

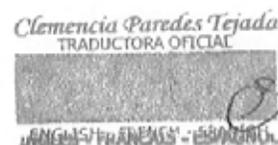
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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES

Consolidated Statement of Financial Position
(Expressed in millions of Colombian pesos)

	Note	December 31, 2024	December 31, 2023
ASSETS			
Cash and cash equivalents	9	\$ 2.686.277	2.576.346
Financial investment assets		6.129.571	4.480.662
At fair value through profit or loss		1.700.192	682.956
Debt instruments	10	1.654.722	663.112
Equity instruments	10	45.470	19.844
At fair value through other comprehensive income		2.986.305	2.230.081
Debt instruments	10	2.841.206	2.098.135
Equity instruments	10	145.099	133.946
At amortized cost	10	1.443.074	1.567.625
Trading derivatives	11	621.157	1.709.144
Hedging derivatives	11	111.172	179.368
Loan portfolio and financial leasing transactions	12	26.352.015	29.846.914
Consumer portfolio		18.354.502 ^N	19.230.146
Commercial portfolio		9.324.094	12.015.350
Less: Impairment of portfolio and financial leasing transactions		(1.326.581)	(1.398.582)
Other accounts receivable, net	13	332.284	887.575
Current income tax, net	18	1.079.849	680.464
Non-current assets held for sale, net	14	11.773	19.271
Property and equipment, net	15	434.217	496.914
Investment property, net	16	93.282	130.271
Intangible assets, net	17	492.636	538.091
Goodwill	17	112.974	112.974
Deferred income tax, net		256.064	138.806
Other assets, net	19	240.536	260.003
TOTAL ASSETS		\$ 38.953.807	42.056.803



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES

Consolidated Statement of Financial Position
(Expressed in millions of Colombian pesos)

	Note	December 31, 2024	December 31, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits and liabilities	20	\$ 26.341.298	29.141.927
Financial obligations	21	6.580.289	5.508.629
Outstanding investment securities	25	1.210.785	1.373.606
Trading derivatives	11	647.265	1.352.523
Hedging derivatives	11	77.095	234.948
Employee benefits	22	82.810	77.226
Provisions	23	15.112	13.098
Accounts payable and other liabilities	24	547.911	593.498
Current income tax, net	18	639	-
Deferred income tax, net		282.733	303.134
TOTAL LIABILITIES		\$ <u>35.785.937</u>	<u>38.598.589</u>
EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY'S SHAREHOLDERS			
Issued capital	26	358.318	358.318
Reserves	26	1.429.502	1.729.805
Share issue premium	8	909.189	909.189
Other comprehensive income	26	82.215 [†]	237.888
First-time adoption		80.133	86.522
Net income for the period		(124.959)	(250.035)
Retained earnings		429.301	372.644
TOTAL CONTROLLING EQUITY		<u>3.163.699</u>	<u>3.444.331</u>
NON-CONTROLLING INTEREST		<u>4.171</u>	<u>13.883</u>
TOTAL EQUITY		<u>3.167.870</u>	<u>3.458.214</u>
TOTAL LIABILITIES AND EQUITY		\$ <u>38.953.807</u>	<u>42.056.803</u>

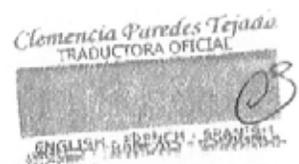
Notes 1 to 36 are an integral part of the consolidated financial statements.

Olga Lucia Varon Palomino
Legal Representative (*)

Fernanda Pérez Hernández
Accountant (*)
Professional Card 166341-T

Claudia Liliana Laguna Hidalgo
Tax Auditor of Scotiabank Colpatría S.A.
Professional Card 155723-T
KPMG S.A.S member
(See my report of February 28, 2025)

(*) We, the undersigned Legal Representative and the Public Accountant, hereby certify that we have previously verified the statements contained in these consolidated financial statements and that they have been prepared in accordance with the information faithfully taken from the accounting books of the Bank and its subsidiaries.



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES

Consolidated Statement of Income
(Expressed in millions of Colombian pesos)

	Note	For the years ended on	
		December 31, 2024	December 31, 2023
Interest and valuation income		\$ 4,986.461	5,652.183
Loan portfolio and financial leasing	12	4,405.691	5,112.346
Valuation of financial assets at fair value, net		117.514	117.693
Valuation of debt financial assets at amortized cost, net		147.200	158.197
Gain on sale of investments, net		-	82.173
Valuation and settlement of derivatives, net		89.129	-
Other interest, net		226.927	181.774
Interest and valuation expense		(2,989.312)	(3,792.739)
Customer deposits	20	(2,379.241)	(3,077.795)
Financial obligations and outstanding investment securities	8	(591.009)	(670.523)
Loss on sale of investments, net		(19.062)	-
Valuation and settlement of derivatives, net		-	(34.420)
INTEREST AND VALUATION INCOME, NET		1,997.149	1,869.445
Impairment of loan portfolio and accounts receivable, net	F 12, 13	(1,457.043)	(1,480.377)
INTEREST AND VALUATION INCOME, NET AFTER IMPAIRMENT		540.106	389.068
Income from commissions and other services	27	1,313.729	1,256.173
Expenses on commissions and other services	27	(643.124)	(620.938)
INCOME FROM COMMISSIONS, NET	27	670.605	627.235
Impairment of the value of non-financial assets		(12.795)	(23.770)
Employee benefit expense	28	(662.528)	(606.061)
Other income	29	453.062	514.073
Other expenses	30	(1,149.859)	(1,186.763)
PROFIT OR LOSS BEFORE INCOME TAX		(161.409)	(386.218)
Income tax	18	36.749	112.057
NET INCOME FOR THE PERIOD		(124.660)	(254.161)
NET INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Shareholders of the controlling company		(124.959)	(250.035)
Non-controlling interest		299	(4.126)
NET INCOME FOR THE PERIOD		\$ (124.660)	(254.161)

Notes 1 to 36 are an integral part of the consolidated financial statements.

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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES

Consolidated Statement of other Comprehensive Income
 (Expressed in millions of Colombian pesos)

	Note	For the years ended on	
		December 31, 2024	December 31, 2023
NET INCOME FOR THE PERIOD		\$ (124.660)	(254.161)[†]
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED INTO NET INCOME FOR THE PERIOD		(23.402)	110.616
Hedge accounting			
(Loss) on cash flow hedging derivatives, net		(5.321)	(7.378)
Deferred tax on cash flow hedging derivatives, net	18	2.129	1.973
Investments at fair value through OCI			
(Loss) gain on investments in debt securities, net		(33.683)	197.530
Deferred tax on investments in debt securities, net	18	13.473	(81.509)
ITEMS THAT WILL NOT BE RECLASSIFIED INTO NET INCOME FOR THE PERIOD		(132.271)	(34.753)
Investments at fair value through OCI			
Gain on investments in equity instruments, net		9.964	15.472
Deferred tax on investments in equity instruments, net	18	(1.297)	1.350
Loan portfolio			
Loan portfolio impairment adjustment for consolidated financial statement purposes		(216.378)	(79.346)
Deferred tax on loan portfolio impairment adjustment for consolidated financial statement purposes		75.440	27.771
OTHER COMPREHENSIVE NET INCOME FOR THE PERIOD, NET OF TAXES		(155.673)	75.863
TOTAL OTHER COMPREHENSIVE NET INCOME FOR THE PERIOD		\$ (280.333)	(178.298)
OTHER COMPREHENSIVE NET INCOME ATTRIBUTABLE TO:			
Shareholders of the controlling company		(280.632)	(174.172)
Non-controlling interest		299	(4.126)
TOTAL OTHER COMPREHENSIVE NET INCOME FOR THE PERIOD		\$ (280.333)	(178.298)

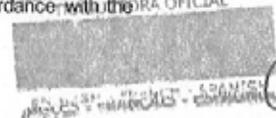
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Handwritten initials

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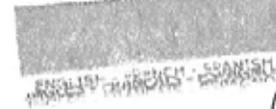
SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
(Expressed in millions of Colombian pesos)

	Reserves					Total other Comprehensive Net Income	First-Time Adoption	Net Income for the Period	Retained Earnings	Total Equity Attributable to the Controlling Company's Shareholders	Non-Controlling Interest	Total Equity
	Issued Capital	Legal Reserve	Occasional Reserves	Share Issue Premium	Total other Comprehensive Net Income							
For the years ended on December 31, 2024 and 2023												
BALANCE AS OF DECEMBER 31, 2023	356,318	1,726,555	3,250	909,189	237,888	86,522	(250,035)	372,644	3,644,331	13,883	3,458,314	
Net income for the period	-	-	-	-	(155,073)	-	(124,939)	-	(142,949)	299	(153,660)	
Other comprehensive income, net of taxes	-	-	-	-	(155,073)	-	-	-	(155,073)	-	(155,073)	
Total comprehensive net income	-	-	-	-	(155,073)	-	(124,939)	-	(260,632)	299	(260,333)	
Transfer of prior period net income	-	-	-	-	-	-	290,035	(250,035)	-	-	-	
Release of reserves for loss absorption	-	(298,003)	(1,500)	-	-	-	300,303	-	-	(579)	(579)	
Dividends declared 2023	-	-	-	-	-	-	-	-	-	(5)	(5)	
Other movements in equity	-	-	-	-	-	-	-	-	-	(9,427)	(9,427)	
Distribution of CPC Codensa contributions	-	-	-	-	-	-	-	-	-	-	-	
Fair value as attributed cost of property and equipment	-	-	-	-	-	(6,399)	-	6,399	-	-	-	
Deferred tax rate change Decree 2617 of 2022	-	-	-	-	-	-	-	-	-	-	-	
BALANCE AS OF DECEMBER 31, 2024	356,318	1,427,752	1,750	909,189	82,215	80,123	(124,939)	429,397	3,163,699	4,171	3,167,870	
BALANCE AS OF DECEMBER 31, 2022	322,079	1,693,284	9,289	694,454	182,928	61,636	174,835	246,926	3,374,314	14,247	3,388,563	
Net income for the period	-	-	-	-	1,818	-	(280,035)	-	(250,035)	(4,120)	(254,151)	
OCI realization to retained earnings BVC investment	-	-	-	-	-	-	-	-	-	-	-	
Other comprehensive income, net of taxes	-	-	-	-	1,818	-	-	-	1,818	-	1,818	
Total comprehensive net income	-	-	-	-	1,818	-	-	-	1,818	-	1,818	
Transfer of prior period net income	-	-	-	-	79,953	-	(85,038)	174,535	(174,172)	(4,120)	(178,317)	
Release of reserves for donations	-	-	(1,500)	-	-	-	(172,830)	-	-	-	-	
Dividends declared 2022	-	-	-	-	-	-	-	1,500	-	(207)	(207)	
Establishment of a reserve for donations	-	-	1,500	-	-	-	-	(1,500)	-	-	-	
Establishment of a legal reserve	-	90,911	-	-	-	-	-	(90,911)	-	-	-	
OCI realization to retained earnings BVC investment	-	-	-	210,701	-	-	-	-	(1,818)	-	(1,818)	
Capitalization costs	-	-	-	-	-	-	-	(895)	286,000	-	285,105	
Other movements in equity	-	-	-	-	-	(5,114)	-	5,114	(895)	(11)	(11)	
Fair value as attributed cost of property and equipment	-	-	-	-	-	-	-	-	-	-	-	
BALANCE AS OF DECEMBER 31, 2023	356,318	1,726,555	3,250	909,189	237,888	86,522	(250,035)	372,644	3,644,331	13,883	3,458,314	

Notes 1 to 36 are an integral part of the consolidated financial statements.

Clemencia Paredes Tejada
TRADUCTORA OFICIAL



Digna Lidia Varón Palombino
Legal Representative (*)
Legal Representative (*)

Fernanda Pérez Henao-Dee
Public Accountant (*)
Professional Card 266342-1

Claudia Liliana Laguna Hidalgo
Tax Auditor of Scotiabank Colombia S.A.
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IDWIG S.A.S member
(See my report of February 28, 2025)

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8

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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES

Consolidated Statement of Cash Flows
(Expressed in millions of Colombian pesos)

	Notes	For the years ended on	
		December 31, 2024	December 31, 2023
Cash flows from operating activities			
Net income for the period		\$ (124.660)	(254.161)
Adjustments to reconcile the net income for the period with the cash provided for (used in) operating activities			
Impairment for loan portfolio and leasing transactions, net	12	1.453.466	1.478.290
Impairment of accounts receivable, net	13	3.577	2.087
Impairment of non-current assets held for sale, net	14	819	730
Impairment of investment property, net	16	8.643	3.902
Impairment of other assets, net	19	3.108	4.706
Impairment of intangible assets	17	-	14.426
Impairment of property and equipment, net	15	225	6
Depreciation of investment property	16	900	1.171
Depreciation of property and equipment	15, 30	59.091	58.389
Amortization of property and equipment	15, 30	1.264	1.164
Amortization of intangible assets	17, 30	155.990	121.942
Loss (gain) on sale of investments, net		19.062	(82.173)
Gain on valuation of investments, net		(264.714)	(275.890)
(Gain) Loss on valuation of derivate instruments, net		(89.129)	34.420
Gain on sale of portfolio, net	12, 29	(73.593)	(113.351)
Gain on sale of property and equipment, net	15, 29	(4.433)	(2.556)
Loss on sale of non-current assets available for sale, net	30	1.085	2.744
Loss (gain) on sale of investment property, net	30	11.139	(191)
Gain on foreign exchange difference, net	29	(195.649)	(228.855)
Expenses incurred on interest on customer deposits, financial obligations, and outstanding investment securities	20, 21, 25	2.970.250	3.748.318
Income from interest on loan portfolio and financial leasing	12	(4.405.691)	(5.112.346)
Income tax recovery	18	(36.749)	(112.057)
		(505.999)	(709.285)
Changes in operating assets and liabilities:			
Decrease in derivatives, net		370.150	1.151
Decrease in loan portfolio and leasing transactions		1.981.681	1.820.774
Decrease (increase) in other accounts receivable, net		551.714	(617.386)
Increase in non-current assets held for sale		(9.177)	(23.935)
Decrease (increase) in other assets		104.669	(147.076)
Decrease in customer deposits		(2.607.103)	(3.764.414)
Increase (decrease) in employee benefits		5.584	(4.688)
Increase (decrease) in provisions		2.014	(5.292)
Decrease in accounts payable		(47.970)	(312.829)
Interest received from loan portfolio	12	4.488.466	4.968.461
Interest paid on deposits and liabilities	20	(2.545.586)	(2.935.006)
Interest paid on financial obligations	8, 21	(435.340)	(485.016)
Interest paid on bonds	8, 25	(177.125)	(187.532)
Paid income tax		(409.911)	(426.325)
Net cash provided for (used in) operating activities		\$ 766.067	(2.828.398)



