462)	(702,108)	(56,277)	(770,100)	(15)	17,197	(6,305,765)
Pre-tax profit	13,682,214	30,155,591	3,668,465	9,416,424	1,046,710	(361,845)	57,607,559
Income tax	(913,698)	(9,896,561)	(1,181,586)	(3,130,003)	30	-	(15,121,818)
Net profit	12,768,516	20,259,030	2,486,879	6,286,421	1,046,740	(361,845)	42,485,741

8.
GRI:

Income and expenses at 31 December 2020.

	bvc	Deceval	Sophos	Precia	CRCC	Other*	Eliminations	Consolidated at 31 December 2020
Continuing operations								
Ordinary income								
Fixed-income	COP 9,492,388	-	-	-	-	-	-	9,492,388
Equities	12,101,748	-	-	-	-	-	-	12,101,748
Derivatives and securities lending	2,317,377	-	-	-	-	-	-	2,317,377
Capital market	23,911,513	-	-	-	-	-	-	23,911,513
Issuer deposits and promissory notes	-	35,893,573	-	-	-	-	1,693,591	37,587,164
.Ascenso	296,740	-	-	-	-	-	-	296,740
Securities registration and maintenance	15,824,477	1,732,948	-	-	-	-	(36,596)	17,520,829
Special operations	2,062,700	-	-	-	-	-	-	2,062,700
Issuers	18,183,917	37,626,521	-	-	-	-	1,656,995	57,467,433
Information publications and subscriptions	12,092,414	-	-	-	-	-	-	12,092,414
EAS connection	1,671,195	-	-	-	-	-	-	1,671,195
Master Trader	6,819,934	-	-	-	-	-	-	6,819,934
Education	606,156	-	-	-	-	-	-	606,156
Pricing information	-	-	-	10,842,616	-	-	(110,138)	10,732,478
Knowledge and information	21,189,699	-	-	10,842,616	-	-	(110,138)	31,922,177
Post-trade	-	49,604,936	-	-	-	-	(5,113,702)	44,491,234
Clearing and settlement	-	-	-	-	19,760,130	-	-	19,760,130
Other ordinary income	974,451	227,702	-	-	2,284,573	-	(897,158)	2,589,568
Total ordinary income	64,259,580	87,459,159	-	10,842,616	22,044,703	-	(4,464,003)	180,142,055
Investment income	723,116	1,018,174	-	59,651	2,374,135	1,495,177	(1,266,667)	4,403,586
Other earnings or income	30,149,102	2,255,578	-	124,607	243,836	-	(27,508,993)	5,264,130
Total income	95,131,798	90,732,911	-	11,026,874	24,662,674	1,495,177	(33,239,663)	189,809,771
Costs and expenses								
Employee benefits	(15,752,192)	(28,643,391)	-	(3,996,001)	(5,768,224)	-	(5,570)	(54,165,378)
Depreciation and amortisation	(7,913,829)	(2,659,597)	-	(395,576)	(3,910,439)	-	235,413	(14,644,028)
Other ordinary expenses	(29,264,928)	(34,876,460)	-	(3,616,032)	(6,629,580)	(39,468)	(532,699)	(74,959,167)
Non-ordinary expenses	(1,164,849)	(251,497)	-	(7,423)	-	-	782,583	(641,186)
Total costs and expenses	(54,095,798)	(66,430,945)	-	(8,015,032)	(16,308,243)	(39,468)	479,727	(144,409,759)
Operating profit	40,277,906	24,301,966	-	3,011,842	5,311,919	1,455,709	(28,951,448)	45,400,012
Operating profit								
Associate and joint venture equity method profit	7,019,282	545,665	-	-	-	-	(319,152)	7,245,795
Income from increase in fair value of investments	29,789,613	-	-	-	-	-	1,989,982	31,779,595
Financial costs	(3,442,496)	(2,018,434)	-	(90,727)	(692,850)	(37)	748,391	(5,496,153)
Pre-tax profit	73,644,305	22,829,197	-	2,921,115	4,619,069	1,455,672	(26,540,109)	78,929,249
Income tax	(13,130,836)	(6,837,806)	-	(1,093,356)	(1,605,329)	(29,670)	10,316,907	(12,380,090)
Net annual profit continuing operations	60,513,469	15,991,391	-	1,827,759	3,013,740	1,426,002	(16,223,202)	66,549,159
Profit from discontinued operations	-	-	86,802,161	-	-	-	-	86,802,161
Profit	60,513,469	15,991,391	86,802,161	1,827,759	3,013,740	1,426,002	(16,223,202)	153,351,320

8.

GRI: 103-1,
103-2, 207-3,
207-4

Footnote 36 - Income tax

Income tax components

In accordance with current tax law, **bvc** Group pays income and supplemental tax. In **2020** and **2021** the applicable rate was **32%** and **31%**, respectively. Tax on unexpected earnings is **10%**.

The income tax calculation base may not be lower than **0.5% (2020)** and **0.0% (2021)** of liquid equity on the last day of the previous period (presumptive income).

Law **1819:2016**, Article **22**, states that from **2017**, recognition and measuring systems will be used to determine income and supplemental taxes on the value of assets, liabilities, equity, income, costs and expenses, in accordance with current Colombian technical legislative frameworks, whether tax law expressly refers to them or not. In any case, tax law may expressly require different treatment, as stated in Law **1314:2009**, article **4**.

In addition:

i) Income tax declarations from **2018**, **2019** and **2020** are open to revision by the tax authorities. No extra tax is foreseen should an inspection occur.

ii) The following table details offsettable tax losses¹ to **31 December 2020**:

Year of origin	Income tax loss	Limit on tax losses in merger by absorption processes	Tax losses to be offset (with no limit in years to be offset)	Tax losses to be offset in the next 12 years
2010	1,187,973	972,554	972,554	-
2011	1,237,502	1,013,102	1,013,102	-
2018	1,529,633	-	-	1,529,633
TOTAL	3,955,108	1,985,656	1,985,656	1,529,633

Accumulated tax losses to **2016** can be offset against ordinary future liquid income at any time and without any percentage limit. Tax losses from **2017** and after may be used to offset liquid income for the following **12** years.

iii) The following table details excess presumptive income in income tax at **31 December 2021**:

Year of origin	Excess presumptive income	Minimum base excess	Readjusted excess income	Limit on tax losses in merger by absorption processes	Excess presumptive income and minimum base subject to offset from 2017
2018	3,589,416	-	-	1,213,671	3,320,590
TOTAL	3,589,416	-	-	1,213,671	3,320,590

Excess presumptive income may be offset against ordinary income for up to five years from its occurrence.

iv) In general, tax returns filed from **2016** onwards become final after three (**3**) years.

In accordance with Law **2010:2019**, article **117**, income and supplementary tax declarations that settle or offset tax losses or that are subject to transfer pricing become final after five (**5**) years.

v) In tax year **2021**, the company made use of the tax benefit contained in Tax Code article **256**, for investment in investigation, technological development or innovation. At **31 December 2021**, CRCC's investments in **2018** and **2019** had an excess tax discount for investment in science and technology of **1,382,120**.

At **31 December 2021**, **bvc**'s investments in **2020** and **2021** had an excess tax discount for investment in science and technology of **3,956,529**.

1. The formula specified in item 5, article 290, Law 1819, 29 December 2016, must be applied to offsettable losses at 31 December 2016.

8.
GRI:

These discounts can be used as a tax discount in the four (4) years following the investment in investigation, development and innovation.

Tax discounts expiring on:	2021	2020
31 December 2022	352,613	1,729,466
31 December 2023	1,029,507	1,906,788
32 December 2024	1,716,957	1,820,896
31 December 2025	2,239,572	-
	5,338,649	5,457,150

Reconciliation of the effective rate

In accordance with IAS 12, paragraph 81, subsection (c), The following table shows a breakdown of the reconciliation between the company's total income tax expenses for year-ended 31 December 2020 and 2019 at current rates, and the tax expenses recorded for the respective year.

	2021 Values	2021 Rates	2020 Values	2020 Rates
Pre-tax profit	57,607,559		78,929,249	
Income tax	17,858,343	31.00%	25,257,360	32.00%
Equity method income	(2,285,805)	(3.97%)	(2,318,654)	(2.94%)
Non-taxable fair value income from permanent investments	-	0.00%	(9,307,285)	(11.79%)
Non-deductible expenses	2,426,392	4.21%	1,800,282	2.28%
Interest and other non-taxable income	(685,938)	(1.19%)	(781,130)	(0.99%)
Other concepts	(504,009)	(0.87%)	805,358	1.02%
Tax discount	(3,874,911)	(6.73%)	(3,472,051)	(4.40%)
Previous period current tax adjustment	234,509	0.41%	268,582	0.34%
Effect of rate variation on deferred tax	1,929,299	3.35%	131,996	0.17%
Changes to previous year estimate of deferred tax	23,938	0.04%	(4,368)	(0.01%)
Total continuing operation income tax expenses	15,121,818	26.25%	12,380,090	15.69%

Recognised income and supplemental tax in the period is as follows

	2021	2020
Income tax expenses		
Current period	14,799,359	11,915,189
Previous period adjustment	234,509	268,582
Subtotal current tax	15,033,868	12,183,771
Deferred tax expenses		
Origination and reversal of timing differences	711,865	(143,548)
Changes to non-recognised deductible timing differences	(623,915)	339,867
Subtotal deferred tax	87,950	196,319
Total income tax expenses	15,121,818	12,380,090

The Group incurred no taxes that must be directly recognised in shareholder equity nor in other comprehensive income.



Deferred tax

Differences between asset and liability book values and their tax bases give rise to the following timing differences generated by deferred, calculated and registered taxes for the periods ended **31 December 2021** and **2020**, based on applicable tax rates in the years the timing differences will be reversed:

8.
GRI:

	Balance 31 December 2019	Effect on income	Other effects	CRCC deferred tax PPA	Balance at 31 December 2020	Effect on income	Balance at 31 December 2021
Deferred tax asset							
Intangibles	10,237	16,103	36,184	-	62,524	(24,816)	37,708
Available debt security investments	-	-	-	-	-	2,771,290	2,771,290
Other assets	1,438,295	(84,266)	(837,205)	-	516,824	(14,226)	502,598
Provisions	441,528	(120,443)	(279,568)	-	41,517	1,403,724	1,445,241
Property, plant and equipment	1,529,709	(90,210)	(1,039,968)	-	399,531	3,644	403,175
Accounts payable (Business combination)	445,722	-	(445,722)	-	-	-	-
Leases	7,755	(7,755)	-	-	-	-	-
Provisions for indemnity payments	832,000	(832,000)	-	-	-	-	-
Exchange rate differences	167,143	(130,409)	5,022	-	41,756	(41,756)	-
Excess presumptive income	632,076	(80,648)	444,749	-	996,177	166,030	1,162,207
Tax losses	458,890	(97,018)	535,031	-	896,903	333,449	1,230,352
Unused tax discounts	3,116,151	(1,690,234)	3,530,693	-	4,956,610	382,039	5,338,649
Implementation IFRS 16	11,703	8,516	5,599	-	25,818	(7,087)	18,731
Tax credits	9,437	(9,437)	-	-	-	-	-
Subtotal	9,100,646	(3,117,801)	1,954,815	-	7,937,660	4,972,291	12,909,951
Deferred tax liability							
Investments	(202,312)	(458,370)	(9,819)	-	(670,501)	375,400	(295,101)
Provisions	(338,444)	11,483	324,335	-	(2,626)	2,626	-
Intangibles	(3,324,532)	(218,368)	-	-	(3,542,900)	(2,601,597)	(6,144,497)
Intangibles (business combination)	(24,401,921)	-	231,925	(3,810,000)	(27,979,996)	-	(27,979,996)
Property, plant and equipment	(8,647,801)	21,181	1,594,325	-	(7,032,295)	(1,139,869)	(8,172,164)
Investment projects	(3,986,980)	3,601,627	(4,145,509)	-	(4,530,862)	(895,905)	(5,426,767)
Exchange rate differences	(21,833)	(36,071)	(1,438)	-	(59,342)	(800,896)	(860,238)
Commercial credit	(3,840,907)	-	3,840,907	-	-	-	-
Intellectual property rights	-	-	(2,570,000)	-	(2,570,000)	-	(2,570,000)
Subtotal	(44,764,730)	2,921,482	(735,274)	(3,810,000)	(46,388,522)	(5,060,241)	(51,448,763)
Net total	(35,664,084)	(196,319)	1,219,541	(3,810,000)	(38,450,862)	(87,950)	(38,538,812)

8.
GRI:

Current tax

Current tax assets and liabilities:

	At 31 December 2021	At 31 December 2020
Current tax assets		
Anticipated withholding	522,706	1,628,340
Self-withholding	9,085,539	9,370,524
Anticipated income and supplemental	2,924,696	3,823,349
Tax credits (1)	4,049	7,308,780
Total current tax assets	12,536,990	22,130,993
Current tax liabilities		
Income and supplemental taxes (1)	(14,799,358)	(27,384,919)
Total current tax liabilities	(14,799,358)	(27,384,919)
Net current tax balance	(2,262,368)	(5,253,926)

(1) The drop in income tax liability at 31 December 2021 is mainly due to taxable income from the sale of Sophos Solutions S.A.S. that bvc offset with a tax credit from 2019.

	At 31 December 2021	At 31 December 2020
Current tax assets		
Colombian Securities Exchange (1)	1,645,027	-
Cámara de Riesgo Central de Contraparte de Colombia S.A.	-	259,255
Invesbolsa S.A.	4,350	3,931
Bvc Pro S.A.S.	36	29
Bvc Plus S.A.S.	36	29
Inverbvc S.A.S.	37	30
Total current tax assets	1,649,486	263,274
Current tax liabilities		
Colombian Securities Exchange (1)	-	(3,784,229)
Deceval S.A.	(1,863,863)	(1,244,109)
Cámara de Riesgo Central de Contraparte de Colombia S.A.	(1,464,798)	-
Precia S.A.	(583,193)	(488,862)
Total current tax liabilities	(3,911,854)	(5,517,200)
Net current tax balance	(2,262,368)	(5,253,926)

(1) Variation due mainly to taxable income from the sale of Sophos Solutions S.A.S. in 2020.

Effect of deferred tax on each component of other comprehensive income

The effect of deferred tax on each component of other comprehensive income is as follows:

	At 31 December 2020			At 31 December 2021		
	Pre-tax amount	Deferred tax	Net	Pre-tax amount	Deferred tax	Net
COP cash flow hedge	42,852	-	42,852	-	-	-
Total	42,852	-	42,852	-	-	-

In accordance with current Colombian tax law, neither dividend distribution nor profit retention affect the income tax rate.

In compliance with IAS 12, the company did not register deferred tax liabilities related to timing differences on investments in subsidiaries, principally for concepts related to non-distributed profits and tax readjustments on investments. This is because: i) The company controls its subsidiaries and therefore decides on reversals related to timing differences; and ii) the Company does not anticipate doing so in the medium-term and, even if this decision changes, the operation would not be taxable. Therefore, it is not probable that these timing differences will be reversed for the foreseeable future. At 31 December 2020 and 2019 timing differences for the indicated items were 379,958,386 and 366,633,145, respectively.