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES

Consolidated Statement of Cash Flows
(Expressed in millions of Colombian pesos)

	Notes	For the years ended on	
		December 31, 2024	December 31, 2023
Cash flow from investing activities			
(Increase) decrease in financial investment assets		(1.597.747)	417.277
Interest received from investment assets	10	198.860	186.484
Proceeds from the sale of property and equipment	15	50.055	13.341
Acquisition of property and equipment	15	(37.375)	(26.221)
Proceeds from sale of investment property		31.892	29.884
Additions of intangible assets	17	(110.535)	(184.211)
Dividends declared in cash from investments in equity instruments	10, 29	6.574	5.688
Net cash (used in) provided by investing activities		(1.458.276)	422.002
Cash flow from financing activities			
Acquisition of financial obligations	8, 21	311.648.237	281.239.671
Payment of financial obligations	8, 21	(310.847.822)	(279.486.819)
Payment of rental fees	21	(35.568)	(58.812)
Dividends paid in cash		(579)	(287)
Capitalization		-	250.000
Capitalization costs		-	(896)
Bond payments	8, 25	(150.000)	-
Distribution of CFC Codensa contributions		(9.427)	-
Net cash provided by financing activities		604.843	1.945.058
Effect of foreign exchange differences on cash and cash equivalents		197.297	71.485
Increase (decrease), net in cash and cash equivalents		109.931	(389.853)
Cash and cash equivalents at the beginning of the period		2.576.346	2.966.199
Cash and cash equivalents at the end of the period		\$ 2.686.277	2.576.346

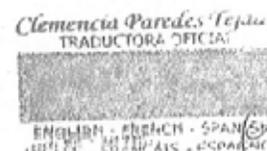
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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
As of December 31, 2024 and 2023
(Expressed in millions of pesos)

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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1. Reporting Entity

Scotiabank Colpatría S.A. (the Parent Company) (and hereinafter, "the Bank") is a private company that was incorporated on December 7, 1972, under Public Deed No. 4458 of the Eighth Notary's Office of Bogotá D.C., as Corporación de Ahorro y Vivienda, becoming a Commercial Bank through Public Deed No. 03748 of October 1, 1998, of the 25th Notary's Office of Bogotá D.C. On June 15, 2023, through Public Deed No. 8406 of the 29th Notary's Office of Bogotá D.C., the bylaws were amended, increasing the authorized capital from \$350.000 to \$432.150.

With Resolution No. 3352 of August 21, 1992, the Financial Superintendency of Colombia authorized Corporación Colpatría UPAC Colpatría, today Scotiabank Colpatría S.A., to operate until June 14, 2100. The main purpose of the Bank is the execution and performance of all acts, contracts, and transactions permitted to banking establishments, subject to the requirements, restrictions, and limitations imposed by the laws especially those set forth in the Organic Statute of the Financial System.

The Bank and its subsidiaries have their main domicile in the city of Bogotá D.C., at Carrera 7 No. 24 – 89 and as of December 31, 2024, operated through 95 offices in Colombia and had 5.333 employees (as of December 31, 2023, they operated with 95 offices in Colombia and had 5.370 employees).

The direct and ultimate parent company of Scotiabank Colpatría S.A. is The Bank of Nova Scotia (Scotiabank or BNS), domiciled in Toronto, Canada.

The consolidated financial statements as of December 31, 2024, include the financial statements of the Bank and the following subsidiaries (hereinafter, the Group):

Subsidiary's Legal Name	Main Activity	Location	Shareholding % (1)
Fiduciaria Scotiabank Colpatría S.A.	Execution of all acts, contracts, and transactions permitted to trust companies, regulated by Colombian law. Its activity is mainly developed through administration, investment, guaranty, and real estate trusts.	Bogotá, D.C.	94,64%
Scotia Securities (Colombia) S.A. Comisionista de Bolsa	The development of commission contracts for the purchase and sale of securities, the distribution of investment funds, and the performance of transactions on their own account.	Bogotá, D.C.	94,90%
Crédito Fácil Codensa S.A. Compañía de Financiamiento – en liquidación	In July 2023, the Financial Superintendency of Colombia was informed of the shareholders' final decision not to continue with the process of obtaining the operating license. The business will continue to operate through the current "commercial Agreement" model, without any changes. At the General Shareholders' Meeting held on January 16, 2025, the liquidator's report and the final liquidation account were approved. This act was notarized by public deed No. 110 of the Tenth Notary's Office of the Circuit of Bogotá, on January 30, 2025.	Bogotá, D.C.	50,99%

(1) The Bank's direct and indirect shareholding percentages in each of the subsidiaries have not changed as of December 31, 2024.

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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2. Basis for the Preparation of the Consolidated Financial Statements

a. **Declaration of Compliance with the Accounting and Financial Reporting Standards Accepted in Colombia**

The consolidated financial statements as of December 31, 2024, have been prepared in accordance with the Accounting and Financial Reporting Standards accepted in Colombia for entities of Group 1 (IFRS Group 1) established by Law 1314 of 2009, regulated by the Sole Regulatory Decree 2420 of 2015 as amended by Decrees 2496 of 2015, 2131 of 2016, 2170 of 2017, 2483 of 2018, 2270 of 2019, 1432 of 2020, 938 of 2021, 1611 of 2022, and 1271 of 2024, except for:

- The recognition in other comprehensive income in equity, without affecting the net income for the period, of the difference resulting between measuring the loan portfolio impairment in accordance with Chapter XXXI of the Basic Accounting and Financial Circular of the Financial Superintendency of Colombia in the separate financial statements and measuring the loan portfolio impairment under IFRS 9 Financial Instruments.
- The recognition as an investment in a subsidiary of the investment that the Bank has in Crédito Fácil Codensa S.A. Compañía de Financiamiento en Liquidación, considering the provisions of the Financial Superintendency of Colombia.

The IFRS Group 1 is based on the complete International Financial Reporting Standards (IFRS), issued and officially translated into Spanish by the International Accounting Standards Board – IASB.

b. **Measurement Basis**

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

- Financial Instruments at Fair Value through Profit and Loss: The measurement basis is the fair value, and the changes are recognized in the consolidated income statement.
- Financial Instruments at Fair Value through Other Comprehensive Income: The measurement basis is the fair value, and the changes are recognized in other comprehensive income.
- Derivative Financial Instruments: Measured at fair value and changes are recognized in the consolidated income statement.
- Non-Current Assets Held for Sale: Measured at the lowest of fair value less costs to sell and the carrying amount.
- Employee Benefits Except for Short-Term Defined Benefits and Termination Benefits: Measured using the projected credit unit.

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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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c. Functional and Presentation Currency

The items included in the Group's consolidated financial statements are expressed in the currency of the primary economic environment where the entity operates. The consolidated financial statements are presented in Colombian pesos, which is the Group's functional and presentation currency.

All information is presented in millions of pesos and has been rounded off to the nearest unit unless otherwise specified.

d. The Basis for the Presentation of Consolidated Financial Statements

In compliance with the requirements of the Financial Superintendency of Colombia, the Group prepares consolidated and separate financial statements. The separate financial statements are the basis for the distribution of dividends and other appropriations by the shareholders.

The consolidated financial statements are presented following the parameters below:

- Consolidated statement of financial position: Assets and liabilities are presented in order of liquidity and due date, respectively, as it is considered that this form of presentation provides more relevant and reliable information for a financial institution. Consequently, in the notes to the consolidated financial statements, the amount expected to be recovered or paid within the following twelve (12) months and after twelve (12) months is disclosed for financial assets and liabilities.
- Consolidated income statement for the year and other comprehensive income: These are presented separately in two statements. In addition, the consolidated income statement is presented on a discriminate basis according to the nature of the expenses, this model provides more appropriate and relevant information.
- Consolidated statement of cash flows: It is presented by the indirect method, in which the net flow from operating activities is determined by correcting net income for the effects of items that do not generate cash flow, net changes in assets and liabilities derived from operating activities, and for any other item whose monetary effects are considered investing or financing cash flows. Interest income and expenses received and paid are part of the operating activities.

The following concepts are considered in the preparation of the consolidated statement of cash flows:

- Operating activities: These are the activities that constitute the Group's main source of income.
- Investing activities: These correspond to the acquisition, sale, or use by other means of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: Activities that result in changes in the size and structure of the net equity and liabilities that are not part of operating or investing activities.

e. Use of Estimates and Judgments Affecting the Consolidated Statement of Financial Position

The preparation of the consolidated financial statements of the Group in accordance with the Accounting and Financial Reporting Standards accepted in Colombia (IFRS) requires management to make judgments,



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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estimates, and assumptions about the future that affect the application of accounting policies and the amounts of assets, liabilities, contingent assets and liabilities at the of the consolidated statement of financial position, as well as the income and expenses for the year. Actual results may differ from these estimates.

The relevant estimates and assumptions are revised on a regular basis and are consistent with the Group's risk management. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Information about critical judgments and estimates in the application of accounting policies that have the most significant effect on the consolidated financial statements is described in the following notes:

- Note 5: Fair Value Estimation for Financial Instruments

Information about the fair values of level 1 (listed prices), level 2 (observable prices), and level 3 financial instruments are disclosed in Note 5c.

The fair values and valuation of financial instruments are determined following the fair value hierarchy.

The Group considers observable data market data that is available and verifiable, and that reflects the assumptions that market participants will use when pricing the asset or liability.

- Note 10: Impairment of Investment Financial Assets.

Impairment of investment financial assets is based on the Group's best estimate of the present value of cash flows expected to be received, taking into account key assumptions to determine the weighted average expected loss rate. In estimating these flows, the Group makes judgments about the financial condition of the counterparty, the future cash flows, and the value of the underlying guarantee. (See Note 7a).

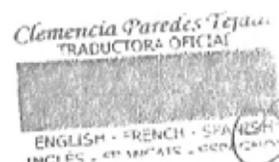
Financial assets carried at amortized cost are assessed for impairment on the basis described in the accounting policy (see Note 3c).

- Note 12: Impairment of Loan Portfolio

The loan portfolio impairment estimation is carried out in accordance with the guidelines of IFRS 9 under assumptions of recovery of future cash flows taking into account, among other criteria, the historical behavior of loans, particular characteristics of debtors, securities for loans, among others. The Group periodically evaluates its loan portfolio and financial leasing and determines whether there is a need to record impairment against the net income for the accounting period.

- Note 14: Determination of Fair Value for Non-Current Assets Held for Sale

For the measurement of non-current assets held for sale, fair value less costs to sell is estimated based on unobservable data.



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- Note 15: Property and Equipment

In leases, when one of the Group's entities acts as lessee, the variables used in the determination of the asset values by right of use in lease contracts, terms, and interest rate correspond to the best estimates made by the Bank concerning the time of use of the assets and the financing rate that it would use for an asset under similar conditions.

In order to assess the impairment of property and equipment, it is necessary to determine whether there are indications of value impairment and, if so, to determine the recoverable amount of the asset, based on the higher of its fair value and its value in use, and then compare it with its carrying amount.

- Note 17: Impairment of Intangible Assets and Goodwill

The impairment evaluation of intangible assets includes key assumptions underlying the recoverable amounts, including the recoverability of development costs.

The goodwill impairment evaluation requires determination of the recoverable amount of the Cash-Generating Unit (CGU) that contains it, identified as the Bank's consumer and mortgage segment, and calculated using the discounted free cash flow methodology at the rate representing the Bank's cost of capital according to the Capital Asset Pricing Model (CAPM). The bank uses the best information available at the evaluation date to determine the variables to be included in the discounted cash flow and the rate to be used.

- Note 18: Deferred Income Tax

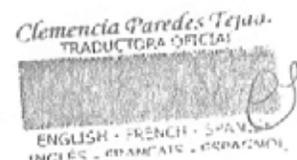
The Group assesses the realization over time of deferred income tax assets, which represent taxes on future earnings, which are recorded in the consolidated statement of financial position. To the extent that tax benefits are probable, deferred tax assets on deductible temporary differences and tax loss carryforwards are recoverable.

Probable future revenues and profits are estimated in accordance with the Bank's business plan, which is based on expectations that are considered reasonable under the circumstances.

- Note 21: Lease Liabilities

The determination of the right-of-use liability in lease contracts follows the same estimates used to establish the value of the right-of-use asset, i.e., variables related to terms and interest rates that correspond to the best estimates the Group has made regarding the time of use of the assets and the financing rate it would use for an asset under similar conditions.

- Note 22: Employee Benefits



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The measurement of post-employment benefit obligations (retirement pensions) and other long-term obligations depend on long-term premises and assumptions determined on an actuarial basis, including estimates of the present value of projected future benefit payments, considering the probability of potential future events, such as increases in the minimum wage, turnover indicators, and demographic experience. These assumptions and assumptions may affect the amount and future contributions if there is any variation. This is in accordance with the requirements of IAS 19 Employee Benefits.

The discount rate allows for establishing future cash flows at the present value at the measurement date. The Group determines a long-term rate that represents the investment market rate for Government bonds that are denominated in the currency in which the benefit will be paid and considers the timing and amounts of future benefit payments for which the Group has selected the Government bond rate.

Variations in liabilities for changes in actuarial assumptions are recorded in the consolidated income statement.

- Note 23: Estimates for Legal Proceeding Provisions

To cover possible losses from labor, tax, and civil proceedings, the Group estimates and recognizes a provision according to the circumstances, using management's opinion based on the concepts of the external legal advisors. These estimates and judgments are in some cases uncertain, giving rise to differences between actual and estimated disbursements, these differences are recognized in the period.

- Note 27: Commission Income

Recognition of commission income is based on the estimation of whether the related services are rendered at a specific point in time or over time.

f. Going Concern

During the year 2024, the Group had a financial performance similar to that of the market with impacts on income due to a sharp drop in the usury rate and a slower decrease in the intervention rate of Banco de la República. However, the Group has improved its financial performance compared to the previous year leveraged on growth in expenses below the market and profitability of the consumer and commercial portfolios. As a strategic focus, the Group has defined its strategic pillars in People, Customer, and Sustainable and Long-Lasting Growth; focusing on the deepening of its customer base and the core of its portfolio; on the best use of its capital stock and resources for customers and shareholders.

The objective has been achieved by transforming the consumer portfolio with better segmentation and focused services, making the Corporate and Commercial Banking profitable, and deepening products, seeking a leading position with an integral portfolio of financial solutions and alternatives. The analysis of the current situation and future prospects leads management to conclude that, as of December 31, 2024, there are no incidents, events, or conditions that may infer that the Bank will be liquidated or cease its activity.



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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g. Foreign Currency

Transactions in foreign currencies are translated into the functional currency (Colombian pesos) at the exchange rate in force at the transaction date.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date the fair value was determined.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at the historical cost are translated at the exchange rate at the transaction date.

As of December 31, 2024, and 2023, the exchange rates used per dollar were \$ \$4.409,15 (pesos) and \$3.822,05 (pesos), respectively.

3. Material Accounting Policies

The policies and basis of accounting established below have been consistently applied in the preparation of the consolidated financial statements, in accordance with the Accounting and Financial Reporting Standards (IFRS) accepted in Colombia, including any accounting instructions by the Financial Superintendency of Colombia, together with the exceptions described in section (a) of Note 2 of these financial statements.

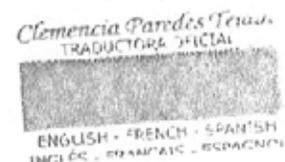
In addition, the Group adopted accounting policy disclosures (Amendments to IAS 1 Presentation of Financial Statements and Statement of Practice 2) effective January 1, 2024. The amendments require disclosure of 'material' accounting policies rather than 'significant' accounting policies. Although the amendments did not result in any change to the accounting policies themselves, they did have an effect on the information about the accounting policy disclosed in section (e) of Note 2, with the term 'significant' being changed to 'material'.

a. Basis for Consolidation

Subsidiaries: Subsidiaries are those entities over which the Bank, directly or indirectly, exercises control. The Bank controls a subsidiary when, by being involved therein, it is exposed or has the right to some variable returns from its involvement in the stake and has the ability to influence such returns through the power exercised over the subsidiary. The Bank has power when having rights that give the ability to direct the relevant activities. Financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date of termination of control.

Financial statements of subsidiaries used in the consolidation process correspond to the same period and the same reporting date as those of the Bank.

Loss of Control: When control over a subsidiary is lost, the subsidiary's assets and liabilities, any related non-controlling interest, and other components of equity are derecognized from the accounts. Any resulting gain or loss is recognized in net income. If any interest in the subsidiary is retained, it shall be measured at its fair value at the date on which control is lost.



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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Interests in Joint Agreements: Joint agreements are those over which there is joint control, established by contracts that require unanimous consent for decisions related to activities that significantly affect the agreement's returns. They are classified and accounted for as follows:

- Joint operation: When the Group is entitled to the assets and obligations concerning the liabilities related to the agreement, it accounts for each asset, liability, and net income (including those held or incurred jointly) in connection with the operation.

Transactions Eliminated from Consolidation: Intercompany balances and transactions, in addition to any unrealized income or expenses arising from transactions between the Group's companies, are eliminated during the preparation of the consolidated financial statements. Unrealized gains from transactions with companies whose investment is recognized according to the equity method of accounting are eliminated from the investment in proportion to the Bank's interest in the investment. Unrealized losses are eliminated in the same manner as the unrealized gains, but only to the extent that there is no evidence of impairment.

In the consolidation process, the Bank combines the assets, liabilities, and net income of the entities in which the Bank determines control and then proceeds to eliminate reciprocal transactions and unrealized gains between them. The interest of non-controlling interests in controlled entities is presented in equity separately from the Bank's shareholders' equity.

The consolidated financial statements include the assets, liabilities, equity, and net income of the Bank and its subsidiaries.

The following is a table with details of the interests of each subsidiary:

Entity	Shareholding %	December 31, 2024			
		Assets	Liabilities	Equity	Controlling Net Income for the Year
Scotiabank Colpatría S.A.	Parent Company	\$ 38.292.622	35.533.715	2.758.907	(163.295)
Scotia Securities (Colombia) S.A. Comisionista de Bolsa	94,90%	45.610	1.629	43.981	1.226
Fiduciaria Scotiabank Colpatría S.A.	94,64%	37.440	8.573	28.867	4.539
Crédito Fácil Codensa S.A. (en liquidación) (1)	50,99%	786	6	780	(14)
Total Bank and subsidiaries		38.376.458	35.543.923	2.832.535	(157.544)
Eliminations and adjustments		577.349	242.014	335.335	32.585
Consolidation	\$	38.953.807	35.785.937	3.167.870	(124.959)



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Notes to the Consolidated Financial Statements

December 31, 2023					
Entity	Shareholding %	Assets	Liabilities	Equity	Controlling Net Income for the Year
Scotiabank Colpatría S.A.	Parent Company	\$ 41.279.945	38.339.713	2.940.232	(300.303)
Scotia Securities (Colombia) S.A. Comisionista de Bolsa	94,90%	47.078	1.308	45.770	2.669
Fiduciaria Scotiabank Colpatría S.A.	94,64%	40.678	8.316	32.362	7.938
Crédito Fácil Codensa S.A. (en liquidación)	50,99%	20.241	210	20.030	(9.564)
Total Bank and subsidiaries		41.387.942	38.349.547	3.038.394	(299.260)
Eliminations and adjustments		668.861	249.042	419.820	49.225
Consolidation	\$	42.056.803	38.598.589	3.458.214	(250.035)

(1) In November 2024, CFC Codensa made a partial refund of the contributions that the shareholders had made to the entity. In this distribution, the Bank received \$9.809, and the minority shareholders received \$9.427.

b. Classification and Measurement of Financial Assets and Liabilities

The Group applies the requirements of IFRS 9 to determine the measurement basis of financial assets and liabilities. The financial assets and liabilities are classified into one of the following measurement categories, as subsequently measured at

- Amortized cost (AC)
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

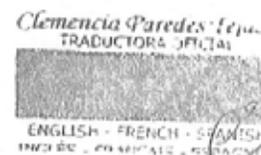
The classification is determined based on the characteristics of the cash flows of assets and liabilities, as well as the business model used by the Group for its management.

Business Model Evaluation

The business model evaluation involves determining how financial assets and liabilities are managed to generate cash flows. The evaluation of the business model is performed at the Group level, reflecting whether the cash flows will come from obtaining contractual cash flows from the sale of financial assets or both.

For the evaluation of the business model, the following factors are taken into consideration:

- How the performance of assets in a portfolio is evaluated and reported to key decision-makers within each line of business.
- The risks that affect the performance of assets held within a business model and how those risks are managed.
- Whether the assets are held for trading purposes, i.e., assets that are acquired or contracted primarily to sell or repurchase in the short term or held as part of a portfolio that is managed together to earn profits or take short-term positions.



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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- How compensation is determined for the management of the lines of business of the Bank managing the assets; and
- The frequency and volume of sales in prior periods and expectations about future sales activity.

Evaluation of Cash Flow Characteristics

The evaluation of the contractual cash flow characteristics involves the evaluation of the contractual characteristics of an instrument to determine whether they give rise to cash flows that are consistent with a basic loan agreement, this is given if only the principal and interest payments on the outstanding principal amount are represented (SPPI).

The principal is defined as the fair value of the instrument at initial recognition. The principal may change during the term of the instruments due to repayments.

Interest is defined as the consideration for the value of money over time and the credit risk associated with the outstanding capital amount and for other basic lending risks and costs (liquidity risk and administrative costs), as well as a profit margin.

In conducting this evaluation, consideration is given to contractual characteristics that could change the amount or timing of contractual cash flows such that the cash flows are no longer consistent with a basic loan agreement. If any contractual characteristic that could modify the cash flows of the instrument is identified, such that they are no longer consistent with a basic loan agreement, the related financial asset is classified and measured at fair value through profit and loss.

Financial Assets and Liabilities Measured at Amortized Cost

Financial assets for loan portfolio are classified at amortized cost considering that the model is placement and collection according to the contractual terms, which give rise, on specific dates, to cash flows that are solely payments of the principal and interest on the capital balance.

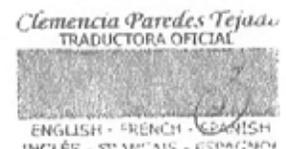
Debt instruments are measured at amortized cost if they are held in a business model whose objective is to collect contractual cash flows, and these represent only payments of principal and interest. Debt instruments measured at amortized cost for non-trading purposes are initially recognized at fair value including transaction costs, commissions, premiums, and discounts, considered an integral part of the effective interest rate.

All financial liabilities are classified as subsequently measured at amortized cost unless they correspond to financial liabilities measured at fair value through profit and loss, including derivatives, or financial guarantee contracts.

Financial Assets and Liabilities at Fair Value through Profit and Loss

Financial assets for trading purposes are measured at fair value in the consolidated financial statements, with transaction costs recognized immediately in the consolidated income statement.

Debt instruments are measured at fair value through consolidated net income if they are held under a business model whose objective is not to collect contractual cash flows or if the cash flows do not represent only payments corresponding to principal and interest.



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All financial liabilities are classified as measured subsequently at amortized cost using the effective interest method, except for:

- a. It is held in a business model where the Group benefits from changes in its value or it is held for trading (e.g., financial derivatives), or
- b. From the time of initial recognition, it has been designated to be measured at fair value through profit and loss.

Financial Assets Measured at Fair Value through Comprehensive Net Income

Debt instruments are measured through other comprehensive income if they are held in a business model whose objective is to obtain contractual cash flows representing only payments of principal and interest, or for sale. Debt instruments measured at fair value through other comprehensive income are initially recognized at fair value and transaction costs will affect other comprehensive income. Subsequently, transaction costs will be amortized against the consolidated income statement using the effective interest method or at the time of their realization.

For debt instruments, interest income and impairment losses (or reversals) will continue to be accounted for in the consolidated income statement.

Equity instruments are measured at fair value through other consolidated comprehensive income; this decision is irrevocable unless held for trading. The accumulated fair value is not recycled through income statements at the time of sale of the instrument. Dividend income continues to be recognized in consolidated net income unless it represents a clear recovery of the investment cost. Transaction costs initially capitalized are not subsequently recycled to consolidated net income at the time of use.

Reclassifications of Financial Assets

Debt Instruments

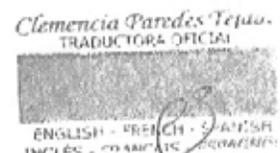
Reclassification of debt instruments between measurement categories may occur only if the Bank and its subsidiaries identify a change in the business model for managing their financial assets. This reclassification will be applied prospectively from the date of reclassification, without re-expressing previously recognized gains or losses or interest (including losses due to value impairment).

Equity Instruments

Reclassifications between measurement categories of equity instruments are not permitted; therefore, after initial recognition, an investment in an equity instrument may not be reclassified.

c. Impairment of Financial Assets

Expected impairment losses are determined based on the present value of cash flows related to default events occurring within 12 months of the reporting period, or over the expected life of the financial instrument depending on the credit impairment since origination. Expected losses reflect an unbiased probability-weighted outcome that considers multiple scenarios based on reasonable and supportable forecasts.



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The expected loss model contains a three-stage approach, which is based on the change in credit quality of loans since initial recognition. Under stage one, there is not a significant increase in credit risk, and an impairment loss corresponding to the next twelve months from the reporting date is recognized. Under stage two, there is a significant increase in credit risk, and an impairment loss corresponding to the ECL (Expected Credit Loss) - expected credit loss estimates - is recognized for the life of the loan, but loans are not disclosed in default. Under stage 3, where there is objective evidence of impairment, these financial assets are classified and disclosed as impaired assets, and impairment continues to be recognized for the whole life of the loan.

The ECL model utilizes forward-looking information using reasonable and supportable forecasts of macroeconomic conditions in the determination of significant increases in credit risk and the measurement of expected credit losses.

For more specific details on how the Group calculates ECLs including the use of forward-looking macroeconomic information, please see Note 7(a) - Credit Risk.

ECL impairments are presented in the Consolidated Statement of Financial Position as follows:

- Financial assets measured at amortized cost: as a deduction from the carrying amount of these assets.
- Debt instruments measured at fair value through other comprehensive income: No impairment is recognized in the consolidated statement of financial position because the carrying amount of these assets is adjusted to fair value. The calculated loss is discounted directly from the value and is recognized in other comprehensive income.
- Exposures recognized in off-balance sheet accounts including non-disbursed loan commitments, letters of credit, and financial guarantees: as a provision recognized in other liabilities.
- When a financial instrument includes a utilized and an unutilized component, and the Bank is unable to identify the ECL separately, the Bank presents a combined amount for both components. The joint amount is presented as a deduction from the carrying amount of the utilized component. Any excess presented is recognized as a provision in other liabilities.

Measurement of the Expected Credit Loss

Input data of the probability of default (PD), exposure at default (EAD), and loss given default (LGD) used to estimate expected credit losses is modeled based on the macroeconomic variables that are most closely related to credit losses in the relevant portfolio.

The details of these statistical parameters/input data are:

- This is an estimate of the probability of default over a given time horizon. A predetermined value can only occur at a given point in time during the estimated remaining useful life if the amount exposed has not been previously derecognized and is still in the portfolio.
- EAD: An estimate of the exposure at a predetermined future date, taking into account the expected changes in the exposure after the presentation date, including repayments of the principal and interest,

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- whether contractually scheduled or otherwise, expected repayments on committed exposures, and accrued interest on payments not made.
- LGD: An estimate of the loss resulting from an event of a default that occurs at a given point in time. It is based on the difference between the contractual cash flows due and those the Bank would expect to receive, including the realization of any guarantees. It is generally expressed as a percentage of EAD.

Forward-Looking Information

The measurement of expected credit losses for each stage and the evaluation of significant increases in credit risk consider information about past events and current conditions, as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information require significant judgment.

Macroeconomic Factors

In its models, the Group depends on a wide range of forward-looking information such as economic input, including GDP growth, unemployment rates, bank rates, and house price indices. Input and models used to calculate expected credit losses do not always capture all market characteristics at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays may be made as temporary adjustments using an expert credit judgment.

Multiple Forward-Looking Scenarios

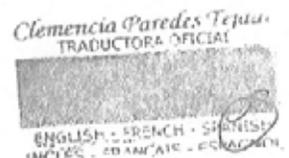
The Group determines the provision for credit losses using three probability-weighted forward-looking scenarios. Internal and external sources of information are considered to achieve an unbiased measurement of the scenarios used, preparing the scenarios using forecasts generated by Scotia Economics (SE). The forecasts are created using internal and external models/data which are then modified by SE as necessary to formulate a "base case" view of the future direction of relevant economic variables, as well as a representative range of other possible foreseeable scenarios. The process involves developing two additional economic scenarios and considering the relative probabilities of each outcome. The "base case" represents the most likely outcome and is aligned with information used by the Bank for other purposes, such as strategic planning and budgeting. The other scenarios represent more optimistic and pessimistic outcomes.

Definition of Default:

The Bank considers a financial asset to be in default when:

- The borrower is not likely to pay its credit obligations to the Bank in full without the Bank resorting to actions such as the collateral enforcement act on (if collateral is held).
- The borrower is more than ninety (90) days past due on any credit obligation.
- The requirements of IFRS 9 define judgments and assumptions with respect to evaluating whether credit risk has significantly increased since initial recognition and incorporating forward-looking information in the measurement.

Impairment of Other Accounts Receivable



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To determine the impairment of other accounts receivable, the Group applies a simplified loss model for accounts receivable that do not contain a significant financial component, in which impairment is measured as the value equal to the expected credit losses over the expected life of the asset. The Group's analysis excludes items with maturities of less than 30 days, the nature of the items and debtors is analyzed, and the historical behavior of accounts with uncollected balances is analyzed together with the details of the losses.