Realisation of deferred tax assets

We hope to continue generating taxable liquid income in future periods against which we can recover deferred tax assets. Estimated future income is based fundamentally on projections of company operations, and we expect the positive tendency to continue.

Estimates in these financial statements are based on recovering deferred tax assets to offset future taxes.

8.
GRI:

Uncertainty on open tax positions²

An evaluation of IFRIC 23 on tax uncertainties shows that at 31 December 2021, the company has no tax uncertainty that generates a provision, and therefore no risk of any additional tax burden.

Economic Growth Law

In December 2019 Colombian tax law was modified by Law 2010, the Economic Growth Law. Rules were adopted to promote economic growth, employment, investment, and strengthen public finances and the progressivity, equality and efficiency of the tax system. In tax year 2021, the law became applicable.

Among the law's main principles are the following:

- The general rate for domestic taxpaying companies will be gradually reduced; it was 32% in 2020, and 31% in 2021.
- Presumptive tax will be gradually phased out from 2021.
- 100% of taxes, rates and contributions that are related to income generation and paid in the tax year continue to be deductible (except income tax); 50% of the financial transaction tax is deductible, regardless of whether it is income generating or not.
- 50% of commerce and industry tax may be treated as a tax discount on income tax in the tax year it is paid and according to its relationship with economic activity. Continued tax discounts are: (i) VAT paid on importing, forming, constructing or acquiring real productive fixed-assets, including the services necessary for their construction and implementation; this discount may only be used by VAT registered organisations. (ii) Commerce and industry tax, as detailed above.
- The following modifications were made to the tax on dividends:
 - The rate was increased to 10% for non-taxable dividends paid to foreign companies and organisations, non-resident individuals and permanent establishments.

- A 10% marginal rate will be applied to dividends in excess of 300 UVT (tax value units) paid to resident individuals and domestic estates in probate.
- The taxable dividend rate was amended as follows: (i) 2020 – 32%, 2021 – 31%; and (ii) the remainder will be taxed at the non-taxable rate in accordance with the recipient (individuals and estates in probate as stated above, in all other cases at 7.5%).
- No changes were made to the income tax regime for first-time dividend payments to domestic companies, that are transferrable to resident individuals or non-resident investors at a rate of 7.5%.
- 2016 and prior dividends conserve their treatment. Dividends corresponding to 2017, 2018 and 2019 and 2020 that are paid in 2020 or 2021 will be subject to the rates specified in Law 2010.

Social Investment Law

In September 2021, Law 2155, the Social Investment Law, modified Colombian tax law, and adopted rules designed to strengthen social spending and contribute to economic reactivation, employment and fiscal stability. Among the measures that will have an impact on the Group are:

- The income tax rate applicable to the company in 2022 will be 35%, and 2021's deferred tax will be taken into account in the rate, thus eliminating the gradual reduction contained in Law 2010:2019.
- 50% of commerce and industry tax may be treated as a tax discount on income tax in the tax year it is paid and according to its relationship with economic activity; the 100% discount from 2022 was cancelled.
- The right to audit is extended to 2022 and 2023 when the net income tax rate will increase by 35% or 25%, meaning that the income tax declaration will become firm in 6 and 12 months, respectively.

2. In June 2017, IASB issued IFRIC 23 – Uncertainty over Income Tax Treatments, valid from 1 January 2019. In Colombia, Decree 2270, 13 December 2019, created the technical annex, updated IFRS – Grupo 1, enforceable from 1 January 2020, and included IFRIC 23.

8.

GRI: 201-4,
415-1**Footnote 37 - Related parties**

Corresponds to the transfer of resources, services or obligations between related parties. **bvc** Group transfers between related parties are those that meet the following conditions:

- (i) Between organisations within the **bvc** Group – subsidiaries.
- (ii) With organisations over which it exercises significant influence (associates or joint ventures).
- (iii) With key management personnel.

Transactions between related parties are made at fair value or market price.

Intercompany transactions are completed at market prices and treated as if between unrelated parties.

Intercompany and related party operation balances at **31 December 2021** and **2020**:

Entity	Relationship	31 December 2021		31 December 2020	
		Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
Derivex S.A.	Joint venture	1,546,790	3,996	1,418,458	1,165
Deterioro Derivex S.A.	Joint venture	(1,101,780)	-	(1,101,780)	-
Set Icap FX S.A.	Joint venture	54,471	19,089	-	18,168
Set Icap Securities S.A.	Joint venture	19,041	-	8,761	-
Other (1)	Shareholders	500,000	59,068	515,392	5,611
	Total	1,018,522	82,153	840,831	24,944

Entity	Relationship	31 December 2021		31 December 2020	
		Income	Expense	Income	Expense
Derivex S.A.	Joint venture	212,930	25,645	129,019	16,485
Set Icap FX S.A.	Joint venture	7,449,504	210,935	6,230,321	166,041
Set Icap Securities S.A.	Joint venture	185,574	977	224,752	2,236
	Total	7,848,008	237,557	6,584,092	184,762

- (1) At **31 December 2021** and **2020** noncurrent accounts receivable of **500,000** from related parties are recognised, corresponding to a loan made to the **bvc** President in June **2018** with a **5** year term and a rate equivalent to portfolio yield at each year end.

Key management personnel:

Key management personnel balances are as follows:

	At 31 December	
	2021	2020
Value paid to key personnel (president, vice president, managers)	17,246,648	16,757,345
Board of Director fees	1,927,123	1,951,273
	19,173,771	18,708,618



8.

GRI: 419-1

Footnote 38 - Contingencies

Detail of contingencies at 31 December 2021 and 2020

bvc

Process	Plaintiff	Notification date	Objective	Status	Lawyer	Amount / Accounting value / Provision / % provisioned	Probability of loss
List of institutional charges – file number 2020261020-000 -000 (Derived from the on-site inspection from 13/03/2020 to 1/06/2020 following 13 March 2020 failures)	Colombian Financial Superintendence (CFS)	28/10/2020	CFS brings charges against bvc alleging that bvc infringed its legal obligation to comply with imperative market rules. CFS believes that bvc unknowingly acted in contravention of sections l) and m), article 2.10.5.2.4 , Decree 2555: 2010 . "l) Ensure the correct functioning of the system or systems on which securities trading takes place as referred to in article 2.10.5.1.1 of this decree; m) Adequately identify, control and manage risks the entity and systems are exposed to during securities trading, referred to in article 2.10.5.1.1 of this decree..."	bvc receives notice of the administrative action on 28 October 2020 . On 14 December 2020 the response is presented to the CFS's list of charges, within the time limit. On 6 January 2021 , CFS proffers decision No. 01 2021 requesting evidence, and the probatory period begins (no appeal is filed on this decision): 1) Incorporate into the file and have proof for each, the documents supplied by the defence 2) Set a term of two months to obtain proof. On 30 March 2021 , CFS proffers decision No. 003, 23 March 2021 , in which it decrees the close of the probatory period and sets the date of 12 April 2021 to hear concluding arguments. On 12 April bvc submits its concluding arguments within the time limit granted by CFS .	Alberto Velandia Rodríguez - bvc	TBD	It is highly probable that the Exchange will be sanctioned. However, it is important to note that a robust defence has been mounted with a view to being exonerated from responsibility. In the alternative, a request was made to apply the materiality principle.

8.
GRI:

Deceval

Process	Status	Probability of judgement in favour / against
<p>Proceeding 2017-703, Bogota Civil Court 9.</p> <p>Transfer of abandoned and unclaimed property, securities, shares or equity to the ICBF.</p>	<p>The court ruled in favour of allowing Andrés Segura Segura to represent deceval; (ii) resolves Deceval's action and states that the motion for exclusion will be decided in the ruling; (iii) grants the appeal to not allow precautionary measures; (iv) Makes Eliecer Milkes curator. Dr Segura submits a detailed report on 18 January 2021 stating that the process is awaiting possession of the curator named on 4 November 2020, and that the risk of a ruling against deceval S.A. is low, especially in view of the fact that the plaintiff's reformed action removes deceval as the defendant.</p> <p>Conclusion: Due to the low risk of a judgement against Deceval S.A. it is not recognised in the financial statements.</p>	<p>Low risk</p>

Footnote 39 - Relevant facts COVID-19 contingency

The current situation has impacted various economic sectors and **bvc** has adequately managed risk. Special emphasis has been paid to identifying, measuring, controlling and monitoring operational risks inherent to our activities. This has allowed us to guarantee operational continuity and offer our services to market **100%** remotely, and we have worked on the following fronts:

1. Employees: Aligned with **bvc** values, our human capital is a vital resource during the crisis, and the health and wellbeing of employees and contractors is of primary importance. Since the start of the **COVID-19** health emergency, **100%** of our employees have worked remotely, with a framework of critical roles and operations. **bvc** Group is in constant communication with its employees and we have developed internal communications on measures and protocols with regard to: **COVID-19** prevention and control, flexible / alternative working hours, tips for remote working, cybersecurity, online training, recreational activities, and other everyday corporate communications.

In July **2021**, we began to pilot a flexible working scheme in which employees choose two days per week to come into the office and work remotely the other three days. The company implemented a number of protocols and adaptations to workspaces to comply with biosecurity measures.

In addition, it is worth noting that salary and social security payments have continued as usual, and no salary reduction has been contemplated for employees; the company has found efficiencies among services that can be postponed or that by their nature have generated savings.

2. Business continuity: To ensure **bvc** Group managed markets function correctly, we have implemented technological and operational measures that have improved our resilience to the current situation and guaranteed continuity. We have given remote market access to **100%** of our customers via technology frameworks, while increasing our permanent cybersecurity risk monitoring capacity, keeping our incident monitoring and disaster management teams working during the emergency, and activating cloud storage systems. All of this has led to more efficient remote working.

The company has migrated all of its information to the cloud and employees are able to efficiently do their jobs and stay connected in a hybrid model.

The result of these initiatives is that to date no business continuity risk has materialised, all services are working on all available channels without any changes to market opening hours. The **bvc** Group Board of Directors has been kept continuously informed of the situation and the action plans implemented; **bvc** Group's subsidiaries have implemented their own specific business continuity plans the meet their operational needs.

8.
GRI:

3. Reputation: **bvc** Group uses active and updated customer monitoring protocols to mitigate reputational risk by continually monitoring the portfolio, providers and stakeholders in accordance with current operational and functional legislation.

Our internal processes track the market, and financially and qualitatively analyse each of our affiliates, participants and issuers using publicly available information to measure and prevent any situations of concern affecting the company, the industry or the market.

4. Financial: **bvc** Group has implemented the following measures to keep the financial situation healthy in the current situation, with regard to market, liquidity, credit, and interest and exchange rates:

- **Market risk:** To mitigate high price uncertainty in financial instruments, **bvc** Group uses a portfolio management policy that was approved by the Finance and Administration Committee in March **2021**. It establishes acceptable investment criteria for financial instruments that are adjusted to the company's acceptable level of risk.
- **Liquidity risk:** **bvc** Group strictly controls cash flow to ensure a solid net position. In addition, we have analysed different scenarios in which income drops, and better controlled costs and expenditure by suspending non-essential activities.
- **Credit risk:** **bvc** Group uses a quota system to mitigate the risk of a financial transaction not complying with obligations. **bvc** Group has continued to meet its financial obligations and has made no modifications due to the contingency. It is worth mentioning that the majority of the company's financial obligations are index linked to the CPI or the IBR and could, therefore, be subject to interest rate variations.
- **Interest rate risk:** Interest rate risk from market uncertainty may affect index-linked assets and liabilities. Therefore, **bvc** Group continuously monitors its investments and investment strategies and makes decisions with regard to any type of change.
- **Exchange rate risk:** In **2021** there were positive exchange rate variations compared to **bvc** and subsidiaries' anticipated rate, that ensured the viability of foreign exchange payments.

- **Income risk:** **bvc** Group continually monitors real income compared to the budget. In **Q4** subsidiary income was above targets but **bvc** income was below target due to the uncertainty that persists in some markets

bvc Group continues to strategically monitor all its different lines of business and customer behaviour related to the company's portfolio. In addition, we have introduced a more exhaustive expense control policy that allows decisions to be made that maintain financial equilibrium.

bvc+deceval Q4 performance shows that the company has been impacted by the situation; trading volumes have fallen and the company is a few percent below budget. However, expenses are being well managed to ensure that this does not have a significant impact on the company.

With a view to strengthening the capital market and permanently improving liquidity and new products and services of benefit to market agents, Santiago Commercial Exchange, Colombian Securities Exchange and Lima Securities Exchange Group were integrated.

This regional integration was approved by the respective Boards of Directors on **29 November 2021**. Following approval, it is hoped that activities will commence with the signing of the Integration Framework Agreement by each exchange's shareholders.

Subsequently, legal and corporate actions will be carried out to close the deal and swap shares between the three individual entities and the regional holding company. It is projected that this will happen in **Q3 2022**, subject to regulatory and corporate approval.

With regard to subsidiaries, Precia, Cámara de Riesgos and Set-icap posted exceptional results that were equal to or above budget.

5. Accounting system: **bvc** Group management authorised an update from ERP SAP **R3** to SAP **4/Hana** that was implemented on **30 September 2021**

8.
GRI:**Footnote 40 - Events after the close of the consolidated financial statements**

No events that require disclosure occurred between the end of the reporting period on **31 December 2020** and the date of the external audit report.

Footnote 41 - Approval of the consolidated financial statements

On **23 February 2022**, in Act **304**, the Board of Directors approved the publication and presentation to shareholders of these consolidated financial statements of Colombian Securities Exchange and subsidiaries for the year ended **31 December 2021**, in accordance with Commercial Code requirements.



8.
GRI:

Colombian Securities Exchange Certification of the Legal Representative

28 February 2022

In compliance with Law 964:2005, article 46, the undersigned Colombian Securities Exchange (bvc) Legal Representative certifies that the consolidated financial statements and their footnotes at 31 December 2021, with comparative data at 31 December 2020, contain no defects, imprecisions nor errors that could prevent gaining an understanding of bvc's true equity or operational situation.

*Original signed by:

Diego Javier Fernández Perdomo
Legal Representative
Colombian Securities Exchange

Colombian Securities Exchange Certification of the Legal Representative and Accountant

28 February 2022

Colombian Securities Exchange Shareholders,

The undersigned Colombian Securities Exchange (henceforth the "Company") legal representative and accountant certify that the Company's financial statements for the year ended 31 December 2021 are a faithful reproduction of the books and that, before making them available to you and third parties, we have verified the following:

- a. All assets and liabilities included in the Company's financial statements for the year ended 31 December 2021 exist, and all transactions included in said statements were carried out during the year ended on that date.
- b. All economic events realised by the Company in the year ended 31 December 2021 have been recognised in the financial statements.
- c. The assets represent probable future economic benefits (rights), and the liabilities represent probable future economic sacrifices (obligations), obtained by or the responsibility of the Company to 31 December 2021.
- d. All items have been recognised at their appropriate values in accordance with International Financial Reporting Standards (IFRS).
- e. All economic events affecting the Company have been correctly classified, described and disclosed in the financial statements.