The Group calculates credit losses based on the historical credit loss expectation for each defined asset group, considering the type of customer, the nature of the transaction, and the type of guarantee.

To measure impairment, the information available on the evaluation date of past events, current conditions, and forecasts of future conditions is considered.

d. Hedge Accounting

The Bank has opted to continue to apply the hedge accounting requirements of IAS 39 Financial Instruments: recognition and measurement. However, it has implemented additional disclosures required by the IFRS 9 Financial Instruments and amendments related to IFRS 7 "Financial Instruments: Disclosures".

All hedging relationships, their objectives, and the risk management strategy to carry out these hedging transactions are formally documented at the outset by the Bank. Hedging documentation includes identification of the hedging instrument for the hedged item, the nature of the risk being hedged, and the methodology for measuring the effectiveness of the hedging instrument in offsetting exposure to changes in the fair value of the hedged item or changes in cash flows attributable to the hedged risk.

The Bank also formally evaluates, both at the inception of each hedge and on an ongoing basis, whether the hedging instruments are highly effective in offsetting changes in cash flows of the hedged items. Hedge ineffectiveness is measured and recorded in the consolidated income statement.

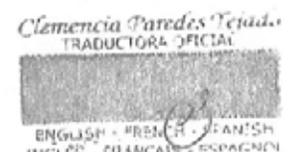
Fair Value Hedges

This type of hedge seeks to protect the fair value of the hedged item through the use of hedging instruments, in general, swaps that reflect the movements of the interest rate curve, as the case may be. In general, swaps used as hedges reflect future interest rate expectations, through the exchange of the variable rate (IBR) vs the fixed rate.

Cash Flow Hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability (i.e., future interest payments on a variable index) or highly probable future transactions that may affect profit and loss. Cash flows associated with a group of these items may be hedged as long as they meet the requirements detailed in the Cash Flow Hedging Policy established by the Bank.

For cash flow hedges, changes in the fair value of derivatives that are designated as hedge accounting and determined to be effective are recognized in Other Comprehensive Income.



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The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in the "other income and expenses" item.

Effectiveness Measurement

The hedge effectiveness is measured by comparing changes in the value of the hedging instrument with the changes in the value of a hypothetical swap that reflects the conditions of the hedged item. In this way, the hypothetical swap is constructed by using a notional amount equal to the hedging swap, a variable rate that reflects the rate paid on the hedged item, and a fixed rate in pesos that, at the beginning of the hedge, makes the initial valuation of the hypothetical swap equal to zero. Likewise, the measurement of effectiveness is carried out retrospectively and prospectively.

Derivative financial instruments designated as hedging instruments seek to reduce the volatility arising from various types of risk (interest rate risk, exchange rates, etc.), while hedge accounting allows relating the recognition of gains and losses of the hedging instrument with the hedged item so that they can be offset in profit and loss at the same time.

A hedge is effective if, at the beginning of the period and in subsequent periods, changes in cash flows attributable to the hedged risk during the period for which the hedge was designated are offset and the hedge effectiveness is within a range of eighty percent (80%) to one hundred and twenty-five percent (125%).

Hedge accounting is discontinued when the Bank revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer meets the criteria for hedge accounting. Any cumulative gain or loss on the hedging instrument that has been recognized in equity will continue in equity until the forecasted transaction is ultimately recognized in profit and loss. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss in equity is recognized immediately in profit and loss.

Derecognition of Financial Assets

The Group derecognizes a financial asset in the consolidated statement of financial position when the contractual rights over the cash flows of the financial asset expire, or when it transfers the financial asset during a transaction in which substantially all the risks and benefits of ownership of the financial asset are transferred.

On the derecognition of a financial asset in its entirety, the difference between the carrying amount of the asset and the sum of the consideration received and to be received and the cumulative gain or loss that has been recognized in other comprehensive income and retained earnings is recognized in profit and loss.

If the Group neither transfers nor retains substantially all the risks and benefits inherent to ownership and continues to retain control of the transferred asset, the Group shall recognize its interest in the asset and the associated obligation for the amounts it would have to pay.

If the Group retains substantially all the risks and benefits inherent to ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized loan for the resources received.

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Accordingly, financial assets are only derecognized from the Statement of Financial Position when the rights over the cash flows that they generate have been extinguished or when the implicit risks and benefits have been substantially transferred to third parties.

e. Cash and Cash Equivalents

Cash and cash equivalents comprises cash balances, interbank funds, and demand deposits with original maturities of three months or less from the date of acquisition, subject to an insignificant risk of changes in fair value and used by the Group in the management of short-term commitments.

Interbank funds correspond to those placed or received by the Group directly from another financial institution, without any investment or loan portfolio transfer agreement. These are transactions related to the corporate purpose agreed for a term not exceeding thirty (30) calendar days, provided that they seek to take advantage of excesses or make up for liquidity defects. Likewise, they include overnight transactions with foreign banks using the funds of the Group.

Interest income generated from the transaction is recorded in the consolidated income statement.

f. Interest

Interest income is recognized in the consolidated income statement using the effective interest method. The effective interest rate is the discount rate that exactly equals the estimated cash flows receivable or payable over the expected life of the financial instrument (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or liability. To calculate the effective interest rate, the Group estimates cash flows taking into account all contractual conditions of the financial instrument excluding credit losses.

The calculation of the effective interest rate includes all commissions and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

g. Fees and Commissions

The Group recognizes income from ordinary activities to represent the transfer of goods or services committed to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This will be reflected in accounting if it meets the following criteria:

- The parties to the contract have approved the contract (in writing, orally, or in accordance with other traditional practices of the business) and agree to comply with their respective obligations.
- The Group can identify the rights of each party with respect to the goods or services to be transferred.
- The Group can identify the payment conditions with respect to the goods or services to be transferred.
- The contract has a commercial basis (i.e., the risk, timing, or amount of the entity's future cash flows are expected to change as a result of the contract.) The Group is likely to collect the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer. In

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assessing whether it is probable that the amount of consideration will be collected, the Group will consider only the customer's ability and intention to pay such consideration when due. The amount of consideration to which the entity will be entitled may be less than the price established in the contract if the consideration is variable, this is because the entity can offer the customer a price reduction.

The initial measurement will be the transaction price, and any subsequent amortization, if any, will be made in a systematic manner consistent with the transfer of the goods or services to the customer.

Transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the goods or services committed to the customer, excluding amounts collected on behalf of third parties (e.g. taxes). The consideration committed to a customer in a contract may include fixed amounts, variable amounts, or both.

h. Property and Equipment

Property and equipment includes assets under control held by the Group for current or future use.

Recognition and Measurement

The Group recognizes an item of property and equipment when it is probable that the economic benefits will flow to the entity and its cost can be measured reliably.

The initial measurement of property and equipment is at cost, which is the cash equivalent amount at the date of recognition in books, plus directly attributable costs. Import duties, non-recoverable indirect taxes, trade deductions, and discounts, as well as estimates related to asset retirements, are also included.

Subsequent to its recognition as an asset, an item of property and equipment is recorded at cost less accumulated depreciation, and, if applicable, accumulated value of impairment losses.

Decommissioning

A provision is recognized for the estimated amount of the costs to decommission leased assets to bring them to the condition in which they were initially received. The carrying amount of the decommissioning provision is updated at the end of the reporting period.

Derecognition in Account

An item of property and equipment is derecognized when it meets the criteria for derecognition. That is, through its use or if the Group will not receive economic benefits from the asset through use or sale. Gains or losses on derecognition are recognized in net income for the period.

Depreciation

The value incurred for depreciation of each period will be calculated using the straight-line method, according to the estimation of useful lives that the Group considered will faithfully represent the term of time in which an element classified in this group of assets is expected to compensate an economic benefit and will be recognized in net income for the period.



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The Group determined the useful life of each class or group of assets to be recorded as property and equipment, taking into account the expected use of the assets, the expected physical wear and tear, the technical or commercial obsolescence, and finally, the legal limits or restrictions on the use of the asset.

The useful lives determined by the Group are:

Type of Property	Useful Life
Buildings	80 years
Equipment and furniture	10 years
Office supplies	10 years
Computer equipment	5 years
Vehicles	5 years
Improvements in leased properties	7 years
Improvements in owned property	7 years
Assets held for use	10 years

The Group has determined that the residual value of property and equipment will be zero (\$0).

i. Leases when the Bank and its Subsidiaries Act as a Lessee

Definition of Lease

The Group evaluates at the inception of a contract whether it is, or contains, a lease based on the definition of a lease. A contract is, or contains, a lease if the contract, or a part of a contract, conveys the right to control the use of an identified asset (the underlying asset) for a period of time in exchange for consideration. When the leased property is not under a short-term contract (less than 12 months) or is of low value, it is recognized as an asset and a liability according to the following principles:

Initial Measurement of the Right-of-Use Asset

At the commencement date or the modification of a contract, the Group will measure a right-of-use asset at cost, comprising:

- The amount of the initial measurement of lease liabilities.
- Lease payments made prior to or as of the commencement date less lease incentives received.
- Initial direct costs incurred by the lessee; and
- An estimate of the costs to be incurred by the lessee in decommissioning and removing the underlying asset and restoring the asset to the conditions required by the terms and conditions of the lease. The Group will recognize these costs as part of the cost of the right-of-use asset if liability is incurred on account of them.

Initial Measurement of Lease Liabilities

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At the commencement date, the Group will measure lease liabilities at the present value of the lease payments that have not been paid by that date. Lease payments will be discounted using the Bank's and its subsidiaries' incremental borrowing rate.

At the commencement date, lease payments included in the measurement of lease liabilities.

At the commencement date, lease payments included in the measurement of lease liabilities comprise subsequent payments for the right to use the underlying asset during the lease term, not paid at the commencement date:

- Fixed payments less any lease incentive receivable.
- Variable lease payments that depend on an index or rate initially measured using the index or rate at the commencement date.
- Value expected to be paid by the lessee as a residual value guarantee.
- Strike price of a call option if the Group is reasonably certain of exercising it.
- Penalty payments to terminate the lease, if the lease term reflects that the Bank and its subsidiaries will exercise the option to terminate the lease.

Subsequent Measurement

Subsequent Measurement of the Right-of-Use Asset

After the commencement date, the Group will measure its right-of-use asset by applying the cost model less accumulated depreciation and losses for value impairment, adjusted for any new measurement of lease liabilities.

Right-of-use depreciation is calculated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise the call option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

Subsequent Measurement of Lease Liabilities

After the commencement date, the Group will measure lease liabilities by:

- Increasing the carrying amount to reflect interest on lease liabilities.
- Decreasing the carrying amount for lease payments made, and
- Re-measuring the carrying amount for new measurements of or modifications to the lease and fixed lease payments that have been revised. This new measurement will be made by the Group by discounting the modified lease payments using the modified discount rate if there is a change in the lease term or the evaluation of a call option of the underlying asset.



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After the commencement date, the Group recognizes in net income for the period the interest on lease liabilities and the variable lease payments not included in the initial measurement on the date on which the conditions giving rise to these payments arise.

The Group has applied its judgment in determining the term period of the contracts in which extension clauses are included. The evaluation of whether the Group is reasonably certain to exercise such options has an impact on the term of the lease, which significantly affects the value of recognized lease liabilities and right-of-use assets.

j. Leases when the Bank and its Subsidiaries Act as a Lessor

When in a contract the Bank acts as a lessor, it should be determined whether the lease should be classified as an operating lease or a financial leasing. If classified as an operating lease, the rental fees will be recognized as income as the service is rendered, on a straight-line basis.

k. Investment Property

Investment properties are immovable properties held for the purpose of earning rental income or capital appreciation of the property or both at the same time and are not held for use in the supply of goods or services, or administrative purposes. Investment properties are initially measured at cost. The Group has adopted the cost model as its policy in the subsequent measurement of these properties.

The initial cost includes expenses that are directly attributable to the acquisition of the investment property. The cost of assets constructed by the entity itself includes the cost of materials and direct labor, any other costs directly attributable to the process of making the asset suitable to work for its intended use, and capitalized borrowing costs.

Subsequent measurement of investment property is made at initial cost less depreciation and any impairment losses.

Any gain or loss on the sale of an investment property is recognized in the income statement.

At each accounting close, the Group analyzes whether there are any indications, both external and internal, that an asset is impaired. If there is evidence of impairment, the impairment value is estimated and recognized in the income statement for the period.

l. Intangible Assets

The Group's intangible assets correspond to assets of a non-monetary nature and without physical appearance. These are assets whose cost can be reliably estimated, and it is considered probable that the expected future economic benefits attributable to the asset will flow to the Group.

The initial measurement of intangible assets depends on how the Group obtains the asset. An intangible asset can be obtained in the following ways: through separate acquisition, as part of a business combination, or internally generated assets.

An intangible asset acquired in a separate transaction is measured at cost, which includes the acquisition price, including import duties and non-refundable taxes on the acquisition, and any costs directly attributable to the preparation of the asset for its intended use. In business combinations, the value of the asset cost will be that corresponding to its fair value at the date of acquisition. For internally generated

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intangible assets, all disbursements in the research phase are recognized in expenses for the year in which they are incurred and those incurred in the development phase, necessary to create, produce, and prepare the asset for its intended use are capitalized.

Subsequent disbursements are capitalized only when increasing the future economic benefits incorporated into the specific asset related to these disbursements. All other disbursements, including disbursements to generate goodwill and marks internally, are recognized in net income.

The Group's intangible assets are carried at cost less the accumulated amortization and amount of losses from value impairment.

Amortization is recognized in net income based on the straight-line amortization method according to the estimated useful life, a maximum of ten (10) years, from the date on which they are available for use since they more accurately reflect the expected pattern of consumption of the future economic benefits related to the asset.

Amortization methods, useful lives, and residual values are revised each financial year and adjusted if necessary.

m. Goodwill

Goodwill represents the excess of price paid over the fair value of assets and liabilities acquired in a business combination. Goodwill is subject to an annual impairment evaluation and, if any, it is recorded in net income. Once an impairment loss is recognized, it is not reversed in subsequent periods.

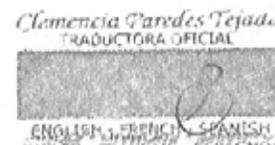
Impairment of Goodwill

In accordance with IAS 36, Impairment of the value of Assets, the Bank tests for goodwill impairment recognized in the financial statements related to the acquisition of the consumer business, credit cards, and small-sized and medium-sized enterprises of Citibank Colombia S.A., and distributed to the Cash-Generating Unit (CGU) identified during the current period. If as a result of this analysis, it is determined that the recoverable amount of the CGU exceeds the carrying amount, the unit and the goodwill attributed to that unit will be considered as not impaired. If the carrying amount of the unit exceeds its recoverable amount, the entity shall recognize the impairment loss of the value by first depleting the initially recorded goodwill.

For this calculation, the valuation of the Cash-Generating Unit to which the respective goodwill was assigned at acquisition is used, using the discounted cash flow method and considering the economic situation of the country and the banking sector, historical financial information, and projected five-year growth in income and costs, and, subsequently, growth in perpetuity according to the projected growth of the economy, discounted at the rate that represents the Bank's capital cost, the main way in which the Bank is financed.

n. Impairment of Non-Financial Assets

The carrying amount of the Group's non-financial assets, excluding deferred tax assets, is revised at each date of the consolidated statement of financial position to determine whether there is any indication of



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impairment. If such indications exist, then the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the higher of its value in use and its fair value less costs to sell. To determine the value in use, the estimated future cash flows are discounted at their present value, using a pre-tax discount rate that reflects current market evaluations of the temporary value of money and the specific risks that may be associated with the asset.

Impairment losses recognized in prior periods are evaluated at each date of the Consolidated Statement of Financial Position for any indication that the loss has decreased or disappeared. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

o. Non-Current Assets Held for Sale

For an asset to be classified as non-current held for sale, it must meet the following conditions: Its carrying amount must be expected to be recovered essentially through a sale transaction; must not be intended for use; the asset must be available in its present conditions for immediate sale, management must be committed to a business plan for the sale, and it is expected to occur within a period of less than 1 year.

Non-current assets held for sale are measured at the lower of the carrying amount and the fair value less costs to sell at the measurement date.

p. Employee Benefits

The Group grants its employees the following benefits in exchange for the services rendered by them:

Short-Term Benefits

These are employee benefits that are expected to be fully settled within twelve months after the end of the annual reporting period.

The different employees of the Group are entitled to short-term benefits, such as salaries, vacations, legal and extra-legal bonuses, and severance payments & interest on severance payments under the labor regime Law 50 of 1990, and other extra-legal benefits. These benefits granted to employees will be recognized once the requirements of enforceability are met, not only in accordance with the provisions of the Law, but also with respect to those extra-legal benefits determined by the Group, and in consideration, however, of conditions such as the type of contract, type and amount of salary, length of service, among other particular characteristics, as stipulated in the Group's internal policies.

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as expenses as the related service is provided.

Post-Employment Benefits

Agreements whereby an entity provides benefits after the period of employment are post-employment benefit plans. Post-employment benefits are divided into two:

1. Defined contribution plans



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The Bank's legal obligation is limited to the amount it has agreed to contribute to the fund. The accounting is based on the value of the contributions agreed with the pension and severance pay fund at the rate required by the labor legislation in force. Defined contribution plans do not require actuarial calculations. They are accounted for based on the contribution of the services rendered by the employee on a monthly basis.

2. Defined Benefit Plans

If the Bank's obligation consists in providing the agreed benefits to the employees, where payment of the benefit to the employee is assumed in the future at the time of complying with the conditions required by the labor legislation, actuarial calculations are required to measure the obligation incurred, as well as the expenses. The obligations are measured on a discounted basis by applying the Projected Unit Credit methodology.

Actuarial calculations to measure the obligations towards employees for defined benefits and long-term obligations will be performed annually; however, management may perform the calculation with a different periodicity when an event occurs that impacts the behavior of the macroeconomic indicators and variables to be used.

Long-Term Benefits

These are all employee benefits that are expected to be fully settled after twelve months following the end of the annual reporting period.

Liabilities for long-term employee benefits are determined based on the present value of the estimated future payments to be made to employees, calculated based on an actuarial study prepared by the projected unit credit method, using for this purpose actuarial assumptions of mortality rates, salary increases, employee turnover, and interest rates determined by reference to the current market yields of bonds at the end of the period of National Government issues or high-quality corporate obligations.

The Group grants its employees long-term extra-legal seniority bonuses during their working life depending on the number of years of service every five, ten, fifteen, and twenty years, etc., calculated as days of salary according to the nominal salary type. Likewise, vacation bonuses and aids at the time of retirement are granted.

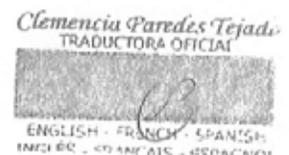
Termination Benefits

These are employee benefits provided for the termination of the employment period due to the termination of the employee's contract before the normal retirement date. The Group recognizes a liability and an expense as termination benefits on the earlier of the following dates:

- When the entity is no longer able to withdraw the offer of those benefits.
- When the entity recognizes the costs of a restructuring.

q. Provisions

These are recognized when the Group has a present obligation, whether legal or implicit, as a result of a past event, where it is probable that it will have to give up resources that incorporate economic benefits to assume the obligation and a reliable estimate of the amount of the obligation can be made. When some or all of the economic benefits required to assume a provision are expected to be recovered from a third



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party, an account receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount can be reliably measured.

The amount recognized as a provision should be the best estimate, at the end of the reporting period, of the disbursement required to assume the present obligation. Estimates will be determined according to professional judgment and the experience obtained in similar operations.

Provisions should be revised at the end of each reporting period and adjusted to reflect the best estimate available when it is no longer probable that resources incorporating economic benefits will flow out of the entity to meet the obligation.

Litigation

The Group estimates and recognizes a provision for litigation to cover possible losses from lawsuits filed by employees and customers, civil, commercial, and tax trials, based on the management's opinion supported by external legal advisors.

These provisions are recognized at the best estimate of the value required to settle the obligations on the balance sheet date, considering the risks and uncertainties of the obligation.

Onerous Contracts

A provision for onerous contracts is recognized when the economic benefits that the Group expects from the contracts are less than the unavoidable costs of complying with the established obligations.

r. Financial Guarantees

Financial guarantees are contracts that require the Bank, as issuer, to make specific payments to reimburse the holder for the loss incurred when a specific debtor fails to meet a payment obligation, in accordance with the conditions of a debt instrument.

Financial guarantees represent for the Bank an irrevocable commitment to cover with financial resources up to the maximum amount guaranteed when the customer fails to comply with the contractual obligations towards third parties during a determined period of time.

s. Taxes

Income Taxes

Income tax expenses include current and deferred taxes. They are recognized in net income except to the extent that they relate to items directly recognized in equity or other comprehensive income.

Current Taxes

Current tax is the amount payable or recoverable for income taxes and current taxes, it is calculated based on tax laws enacted or substantively enacted at the date of the consolidated statement of financial position. Management periodically evaluates the position taken in the income tax returns with respect to situations where tax laws are subject to interpretation and, if necessary, constitutes provisions for amounts expected to be payable to the tax authorities.

The Group estimates its tax liabilities based on an understanding of the country's tax legislation and also has independent tax advice for each situation that may require it. As of December 31, 2024 and 2023, the



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Management of the Bank and its subsidiaries considers that none of the administrative tax proceedings to which it is a party, individually or in an aggregate form, is material and none will generate a significant financial impact; therefore, Management does not consider it necessary to disclose the possible contingencies that could arise from the judicial proceedings in progress.

The Bank and its subsidiaries only offset current income tax assets and liabilities if there is a legal right before the tax authorities and intend to settle the resulting debts for their net amount or realize assets and settle debts simultaneously.

Deferred Taxes

Deferred tax is recognized using the liability method, determined by the temporary differences between the tax bases and the carrying amounts of assets and liabilities included in the financial statements.

Deferred tax is recognized in net income for the period, except for items that are recognized in equity or other comprehensive income. In these cases, the tax is also recognized in equity or other comprehensive income, respectively.

Deferred tax liabilities are the amounts payable in the future for income tax related to taxable temporary differences, while deferred tax assets are the amounts to be recovered for income tax due to the existence of deductible temporary differences, offsettable negative tax bases, or deductions pending application. A temporary difference is defined as the difference between the carrying amount of assets and liabilities and their tax base.

The carrying amount of deferred tax assets is revised as of the date of the consolidated statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable gains will be available to allow all or part of the deferred tax assets to be used.

Recognition of Taxable Temporary Differences

Deferred tax liabilities arising from taxable temporary differences are recognized in all cases except:

- When arising from the initial recognition of goodwill or an asset or liability in a transaction other than in a business combination, and the date of the transaction does not affect the accounting net income or the tax base.
- When they correspond to differences associated with investments in subsidiaries, partner companies, and joint ventures over which the Bank and its subsidiaries have the ability to control the timing of their reversal and it is not probable that their reversal will occur in the foreseeable future.

Recognition of Deductible Temporary Differences

Deferred tax assets arising from taxable temporary differences are recognized in all cases except for:

- Those cases in which the differences arise from the initial recognition of assets or liabilities in a transaction other than a business combination which, at the date of the transaction, does not affect the accounting net income or the tax base.
- Those relating to temporary differences associated with investments in subsidiaries to the extent that the temporary differences will reverse in the foreseeable future and are expected to generate future positive tax gains to offset the differences.



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Tax planning opportunities are only considered in the evaluation of the recoverability of deferred tax assets if the Bank and its subsidiaries intend to adopt them or it is probable that they will be adopted.

Measurement

Deferred tax assets and liabilities are measured using the tax rates that apply in the financial years in which the assets are expected to be realized or the liabilities to be paid off, based on the approved, or about to be approved, regulations and after considering the tax consequences that will follow from the manner in which the Group expects to recover the assets or settle the liabilities.

The Group revises the carrying amount of deferred tax assets at the fiscal year-end cut-off date to reduce such amount to the extent that it is not probable that there will be sufficient future positive tax bases to offset them.

Deferred tax assets that do not meet the above conditions are not recognized in the consolidated statement of financial position. The Group reconsiders at year-end whether the conditions for recognizing previously unrecognized deferred tax assets are met.

Deferred tax assets and liabilities are recognized in the consolidated statement of financial position as non-current assets or liabilities, regardless of the expected date of realization or settlement.

Non-monetary assets and liabilities of the Bank and its subsidiaries are measured in terms of their functional currency. If tax profits or losses are calculated in a different currency, exchange rate variations will give rise to temporary differences and the recognition of a deferred tax liability or asset, and the resulting effect will be charged or credited in net income for the period.

Offsetting and Classification

The Bank and its subsidiaries only offset deferred income tax assets and liabilities if there is a legal right of set-off before the tax authorities and such assets and liabilities correspond to the same tax authority. Deferred tax assets and liabilities are recognized in the Bank's consolidated statement of financial position as non-current assets or liabilities, regardless of the expected date of realization or settlement.

Deferred tax assets and liabilities are recognized in the statement of financial position as non-current assets or liabilities, regardless of the expected date of realization or settlement.

Industry and Commerce Tax

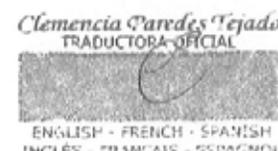
In application of Article 19 of Law 2277 of 2022, as of tax year 2023, the possibility of taking fifty percent (50%) of the industry and commerce tax as a tax discount is eliminated.

4. Regulatory Changes and Accounting Pronouncements Issued but Not Yet in Force

The Group monitors developments and changes in standards issued by IASB and local regulators to measure the impact of the adoption of new standards on the consolidated financial statements.

a. Standards and Amendments Applicable from January 1, 2027

With Decree 2171 of October 15, 2024, the following new standard was incorporated into the accounting regulatory framework, which will apply to annual periods beginning after January 1, 2027, and has not



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been applied in the preparation of these consolidated financial statements. The Group intends to adopt the accounting pronouncements applicable to them on their respective dates of application and not earlier.

Affected Standard	Entry into Force	Details
New Standard IFRS 17 <i>Insurance Contracts</i>	January 1, 2027	It will be applicable for the general-purpose financial statements of entities classified in Group 1, as of January 1, 2027, and repeals the International Financial Reporting Standard IFRS 4 Insurance Contracts, as of January 1, 2027. This standard impacts the recognition, measurement, presentation, and disclosure of insurance and reinsurance business. In addition, it requires contracts to be added at the time of initial recognition in the portfolio if they are subject to similar risks and are managed together. The Group is evaluating impacts.

b. New Standards and Interpretations Not Yet in Force

Below is a list of the standards and amendments issued by IASB that have not yet been incorporated into Colombian legislation, on which the Group is evaluating impacts:

Affected Standard	Issued	Entry into Force	Details
New Standard IFRS 18 <i>Presentation and disclosure in financial statements</i>	April 2024	January 1, 2027 (subject to the issuance of regulatory decrees)	The main changes included are: - The new standard focuses the presentation on the Income Statement. - Introduces changes for the presentation of the financial performance. - Requires the classification and presentation of income and expenses into five categories (i.e., operating, investing, financing, income tax, and discontinued operations). - Introduces two additional mandatory subtotals: operating profit or loss and profit or loss before financing and income tax. - Management-defined performance measures (MPMs) must be disclosed with qualitative and quantitative information. IFRS 18 provides enhanced guidance on the elements to be considered when aggregating or disaggregating line items. Labeling line items as "Other" is discouraged and additional information will be requested if continuing to do so.

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Affected Standard	Issued	Entry into Force	Details
New standard IFRS 19 <i>Subsidiaries without public accountability. Information to be disclosed</i>	May 2024	January 1, 2027 (subject to the issuance of regulatory decrees)	This new standard allows some subsidiaries to use IFRS for small- and medium-sized enterprises or any local regulatory framework to construct their financial statements if their parent company prepares financial statements under full IFRS. This will be applicable for subsidiaries that have no public obligation or liability, which is not the case for the Bank and its subsidiaries.

5. Estimation of Fair Value of Financial Instruments

a. **Determination of Fair Value**

The Group has established processes to ensure that the valuation of financial instruments is appropriately determined.

The fair value of financial assets and liabilities that are traded in active markets is based on market prices listed at the fiscal year-end cut-off date.

An active market is a market in which transactions for assets and liabilities are carried out with sufficient volume and frequency to provide market price information on an ongoing basis.

Market observable prices represent a Hierarchy Level One (1) valuation. Where possible, valuations are based on the observable market price input obtained in an active market.

Prices are not always available from listed market prices or may be related to transactions in inactive or illiquid markets. In these cases, internal models that maximize the use of the observable input are used to estimate fair value. When the significant input to the models is observable, the valuation is classified in Hierarchy Level Two (2).

When financial instruments are traded in an inactive market or using models where there are no observable parameters and management judgment is required, to determine fair value, the use of unobservable input data is necessary and, therefore, they are considered at Hierarchy Level Three (3).

The Group calculates the fair value of fixed-income instruments and derivatives on a daily basis, using price information provided by the officially designated official price vendor (PRECIA). This vendor has been authorized after complying with the rules applicable to price vendors for valuation in Colombia, including its purpose, operating regulations, approval process for valuation methodologies, and required technological infrastructure, among other aspects. After evaluating the methodologies of the price vendor PRECIA, it is concluded that the fair value calculated for derivative instruments based on the prices and input provided by the price vendor is appropriate.