*Original signed by:

Diego Javier Fernández Perdomo
Legal Representative (*)

*Original signed by:

Nancy Fuquen Tocarruncho
Accountant (*)
T.P. No. 75520 - T
For: PricewaterhouseCoopers
Asesores Gerenciales AG SAS



Country Code Survey

REPORT ON IMPLEMENTATION OF CORPORATE BEST PRACTICE

Principal Legal Representative
Juan Pablo Córdoba

Designated Legal Representative for this Implementation Report
Alberto Velandia Rodríguez

Period of the Report
2021

Date of the Report
31 January 2022

Introduction

GRI: 102-27,
103-3

Issuers must report implementation of the new Colombian Code of Corporate Best Practice to the Colombian Financial Superintendence (CFS) in this Report on Implementation of Corporate Best Practice.

The objective of this report is to inform the securities market about each issuer's implementation of the code, or lack thereof. To do this, each recommendation has three options—YES, NO or N/A—and a space for explanations.

If the response is affirmative, the issuer must briefly describe how it has implemented the recommendation. If the response is negative, the issuer must explain why it has not implemented the measure.

N/A may only be selected if an issuer has a legal reason for not implementing the recommendation, and the issuer must precisely specify the relevant law.

Some recommendations include a series of aspects and are not considered implemented until all aspects have been complied with, unless there is a legal reason for not adopting some of them, that must be stated.

The initial implementation date must be stated for each recommendation in the relevant space, as well as the dates of any modifications.

Finally, if an issuer does not have the specific body referred to in a recommendation, the closest equivalent or a delegated body should be used.



I. Shareholder Rights and Fair Treatment

Measure 1: Principle of fair treatment.

1.1. The company fairly treats all shareholders in the same conditions with the same class of share and no shareholders have access to privileged information that others do not have.

1.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article 44 guarantees fair treatment for shareholders regardless of the number of shares they own. In addition, Good Governance Code article **2.1.1.1** states that "Exchange shareholders are treated equally by company managers and employees who, when carrying out their duties, strive to allow shareholders to exercise their rights, as well as answering any requests, complaints and proposals they send to the company, regardless of the number of shares they own."

NO. Explain:

NA. Specify the laws that prevent adopting the recommendation:

Implementation date: 28 November 2003.

Modification dates: 26 March 2015.

1.2. The board of directors has approved a concrete process that shapes the company's approach to relationships with all types of shareholder regarding, for example, access to information, resolving information requests, channels of communication, means of interaction between shareholders and the company, its board of directors and managers.

1.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **79** establishes that the board of directors is responsible for defining information delivery rules for shareholders. In addition, the board of directors has included in the Good Governance Code procedures through which shareholders can access information (articles **3.2.1.1.**, **3.2.2.1.**, **3.2.2.2.**, **3.2.3.1.**, **3.4.1.1** and **3.4.1.6.**), and procedures to manage shareholder requests, complaints and proposals (articles **3.1.1.1.**, **8.1.1.1.**, **8.1.1.2.**, **8.2.1.1.**, **8.3.1.1.**, **8.3.1.2.** and **8.3.1.3.**). The right to inspection is established in company bylaw article **43** and General Assembly of Shareholders rulebook article 6.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 28 November 2003.

Modification dates: 26 March 2015.

Measure 2: Information on shares.

2.1. The company uses its website to clearly, precisely and comprehensively **inform the general public** about the types of shares it issues, the number of each type of share issued and the number of reserved shares, and the rights and obligations inherent to each class of share.

2.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Article **8** of the company bylaws covers shareholders' rights for the different types of shares. The company bylaws are available to the general public on bvc's website at the following link: <https://gobiernocorporativo.bvc.com.co/normas-corporativas>

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 29 July 2009.

Measure 3: Non-dilution of capital.

3.1. Transactions that may dilute minority shareholders' capital (e.g. a capital increase with no pre-emptive right, a merger, demerger or carve-out, among others), **must be explained in detail to shareholders** in a report by the board of directors that includes a fairness opinion from a recognised independent external advisor designated by the board of directors. These reports must be made available to shareholders in accordance with right of inspection terms prior to the Assembly.

3.1. Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Board of directors' rulebook article **2.2**, item **23**, states that the board of directors must "Provide a detailed report to shareholders on operations that may dilute their capital (a capital increase with no pre-emptive right, a merger, demerger or carve-out). This report must include the opinion of an independent external advisor designated by the board of directors, and must be made available to shareholders prior to the Assembly."

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 January 2016.

Modification dates: N/A

Measure 4: Shareholder information and communications.

4.1. The company has a corporate website in Spanish and English with a link to corporate governance or shareholder and investor relations, or its equivalent, that includes financial and non-financial information that complies with recommendations **32.3** and **33.3**, an under no circumstances contains confidential company information, industrial secrets, or any disclosure that may cause damage to the company.

4.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. bvc's main website is in Spanish and English. It has a section on investor relations that includes non-confidential financial and non-financial information that can be accessed by shareholders under the terms of recommendations **32.3** and **33.3**. Investors can access the portal in Spanish here: <http://www.bvc.com.co/pps/tibco/portalbvc> and in English here: <http://en.bvc.com.co/pps/tibco/portalbvc>.

From the main portal, investors can access the corporate governance portal in Spanish here: <https://gobiernocorporativo.bvc.com.co/> and in English here: <https://gobiernocorporativo.bvc.com.co/english>

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 28 November 2017.

4.2. The company has permanent access mechanisms exclusively for shareholders, such as a website exclusively for shareholders, a shareholder and investor relationship or attention office, periodic information-sharing meetings, etc., that allow shareholders to express their opinions, doubts and suggestions on company performance and shareholder issues.

4.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

In accordance with Good Governance Code articles **8.1.1.1** and **8.3.1.2**, shareholders can visit the bvc offices at Cra 7 No. 71-21 Torre B Piso 12, Bogota, Colombia, or they can express their opinions, doubts or suggestions about the company and their role as shareholders using the email secretaria@bvc.com.co or the channels established in Good Governance Code Annex 6.

It is important to note that bvc holds quarterly results meetings.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: N/A.

4.3. The company organises quarterly events to present results to shareholders and market analysts. These may be presential or virtual (conference, videoconference, etc.).

4.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange holds quarterly results events for investors and market analysts that are announced on its website and by email. The events are virtual, via videoconference, and are available in English and in Spanish, together with the presentation, at:

<http://www.bvc.com.co/pps/tibco/portalbvc/Home/Accionistas/Informaci%C3%B3n%20Financiera/Resultados%20Trimestrales?action=dummy>

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 23 November 2017.

4.4. The company organises or participates in fixed-income presentations, events or forums mainly directed at **debt instrument investors and market analysts**, at which the issuer updates its business indicators, liability management, financial policy, ratings, behaviour on covenants, etc.

4.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

The Exchange is not currently a fixed-income debt issuer, however it does publish quarterly IFRS consolidated financial statements for investors and the general public that can be found on its website here: <http://www.bvc.com.co/pps/tibco/portalbvc/Home/Accionistas/Informaci%C3%B3n%20Financiera/Resultados%20Trimestrales?action=dummy>.

bvc also promotes the fixed-income market via its private debt visionaries programme.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

4.5. Company bylaws allow shareholders or shareholder groups with at least a 5% holding to request specialised audits on topics different to those audited by the company's statutory auditor. The company may determine a lower percentage than **5%**, according to its capital structure.

4.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Article **78** of the company bylaws allows a plural number of shareholders with at least **5%** of the subscribed shares to request specialised audits on matters different to those audited by the statutory auditor. The cost of organising these audits must be met by the shareholder(s) that requested them.

Assembly rulebook article **12**, item e) also covers the right, form and terms for shareholders to request special audits during an assembly.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 28 November 2003.

Modification dates: 26 March 2015.

4.6. The company has a documented procedure to exercise this right that includes the specifications mentioned in recommendation **4.6**.

4.6 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Article **78** of the company bylaws includes the procedure by which shareholders may submit a specialised audit request to the Exchange President. Requests must be in writing and must indicate the reasons for the request, the facts and transactions to be audited, the length of the audit, and three **(3)** established and respected firms that can conduct the audit.

Specialised audits can be requested by a plural number of shareholders representing at least **5%** of subscribed shares. In view of the Exchange's legal restriction on holdings, this percentage is considered sufficient to protect minority shareholders.

If an audit request is made by a shareholder group with the required percentage, the group must designate a representative through whom the entire request will be managed. Within ten **(10)** working days of receipt, the company's board of directors will respond to the request indicating which of the firms presented has been chosen to conduct the audit, and its start date.

The shareholder(s) requesting the audit are responsible for its cost and organisation. Audit results must be first shared with the **bvc** President, who has ten **(10)** business days to respond. Within the following ten **(10)** days, the results and **bvc**'s response will be submitted to the board of directors and control and monitoring bodies.

If there may have been legal transgressions, the corresponding legal and investigative entities will be informed.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 28 November 2003.
Modification dates: 26 March 2015.

Measure 5: Management actions when faced with takeover or change of ownership operations.

5.1. Board members and senior management expressly state in their acceptance letters that following a tender offer or other important operation, there will be a period during which they guarantee not to directly or indirectly trade company shares.

5.1 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

Yes. **bvc** is legally obliged to comply with this measure under Decree Law **1172:1980**, article **8**, that prohibits stock exchange managers from acquiring shares listed on the exchange.

In addition, Law **27:1990**, article **10**, and **bvc** general rulebook article **5.3.1.3** establish that Exchange legal representatives may not directly or indirectly trade shares listed on the Exchange, except with express prior authorisation from the board of directors, and for purposes other than speculation. **bvc** Ethics and Behaviour Manual article **4.3** (contained within Good Governance Code Annex **2**) states that company and subsidiary employees can trade shares listed on the Exchange in their own name and for their own benefit, as long as they comply with the rules.

Article **4.3.2** reflects Law **27:1990** in stating that **bvc** legal representatives may only acquire or transfer securities listed on the Exchange, for purposes other than speculation, following authorisation from the board of directors.

Finally, in accordance with Law **510:1999**, article **54**, no real beneficiary may hold more than **10%** of

an exchange's subscribed capital. For this reason, and in accordance with Decree **2555:2010**, article **6.15.2.1.1**, there is no risk of an obligatory tender offer being made on **bvc** shares.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 24 June 2020.

Measure 6: Listing companies integrated into conglomerates.

6.1. Without prejudice to the independence of companies integrated into conglomerates, and their management responsibilities, the conglomerate **has an organisational structure** that specifies key bodies and positions for the three levels of governance—assembly of shareholders, board of directors, and senior management—as well as the relationships between them, in a public, clear and transparent manner that allows clear lines of responsibility and communication to be determined that facilitate strategic direction, supervision, control and effective administration.

6.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Inside **bvc**, there is a division between the levels of governance expressed in Article **28** of the Company By-laws.

Regarding the relations between these bodies and the lines of responsibility and communication, the policy called "**bvc** Group Corporate Governance Policy", included as Annex **2** of the Good Governance Code, officially adopted by the Board of Directors at its meeting on December **7, 2016** and updated for the last time on March **24, 2021**, clearly, transparently and publicly establishes a set of measures, recommendations and practices that cover the Group's administration, management and control processes.

Additionally, it is worth mentioning that Articles **29** and **31** of the Company By-laws refer to the nature and functions of the General Shareholders Meeting; Articles **46** and **50** to the nature and functions of the Board of Directors; and Articles **55, 58** and **59** to the CEO, his/her alternates, and the other legal representatives.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 7 December 2016.

Modification dates: 24 March 2021.

6.2. The parent company and subordinates have defined an institutional relationship framework in a public signed agreement that regulates the topics contained in recommendation **6.2**, and has been approved by the board of directors.

6.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

Through the implementation of a policy called the "**bvc** Group's Corporate Governance Policy", included as Annex **2** of the Good Governance Code, the Exchange has established a frame of reference for relations between the Group's companies, incorporating some of the guidelines indicated in Recommendation **6.2**. In effect, topics are agreed in said policy, including the aim of the Group, recognition and use of synergies, areas of activity between companies of the Group, and the information channels between **bvc** and its subsidiaries. Said policy is posted on the **bvc** corporate governance website at the following link: <https://gobiernocorporativo.bvc.com.co/normas-corporativas>.

Therefore, given the importance of the transactions made between **bvc** and its subsidiaries, through Article **31** number **13** of the By-laws, the criteria have been defined for carrying out these transactions, which simultaneously meet the following conditions: (i) They are made at market rates, generally set by the supplier of the good or service concerned; and (ii) They are ordinary transactions of the issuer that are not material.

Through its Good Governance Code, **bvc** has provided special rules on the resolution of conflicts of interest.

The Exchange has signed service-level agreements with its subsidiaries, which describe the services that **bvc** provides to them in greater operational detail.

Despite the above, **bvc** is awaiting the approval of the agreement by the boards of directors of each company of the **bvc** Group.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

Measure 7: Conflict resolution.

7.1. Except for disputes between shareholders, or between shareholders and the company or its board of directors, that due to their legal character must be heard in a court of law, **company bylaws include conflict resolution mechanisms such as: direct agreement, mediation, conciliation or arbitration.**

7.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Bylaw article **82** specifies the conflict resolution mechanisms to be direct agreement and arbitration for conflicts between shareholders or administrators and the company, between shareholders, or between shareholders and administrators.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 26 March 2015.



II. General Assembly of Shareholders

Measure 8: Duties and scope.

8.1. In addition to the legal functions assigned to the General Assembly of Shareholders, **company bylaws specifically incorporate the General Assembly of Shareholders' functions indicated in recommendation 8.1**, and emphasise that they are individual and non-transferrable.

8.1 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

NO. Explain:

This recommendation requires assigning **4** specific functions to the General Assembly of Shareholders. **bvc** currently complies with **3** of them, that can be found in company bylaw article **31**; the articles first paragraph emphasises that they are non-transferrable.

However, function **iii)** of the recommendation is related to acquiring, selling or taxing strategic assets that the board of directors deems essential to the business, or that may, in practice, lead to a change in shareholder equity, and has not been fully adopted.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

Measure 9: General Assembly of Shareholders' rulebook.

9.1. The company has a General Assembly of Shareholders' rulebook that regulates all matters pertaining to it, from its announcement, to preparing the information that shareholders must receive, and supporting, developing and exercising shareholders' political rights in a way that ensures they are fully divulged throughout the entire process of holding an Assembly meeting.

9.1 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **31**, item **11**, states that the Assembly must produce its own rulebook; the General Assembly of Shareholders approved the latest modification to the General Assembly of Shareholders' rulebook on **26 March 2015** as stated in minute **026** of the Ordinary Assembly.

The rulebook can be consulted on bvc's website at:

<https://gobiernocorporativo.bvc.com.co/normas-corporativas>

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 26 March 2015.

Measure 10: Calling an Assembly.

10.1. To facilitate delivering information to shareholders, the **company bylaws state that General Assemblies of Shareholders must be called with no less than thirty (30) calendar days' notice, and that extraordinary meetings can be called with fifteen (15) calendar days' notice.** This is without prejudice to the established legal terms governing company restructuring (e.g. a merger, carve-up or transformation).

10.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **33**, sections b, c and f, states that ordinary General Assemblies of Shareholders must be called with no less than thirty (**30**) calendar days' notice, and extraordinary meetings with no less than fifteen (**15**) days' notice, unless the objective is to study end-of-period financial statements, in which case the call must go out fifteen (**15**) business days in advance of the date.

If the meeting is about a company transformation, merger or carve-up, the meeting must be called with at least fifteen (**15**) business days' notice.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2015.

10.2. In addition to the traditional and obligatory means of communication specified in the legal framework, the company ensures **the call's maximum publicity and reach** by using electronic means of communication such as the corporate website, personalised email alerts and even, if appropriate, social media.

10.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange ensures maximum publicity and reach by publishing General Assembly of Shareholders' meeting calls in a popular national newspaper (traditional media), and a post on the bvc website (alternative media) here: <https://gobiernocorporativo.bvc.com.co/asambleas/asamblea-2020>

This is in accordance with company bylaw article **33** and Good Governance Code articles **3.2.1.1** and **3.2.3.1**.

bvc also uses Twitter to ensure the greatest possible reach of its Assembly calls.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 24 February 2017.

10.3. To increase transparency in decision making during the General Assembly, in addition to the day's itemised agenda the **company makes available to shareholders at the same time as the call, or at least fifteen (15) days in advance of the meeting**, the agreement proposal for each item of the agenda that the board of directors will put to the General Assembly of Shareholders.

10.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **33**, item g, establishes that shareholders must receive at the same time as the call, or at least fifteen (15) calendar days in advance of the meeting, each of the points that will be included on the agenda, and the text proposed by the board of directors that will be put to a vote by shareholders.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 26 March 2015.

10.4. Spin-offs may only be analysed and approved by the General Assembly of Shareholders if they have been specifically included in the respective meeting's call.

10.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. bvc Company Bylaw article **31**, paragraph **2**, states that the General Assembly of Shareholders may only analyse and approve a change to business purpose, renouncement of pre-emptive rights, domicile change, early dissolution, merger, demerger and carve-up if the topic has been specifically included in the meeting invitation. General Assembly of Shareholders' rulebook article 1, paragraph 1, also includes this rule.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 26 March 2015.

10.5. The agenda proposed by the board of directors precisely details the topics up for discussion, and does not hide or mask important topics using imprecise, generic, general or broad language, such as “other” or “other proposals.”

10.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **33**, item d, and General Assembly of Shareholders’ rulebook article **5**, paragraph **1**, state that invitations to General Assembly meetings must include an itemised list of topics, guaranteeing that the agenda is provided to shareholders with a precise list of topics. In addition Good Governance Code article **2.1.1.2**, item **3**, and General Assembly rulebook article 12, item b, state that to approve the agenda, the General Assembly of Shareholders must be able to clearly distinguish the different topics up for discussion, except where connected points must be discussed jointly.

In addition, company bylaw article **33** states that if this requirement is not complied with, any decisions made will not be binding.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: N/A.

10.6. If company bylaws are being modified, each article or group of articles must be voted on individually if they are materially independent. If a shareholder or shareholder group that represents at least 5% of shareholder equity wishes, they may request an individual vote on any article by previously informing this wish to shareholders.

10.6 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Section **4**, Article **2.1.1.2** of the Exchange’s Good Governance Code establishes that the shareholders that represent more than **5%** of the Exchange’s share capital may request separate votes to be held on articles during the General Shareholders Meeting.

In addition to the above and pursuant to Section **3** of Article **2.1.1.2**, the different matters to be discussed are itemized on the agenda of the ordinary or extraordinary meetings to prevent confusion, except in the case of items that must be discussed together because they are connected.

The By-laws were reformed in **2021**, and each group of articles was voted separately, as stated in the meeting agenda.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 30 March 2016.

Modification dates: 20 December 2017.

10.7. Without prejudice to the contents of Commercial Code article 182, to reinforce and guarantee shareholders' right to inspect information prior to an Assembly meeting **company bylaws recognise the right of shareholders—regardless of the size of their holding—to introduce one or more points for discussion into the** General Assembly of Shareholders' agenda, within a reasonable timeframe and as long as each of the new points is duly justified. Shareholder requests must be made within five **(5)** calendar days of the meeting's announcement.

10.7 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Bylaw article **44** specifies that all shareholders can propose one or more points for discussion during the General Assembly of Shareholders, regardless of the size of their holding, as long as the request is duly justified. Any requests must be made within five **(5)** calendar days of the meetings' announcement. In addition, General Assembly of Shareholders' rulebook article **12**, item a, includes the same rule.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 28 November 2003.
Modification dates: 26 March 2015.

10.8. If a request supported by at least **5%** of shareholder equity (or less if specified by a company in accordance with its concentration of ownership) is denied by the board of directors, **it must respond in writing explaining its decision** and informing shareholders of their right to submit proposals during the Assembly, in accordance with Commercial Code article **182**.

10.8 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. In accordance with Good Governance article **2.11.2**, item **1**, the board of directors can deny a request to include topics on the agenda that are supported by at least **5%** of shareholder equity. In this case, the board of directors must reply in writing stating the reasons for its decision and informing shareholders of their right to submit proposals during the Assembly.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 January 2016.
Modification dates: N/A.

10.9. If the board of directors accepts a proposal after the time has elapsed for shareholders to propose topics in accordance with the previous recommendations, **it must be published as an addendum to the General Assembly of Shareholders invitation at least fifteen (15) calendar days** prior to the meeting.

10.9 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. bvc Company Bylaw article **33**, item h, considers that if the board of directors accepts a shareholder's request to include one or more points on the agenda of ordinary Assembly of Shareholders meetings, and the time for proposing topics established by the company has elapsed, it will publish an addendum to the General Assembly of Shareholders invitation at least fifteen **(15)** calendar days prior to the meeting. General Assembly of Shareholders' rulebook article **5**, paragraph **5**, includes the same rule.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2015.

10.10. Using the same timeframes specified in recommendation **10.7**, **shareholders may also present duly justified new agreement proposals** on matters already included on the agenda. The board of directors must treat such requests in the same way as mentioned in items **10.8** and **10.9**, above.

10.10 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code article **2.1.1.2**, item **2**, establishes that shareholders may present duly justified new agreement proposals on matters already included on the agenda of General Assembly of Shareholders' meetings up to five **(5)** calendar days after publication of the invitation.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 January 2016.
Modification dates: N/A.

10.11. The company must use electronic communications media—principally the company’s shareholder-exclusive website—to provide shareholders with documents and information associated with each of the items on the agenda.

10.11 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Pursuant to Articles **3.2.1.1** and **3.2.3.1** of the Good Governance Code, information pertaining to the development of the General Shareholders Meeting and specifically related to items on the agenda is posted on the **bvc** website.

Documents and information regarding every item on the agenda of the General Shareholders Meetings held in **2021** can be consulted at the following links:
<https://gobiernocorporativo.bvc.com.co/asambleas/asamblea-2021> and <https://gobiernocorporativo.bvc.com.co/asambleas/asamblea-extraordinaria-2021>

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 30 March 2016.

10.12. Company bylaws recognise shareholders’ right to request any timely information or clarification they deem necessary—using traditional means of communication, new technologies, or in writing—with regard to the agenda, documentation or public information provided by the company. The company can determine the timeframe shareholders have to exercise this right in accordance with the timeframe chosen to convene the General Assembly of Shareholders.

10.12 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. As stated in **bvc** Company Bylaw article **44**, in the ten (**10**) calendar days following publication of a meeting invitation, all shareholders have the right to request information or clarification and submit any questions they deem necessary with regard to the agenda, the documentation received or public information provided by the company. These shareholder matters are dealt with by the company secretary.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 28 November 2003.
Modification dates: 26 March 2015.

10.13. The company can deny information requests if internal processes deem them to be: i) unreasonable; ii) irrelevant to the company's direction or interests, iii) confidential, including privileged information on the securities market, trade secrets, operations in progress that depend on secrecy, and iv) other matters whose disclosure may generate an imminent and grave danger to competitiveness.

10.13 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **43** and General Assembly of Shareholders' rulebook article **6** establish the objective rules for denying information requests related to trade secrets, or data that, if divulged, could be used against the company, such as privileged information on the company or contracts that give the company a competitive advantage. In addition, Good Governance Code articles **8.1.1.1** and **8.1.1.2** establish bvc's obligation to answer all requests, complaints or proposals received from shareholders, and states that it may not refuse to process them for subjective reasons, e.g. classifying them as unreasonable or irrelevant.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 28 November 2003.

Modification dates: 26 March 2015.

10.14. If a response provided to a shareholder may be of benefit to them, the **company guarantees to provide the response to all other shareholders** using the mechanisms established to do so and in the same conditions.

10.14 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code article **8.1.1.2** establishes that the general secretary will actively respond in writing to all shareholder requests, complaints or proposals. However, if **bvc** believes that the response will be of benefit to the shareholder, it guarantees to provide all other shareholders with immediate access to the response using the mechanisms it has established to do so, and in the same conditions.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 29 July 2009.

Measure 11: Representation

11.1. Without prejudice to the limits imposed by Commercial Code article 185 and External Circular 24:2010 and the rules that modify, add to or substitute it, **the company does not limit the right of shareholders to be represented at General Assemblies of Shareholders**, and allows them to delegate their vote to any other person, whether a shareholder or not.

11.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. In accordance with company bylaw article **35**, item b, bvc does not limit the right of shareholders to be represented at the General Assembly of Shareholders and allows them to delegate their vote to anyone else, as long as that person is in possession of a written power of attorney stating their name, the name of the person they are substituting and the date or time of year of the meeting it refers to. This rule is complemented by General Assembly of Shareholders' rulebook article **7**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2015.

11.2. The company minimises the use of blank votes with no voting instructions, and promotes the active use of a standard representation letter model that the company sends to shareholders or publishes on its website. The model includes the topics on the agenda, and the corresponding agreement proposals determined in advance according to established procedure that will be put to a vote by shareholders, so that shareholders, if they deem it appropriate, can indicate their voting preference for each item to their representative.

11.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

bvc published on the website of the **2021** Shareholders' Meeting (<https://gobiernocorporativo.bvc.com.co/asambleas/asamblea-2021>), the format that includes the items of the agenda and the voting instructions for each one of them, so that the shareholder, if he/she deems it convenient, may indicate, in each case, the direction of his/her vote to his/her proxy.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 4 March 2021.
Modification dates: 4 March 2021.

Measure 12: Attendance of people other than shareholders.

12.1. With a view to revitalising the General Assembly of Shareholders' role in determining the company's intent, and making it a more participative body, the company's Assembly rulebook **requires that board members, especially board committee chairs and the company president, attend the Assembly** and respond to shareholders' doubts.

12.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Paragraph **5** of Article **7** of the Rules of Procedure for the General Shareholders Meeting establishes the participants of the General Shareholders Meeting and indicates that the Company's CEO as well as the Chairmen of the Board's committees shall attend the meeting. The latter in order to respond to shareholders' queries regarding the activities carried out and the results obtained by each committee.

As a result of this, at the ordinary and virtual session of the Shareholders' Meeting held on March **26, 2021**, the Chairman of the Board of Directors and the Chairmen of the Support Committees of the Board of Directors were present, according to the minute No. **35** of the General Shareholders Meeting.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: **26 March 2021.**

Modification dates: **26 March 2021.**

Measure 13: Board of director duties.

13.1. The company bylaws explicitly state which **duties may not be delegated to senior management** among those stated in recommendation **13.1**.

13.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **50** establishes the board of directors' duties and specifically states which of them may not be delegated to senior management.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 30 March 2016.

Modification dates: N/A.

13.2. Without prejudice to the autonomy of governance bodies at subsidiaries, **when a company controls a conglomerate**, its board of directors' duties must focus on the group **and be carried out using general policies, guidelines or information requests that strike a balance between the parent company's interests, those of its subsidiaries and the group as a whole.**

13.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

YES. In effect, these functions are exercised by the **bvc** Board of Directors with a group approach, respecting the autonomy of the governance bodies of each subsidiary as developed by the "**bvc** Group's Corporate Governance Policy". The Board of Directors has explicitly informed that in the applicable cases, the rights of shareholders who are strategic partners of **bvc** must be respected.

Said policies and general guidelines are included in the document called the "**bvc** Group Corporate Governance Policy", included as Annex **2** of the Good Governance Code, officially adopted by the Board of Directors at its meeting on December **7, 2016** and updated for the last time on March **24, 2021**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 7 December 2016.

Modification dates: N/A.

Measure 14: Board of directors' rulebook.

14.1. The board of directors has approved an internal rulebook that regulates its structure and function, and its members', president's and secretary's duties, rights and responsibilities. The rulebook has been distributed to shareholders, and compliance is mandatory for members of the board of directors.

14.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

The bvc Board of Directors approved its own rulebook that determines its principles of action and duties, and those of its committees, regulates its structure and function, and specifies behavioural rules for its members in accordance with the law and the company bylaws. All members of the board of directors, and its secretary, must comply with the rulebook.

The internal rulebook is available for shareholders to consult at:
<https://gobiernocorporativo.bvc.com.co/normas-corporativas>

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2007.
Modification dates: 25 July 2012.

Measure 15: Scope of the board of directors.

15.1. The company statutes do not allow alternates to sit on the board of directors.

15.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The board of directors has no alternates, in compliance with company bylaw article 47

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2015.

Measure 16: Board of directors' structure.

16.1. Under the premise that board members act in the company's best interests following their election, and to achieve maximum transparency, **the company verifies the origins of each member of the board of directors** in accordance with the framework defined in regulation **16.1**.

16.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange published the names and CVs of members elected for the August **2021** – March **2023** period at <https://gobiernocorporativo.bvc.com.co/consejo-directivo/informaci%C3%B3n>

The publication identifies independent and non-independent board members. This information is also published in the company's annual reports. It is worth noting that the board of directors has no executive members that are also legal representatives or senior management at the company.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 7 April 2001.
Modification dates: 28 March 2017.

16.2. The company's appointments and payments committee, or its equivalent, has a procedure that allows the board of directors to achieve the objectives contained in recommendation **16.2** by its own means and using the conclusions it reaches on annual evaluations.

16.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Corporate Governance Committee internal rulebook article **3**, item **3**, states that it is the committee's responsibility to review which competencies and abilities are most suitable for the board of directors. The rulebook also states that it must strive to ensure that the Board member selection process complies with the law, legislation and Good Governance Code, verify candidates' compliance with special qualities and conditions, and ensure that there are no inabilities or incompatibilities. Finally, the Corporate Governance Committee reports each board member's attendance record to shareholders, as well as the annual evaluation of the board's work.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 January 2016.
Modification dates: N/A.

16.3. The board of directors informs shareholders which professional profiles they are looking for, to ensure that all stakeholders—principally controlling and significant shareholders, families, shareholder groups and institutional shareholders, if they exist, and the board of directors itself—are able to identify the most ideal candidates.

16.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. bvc Company Bylaw article **47** describes the qualities and requirements necessary to aspire to the board of directors. In addition, Good Governance Code article **4.1.2.3** establishes the qualities and conditions candidates to the Board must have, and the mechanisms by which shareholders are informed about the candidates so that they can identify the most ideal ones.

bvc publishes its company bylaws and Board member profiles at: <https://gobiernocorporativo.bvc.com.co/normas-corporativashttps://gobiernocorporativo.bvc.com.co/consejo-directivo/informaci%C3%B3n>

During the selection process, a link is provided to information on candidates proposed by shareholders.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 28 March 2017.