The level in the fair value hierarchy within which the fair value is classified in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Financial instruments that are listed on markets that are not considered active, but are valued based on listed

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market prices, quotations from price vendors, or alternative price sources supported by observable input, are classified as Level 2.

If a fair value measurement uses observable input that requires significant adjustments based on unobservable input, that measurement is a Level 3 measurement. The evaluation of the significance of a particular input datum in the fair value measurement in its entirety requires professional judgment, taking into account factors specific to the asset or liability. The Group considers observable data market data that is already available, distributed or regularly updated by the price vendor, reliable and verifiable, has no proprietary rights, and is provided by independent sources that actively participate in the market in question.

The main valuation techniques and input data used in estimating the fair value of financial instruments classified in level 2 and level 3 are presented below.

Type	Valuation Technique for Level 2	Main Input Used
Debt securities	Calculation of the present value of discounted financial instruments with curves constructed from observable data, taking into account market variables	- RVU bond references (SEN/MEC price systems)
Derivatives	Calculation of the present value of financial instruments and market comparison technique. Fair values are based on quotes from Bloomberg/Reuters transactional systems, brookers: ICAP, Tradition, GFI, Tullet, CME, central banks	Currency forward: - Interest rates - Devaluations - Exchange rates
	Quotes reflect current transactions in similar instruments	USD/COP Options: - Interest rates - Devaluations - Volatility matrices - Exchange rates S&P500 Options: - S&P500 Index - Volatility matrices Securities forward: - Underlying prices - Interest rates IRs, interest rate, and currency hedging swaps: - Colombian and foreign interest rates (SOFR/IBR curves) - Exchange rates
Equity securities of Holding Bursátil Regional	Market valuation price calculated by auction within the valuation day	Input published by the Price provider



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Type	Valuation Technique for Level 3	Main Unobservable Input Data	Interrelationship between Significant Unobservable Information and Fair Value Measurement
Variable income securities - Investment in Credibanco, ACH, Redeban	Discounted free cash flow	- Balance sheet and P&L projection assumptions (assets, liabilities, revenues, expenses) - Cost of debt - Cost of equity - Estimate of perpetuity	The estimated fair value may increase (decrease) if: - Balance sheet and income statement projections were higher (lower) according to the market behavior and the investee company's use of resources. - The debt cost were higher (lower) according to the average funding rate used. - The equity cost were higher (lower) according to the estimates included in its calculation. - The estimate of perpetuity were higher (lower) according to the expected growth of the Colombian economy.
Investment in Titularizadora Colombiana	Discounted free cash flow	- Balance sheet and P&L projection assumptions (assets, liabilities, revenues, expenses) - Estimate of perpetuity	The estimated fair value may increase (decrease) if: - The estimate of perpetuity were higher (lower) according to the expected growth of the Colombian economy.

b. Determination of Fair Values of Financial Assets and Liabilities Recorded at Amortized Cost Determined Solely for Disclosure Purposes

The following are the details of how the financial assets and liabilities recognized at amortized cost and measured at fair value for disclosure purposes only were valued.

- Loan Portfolio

The estimated fair value of the loan portfolio reflects changes in the general level of interest rates that have arisen since the loan portfolio was originated or acquired. The specific valuation methods used are the following:

For the fixed-rate portfolio, the fair value is determined by discounting the expected future cash flows thereof, based on market interest rates for loan portfolios with similar terms and risks.

For a floating rate loan portfolio, the fair value is determined without considering the potential adjustment to changes in credit spreads; therefore, the fair value is supposed to be equal to the carrying amount.

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- **Deposits, Subordinated Bonds, and Financial Obligations**

The fair values of deposits payable on demand or on notice or customer deposits, subordinated bonds, and floating rate financial obligations payable at a fixed term are not adjusted for changes in credit spreads; therefore, the fair value of these types of deposits is supposed to be equal to their carrying amount.

The estimated fair value of fixed-rate deposits payable at a fixed term is determined by discounting the contractual cash flows based on the market interest rates offered for deposits with similar conditions and risks.

c. **Carrying Amount and Fair Value**

The following table shows the carrying amount, fair value, and fair value hierarchy of financial instruments assets and liabilities:



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	December 31, 2024				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
ASSETS					
Cash	\$ 2.686.277	2.686.277	-	-	2.686.277
Investments at fair value through profit and loss - Debt securities	1.654.722	1.654.722	-	-	1.654.722
Issued or guaranteed by the nation and/or foreign governments	1.324.537	1.324.537	-	-	1.324.537
Issued or guaranteed by other financial institutions	330.185	330.185	-	-	330.185
Investments at fair value through profit and loss - Equity instruments	45.470	-	1.062	44.408	45.470
Investments at amortized cost	1.443.074	-	1.444.117	-	1.444.117
Issued or guaranteed by the Colombian Government	1.443.074	-	1.444.117	-	1.444.117
Investments at fair value through OCI	2.986.305	2.841.206	5.996	139.103	2.986.305
Issued or guaranteed by the Colombian Government	2.841.206	2.841.206	-	-	2.841.206
Equity instruments	145.099	-	5.996	139.103	145.099
Trading derivatives	621.157	-	621.157	-	621.157
Currency forward	407.683	-	407.683	-	407.683
Securities forward	14.722	-	14.722	-	14.722
Currency swap	8.290	-	8.290	-	8.290
Interest rate swap	164.949	-	164.949	-	164.949
Spot transactions	267	-	267	-	267
Currency options	25.246	-	25.246	-	25.246
Hedging derivatives	111.172	-	111.172	-	111.172
Currency rate swap	106.104	-	106.104	-	106.104
Interest rate swap	5.068	-	5.068	-	5.068
Loan portfolio	26.352.015	-	-	27.671.180	27.671.180
Commercial portfolio	9.324.094	-	-	9.432.521	9.432.521
Consumer portfolio	18.354.502	-	-	18.238.659	18.238.659
Portfolio impairment	(1.326.581)	-	-	-	-
Total Financial Assets	\$ 35.900.192	7.182.205	2.183.504	27.854.691	37.220.400
LIABILITIES					
Trading derivatives	647.265	-	647.265	-	647.265
Currency forward	438.997	-	438.997	-	438.997
Securities forward	4.975	-	4.975	-	4.975
Currency swap	18.385	-	18.385	-	18.385
Interest rate swap	167.783	-	167.783	-	167.783
Spot transactions	2	-	2	-	2
Currency options	17.123	-	17.123	-	17.123
Hedging derivatives	77.095	-	77.095	-	77.095
Currency swap	67.899	-	67.899	-	67.899
Interest rate swap	9.196	-	9.196	-	9.196
Customer deposits	26.341.298	-	-	25.500.654	25.500.654
Bank current account deposits	1.938.805	-	-	1.938.805	1.938.805
Term deposit certificates	13.293.562	-	-	12.452.918	12.452.918
Savings deposits	10.766.423	-	-	10.766.423	10.766.423
Others	342.508	-	-	342.508	342.508
Financial obligations	6.580.289	-	-	6.580.289	6.580.289
Interbank funds	3.320.638	-	-	3.320.638	3.320.638
Bank loans	2.599.697	-	-	2.599.697	2.599.697
Loans from rediscount entities	521.581	-	-	521.581	521.581
Leases	130.611	-	-	130.611	130.611
Other financial obligations	7.762	-	-	7.762	7.762
Investment securities	1.210.785	-	-	1.196.615	1.196.615



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	December 31, 2024				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Total Financial Liabilities	\$ 34,856,732	-	724,360	33,277,558	34,001,918
	December 31, 2023				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
ASSETS					
Cash	\$ 2,576,346	2,576,346	-	-	2,576,346
Investments at fair value through profit and loss - Debt securities	663,112	663,112	-	-	663,112
Issued or guaranteed by the nation and/or foreign governments	542,019	542,019	-	-	542,019
Issued or guaranteed by other financial institutions	121,093	121,093	-	-	121,093
Investments at fair value through profit and loss - Equity instruments	19,844	-	-	19,844	19,844
Investments at amortized cost	1,567,625	-	1,554,588	-	1,554,588
Issued or guaranteed by the Colombian Government	1,567,625	-	1,554,588	-	1,554,588
Investments at fair value through OCI	2,230,081	2,096,135	6,586	127,360	2,230,081
Issued or guaranteed by the Colombian Government	2,096,135	2,096,135	-	-	2,096,135
Equity instruments	133,946	-	6,586	127,360	133,946
Trading derivatives	1,709,144	-	1,709,144	-	1,709,144
Currency forward	1,184,623	-	1,184,623	-	1,184,623
Currency swap	37,097	-	37,097	-	37,097
Interest rate swap	448,726	-	448,726	-	448,726
Spot transactions	90	-	90	-	90
Currency options	38,608	-	38,608	-	38,608
Hedging derivatives	179,368	-	179,368	-	179,368
Currency rate swap	174,558	-	174,558	-	174,558
Interest rate swap	4,810	-	4,810	-	4,810
Loan portfolio	29,846,914	-	-	32,939,584	32,939,584
Commercial portfolio	12,015,350	-	-	11,965,176	11,965,176
Consumer portfolio	19,230,146	-	-	20,974,408	20,974,408
Portfolio impairment	(1,398,582)	-	-	-	-
Total Financial Assets	\$ 38,792,434	5,335,593	3,449,686	33,096,788	41,872,067
LIABILITIES					
Trading derivatives	1,352,523	-	1,352,523	-	1,352,523
Currency forward	803,813	-	803,813	-	803,813
Securities forward	292	-	292	-	292
Currency swap	36,781	-	36,781	-	36,781
Interest rate swap	454,017	-	454,017	-	454,017
Currency options	57,620	-	57,620	-	57,620
Hedging derivatives	234,948	-	234,948	-	234,948
Currency swap	189,464	-	189,464	-	189,464
Interest rate swap	45,484	-	45,484	-	45,484
Customer deposits	29,141,927	-	-	27,883,112	27,883,112
Bank current account deposits	1,987,552	-	-	1,987,552	1,987,552
Term deposit certificates	14,974,901	-	-	13,716,086	13,716,086
Savings deposits	11,435,124	-	-	11,435,124	11,435,124
Others	744,350	-	-	744,350	744,350
Financial obligations	5,508,629	-	-	5,508,629	5,508,629
Interbank funds	2,421,002	-	-	2,421,002	2,421,002



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	December 31, 2023				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Bank loans	2,429,827	-	-	2,429,827	2,429,827
Loans from rediscount entities	500,303	-	-	500,303	500,303
Leases	150,307	-	-	150,307	150,307
Other financial obligations	7,190	-	-	7,190	7,190
Investment securities	1,373,606	-	-	1,294,244	1,294,244
Total Financial Liabilities	\$ 37,611,633	-	1,587,471	34,685,985	36,273,456

d. Valuation of Equity Instruments Level 3

The Group has investments in this type of instruments in Redeban Multicolor S.A., Credibanco S.A., ACH Colombia S.A., and T titularizadora Colombiana S.A. In accordance with section (a) of this note, the valuation method used is discounted free cash flow, constructed based on the valuator's own projections, income, costs, and expenses of the entity to be valued over a period of five years, taking historical information obtained from the company and residual values determined with growth rates in perpetuity established by the valuator according to his/her experience. These projections and residual values were discounted at interest rates constructed with curves taken from price vendors adjusted for estimated risk premiums and taking into account the risks associated with the company being valued.

The following is a summary of the ranges of the main variables used in the valuation of each of these companies:

- **Redeban Multicolor S.A.**

Results of the Valuation by Selected Approach	
Number of outstanding shares	15.791.803
Shareholding percentage	7,03%
Valuation price per share (pesos)	40.018,92

Present Value Adjusted by Discount Rate	
Variables	Range Used for Valuation
Internal inflation	Between 5,3% and 3,10%
Gross domestic product	Between 1,70% and 2,90%

The following is a list of the published price sensitivities whose variables were defined by the investor. Variations in the value of this investment are recognized in the income statement:

Present Value Adjusted by Discount Rate					
Number of Shares	Published Price per Share (Pesos)	Variables	Favorable Impact	Variation	Unfavorable Impact
15.791.803	\$40.018,92	Income	44.291,33	+/- 100 pb	35.746,51
		Perpetuity gradient	43.247,32	+/- 100 pb	37.500,95
		Discount rates	42,636.73	+/- 50 pb	37.705,67

- **Credibanco S.A.**

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Variable	Range % 2024p* – 2028p
Internal inflation	Between 3,1% and 9,40%
Gross domestic product	Between 5,50% and 3,20%

*p: Projected

The following table includes a sensitivity analysis of changes in these variables in the Bank's equity considering that variations in the fair value of this investment are recognized in other comprehensive income.

Present Value Adjusted by Discount Rate					
Variables	Published Price per Share	Shareholding Percentage	Variation	Favorable Impact	Unfavorable Impact
Income	\$118.83	7,06%	+/- 100 pb	123,26	114,31
Perpetuity gradient			+/- 100 pb	118,94	118,72
Discount interest rates			+/- 50 pb	119,78	117,90

- ACH Colombia S.A.

Results of the Valuation by Selected Approach	
Present value adjusted by discount rate	\$1.260.268
Number of outstanding shares	6.594.807
Shareholding percentage	4,45%
Valuation price per share (pesos)	\$191.100,09

The following table includes a sensitivity analysis of changes in these variables in the Bank's equity considering that variations in the fair value of this investment are recognized in other comprehensive income, in equity.

Present Value Adjusted by Discount Rate				
Variables	Published Price per Share	Variation	Favorable Impact	Unfavorable Impact
Income	\$191.100,09	+/- 100 pb	198.587,77	190.156,58
Perpetuity gradient		+/- 100 pb	205.415,63	185.121,12
Discount interest rates		+/- 50 pb	195.539,58	193.219,55

- Titularizadora Colombiana S.A.

Results of the Valuation by Selected Approach	
Present value adjusted by discount rate	\$30.825.574
Number of outstanding shares	4.213.395
Shareholding percentage	6,35%
Valuation price per share (pesos)	\$7,3

Present Value Adjusted by Discount Rate

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Variables	Range Used for Valuation
Income (growth % over 10 years)	0,9% - 3,2%
Growth in residual values after 10 years	2,84%
Discount rate	15,2% - 18,9%

The following is a list of the published price sensitivities whose variables were defined by the investor:

Present Value Adjusted by Discount Rate					
Number of Shares	Published Price per Share	Variables	Favorable Impact	Variation	Unfavorable Impact
4.213.395	\$7,3	Income (*)	64.109.732	+/- 1%	NA
		Growth in residual values after 5 years	7.345.302	+/- 1% of the gradient	NA
		Equity cost rates	A general cost of the sector is calculated, not an equity of the entity	+/- 50PB	NA

(*) Average of 5 years of valuation

e. Transfer of Hierarchy Levels

As of December 31, 2024, there was a transfer from Level 2 to Level 1 of \$252.418 of tradable debt securities; for the year 2023, there were no transfers of fair value hierarchy levels to and from Level 1 and Level 2 of the investment portfolios.