16.4. The company believes that merely revising candidates' CVs is not enough to determine their suitability, and **has an internal procedure to evaluate legal incompatibilities and inabilities, and whether a candidate meets the needs of the board of directors**, by evaluating a set of criteria that candidates' personal and functional profiles must meet and verifying compliance with the prerequisites to be a board member or an independent member.

16.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The procedure **bvc** uses to verify inabilities and incompatibilities of aspiring board members is established in company bylaw article **47**, paragraph **6**. The board of directors' Corporate Governance Committee verifies each applicant's inabilities and incompatibilities, and if it finds any removes the candidate from all lists. In addition, bvc Corporate Governance Code article **4.1.2.3** describes the procedure used by the Corporate Governance Committee to verify the qualities and conditions of applicants to the board of directors.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 16 December 2009.

16.5. In addition to the independence requirements of Law **964:20005**, the company has voluntarily adopted a more rigorous definition of independence than that required by law. This definition has been adopted as a board of directors' rulebook framework, includes the need to comprehensively evaluate independent board members' relationships with and links to controlling or significant shareholders and their domestic and international associates, and requires a double declaration of independence: (i) from the candidate addressed to the company, shareholders and senior management, and contained within their acceptance letter, and (ii) from the board of directors with regard to the candidate's independence.

16.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **47** and board of directors' rulebook article **3.3** detail bvc's independence criteria; these are more rigorous than required by Law **964:2005**. In addition, Good Governance Code article **4.1.2.3** requires that candidates to the board of directors fill out a declaration of independence using a preestablished document.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 20 December 2017.

16.6. The company's internal rules consider the board of directors, represented by its chairperson and supported by an appointment and payment committee, or similar, to be the most suitable body to centralise and coordinate the administrative body's structure prior to the General Assembly of Shareholders. This means that, based on their holding, shareholders can aspire to sit on the board of directors, verify its needs and manifest their aspirations, negotiate shareholder balance and distribution across different member categories, propose candidates and accept that their candidates' suitability will be evaluated by the appointment and payment committee before being put to a vote by shareholders

16.6 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Board of directors' rulebook article **5.1** states that the chairperson acts as a bridge between shareholders and the board of directors, especially during board member elections. In addition, company bylaw article **47** and bvc Corporate Governance Code article **4.1.2.3** cover the process shareholders must follow to propose their candidates prior to the General Assembly of Shareholders. The process is managed by the board of directors' Corporate Governance Committee, and is regulated by its rulebook.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 16 December 2009.

16.7. The board of directors' rulebook states that candidate suitability evaluations must be completed before the General Assembly of Shareholders, and shareholders must be provided with enough candidate information in advance to be able to properly evaluate them (personal qualities, suitability, trajectory, experience, integrity, etc.).

16.7 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Board of directors' rulebook articles **3.1** and **3.2** establish that prior to elections at the General Assembly of Shareholders, the Corporate Governance Committee verifies candidates' general qualities and independence (in the case of aspiring independent members), as well as the existence of any legal inabilities or incompatibilities and permanent conflicts of interest, by following the procedure detailed in Good Governance Code article **4.1.2.3**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 30 March 2016.

Measure 17: Board of directors' functional structure.

17.1. The board of directors' rulebook stipulates that independent and equity members are always in the majority compared to executive members. The latter are kept to the minimum required to meet the board of directors' information and coordination needs related to the company's senior management.

17.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Article **47** of the company bylaws states that the board of directors has thirteen (**13**) members, seven of whom are independent. It is important to note that the **bvc** Board of Directors does contain members who are legal representatives or senior management at the company. This rule is also contained in **bvc** Board of Directors' internal rulebook article **3.1**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 26 March 2015.

17.2. In addition to the legal minimum for independent members (**25%**) stipulated in Law **964:2005**, the company voluntarily increases the number of independent members, and ensures that the number of independent members is relative to floating stock, among other aspects.

17.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. bvc's unique legal character means that independent members make up at least **40%** of the board of directors (see Decree **2555:2010** article **2.10.1.1.1**). Company bylaw article 47 states that independent members must have an absolute majority.

The Exchange's board of directors currently has seven independent members, representing **53%** of the Board.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 26 March 2015.

Measure 18: Board of directors' structure.

18.1. The chairperson of the board of directors' duties are stated in the company bylaws and their principal responsibilities are those established by recommendation **18.1**.

18.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Article **71** of the By-laws establishes most of the roles of the Chairman of the Board.

The Shareholders Meeting celebrated on March **26, 2021**, approved the statutory reform of article **71** to include a new numeral related to the role of the Chairman of the Board to ensure that the Board of Directors efficiently sets and implements the strategic direction of the company.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 26 March 2015.

Modification dates: 26 March 2021.

18.2. The company's internal rules allow the **chairperson of the board of directors to be treated differently to other members** with regard to their duties and remuneration, due to the scope of their specific duties and the amount of time they spend on them.

18.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Given the chairperson of the board of directors' duties, bvc Board of Directors' internal rulebook article **5.1**, paragraph **1**, establishes different rules for their remuneration.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 January 2016.

Modification dates: N/A.

18.3. The company bylaws include rules for appointing the board of directors' secretary, and highlights those indicated in recommendation **18.3**.

18.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

Company bylaw article **71** establishes that the company must have a secretary appointed by the **bvc** President, and that the secretary will also act as secretary to the General Assembly of Shareholders and the board of directors, but may not be a member of the latter. The board of directors considers it convenient for the company president to appoint and remove all company vice presidents, including the general secretary.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

18.4. The board of directors' rulebook establishes the secretary's duties, including those indicated in recommendation **18.4**.

18.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. board of directors' rulebook article **5.3** states that the secretary has the following duties: ensure the formal and material legality of board actions and guarantee that its governance procedures and rules are respected; conserve company documentation, accurately document sessions in the minutes and certify company body agreements in which they are the secretary; send out calls to board of directors and committee meetings; and ensure that board members have the information they need in the form and at the time they need it; etc.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 26 March 2015.

Modification dates: N/A

18.5. The board of directors has an appointment and remuneration committee.

18.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **50** states that the **bvc** Board of Directors must have a permanent corporate governance committee. The **bvc** Board of Directors decided that the Corporate Governance Committee must be responsible for the duties the Country Code assigns to the appointment and remuneration committee; these are specified in Corporate Governance Committee internal rulebook article **3**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 27 January 2016.

18.6. The board of directors has a risk committee.**18.6 Has the measure been implemented?**Yes NO N/A **YES. Briefly indicate:**

Yes. Company bylaw article **50** states that the **bvc** Board of Directors can create committees to support its audit, risk and corporate governance duties.

In **2018**, there was an Audit Committee and a Risk Committee. However, to achieve more efficient synergies, in March **2019** it was decided that it would be beneficial to the company if the two committees and their duties were integrated. Therefore, internal control and permanent audit process and risk evaluation at the Exchange are supported by the Audit and Risk Committee, including risk management, evaluating accounting procedures and other duties associated with internal and statutory audits.

The Audit and Risk Committee's rules and duties are detailed in its internal rulebook.

NO. Explain:**N/A. Specify the laws that prevent adopting the recommendation:**

Implementation date: 27 June 2001.
Modification dates: 27 March 2019.

18.7. The board of directors has a corporate governance committee.**18.7 Has the measure been implemented?**Yes NO N/A **YES. Briefly indicate:**

Yes. Company bylaw article **50** states that the **bvc** Board of Directors must have a permanent corporate governance committee. The **bvc** Board of Directors decided that the Corporate Governance Committee must be responsible for the duties the Country Code assigns to the appointment and remuneration committee; these are specified in Corporate Governance Committee internal rulebook article **3**.

NO. Explain:**N/A. Specify the laws that prevent adopting the recommendation:**

Implementation date: 27 June 2001.
Modification dates: 27 January 2016.

18.8. If the company does not believe that it needs all of these committees, their duties are distributed among those it does have, or are fully assumed by the board of directors.

18.8 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange has five committees—Finance and Administration, Corporate Governance, Regulations, Audit and Risk, and Technology—that carry out the duties specified in their internal rulebooks.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 27 March 2019.

18.9. Each board of directors' committee has its own internal rulebook that regulates its structure, scope, duties and operations, and pays special attention to communications between the committee and the board of directors and, in the case of conglomerates, relationship and coordination mechanisms between the parent company's board of directors and those of its subsidiaries, if they exist.

18.9 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

Yes. The rules of operation of each one of the committees are set forth in their rules of procedure. Likewise, for the purposes of communication channels between the bvc Board of Directors and its committees with the subsidiaries, the **bvc** Group's Corporate Governance Policy, included as Annex 2 of the Good Governance Code was approved, which establishes these communication channels in a clear and transparent manner.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 January 2016.

Modification dates: 27 June 2018.

18.10. The board of directors' committees are made up exclusively of independent or equity members, have at least 3 members and an independent chairperson. The appointment and remuneration committee must always have a majority of independent members.

18.10 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

According to the By-laws, the mandatory Committees are the Corporate Governance Committee and the Audit and Risk Committee. Article **50** of the By-laws and Article **2** of the Rules of Procedure for the Corporate Governance Committee and the Audit and Risk Committee, indicate the composition of the committees.

The Audit and Risk Committee is comprised exclusively of independent members. Regarding the Corporate Governance Committee, the majority of its members are always independent. However, this last Committee is currently chaired by a non-independent member.

It is relevant to clarify that there is no participation of executive members in the composition of the Board of Directors and its Committees.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 3 January 2022.

18.11. The board of directors' committees have the timely or permanent support of senior management and/or external experts with experience in the matters it manages.

18.11 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code article **4.1.4.2**, item **6**, allows committees to invite third-parties and/or external experts to their meetings, and to request support from senior management.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 18 March 2015.

18.12. The board of directors considers the profile, knowledge and professional experience of committee members related to each committee's responsibilities.

18.12 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Pursuant to Section 8, Article 4.1.1.2 of the Good Governance Code, Board members shall form part of the Board committees according to the appointment of the committee, taking into account the education, skills, experience and specialty of each member.

The **bvc** Board of Directors considers profiles, knowledge, evaluations, professional experience and affinities of all members for their participation in each committee. As a result of this analysis, people with exceptional professional qualities participate in the committees and the development of topics inside each committee is fluid given the specificity of the subjects of each participant's resources.

The Committees are made up of members of the Board of Directors, and Article 3.2. of the Board of Directors Regulations establishes the profile of the persons who may be members of this corporate body, so this rule complies with this recommendation.

In addition, article 8.2. of the Board of Directors Regulations and article 2 of each Committee Regulations establishes the following: "ARTICLE 8.2- CONFORMATION OF THE COMMITTEES. The Support Committees will be formed by the members of the Board of Directors, therefore, to be members of these Committees, no additional requirements are required to those required to be members of the Board of Directors, according to the provisions of the second paragraph of Article 47 of the By-laws. In any case, the Board of Directors will consider for the formation of these Committees the profiles, knowledge and professional experience of the members in relation to the subject matter of the said committees.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2018.

Modification dates: 25 August 2021.

18.13. Minutes are kept of committee meetings, and a copy is sent to all board members. If the committees have decision making powers, the minutes are adjusted in accordance with Commercial Code articles 189 and 431.

18.13 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Minutes are kept for every committee meeting and signed by the chairperson and secretary. The minutes comply with Commercial Code articles 189 and 431 and are made available to members in accordance with Good Governance Code articles 3.3.1.2 and 4.1.4.2. In addition, article 7.2 of the board of directors' rulebook states that all members will have access to the minutes five days before the respective meeting.

Since October 2019, Diligent Boards has been used to store all information that will be evaluated at every board and committee meeting. This new technology replaced the previous publication tool.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 18 March 2015.

18.14. Unless required by legal or regulatory frameworks, a conglomerate's internal rules allow its **subsidiaries' boards of directors to decide not to form committees** on certain topics and allow the parent company's committees to deal with them; this does not imply a transferral of responsibility to the parent company by the subsidiaries' boards of directors.

18.14 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Pursuant to the provisions of External Circular **052** of **1998**, it is mandatory for the Exchange's subsidiaries supervised by the SFC to have an audit committee. Likewise, in the specific case of the Cámara de Riesgo Central de Contraparte S.A., Article **2.13.1.1.1.5** of Decree **2555** of **2010** establishes the committees that the Board of Directors of this entity must form.

On the other hand, the policy called "**bvc** Group's Corporate Governance Policy", included as Annex **2** of the Good Governance Code, does not foresee the possibility that the subsidiaries don't constitute Committees for the treatment of certain matters and that these are assumed by the Committees of the Board of Directors of **bvc**. Bolsa de Valores de Colombia has considered that because of the nature of the subsidiaries as entities supervised by the Financial Superintendency and the independence that each of the subsidiaries must have, as well as the regulatory framework that applies to them, they are required to have their own committees.

Implementation date: N/A.

Modification dates: 3 January 2022.

18.15. The committee's principal duty is to support the board of directors with its supervisory duties by evaluating accounting procedures, the relationship with the statutory auditor and the company's general control environment, including auditing the company's risk management system.

18.15 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Audit and Risk Committee internal rulebook article **1** indicates its duty to support the board of directors with its internal control monitoring and supervision duties, including evaluating accounting procedures, verifying the audit department, and the board of directors' relationship with the statutory auditor.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 27 March 2019.

18.16. Audit committee members have accounting, financial and other associated knowledge at a level high enough for them to understand the scope and complexity of committee tasks and make confident decisions on them.

18.16 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Members of **bvc's** Audit and Risk Committee are experienced in accounting, finance and other related matters. Therefore, they are professionals that, thanks to their ample professional and work experience, have in-depth knowledge of risk management, securities market and accounting matters. All this information can be checked in each member's curriculum vitae, which are always posted on the **bvc** website.

Article **47** of the Bylaws establishes, as a requirement to be a member of the Board of Directors, to have work experience and/or independent professional practice of not less than fifteen (**15**) years in the stock market or financial areas, as well as experience in senior management positions.

On the other hand, article **2** of the Regulations of the Audit and Risk Committee establishes: "The Support Committees are formed by the members of the Board of Directors, therefore, to be members of these Committees, no additional requirements are required to those to be members of the Board of Directors, in accordance with the provisions of the second paragraph of Article **47** of the Bylaws. In any case, the Board of Directors will consider for the formation of these Committees the profiles, knowledge and professional experience of the members in relation to the subject matter of the same.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2018.
Modification dates: N/A.

18.17. Upon request by the Assembly chairperson, the committee chairperson informs the General Assembly of Shareholders about concrete aspects of the committee's work, e.g. an analysis of the scope and contents of the statutory auditor's report.

18.17 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

The fifth paragraph of the seventh article of the Regulations of the General Assembly of Shareholders establishes that the Presidents of the Committees of the Board of Directors will participate in the General Assembly of Shareholders to respond to the concerns of the shareholders related to the activities carried out and the results obtained for each of the committees.