As of December 31, 2024 and 2023, there were no fair value transfers between Level 2 and Level 1 to or from Level 3.

f. Reconciliation Hierarchy Level 3

	Equity Instruments
Balance as of December 31, 2023	147.204
Valuation adjustment with effect on net income	26.343
Valuation adjustment with effect on OCI	9.964
Balance as of December 31, 2024	\$ 183.511
Balance as of December 31, 2022	135.250
Valuation adjustment with effect on net income	(3.518)
Valuation adjustment with effect on OCI	15.472
Balance as of December 31, 2023	\$ 147.204

6. Operating Segments

An operating segment is a component of the Group that develops business activities from which income from ordinary activities may be earned and costs and expenses may be incurred, and whose operating



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results are regularly revised by the Group's highest decision-making authority, which decides on the resources to be allocated to each segment and evaluates its performance. These segments meet the quantitative thresholds on which the information is reported.

As of December 31, 2024, the Group has five (5) operating segments: Commercial, Consumption, Housing, Treasury, and Others. These segments offer different products and services and are managed separately according to the Group's management and internal information structure.

- **Commercial:** Legal Entities with commercial, ordinary, construction, development, corporate revolving, savings accounts, current accounts, and time deposits. The companies that make up this segment are corporate, business, and small- and medium-sized enterprises, companies with sales over US\$50 million per year and that have a relationship with the Bank for credit products and transactional products.
- **Consumption:** Individuals with credit card products, free consumer investment, revolving personal loans, vehicle loans, payment orders, savings accounts, current accounts, and time deposits.
- **Housing:** Individuals with housing loans.
- **Treasury:** This includes options, forward, spct, and interbank products, fixed income, public debt, private debt, and debt reduction securities.
- **Others:** This includes segments not listed above, comprising fund costs of deposits managed by the funding unit, portfolio sales, sale of foreclosed assets, other income related to partners, and information on subsidiaries:

The results of these business segments are based on the Group's internal financial reporting systems. The accounting policies applied by these segments are the same as those adopted by each entity of the Group.

The funding value of internal transfer prices of assets and liabilities is established using market rates and expenses are allocated to each segment equally, using several parameters.

Performance is measured based on the segment profit before income tax, as the Group's management believes it is relevant to evaluate certain segments related to other entities operating within the industry.

Information related to the results of each segment is presented below:



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	December 31, 2024					December 31, 2023						
	Commercial	Consumption	Housing	Treasury	Others	Total	Commercial	Consumption	Housing	Treasury	Others	Total
Income (expenses) from external ordinary activities												
Net interest income	\$ 249,777	1,825,966	691,610	363,074	(1,133,278)	1,997,149	\$ 256,261	2,067,135	683,935	363,254	(1,501,140)	1,865,445
Net commission income	164,196	957,851	29,815	(72)	(481,185)	670,605	157,473	885,458	32,178	101,814	(549,688)	627,235
Net trading income (expenses)	(426,571)	(1,380,975)	(123,183)	(49,193)	154,740	(1,825,182)	(436,959)	(1,443,988)	(134,217)	(60,405)	178,975	(1,896,594)
Net operating expenses	53,345	3,854	(2,282)	57,405	340,740	453,062	35,660	(20,568)	(1,158)	26,581	473,558	514,073
Net other income (expenses) from ordinary activities	40,747	1,406,696	595,960	371,214	(1,118,983)	1,295,634	12,435	1,488,037	580,738	431,244	(1,398,295)	1,114,159
Total net income (expenses) from operating segments												
Other non-cash material items												
Impairment of value of financial assets	(3,928)	(1,275,124)	(28,534)	-	(149,457)	(1,457,043)						
Profit (loss) operating segments before income taxes	\$ 36,819	131,572	567,426	371,214	(1,268,440)	(161,409)	\$ 36,819	131,572	567,426	371,214	(1,268,440)	(161,409)
Taxes	(9,823)	(35,104)	(151,392)	(99,042)	332,110	36,749	(9,823)	(35,104)	(151,392)	(99,042)	332,110	36,749
Net profit (loss) for the period	\$ 26,996	96,468	416,034	272,172	(936,330)	(124,660)	\$ 26,996	96,468	416,034	272,172	(936,330)	(124,660)
Operating segment assets	9,064,391	11,064,514	6,525,363	6,811,069	5,488,470	38,953,807	9,064,391	11,064,514	6,525,363	6,811,069	5,488,470	38,953,807
Operating segment liabilities	16,429,276	9,422,813	80,265	724,360	9,129,223	35,785,937	16,429,276	9,422,813	80,265	724,360	9,129,223	35,785,937
Income (expenses) from external ordinary activities												
Net interest income	\$ 256,261	2,067,135	683,935	363,254	(1,501,140)	1,865,445	\$ 256,261	2,067,135	683,935	363,254	(1,501,140)	1,865,445
Net commission income	157,473	885,458	32,178	101,814	(549,688)	627,235	157,473	885,458	32,178	101,814	(549,688)	627,235
Net trading income (expenses)	(436,959)	(1,443,988)	(134,217)	(60,405)	178,975	(1,896,594)	(436,959)	(1,443,988)	(134,217)	(60,405)	178,975	(1,896,594)
Net operating expenses	35,660	(20,568)	(1,158)	26,581	473,558	514,073	35,660	(20,568)	(1,158)	26,581	473,558	514,073
Net other income (expenses) from ordinary activities	12,435	1,488,037	580,738	431,244	(1,398,295)	1,114,159	12,435	1,488,037	580,738	431,244	(1,398,295)	1,114,159
Total net income (expenses) from operating segments												
Other non-cash material items												
Impairment of value of financial assets	(31,910)	(1,283,122)	(14,560)	-	(150,785)	(1,480,377)	(31,910)	(1,283,122)	(14,560)	-	(150,785)	(1,480,377)
Profit (loss) operating segments before income taxes	\$ (19,475)	204,915	566,178	431,244	(1,549,080)	(366,218)	\$ (19,475)	204,915	566,178	431,244	(1,549,080)	(366,218)
Taxes	6,607	(69,518)	(192,077)	(146,300)	513,345	112,057	6,607	(69,518)	(192,077)	(146,300)	513,345	112,057
Net profit (loss) for the period	\$ (12,868)	135,397	374,101	284,944	(1,035,735)	(254,161)	\$ (12,868)	135,397	374,101	284,944	(1,035,735)	(254,161)
Operating segment assets	11,999,858	11,598,785	6,733,203	6,349,867	5,375,090	42,056,803	11,999,858	11,598,785	6,733,203	6,349,867	5,375,090	42,056,803
Operating segment liabilities	20,163,975	9,366,868	74,909	1,587,471	7,405,365	38,598,589	20,163,975	9,366,868	74,909	1,587,471	7,405,365	38,598,589



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7. Financial Risk Management

The Group assumes overall liability for the establishment and supervision of a framework for managing the various risks to which it is exposed, credit risk, liquidity risk, market risk, operational risk, money laundering risk, and issuer and counterparty risk. The Group's risk management policies are established to identify and analyze the risks it faces so as to set appropriate risk limits and controls and monitor risks and compliance with the limits. Risk management policies and systems are revised periodically to reflect changes in management and procedures and are intended to develop a strong internal control environment.

The Audit Committee of the Bank and its subsidiaries supervises the risk management process and monitors compliance with the risk management policies, it is assisted in its supervisory role by Internal Audit, which conducts ongoing checks of risk management controls.

a. Credit Risk

Credit risk is the financial loss risk faced by the Group if a customer or counterparty in a financial instrument fails to comply with its contractual obligations, and arises mainly from the Group's loans, accounts receivable from customers, investment instruments, and derivative transactions. The credit risk management strategy defines the target market and the risk tolerance levels to be assumed. The objective of the credit risk management strategy is to ensure that all the Group's lines of business are included.

For risk management reporting purposes, the Group considers and consolidates all credit risk exposure elements such as the debt service, the non-payment risk, and the industry risk.

Credit quality is considered a reliable representation of information provided by those financial institutions in which the Group maintains cash funds.

Consolidated Credit Risk Exposure

The credit risk exposure of the Bank and its financial subsidiaries arises from their lending activities and transactions with counterparties that give rise to the acquisition of financial assets.

The maximum consolidated credit risk exposure of the Bank and its financial subsidiaries is presented below and reflected in the carrying amount of financial assets in the consolidated statement of financial position as follows:

	December 31, 2024	December 31, 2023
Assets		
Debt instruments at fair value through profit and loss		
National government and/or foreign governments	\$ 1,324,537	542,019
Financial institutions	330,185	121,093
	<u>1,654,722</u>	<u>663,112</u>
Equity instruments at fair value through profit and loss	45,470	19,844
Debt instruments at fair value through OCI		
National government	2,841,206	2,096,135
Equity instruments at fair value through OCI		
	145,099	133,946
Debt instruments at amortized cost		
National government	1,443,074	1,567,625
Trading derivatives	621,157	1,709,144
Hedging derivatives	111,172	179,368



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	December 31, 2024	December 31, 2023
Loan portfolio		
Consumer portfolio	18.354.502	19.230.146
Commercial portfolio	9.324.094	12.015.350
	27.678.596	31.245.496
Accounts receivable	338.546	892.796
Total financial assets with credit risk	\$ 34.879.042	38.507.466
Credit risk outside the Statement of Financial Position		
Financial guarantees and letters of credit	1.107.788	2.449.564
Credit limit	13.597.903	15.986.452
Total exposure to credit risk outside the statement of financial position	\$ 14.705.691	18.436.016
Total Maximum Exposure to Credit Risk	\$ 49.584.733	56.943.482

Credit Quality of Cash and Cash Equivalents

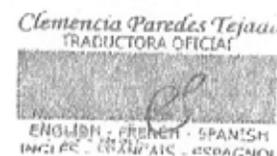
Credit quality determined by independent risk rating agencies of the financial institutions in which the Group deposits funds is as follows:

	December 31, 2024	December 31, 2023
Banco República	\$ 939.468	693.450
Investment grade	1.275.360	1.138.426
With no investment grade	471.449	744.470
Total	\$ 2.686.277	2.576.346

Cash and cash equivalents are maintained with Banco República and financial institutions supervised by the Financial Superintendency of Colombia.

Credit Quality of Financial Investment Assets

Below are the details of the credit quality determined by independent rating agents of the main counterparties in debt and equity securities, in which the Group has investments at fair value through profit and loss, at amortized cost, and at fair value through other comprehensive income:



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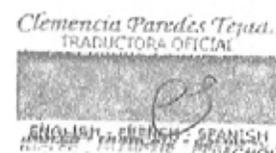
	December 31, 2024	December 31, 2023
Investments at fair value through profit and loss, representing debt		
Issued or guaranteed by the national government or foreign governments	\$ 1.324.537	542.019
Investment grade	330.185	121.093
	1.654.722	663.112
Investments at fair value through profit and loss, equity instruments		
Investment grade	45.470	19.844
	45.470	19.844
Investments at fair value through OCI, representing debt		
Issued or guaranteed by the national government or foreign governments	2.841.206	2.096.135
	2.841.206	2.096.135
Investments at fair value through OCI, equity instruments		
Investment grade	145.099	133.946
	145.099	133.946
Investments at amortized cost		
Investment grade	1.443.074	1.567.625
	\$ 1.443.074	1.567.625

Credit Quality of Derivatives

The counterparty risk rating of derivative financial instruments for trading and hedging assets is detailed below:

December 31, 2024						
	Forward	Cash Options	Currency Options	Swap	Hedging Swap	Total
Investment grade	\$ 416.094	248	24.045	165.118	111.172	716.677
Speculation	6.228	19	1.201	8.121	-	15.569
Medium risk	83	-	-	-	-	83
	\$ 422.405	267	25.246	173.239	111.172	732.329

December 31, 2023						
	Forward	Cash Options	Currency Options	Swap	Hedging Swap	Total
Investment grade	\$ 1.084.590	90	37.645	444.386	179.368	1.746.079
Speculation	99.604	-	963	41.437	-	142.004
Medium risk	429	-	-	-	-	429
	\$ 1.184.623	90	38.608	485.823	179.368	1.888.512



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The counterparty risk rating of derivative financial instruments for trading and hedging liabilities is detailed below:

		December 31, 2024					
		Forward	Cash Options	Currency Options	Swap	Hedging Swap	Total
Investment grade	\$	394.135	-	16.830	137.492	77.095	625.552
Speculation		49.837	2	293	48.676	-	98.808
	\$	443.972	2	17.123	186.168	77.095	724.360

		December 31, 2023				
		Forward	Currency Options	Swap	Hedging Swap	Total
Investment grade	\$	781.436	56.991	454.967	234.948	1.528.342
Speculation		22.669	629	35.831	-	59.129
	\$	804.105	57.620	490.798	234.948	1.587.471

Criteria for the Evaluation, Rating, and Provisioning of Credit Risk

The Bank has the IRMS (Integrated Risk Management System) within which credit risk is included. The Bank has policies and processes to identify, measure, control, and monitor credit risk during the granting, maintenance, and collection phases, including restructurings. Likewise, the Bank has metrics and early warnings associated with risk appetite.

In the granting process, variables have been established for each of the portfolios that allow for differentiating borrowers that fit the Group's risk profile. The processes of segmentation and differentiation of loan portfolios and potential borrowers serve as the basis for their internal rating. The methodologies and procedures implemented in the granting process allow for monitoring and controlling the credit exposure of the various portfolios and the aggregate portfolio, avoiding an excessive concentration of credit by the debtor, economic sector, economic group, risk factor, etc.

The Group conducts continuous monitoring and internal rating of credit operations in accordance with the granting process, which is based, among other criteria, on information related to the historical behavior of portfolios and loans, the particular characteristics of debtors, their loans and guarantee backing them, the debtors' credit behavior with other entities, and the financial information that allows for knowing their financial situation and the sectorial and macroeconomic variables that affect the normal development of them.

Restructurings

The restructuring of a loan is any mechanism through which the Bank grants new conditions to the borrower with the purpose of modifying the originally agreed contractual conditions of the loan to allow the debtor to adequately service its obligation due to the present or future impairment of its capacity to

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pay. Restructured loans are recorded at the time of restructuring at the present value of the future cash flows specified in the agreement, discounted at the original rate of the asset before the restructuring.

Portfolio Purchases

The initial recognition for acquired loans is at the market value at the date of acquisition.

Portfolio Sales

The Bank ceases to recognize a loan (or group of loans) once its contractual right to cash flows has ceased. This may occur at the maturity of the loan or through the transfer of the loan. The Bank is deemed to have transferred a loan when the contractual rights to receive the contractual cash flows are transferred together with all the risks and benefits of ownership. When the loan is recognized and the consideration received on the loan is greater than the carrying amount, the gain is recorded as a gain on the portfolio sale.