Although the Chairman of the Committee did not attend the **2021** General Shareholders Meeting for last-minute personal reasons, he submitted a written report to this body on the specific aspects of the work carried out by the Committee, in accordance with the provisions of number **10** of the third article of the Regulations of the Audit and Risk Committee, which provides that it is the function of said body to inform the General Assembly of Shareholders about the issues raised by the shareholders in matters of its competence.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 26 March 2021.
Modification dates: 26 March 2021.

18.18. The committee's internal rulebook includes the duties specified by recommendation 18.18.

18.18 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

Although the Exchange complies with **20** of the recommendation's corporate governance best practice elements, it has decided that the board of directors and its Corporate Governance Committee are responsible for managing material or suspected conflicts of interest, in accordance with company bylaw article **77** and the Corporate Governance Committee's internal rulebook.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

18.19. The appointment and payment committee's principal duty is to support the board of directors with appointments and remuneration of board members and senior management, and monitor compliance with corporate governance rules by periodically revising compliance, recommendations and principles, as long as this duty has not been specifically assigned to another committee.

18.19 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Corporate Governance Committee internal rulebook article **1** states that this committee's principal objective is to support the board of directors with its good governance duties and evaluate candidates up for election, recommend board member fees, and evaluate their performance and that of their advisors by periodically revising corporate governance compliance, recommendations and principles. In addition, it supports the board in its duty to evaluate senior management and candidates for company president.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: **14 December 2005.**

Modification dates: **27 January 2016.**

18.20. Some appointment and payment committee members have sufficient experience in strategy, human resources (staff recruitment and selection, contracting, training, administration and management), salary policy and related matters to understand the scope and complexity of these matters in the company.

18.20 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. **bvc** Corporate Governance Committee members have knowledge of strategy, human resources, salary policy and related matters. This can be verified by checking their CVs on **bvc's** website.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 30 March 2016.

18.21. Upon request by the Assembly chairperson, the appointment and payment committee chairperson will inform the General Assembly of Shareholders about concrete aspects of the committee's work, e.g. monitoring board of directors and senior management remuneration policy.

18.21 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

The fifth paragraph of the seventh article of the Regulations of the General Assembly of Shareholders establishes that the Chairmen of the Committees of the Board of Directors will participate in the General Assembly of Shareholders to respond to the concerns of the shareholders related to the activities carried out and the results obtained for each of the committees.

As a result of this, in the ordinary and virtual Shareholders Meeting held on March **26, 2021**, the Chairman of the Board of Directors and the chairmen of its committees were present, according to minute No. **35** of the Shareholders Meeting.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 26 March 2021.

Modification dates: 26 March 2021.

18.22. The appointment and payment committee rulebook includes the duties indicated in recommendation **18.22**.

18.22 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

No. Although the Exchange's Corporate Governance Committee complies with the majority of recommendation **18.22**, it does not follow items **iv, vi, xi** and **xvi**.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

18.23. The risk committee's principal duty is to support the board of directors with risk management.

18.23 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Audit and Risk Committee internal rulebook article one states that it helps the board manage the risks the company faces as an inherent part of its business objective and as the parent company of a business group.

The Audit and Risk Committee helps the board of directors design and implement risk management policies, and supervise and monitor compliance with them.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 27 March 2019.

18.24. Upon request by the Assembly chairperson, the **risk committee chairperson will inform the General Assembly of Shareholders** about concrete aspects of the committee's work

18.24 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

The fifth paragraph of the seventh article of the Regulations of the General Assembly of Shareholders establishes that the Chairmen of the Committees of the Board of Directors will participate in the General Assembly of Shareholders to respond to the concerns of the shareholders related to the activities carried out and the results obtained for each of the committees.

Although the Chairman of the Committee did not attend the General Shareholders' Meeting, he presented a written report to this body on the specific aspects of the work carried out by the Committee, in accordance with the provisions of number **10** of article three of the Audit and Risk Committee Regulations, which states that it is the function of this body to inform the General Shareholders' Meeting on the issues raised by the shareholders in matters within its competence.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 26 March 2021.

Modification dates: 26 March 2021.

18.25. The audit and risk committees' internal rulebooks incorporate the duties specified by recommendation **18.25**, with the adjustments necessary to distinguish between companies in the economy's financial and real sectors, and without prejudice to the committee's current legal duties.

18.25 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

The Exchange complies with **11** of the **14** recommendations in Audit and Risk Committee internal rulebook article **3**, but it does not consider it necessary to incorporate all the recommendations because the committee's current duties meet the needs of **bvc**'s current structure.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

18.26. The corporate governance committee's principal duty is to **support the board of directors with its Corporate Governance supervision duties.**

18.26 Has the measure been implemented?

Yes N/A

YES. Briefly indicate:

Yes. Corporate Governance Committee (including appointment and payment committee duties) internal rulebook article **1** specifies that it supports the board of directors with regard to good governance at the Exchange, evaluating candidates up for election, recommending board member fees, and evaluating their performance and that of their advisors by periodically revising corporate governance compliance, recommendations and principles. In addition, it supports the board in its duty to evaluate senior management and candidates for company president. The committee also verifies compliance with good corporate governance policies, rules and practices, and the Ethics and Behaviour Manual.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 27 January 2016.

18.27. The corporate governance committee's internal rulebook incorporates the duties specified in recommendation **18.27.**

18.27 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

The Exchange complies with many of this recommendation's elements in Audit and Risk Committee internal rulebook article **3**, but it does not consider it necessary to incorporate all the recommendations because the committee's current duties meet the needs of bvc's current structure.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

Measure 19: Board of directors' duties.

19.1 The chairperson of the board of directors, aided by the company secretary and president, **prepares a board of directors' work plan** for the period to help determine the correct number of ordinary meetings during the year and their estimated duration.

19.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Among the chairperson's duties listed in company bylaw article **71**, is the need to implement the annual work plan with the support of the general secretary. In addition, Good Governance Code article 3.3.1.2, specifies that the topics included in the board of directors' and its committees' annual work plans determine the topics to discuss at each board meeting. However, the plans may be modified by Exchange administrators if necessary.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 26 March 2015.
Modification dates: N/A.

19.2. Unless required by law to hold a meeting each month, **the company's board of directors meets ordinarily between 8 and 12 times per year.**

19.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **51** and board of directors' internal rulebook article **6.1** specify that ordinary sessions must be held at least once a month on the day and time indicated in the invitation, at the company's main offices unless stated otherwise.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 25 July 2012.

19.3. One (1) or two (2) board meetings clearly focus on defining and monitoring company strategy.

19.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. In November 2021 the bvc Board of Directors reviewed the company's strategic corporate plans, in accordance with its approved work plan.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 18 March 2015.
Modification dates: 27 November 2019.

19.4. The board of directors approves an annual schedule of ordinary sessions, but may also hold as many extraordinary meetings as it deems necessary.

19.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Board of directors' internal rulebook article **6.1** requires that the board of directors approve a schedule of ordinary sessions prepared by the secretary.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 18 March 2015.

19.5. At least five calendar days in advance, board members must receive the invitation along with all the documents or information associated with each point on the agenda to enable them to participate actively and make informed decisions.

19.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Corporate Governance Code article **3.3.1.2** and board of directors' internal rulebook articles **7.1** and **7.2** state that bvc makes all information associated with items on the agenda available to board members five (**5**) calendar days in advance.

Since October **2019**, Diligent Boards has been used to store all information that will be evaluated at every board and committee meeting. This new technology replaced the previous publication tool.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December **2005**.
Modification dates: 25 July **2012**.

19.6. The chairperson of the board of directors (supported by the secretary) **assumes responsibility for delivering information to members with enough advance notice** and making sure it is useful; the documents delivered must place quality above quantity.

19.6 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Article **71** of the company bylaws states that the chairperson of the board must ensure that quality information is delivered on time to board members, directly or via the secretary.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 26 March **2015**.
Modification dates: N/A.

19.7. The chairperson of the board of directors **has final responsibility for board meeting agendas**, not the company president, and structures them using parameters that logically present topics and debates.

19.7 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **71** states that the chairperson of the board coordinates with the company president and secretary to prepare meeting agendas. In addition, board of directors' internal rulebook article 5.1 states that the chairperson of the board is responsible for preparing meeting agendas, in conjunction with the company president and the secretary of the board of directors.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 26 March 2015.
Modification dates: N/A.

19.8. The annual corporate governance report on the company's website **includes board and committee members' meeting attendance records**.

19.8 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code article **3.4.1.1** states that among the information available to the general public is the annual corporate governance report and each committee's annual report, both of which include board and committee member attendance records.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 27 January 2016.

19.9. The board of directors annually evaluates (including peer evaluation) its work as a collective body, and that of its committees and individual members, as well as the reasonability of internal rules, and its members' dedication and performance. If necessary, it proposes structural and organisational modifications. At conglomerates, the parent company's board of directors ensures that subsidiary companies' boards of directors also follow the evaluation process.

19.9 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code article 4.1.3.3 and board of directors' rulebook article 10.1 state that board members individually and collectively self-evaluate each year as a collective body. The evaluation is managed and processed by an external expert independent consultant, and establishes levels of task and duty efficiency and efficacy. In addition bvc Group's corporate governance model requires that each subsidiary report to the legal vice president on its own board of directors' and management evaluation processes.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 27 June 2018.

19.10. The board of directors alternates internal self-evaluation with external evaluation conducted by independent advisors.

19.10 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code article **4.1.3.3** states that individual self-evaluation and group evaluation will be used to determine each board member's individual participation, board of directors' collective performance, and the pertinence, depth and frequency with which the board of directors and its committees addresses each topic. The board of directors defines the means and mechanisms to do this, including the use of a third-party. The evaluation is conducted and reported by an external consultant specially contracted for this purpose.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 26 February 2014.

Measure 20: Board member's duties and rights.

20.1. The board of directors' rulebook is complementary to the legal framework with regard to its members duties and rights.

20.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. bvc Board of Directors' internal rulebook article **4.1** complements the duties and rights contained within company bylaw article **50** and Good Governance Code article **4.1.1.2**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 27 January 2016.

20.2. The board of directors' rulebook reinforces the fact that the company respects the board members' duties referred to in recommendation 20.2.

20.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Board of directors' internal rulebook article **4.1** complements the duties specified in company bylaw article **50** and Good Governance Code article **4.1.1.2**.

In addition, Ethics and Behaviour Manual items **1.2**, **4.2** and **4.5** cover the company's guiding principles—among which are loyalty, honesty, care and diligence—and other behavioural rules for managers related to competition, good faith and protecting and adequately using company goods.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2015.

20.3. The board of directors' rulebook includes the board members' rights established by recommendation 20.3.

20.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **31**, and Good Governance Code articles **3.3.1.1** and subsequent and **4.1.2.5** establish board members' right to receive fees, receive timely information, be advised by experts, and receive induction and continuous updates. The board of directors' rulebook also covers the recommendation's topics in articles **7.1** and **9.1**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 26 March 2015.

Measure 21: Conflicts of interest.

21.1. The company has a defined and formalised internal policy and procedure to identify, manage and resolve conflicts of interest, be they direct or indirect through related-parties, that could affect board members and other managers.

21.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **77** and Good Governance Code articles 4.1.1.2, 7.1.1.1 and following, specify the policies and procedures for autonomously and opportunely disclosing and managing conflicts of interest between board members and the Exchange (or its shareholders, or parent, controlling or subsidiary entities), and any other situation that could potentially lead to a conflict of interest.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 28 November 2003.

Modification dates: 26 March 2015.

21.2. The process used to manage conflicts of interest differentiates between sporadic and permanent conflicts of interest. Sporadic conflicts of interest should be managed using rules and processes that are relatively easy to administer and hard to avoid. Processes used to manage permanent conflicts of interest should consider that if the situation affects the entirety of company operations, it must require the obligatory resignation of the person concerned because they are unable to fulfil their role.

21.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. bvc Good Governance Code article **7.1.1.1** differentiates between sporadic and permanent conflicts of interest. Sporadic conflicts of interest occur in specific and isolated circumstances, and are managed using the process specified in article **7.1.1.2**. Permanent conflicts of interest occur in circumstances which are ongoing, and are managed using the process described in Good Governance Code article **7.1.1.4**. This specifies that if an employee or manager find themselves in a permanent conflict of interest, and the situation could affect the entirety of company operations, it is a cause for obligatory resignation because they are no longer able to fulfil their role.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 January 2016.
Modification dates: N/A.

21.3. Board members, legal representatives, senior managers and other company managers periodically disclose to the board of directors the direct and indirect relationships that exist among themselves and with other entities or structures within the conglomerate the issuer belongs to, or with the issuer, or providers, or customers, or any other stakeholder, that may cause a conflict of interest or influence their opinion or vote, so that an administrator "related-party map" can be drawn.

21.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. In accordance with the company bylaws, board members autonomously and opportunely reveal any conflict of interest that arises between a board member and the Exchange (or its shareholders, or parent, controlling or subsidiary entities), and any other situation that could potentially lead to a conflict of interest. Senior managers and board members must also act in accordance with corporate governance code article **7.1.1.4** on disclosure to a superior. bvc human resources management produces a quarterly report on situations reported by bvc managers and employees related to share trades listed on the exchange, or any other situation that could generate a conflict of interest.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 18 March 2015.

21.4. Relevant conflicts of interest that oblige a board member or manager to abstain from attending a meeting and/or voting, **are public information** that must be published on the company website each year.

21.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

To date, potential conflict of interest situations are not included in the information the company publishes each year. However, board of directors' meeting minutes specifically refer to situations where a member abstains because they find themselves in a potential conflict of interest.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

21.5. The definition of "related-party" used by the company is **consistent with IAS 24**.

21.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Since **1 January 2012** **bvc** has voluntarily and fully adopted International Accounting Standards ahead of time. Therefore, all the company's accounting and financial information is prepared, presented and divulged using these standards, including **IAS 24**. **bvc's** Consolidated Financial Statements fully incorporate the related-party criteria included in these international accounting principles.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: **1 January 2012**.

Modification dates: N/A.

Measure 22: Transactions with related-parties.

22.1. The company has a policy that defines the concrete process used to value, approve and disclose transactions with related-parties, including outstanding balances and relationships between them, except for transactions that are subject to another specific regulation.

21.2 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

Yes. The bvc Board of Directors approved a subsidiary contracting protocol that established the concrete process used to value, approve and disclose transactions with related-parties, including outstanding balances.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 22 February 2017.

Modification dates: N/A.

22.2. Company policy on transactions with related-party includes the aspects referred to in recommendation **22.2**.

22.2 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:**NO. Explain:**

The bvc Board of Directors approved a subsidiary contracting protocol that established the concrete process used to value, approve and disclose transactions with related-parties, including outstanding balances, and that includes the aspects referred to in this recommendation. This document specifically establishes that transactions between bvc group entities worth more than COP **1.5bn** must be approved by the board of directors.

In addition, the approval with exclusion of related-parties is referred to in the Exchange's corporate documentation—board of directors' rulebook (Article **4.1**, item **5**), Good Governance Code (Article **7.1.1.1**), and company bylaws (article **77**)—including the mechanisms used to avoid and resolve situations related to group entities that may cause conflicts of interest.

Furthermore, company bylaw article **31**, item **13**, refers to situations related to transactions between related-parties and **bvc** group that require specific authorisation from the General Assembly of Shareholders.

Finally, a qualified majority is required for the board of directors to approve this type of transaction—the favourable vote of at least **7** of its members. This differs from the $\frac{3}{4}$ majority and positive vote from independent members suggested in the recommendation, hence the fact that this recommendation is not considered to have been fully implemented.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

22.3 The policy does not require specific board authorisation for recurrent everyday related-party transactions resulting from adhesion or standard form contracts with perfectly standardised conditions that are uniformly applied and have market rates generally set by the provider of the good or service, and whose individual amount is not relevant to the company.

22.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Exchange company bylaw article **31** states that the General Assembly of Shareholders is responsible for approving relevant transactions with related-parties except under the following conditions: (i) They use market rates generally set by the provider of the good or service, and (ii) They are everyday non-material issuer transactions.

In addition, the subsidiary contracting protocol establishes that transactions must be carried out at market rates generally set by the provider of the good or service.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 22 February 2017.

Measure 23: Payment for board members.

23.1. The company has a board member remuneration policy that has been approved by the General Assembly of Shareholders and is reviewed each year. The policy clearly identifies all its remuneration components. These components may be fixed or variable and can include fixed fees for board members, board and committee meeting attendance fees, and other payments of any class for any cause, in cash or in kind, such as pensions, life insurance policies or other components for current and past board members, such as civil liability insurance policies (D&O policies) taken out by the company in favour of board members.

23.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. On March **30, 2016**, the bvc General Shareholders Meeting approved the Remuneration Policy for the Board of Directors, which identifies the remuneration components to recognize.

At the session of the General Shareholders Meeting on March **26, 2021**, fees were approved for Board members for the period from March **2021** to March **2023** as stated in Minutes No. **35**. Additionally, in accordance with the Remuneration Policy, the Board members' fees are updated for each period using the CPI.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 30 March 2016.
Modification dates: N/A.

23.2. If the company uses variable remuneration systems linked to medium and long-term company performance, **remuneration policy must include limits on the amount** that can be distributed among board members. If the variable component is related to company benefits or other administrative indicators at the close of the evaluated period, it must take into account any subsequent findings in the statutory auditor's report that could negatively affect the period's results.

23.3 Has the measure been implemented?

NO N/A

YES. Briefly indicate:

NO. Explain:

The Exchange does not use a variable framework for board member remuneration. Payment is only in cash and is based on board and committee meeting attendance.

In addition, the board of director remuneration policy approved at the 30 March 2016 General Assembly of Shareholders, prohibited payment in shares or other securities issued by the Exchange. Board member payments or incentives based on the delivery of, or options to acquire, such securities are not legally permitted.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

23.3. Equity and independent board members are excluded from remuneration systems involving share options or variable remuneration based on share price variation.

23.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The legal regime applicable to bvc specifically prohibits the components referred to in this recommendation; Decree Law **1172:1980**, article **8**, prohibits exchange brokerage company managers from acquiring shares listed on the exchange.

In addition, Law **27:1990**, article **10**, and bvc General Rulebook article **5.3.1.3** specify that Exchange legal representatives may not directly or indirectly trade securities listed on the Exchange without specific prior authorisation from the board of directors, and that if they do, it must be for purposes other than speculation.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: **27 June 2007**.

Modification dates: **25 July 2012**.

23.4. In the context of remuneration policy, **for each evaluated period the General Assembly of Shareholders approves the maximum cost of the board of directors, including all approved remuneration components.**

23.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

The Remuneration Policy approved by the General Shareholders Meeting on March **30, 2016**, indicates that the fees shall be allocated according to the members' attendance of Board and committee meetings, but a maximum cost of the Board of Directors was not assigned considering all the remuneration components approved. To date, the remuneration of the Board of Directors continues to be managed under this scheme.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: **N/A.**

Modification dates: **N/A.**

23.5. The effective total cost of the board of directors during the period, including all remuneration components and expenses paid to board members, is made known to shareholders and published on the company website with the level of granularity and detail approved by the board of directors.

23.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Board member fees paid during **2021** will be published in the administrative report delivered to shareholders, and permanently available on **bvc's** website with the level of granularity approved by the board of directors.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: **14** December **2005.**

Modification dates: **28** March **2017.**

Measure 24: The company president and senior management.

24.1. The company's governance model establishes effective separation between company administration or governance (the board of directors) and everyday business activities (senior management led by the company president).

24.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. **bvc** Corporate Group Policy clearly sets out the separation between company administrators and everyday business activities that are the responsibility of senior management, and specifies the channels of communication between them. The effective separation between senior management and the board of directors is also specified in company bylaw articles **46** and **55**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 28 November 2003.

Modification dates: 26 March 2015.

24.2. In general, board of directors' policy consists of delegating everyday business activities to the senior management team, and focussing on general strategy, supervision, governance and control.

24.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **46** states that the board of directors' principal function is strategic, and related to company structure. It also specifies that the company has a president with two alternates, who can act independently in accordance with the faculties and attributes assigned to them by the board of directors. In turn, the president and other legal representatives can partially delegate their functions to the subsidiaries or employees they deem pertinent, without delegation inhibiting them from carrying out the delegated functions themselves. Finally, the company president is responsible for all measures designed to protect corporate equity, monitor company employees and implement orders or instructions to ensure that the company operates correctly, all in accordance with company bylaw articles **55, 56** and **58**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 26 March 2015.

24.3. As a general rule, senior management members are identified, evaluated and appointed as direct employees of the company president. Alternatively, **the company can opt to have senior management members appointed by the board of directors following a proposal from the company president.** Whoever makes the final appointment decision, candidates that fill key roles in the company are made known to and evaluated by the board of directors' appointment and remuneration committee, so it may issue its opinion.

24.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw articles **50** and **58** state that the president is responsible for appointing and removing company employees that are not appointed by the board of directors or General Assembly of Shareholders. One of the Corporate Governance Committee's responsibilities is to periodically evaluate these employees to ensure they are complying with their goals and indicators and making recommendations to the board of directors.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2015.

24.4. The company has a clear policy for delegating duties that has been approved by the board of directors, and/or a hierarchy framework that identifies the powers granted to the company president and other members of senior management.

24.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw articles **50, 56** and **58** establish that the board of directors is responsible for appointing, removing and evaluating the company president, setting their remuneration and establishing the criteria by which they can partially delegate their functions to other company employees.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2015.

24.5. The board of directors' appointment and remuneration committee, or its equivalent, **annually evaluates the company president** and is provided with the evaluations of other senior management members.

24.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code article **4.2.1.2** and Corporate Governance Committee internal rulebook article **3** establish that the Corporate Governance Committee is responsible for periodically evaluating the Exchange President's mission and remuneration, supporting the board of directors with evaluating their performance, revising succession plans and making recommendations to the board of directors on senior company management.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 27 January 2016.

24.6. The company has a remuneration policy for the company president and senior management, that has been approved by the board of directors and that identifies all remuneration components that are tied to long-term objectives and levels of risk.

24.6 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange has a remuneration policy for senior management that has been approved by the board of directors and that identifies all remuneration components payable to members of the team, including the president, that are tied to achieving targets.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 27 January 2016.

24.7. If the company president's remuneration includes a fixed and a variable component, its technical design and calculation prevents the variable component from exceeding the maximum amount set by the board of directors.

24.7 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The **bvc** President's remuneration is set by the board of directors, and has a variable component that is linked to balanced scorecard results—the management system whose design and targets are approved by the board of directors before the start of each year.

Under no circumstances may the president be compensated nor incentivised through the delivery of shares or other Exchange issued securities, nor options to acquire them, in accordance with Good Governance Code article **4.2.1.1**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 18 March 2015.

IV. Control Environment

Measure 25: Control environment.

25.1. The board of directors is responsible for ensuring that the company has a solid control environment, that responds to its nature, size, complexity and risk, and complies with the assumptions indicated in recommendation **25.1**.

25.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw articles **46** and **50** state that the board of directors is responsible for ensuring that the company has an adequate internal control environment. The board of directors periodically monitors the entity's risk management by studying Audit and Risk Committee reports. In addition, the board of directors is responsible for setting risk management policy for the company's inherent risks, and periodically monitoring these risks, as well as developing and operating orderly, transparent and secure markets that have adequately formed prices.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 27 June 2018.

25.2. The parent company's board of directors ensures that conglomerates have a formally consolidated control environment that incorporates all subsidiary companies, establishes responsibilities with regard to policies and frameworks across the conglomerate, and defines clear reporting lines that permit a consolidated vision of the risks the conglomerate is exposed to and allow control measures to be applied.

25.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. In effect, in accordance with the policy called "bvc Group's Corporate Governance Policy", included as Annex **2** of the Good Governance Code, officially adopted by the Board of Directors at its meeting on December **7, 2016** and updated for the last time on March **24, 2021**, bvc works to have a control architecture with a consolidated scope that covers all the subsidiaries, indicating the responsibilities of each one in the Group's model and describing the flows of information to and from the Parent Company, permitting a consolidated vision of the risks and application of control measures.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 7 December 2016.
Modification dates: 27 June 2018.

Measure 26: Risk management.

26.1. The company's risk **management objectives** are those contemplated in recommendation **26.1**.

26.1 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

Yes. Risk management objectives, risk evaluation and measurement of exposure to each risk, effective risk management, risk monitoring, and periodic risk management reporting to the board of directors and senior management are covered by various corporate documents, especially the SARO (Operational Risk Management System) Manual, Internal Control Policy and Good Governance Code chapter VI.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 18 March 2015.

26.2. The company has a risk map, understood to be a tool that identifies and monitors the financial non-financial risk it is exposed to.

26.2 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange has a Corporate Risk and Process Map that was last updated on **30 December 2021**.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 10 September 2007.

Modification dates: 24 November 2017.

26.3. The board of directors is responsible for defining risk management policy and setting the maximum level of exposure to each identified risk.

26.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw articles **46** and **50** state that the board of directors is responsible for setting risk management policy for the company's inherent risks and periodically monitoring these risks, as well as developing and operating orderly, transparent and secure markets that have adequately formed prices.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 7 April **2001**.

Modification dates: **26** March **2015**.

26.4. The board of directors is aware of and regularly supervises the company's effective exposure to defined maximum risk limits, proposes corrective actions, and follows up on deviations.

26.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The board of directors is responsible for defining maximum limits for risk exposure, evaluating risk reports, and analysing and evaluating the company's risk control systems and tools. The board of directors' Audit and Risk Committee evaluates and makes recommendations in this regard and proposes the company's risk policy to the board of directors, as well as initiatives to improve internal control and risk management systems and infrastructure. This is in accordance with company bylaw articles **46** and **50**, Good Governance Code chapter VI and other corporate rules that regulate the internal control system.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June **2001**.

Modification dates: 27 June **2018**.

26.5. Within risk management policy, **senior management is the process owner responsible for risk management:** identifying, evaluating, measuring, controlling, monitoring and reporting, defining methodologies and ensuring that risk management is consistent with strategy, defined risk policy and approved limits.

26.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The organisation has a department with the fundamental objective of managing risk. This department has clearly defined roles, responsibilities and internal reporting mechanisms, especially related to submitting regular and periodic reports directly to the board of directors' risk committee. This complies with company bylaw article **58**, Good Governance Code chapter **VI**, **bvc** financial risk management manuals, SARO, AML/CFT and bvc Internal Control Policy.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December **2005**.

Modification dates: 18 March **2015**.

26.6. The company has a risk delegation policy that has been approved by the board of directors and establishes the risk limits that can be directly managed at each level of the company.

26.6 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange has an internal control policy that has been approved by the board of directors, and a financial risk management manual, a SARO manual, an AML/CFT manual and an anti-fraud programme manual, all of which have also been approved by the board of directors, that establish limits, responsibilities and delegation criteria for risk management at the company.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 9 September **2009**.

Modification dates: N/A.

26.7. Risk management at conglomerates must be consolidated in a way that contributes to the cohesive control of all their companies.

26.7 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. In accordance with the policy called “bvc Group’s Corporate Governance Policy”, included as Annex 2 of the Good Governance Code, through Risk Management, the Company has the tools and carries out a consolidated analysis for identifying and managing risks in the consolidated Group.

This involves the dimension of **bvc** and the entities of the bvc Group.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 7 December 2016.

Modification dates: 27 June 2018.

26.8. If the company has a complex and diverse business and operational structure, **it has a chief risk officer** who presides over the entire conglomerate if it is made up of integrated controlled businesses or is a corporate group.

26.8 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

Although **bvc** has a risk manager and a group corporate model that sets out the responsibilities of each bvc and subsidiary governance body, it does not have a chief risk officer who presides over the entire organisation because it focusses on coordinating a complex risk structure, rather than simply imposing one. Subsidiary presidents and managers are responsible for their own control environment that must be aligned with industry best practice, regulatory requirements and bvc’s needs.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.

Measure 27: Control activities.

27.1. The board of directors is responsible for ensuring that there is an adequate internal control system that is adapted to the company and its complexity, and is consistent with rigorous risk management.

27.1 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

Yes. **bvc** Company Bylaw articles **46** and **50** and **bvc** Group Corporate Governance Policy establish that a duty of the board of directors is to verify the existence of an adequate internal control system, and approve its implementation and monitoring in accordance with the company's complexity. The board of directors must read and evaluate internal control system reports submitted by different company control bodies and the Audit and Risk Committee, and issue the orders necessary to ensure adoption of the relevant recommendations and corrections.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 7 April 2001.
Modification dates: 17 June 2018.

27.2. The board of directors is responsible for supervising the internal control system's suitability and efficiency. This can be delegated to a committee without the board losing its responsibility to supervise the process.

27.2 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

Yes. Bylaw articles **46** and **50** state that the board of directors is responsible for monitoring and verifying the internal control system's suitability and efficacy. Article **1** of the Audit and Risk Committee's internal rulebook gives this committee the responsibility for monitoring the Exchange's internal control system, evaluating accounting procedures, verifying the audit department and managing the relationship between the board of directors and the statutory auditor.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 7 April 2001.
Modification dates: 27 March 2019.

27.3. The company requires and applies the principle of self-control: the “ability of people working on different processes to view control as inherent to their responsibilities, actions and decisions.”

27.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The board of directors has established that compliance with **bvc**’s Internal Control Policy is mandatory for Exchange managers and employees, and its subsidiaries. Article **3.1** of the policy states that self-control is the ability of each and every employee, regardless of their hierarchical level, to control and evaluate their work, detect deviations in, and make corrections to, the way they perform and comply with their duties, and improve their tasks and responsibilities.

Without prejudice to managers’ responsibility to define policy and design internal control system structures, complying with the objectives set out by management is the responsibility of each and every Exchange and subsidiary employee, subject to established limits.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 9 September 2009.
Modification dates: N/A.

Measure 28: Information and communication.

28.1. Company communications on risk culture, philosophy and policy, and approved exposure limits, **are vertical and horizontal,** and ensure that the entire organisation is clear on the risks and control activities related to their work.

28.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange has a Risk Culture Plan through which it communicates risk culture, philosophy and policy. This is disseminated in a risk culture plan document that includes topics such as operational risk quality, ISMS, business continuity and AML/CFT, as well as through other means such as training sessions and workshops.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 9 September 2009.
Modification dates: N/A.

28.2. The company **has an upward reporting mechanism** (to the board of directors and senior management) that is accurate, understandable and comprehensive, and permits and supports informed decision making and risk and control management.

28.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Internal audit bylaws and internal control policies include upward reporting mechanisms. The former state that the internal audit manager and internal auditors are responsible for submitting quarterly reports to the board of directors on general progress and relevant findings. The latter establish (in article **4.5.1**) that bosses or leaders at all levels and in each area or process are habitually responsible for continuously carrying out supervision processes on their employees' activities, to ensure that they are complying with plans and to promptly detect and correct any identified deviations. Senior management and the risk manager have an internal risk committee that produces and submits periodic reports to the Audit and Risk Committee and/or the board of directors.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 4 November 2009.
Modification dates: 17 December 2015.

28.3. The company's information communication and reporting mechanism ensures that: i. senior management involves the entire company and highlights its risk management and control responsibilities, and ii. Company employees understand their role in risk management and identifying controls, and their individual contribution to the work of others.

28.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The company's communication and reporting mechanism includes various levels of risk decision making and management. The Culture and Risk Plan provides clarity on these matters and helps people acquire abilities and retain knowledge related to their role in risk management and identifying controls.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 9 September 2009.
Modification dates: N/A.

28.4. There are internal lines of communication for whistle-blowers that allow employees to anonymously share information on illegal or unethical behaviour that go against the company's risk management culture. The board of directors receives a report on these accusations.

28.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **50** states that the board of directors is responsible for implementing ethical control policies and frameworks for company managers and employees, that include anonymous reporting systems. The company's Ethics and Behaviour Manual describes the process of reporting incidents using the Ethical Line.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2015.

Measure 29: Monitoring the control environment.

29.1. The board of directors' audit committee is responsible for supervising the effectiveness of control environment components.

29.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **50** and Audit and Risk Committee internal rulebook article **1** state that this committee supports the board of directors by monitoring internal control at the Exchange, evaluating accounting procedures, verifying the audit department and managing the relationship between the board of directors and the statutory auditor.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 27 March 2019.

29.2. The company's efforts to monitor control environment efficacy are principally led by the internal audit department, in conjunction with the statutory auditor on matters pertaining to them and especially with regard to the company's financial information.

29.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code chapter VI establishes that the internal control system depends on interactions between the statutory auditor and the internal audit department. It states that a duty of the statutory auditor is to evaluate whether Exchange actions comply with current legislation, especially related to its accounting, and conservation of company books, papers and goods. Internal audit department duties include evaluating the efficacy of strategic definitions, monitoring the implementation of corrective and preventative actions adopted to correct detected issues, and proposing any actions or adjustments it deems necessary to strengthen the company's internal controls.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 18 March 2015.

29.3. The company's internal audit department has internal audit bylaws that have been approved by the committee, expressly state the scope of its duties, and include the topics stated in recommendation 29.3.

29.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The topics stated in recommendation 29.3 are expressly included in bvc's Internal Audit Bylaws, that have been approved by the board of directors. The section on the internal audit manager's responsibilities establishes the following scope: The internal audit manager must submit certification (at a minimum annually) to the audit and risk committee and the board of directors on the independence of internal audit activities within the organisation; prepare a flexible internal audit plan that includes assurance and consultancy processes, uses appropriate risk-based methodologies, and includes identified concerns about risks or controls, and present the plan to the Audit and Risk Committee for review and approval; and evaluate key business risks, including reporting mechanisms and management by those responsible.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 5 October 2007.
Modification dates: 5 October 2015.

29.4. The person ultimately responsible for internal audits maintains a professionally independent relationship with senior management at the company or the conglomerate that controls it by functionally depending exclusively on the committee.

29.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **50** states that the internal auditor is directly appointed by the board of directors, and that the board of directors guarantees their functional independence from senior management. In addition, internal audit bylaws establish that the audit manager is functionally dependent on the board of directors' Audit and Risk Committee.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2015.

29.5. Appointing and removing the company's internal auditor is a duty of the board of directors following the committee's proposal, and their removal or resignation is communicated to the market.

29.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **50** states that the internal auditor is directly appointed and removed by the board of directors, and proposed by the Audit and Risk Committee, and that their removal or resignation must be communicated to the market.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2015.

29.6. The company's or conglomerate's statutory auditor maintains clear independence from the company or conglomerate, and this must be declared in the audit report.

29.6 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw articles **61, 62** and **63** specify that the statutory auditor must be ideal, and cannot be a company or subsidiary shareholder, nor an employee, partner, spouse or relative of any **bvc** employee. These provisions are evaluated by the board and the Audit and Risk Committee when selecting and hiring the statutory auditor who will be voted on by the General Assembly of Shareholders.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 26 March 2015.

29.7. If the company is the parent company of a conglomerate, the same statutory auditor must be used for all companies, including offshore companies.

29.7 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Item **7.3.4** of **bvc** Group's Corporate Governance Model specifies that at its subsidiaries' shareholder meetings, **bvc** will vote in favour of the **bvc** statutory auditor also being used to audit its subsidiaries. The item also mentions that the CFO's finance and administration department coordinates the statutory auditor's work at **bvc**, and uses just one specialised firm that complies with all the requirements of scope and certified experience and is chosen in a transparent selection process.

Currently, the same firm performs statutory audits on all bvc Group companies.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2018.

Modification dates: N/A.

29.8. The company has a policy to select the statutory auditor that has been approved by the board of directors, disclosed to shareholders, and includes the provisions specified in recommendation 29.8.

29.8 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Articles **61** and **62** of the **bvc** By-laws indicate that the Statutory Auditor (both principal and alternate) must be a legally suitable individual. They also indicate that the Statutory Auditor's principal and alternate must be public accountants, or associations or firms of public accountants that comply with the relevant legal requirements. Furthermore, regarding the election period, the By-laws indicate that elections will take place at the same time as Board member elections. This is without detriment to the General Shareholders Meeting being able to dismiss the Statutory Auditor at any time. The Rules of Procedure for the General Shareholders Meeting states that the Board of Directors can submit options for appointment of the Statutory Auditor. To submit these options, the Board of Directors must indicate in writing the reasons why it recommends a particular candidate.

On the other hand, the Shareholders Meeting held on March **26, 2021** approved the amendment of Article **62** of the by-laws to include that firms that have been subject to disqualification, suspension or any other type of firm sanction for the exercise of financial audit services, imposed by a judge or a regulatory and/or supervisory authority of the countries in which the Conglomerate operates, may not be proposed as statutory auditors.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.
Modification dates: 26 March 2021.

29.9. To avoid excessive links between the company and its statutory auditor and their teams, and to maintain independence, **the company establishes a maximum contract term of between five (5) and ten (10) years.** If the statutory auditor is a private individual and not a member of a firm, the maximum contract term is five (5) years.

29.9 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code article **6.1.1.2** states, without prejudice to the right shareholders have to choose the statutory auditor, that bvc will, where possible, ensure the rotation of private individuals at the audit firm at least every five (5) years, and ensure that a private individual who has been rotated cannot audit the Exchange again for at least two (2) years.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 18 March 2015.

29.10. Within the maximum contract term, the company **promotes the rotation of the audit firm's partner assigned to the company** and their teams half way through the period. At the end of the period, the firm must be rotated.

29.10 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code article **6.1.1.2** states, without prejudice to the right shareholders have to choose the statutory auditor, that bvc will, where possible, ensure that statutory audit contracts require the rotation of private individuals at the audit firm at least every five (**5**) years, and that a private individual who has been rotated cannot audit the Exchange again for at least two (**2**) years.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.
Modification dates: 18 March 2015.

29.11. In addition to the current prohibition on hiring the **statutory auditor for services** other than financial audits and other duties recognised in current legislation, the company extends this limitation to people or entities related to the statutory audit firm, including companies in its group and companies with which it shares a high coincidence of partners and/or managers.

29.11 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **62** specifies that the company cannot procure statutory audit services from entities or individuals that directly or indirectly provide other services to the company.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 7 April 2001.
Modification dates: 26 March 2015.

29.12. The company publicly discloses the total value of the statutory audit contract and the proportion that the fees paid represent of total statutory audit income at the firm.

29.12 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

NO. Explain:

Yes. **bvc** publishes on its website the total value of the statutory audit contract and the proportion **bvc** paid fees represent within the firms' total statutory audit income between **1 January 2021** and **31 December 2021**. The certificate issued by KPMG SAS can be found at:

<https://gobiernocorporativo.bvc.com.co/informaci%C3%B3n-no-financiera/revisor-fiscal>

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 20 January 2017.

Modification dates: N/A.



V. Transparency of Financial and Non-financial Information

Measure 30: Information disclosure policy.

30.1. The board of directors has approved an information disclosure policy that identifies at a minimum the information specified in the recommendation.

30.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code chapter III comprehensively specifies all matters related to preparing and divulging information, including rules on the timing, access, content and classification of financial and non-financial information. The chapter also regulates the information that must be presented to the General Assembly of Shareholders and the information the company must habitually make public in the development of its business purpose.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 27 January 2016.

30.2. Conglomerates comprehensively disclose companywide information to third-parties related to the corporate group that allows external third-parties to form an opinion based on the conglomerate's reality, organisation, complexity, activity, size and governance model.

30.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange prepares, presents and publishes consolidated financial information that includes the entities that make up the economic group. These consolidated financial statements faithfully comply with the regulations that determine how they must be prepared, and follow international accounting standards. In addition, all non-financial information that may be of interest to stakeholders is opportunely published on the **bvc** website, including organisational, governance and internal control structures, bvc strategy, directives, etc.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 1 July 2016.

Measure 31: Financial statements.

31.1. All findings in the statutory auditor's report and the actions the company proposes to resolve them are disclosed to shareholders by the audit committee chair at the General Assembly.

31.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code article **3.2.3.1** specifies that the statutory auditor's report on the financial statements forms part of the information presented to shareholders for inspection. If any findings exist, they will be presented together with the management actions proposed to resolve them, and disclosed to shareholders by the audit and risk committee chair at the General Assembly.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 18 March 2015.

31.2. If the board of directors believes it should maintain its position on any findings or emphasised paragraphs in the statutory auditor's report, **it must adequately explain and justify its position in a written report submitted to the General Assembly**, in which it specifies the discrepancy's scope and contents.

31.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Audit and risk committee rulebook article **3**, item **2**, subitem j, specifies that in "...the event that a statutory audit report contains findings and/or unfavourable opinions, [the committee] must issue a statement on its scope and content that is submitted to shareholders and shared with the public securities market on the Exchange website, verifying compliance with the recommendations by Exchange management so that it can lead the process of responding to the report's findings."

In addition, **bvc** Good Governance Code article **3.2.3.1** states that **15** calendar days prior to the Assembly, shareholders will receive the statutory auditor's report on the financial statements and, in the event that it contains findings, the management action plans proposed to resolve them, for disclosure to shareholders at the General Assembly.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 27 March 2019.

31.3 Transactions with or between related-parties, including transactions between companies in the conglomerate that, in accordance with objective parameters such as transactional volumes, percentage of assets, sales or other indicators, are material to the company, **are included in public financial information in sufficient detail, including offshore transactions.**

31.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Good Governance Code articles **3.2.2.1** and **3.2.2.1** specify that the Exchange includes in its financial statements transactions between linked or related-parties and offshore transactions. This information is published on the **bvc** website.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 18 March 2015.

Measure 32: Market information.

32.1. In the context of information disclosure, the board of directors (or a committee) **adopts the measures necessary to guarantee that financial and capital markets are sent all the financial and non-financial company information** required by current legislation, and that the company considers relevant to investors and customers.

32.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Company bylaw article **50** specifies that the board of directors must: "Supervise the financial and non-financial company information that as an issuer and under information and communications policy frameworks the company must periodically make public." In addition, Good Governance Code chapter III indicates the frequency and the information that must be disclosed to shareholders and the general public, including all relevant financial and non-financial information, important events, etc.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 27 June 2001.

Modification dates: 26 March 2015.

32.2. The company website is user-friendly and makes it easy for people to find corporate governance information.

32.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. Navigating the Exchange website is easy and user-friendly for shareholders, and the site is available in English and Spanish. Shareholders can use the “bvc Investor Relations” menu to access the corporate governance information found here: <https://gobiernocorporativo.bvc.com.co/>

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 19 November 2017.

32.3. The company website includes at a minimum the links mentioned in recommendation 32.3.

32.3 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange views its website as one of its principal channels of communication with shareholders, and keeps all the information required by this measure up to date.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 19 November 2017.

32.4. The means the company generally uses to communicate information to markets **are documents that can be printed, downloaded and shared.**

32.4 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange uses its website to publish all the information specified in Good Governance Code chapter III in formats that allow it to be printed, retransmitted and downloaded onto electronic devices for storage and archiving.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 18 March 2015.

32.5. If the company is a large and complex business it annually publishes on its website **a report on how its control environment structure, methods and procedures** are implemented to ensure that the financial and non-financial information provided is correct and secure, safeguard the entity's assets, and ensure operational efficiency and security. Control environment information is complemented by a risk management report.

32.5 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Exchange's annual management report has a chapter on internal control activities. In addition, Good Governance Code article **3.2.2.2**, item **3**, places the control environment and company audit structure at the disposition of shareholders. Furthermore, item **2** of said article specifies that shareholders are provided with a half-yearly report on risk management.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December 2005.

Modification dates: 18 March 2015.

Measure 33: Corporate governance annual report.

33.1. The company prepares an annual corporate governance report (the contents of which are the responsibility of the board of directors and are revised and approved by the audit committee) that is presented together with all other documentation at the end of the reporting period.

33.1 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The Audit and Risk Committee is responsible for revising the corporate governance report, in accordance with article **3** of its internal rulebook, and Good Governance Code article **3.2.3.1**. The report is included as a chapter of the annual management report.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December **2005**.
Modification dates: 27 March **2019**.

33.2. The company's corporate governance annual report is not merely a reproduction of the corporate governance rules included in the company bylaws, internal rules, good governance codes or other corporate documents. Its objective is not to describe the company's corporate governance model, but to explain its reality and relevant changes during the reporting period.

33.2 Has the measure been implemented?

Yes NO N/A

YES. Briefly indicate:

Yes. The annual corporate governance report explains in comprehensive detail **bvc's** governance model and the changes that have occurred during the reporting period.

NO. Explain:

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: 14 December **2005**.
Modification dates: 18 March **2015**.

33.3. The company's annual corporate governance report contains information at the close of the reporting period that **describes how the company complied with its corporate governance recommendations over the year, and the principal changes this produced.**

The structure of the company's annual corporate governance report is aligned with the framework included in recommendation **33.3**.

33.3 Has the measure been implemented? Yes NO N/A

YES. Briefly indicate:

NO. Explain:

No. Although the majority of the recommendation's requirements have been incorporated into the management report, some have not been included in this report.

N/A. Specify the laws that prevent adopting the recommendation:

Implementation date: N/A.

Modification dates: N/A.





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