Portfolio Write-Offs

Total and partial loan write-offs are recorded when management determines that there is no realistic likelihood of full repayment and that they are one hundred percent (100%) provisioned, after having exhausted all possible means of collection, in accordance with the concepts of the Bank's judicial collection agencies and managing attorneys.

Write-offs are submitted to the Board of Directors for authorization once the debtor's total insolvency has been established; likewise, the Bank continues with the collection process in case of the debtor's eventual solvency.

If a written-off loan is later recovered, this recovery is recognized in the consolidated income statement against impairment expenses.

Loan Consumer

Credit Risk Exposure

In accordance with the implementation of IFRS 9, the Bank has put an expected loss model into production for the calculation of credit risk impairment in the consumer portfolio segment that meets the requirements of the aforementioned standard. The expected loss model was built through advanced models for most of the consumer portfolio (Housing and Consumer) except for SMEs, other consumption, and microcredit which, due to the availability of information and size of the portfolio, were built through intermediate models and the leasing portfolio that was built through a simplified model.

The Bank's IFRS 9 models (advanced, intermediate, and simple) meet the requirements of IFRS 9 regulations in terms of calculating an expected loss through the probability of default, the expected exposure at the time of default, and the loss-given default. These parameters are calculated taking into account the value of money over time, the expected life of the loan, and the analysis of the significant increase in risk through stages (SIR Analysis).

In the case of the portfolio acquired in the business combination, an intermediate model was used complying with the requirements of IFRS 9 regulation, which were developed at Scotiabank, also following strict quality controls.

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Commercial Portfolio

Evaluation and Re-Rating of the Loan Portfolio

In the credit rating process, the Bank assigns the customer an Investment Grade (IG Code) used to differentiate the risk of default of a customer, which is a code that reflects the risk profile of the debtor customer under the evaluation of various factors such as financial behavior, management, payment experience, financial hedging, and the prospects of the customer and the industry, among others.

The Bank's IFRS commercial portfolio comprises the Business, Construction, Corporate, and SAM (Special Account Management) segments. For the calculation of provisions, a methodology based on the customers' IGs is handled, which is divided into two calculations of provisions, a collective one, which is calculated for IGs 87-30, and the individual one, calculated for IGs 21. For the expected loss methodology, provisions are calculated according to a PD (Probability of Default), LGD (Loss Given Default), and EAI (lifetime). The formula used is the following $PE = PD * LGD * EAI$.

When a customer is IG 21, the provision is divided into two groups:

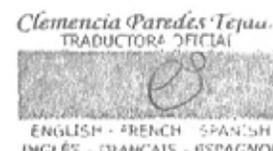
- Principal Accounts (over 1 million Canadian dollars (CAD)): Customers with balances greater than CAD \$1 million, these customers are managed and shown individually as they are the most material customers. Their provisions are calculated using the BEEL (Best Estimated Expected Losses) form.
- Local Regulator (under 1 million Canadian dollars (CAD)): Customers with balances under \$1 million CAD, these customers are managed collectively. For the provisions of these customers, local provision calculated by the Commercial Benchmark Model in equity is taken.

Credit Risk Rating

The Bank rates credit operations based on the criteria mentioned above and classifies them in one of the following credit risk categories, taking into account the following minimum objective conditions:

Grade	December 31, 2024		
	Stages 1 and 2	Stage 3	Total
Investment grades	\$ 1,281,883	-	1,281,883
With no investment grade	7,162,729	-	7,162,729
Monitoring list	374,022	-	374,022
Impaired loans	-	505,460	505,460
Total	\$ 8,818,634	505,460	9,324,094

Grade	December 31, 2023		
	Stages 1 and 2	Stage 3	Total
Investment grades	\$ 3,138,927	-	3,138,927
With no investment grade	8,041,452	-	8,041,452
Monitoring list	276,244	-	276,244
Impaired loans	-	558,727	558,727
Total	\$ 11,456,623	558,727	12,015,350



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Guarantees

For IG 21 accounts under CAD\$ 1 MM

- **Policy for Acceptance and Handling of Guarantees**

Guarantees are additional support requested by the Bank from its customers so as to reduce the risks inherent to the lending activity. Guarantees are not considered payment instruments.

- **Policy for Requiring Additional Guarantees**

The Bank requires additional guarantees to be provided when the legal regulations on credit limits so provided, credits that exceed three (3) years of term, or that are not shared with other creditors of the customer unless they are shared to the same degree with the Bank's subsidiaries located abroad or with its subsidiaries.

The guarantees are set up at the time of granting as follows:

- Guarantees set up on immovable property used for housing purposes: the value at the time of granting will correspond to the value obtained through a technical appraisal. In the case of new properties or properties of less than one year of age acquired by a financial institution to enter into leasing contracts, the value at the time of granting will be the acquisition value of the immovable property or the value obtained through a technical appraisal.
- Guarantees on immovable property not used for housing purposes: the value at the time of granting will correspond to the value obtained through a technical appraisal. In the case of new properties or properties of less than one year of age acquired by a financial institution to enter into leasing contracts, the value at the time of granting will be the acquisition value of the immovable property or the value obtained through a technical appraisal.
- Guarantees on machinery and/or equipment: the value is determined according to its age, i.e., machinery or equipment of less than one year of age will have the value in the purchase invoice, this value will be valid for one (1) year. At the end of this period, its value must be updated annually, applying the straight-line depreciation methodology and according to the useful life of the respective asset; over one year, it will have a technical appraisal on the granting date and this value will be valid for one (1) year. At the end of this period, the value of the asset must be updated annually, applying the straight-line depreciation methodology and according to the useful life of the respective asset.
- Guarantees on vehicles are based on Fasesolda's value guides or, failing that, on commercial appraisals published by the Ministry of Transportation.
- Guarantees on other assets: the value of the guarantee at the time of granting corresponds to the value obtained in the technical appraisal performed.

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- **Distribution of Guarantees**

A loan may be backed by its own guarantee, or it may be backed as protected by a guarantee whose owner is other than the debtor of the loan.

The assignment of guarantees is made up to the completion of one hundred percent (100%) of the balance of the loans.

- **Open Guarantees**

When a guarantee backs several obligations, a proration is made according to the balance of each of the obligations, provided that they are of the same debtor and type of portfolio.

When an obligation has a defect of guarantee, i.e., the value of the guarantee does not cover the balance of the obligation, this uncovered balance is assigned the PDI corresponding to without guarantee.

Current loans that are backed by a guarantee and whose appraisals are past due have a PDI corresponding to without guarantee.

- **Closed Guarantees**

Only the indicated loan is covered up to one hundred percent (100%) of the balance and without exceeding the value of the legal limit of the guarantee.

b. Market Risk

Market Risk is understood as the possibility of incurring losses or a decrease in the economic value of equity as a consequence of changes in market prices and rates (interest rates, credit spreads, stock prices, currency rates, exchange rates, commodities), the correlations between them, and their levels of volatility, for its on-balance sheet or off-balance sheet positions.

The Group's market risk management and monitoring have been designed to identify, measure, control, and monitor the exposure to market risk of its operations. This policy explains in detail the main stages and elements of the Integrated Risk Management System (IRMS), taking into account that each of them has been prepared based on the general guidelines provided in this regard in Chapter XXXI of the Basic Accounting and Financial Circular (BAFC) 100 of 1995 of the Financial Superintendency of Colombia, following the guidelines of Scotiabank.

The System is approved by the Risk Committee and the Board of Directors and is constantly monitored through reports on risk exposure and approved limits. The Risk Committee meets monthly to monitor market risk exposure at the Senior Management level.

Likewise, appropriate policies and limits consistent with the Group's risk appetite and in compliance with the regulatory provisions in force have been established, which are submitted for revision and approval to the Board of Directors and Scotiabank at least once a year.

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Transactions with new products and participation in new markets can only be carried out after:

- Having completed an evaluation of the risks associated with the activity and determined that the activity is within the Group's risk appetite and the strategy approved by the Board of Directors; and
- Having defined and approved appropriate limits, policies, and controls on the activity.

The Group uses the standard model established in Chapter XXXI of the BAFC (Basic Accounting and Financial Circular) as the official model for the calculation of the Value at Risk - VaR which is reported to the Financial Superintendency on a daily and monthly basis. Additionally, the Group has developed other market risk models for its treasury book inside the Bank, which allow it to identify, measure, and control the defined exposure levels, also establishing a robust limit structure according to the size of the business, as well as daily monitoring and reporting schemes to Senior Management and monthly to ALCO (Assets Liabilities Committee) and the Board of Directors.

The following is a list of the controls and limits associated with the aforementioned models:

- VaR
- Open and intraday positions
- Sensitivities for investment and derivative portfolios
- Stress Testing
- Notional
- Terms
- Balance sheet sensitivity analysis

The Group pays particular attention to ensuring that measurement models take into account appropriate market risk factors, i.e., market rates and prices that affect the value of its asset, liability, and off-balance sheet positions.

VaR is a statistical measurement that estimates the potential for loss of value of the Group's trading positions due to adverse market movements over a defined time horizon and with a specified level of trust. The quality of the VaR of the Bank and its subsidiaries is validated through stress testing and backtesting. As a complement to the VaR, the Group carries, within its limits, a Stress VaR, which contemplates the highest volatilities at the historical level and sets guidance in both limits as an early warning for timely monitoring and management.

Interest Rate Risk in the Banking Book (IRRBB)

As of December 2024, new regulatory requirements were adopted in compliance with external circular 025 of 2022 issued by the Financial Superintendency of Colombia, which were integrated within the Group's general structural interest rate risk policy, ensuring compliance with and consistency of controls, measurement, internal and regulatory management.

The need to manage this risk results from the inherent mismatches that originate in the positions of the banking book due to different terms, rates, amounts, and currencies, between the asset, liability, and off-balance sheet products. The management strategy is focused on identifying the efficient structure of the balance sheet to ensure the entity's sustainability and favorable monetary results for the business, including the analysis and management of possible potential impacts due to the variation of market interest rates.

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For the evaluation of interest rate risks, the Group has decided to apply the standard model established by the Financial Superintendency of Colombia, by which the exposure is quantified through two sensitivity measures: Economic Value of Equity (EVE) and Net Interest Margin (NIM), as described in the regulation. These metrics contain the risk estimate for projected interest rate-sensitive flows that impact on the Group's economic value and financial margin exposure.

As of December 2024, the Bank evaluated and calculated the exposure to the Economic Value of Equity (EVE) considering the 6 scenarios of rate shocks described in the regulation; the highest sensitivity to which the positions of the banking book are exposed corresponds to the scenario of parallel curves by +400 basis points (bps) with which a risk level higher than fifteen percent (15%) of the Bank's BOE + ABE (Basic Ordinary Equity + Additional Basic Equity) is reached, a level considered atypical as established in the regulation.

The Bank has designed an action plan to reduce exposure under the regulatory model that has been included in the 2025 Risk Appetite Framework to ensure monitoring and compliance.

On the other hand, the Bank has been measuring the structural interest rate risk based on internal models and assumptions according to the dynamics of the business in its different products. The methodology starts with the determination of assets and liabilities sensitive to interest rates, for which the flows are contractually mapped according to their maturity or repricing date, so as to determine the spreads by currency over time and the calculation of the sensitivity to 100 bps.

The measurement techniques implemented are in line with the complexity of the identified risks so that through these techniques the exposure to market risks present on the balance sheet can be correctly quantified.

The Group makes continuous improvements in terms of procedures, methodologies, and internal control mechanisms that allow it to identify, measure, control, and monitor this risk effectively, and to adopt timely decisions for adequate mitigation, in the development of its authorized operations, both for the positions of the banking book and the treasury book, whether on or off the balance sheet.

i) Structural Interest Rate Risk: Structural balance sheet risk represents losses that may arise due to mismatches between assets and liabilities not offset by off-balance sheet positions, related to their maturity, pricing, currency, or readjustment (UVR), and interest rates. The difference in maturities and/or pricing periods may cause the reinvestment or refinancing of asset and liability transactions to be made at prices that negatively impact the budgeted interest accrual result. There is also exposure to variations in interest rates when assets and liabilities have different reference rates, particularly in variable-rate transactions.

Through Treasury and ALCO, the Group actively manages its interest rate risk exposures within the structure of limits established at the level of static gaps and sensitivity to 100 bps, which are approved by the Board of Directors and monitored on a monthly basis.

In the third quarter of 2024, the annual revision of limits was made, under which some of the assumptions and calculation methodologies of some of the parameters of the interest rate risk model were updated, in order to align them with the best international standards and strengthen the market risk system. As a result, and considering the business and market expectations, the limits were revised and updated.



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ii) Sensitivity to Interest Rates of Investment Portfolio and Derivatives: Based on the Group's interest rate sensitive positions, the calculation methodology uses a sensitivity of 100 bps and generates the following two indicators, over which it has established limits:

a. Net Interest Income: Quantifies the impact of an adverse change on interest rates in the short term. This impact reveals the deviation that the budgeted interest margin may undergo after one year. Net Interest Income represents the maximum pre-tax effect of an interest rate shock of +/- 100 bps.

b. Economic Value of Equity Model: Quantifies the impact of an adverse change in interest rates on the Group's equity, in other words, it represents the variation that the share value would experience in the event of a movement in the yield curve. Exposure is disaggregated by currency and represents the maximum loss before taxes in the present value of the entity's assets and liabilities in the event of a parallel change of +/- 100 bps in interest rates.

The results of both interest rate sensitivity measures are shown below:

	December 31, 2024	December 31, 2023
Net Interest Income (NII)	47,690	32,631
Sensitivity % NII/NII*	2,60%	7,96%
Economic Value (EV)	236,548	153,133
% EV/Equity**	12,59%	7,65%
*NII (Profit before taxes)		
**TIER 1 as of Dec 24		

Key Factors that Explain Variation in Metrics: During 2024, exposure to the interest rate risk increased mainly due to a decrease in stable funding, which was replaced by short-term funding and the strategic acquisition of term deposits of more than one year, favoring the maintenance of the Group's margin; additionally, lower prepayment rates increased the duration of the medium- and long-term portfolio, which has widened the gaps in long-term assets. The Group's management continues to focus on improving funding costs, prioritizing profitability, and reducing structural exposure through the best possible funding structure.

Margin sensitivity had its variable behavior during the year, with a decreasing trend during the last quarter, driven by the maturity of Term Deposit Certificates, TDCs, bonds, and the investment strategy in short-term securities, reducing the liability gap in the first-time bands.

Trading Portfolio Risk Management: In accordance with the provisions of Chapter XXXI of the Basic Accounting and Financial Circular 100 of 1995, which relates to the rules applicable to the Management of Market Risks, the Group, through its Integrated Risk Management System (IRMS), has policies, metrics, limits, and specific controls for the management of the market risk to which the portfolios of the trading desks and the Asset and Liability Management (A.L.M) are exposed.

Among the main measures the Group has are the Regulatory VaR, the Internal VaR, measurements under stress conditions, and retrospective evaluations of internal models. All of the above, under a scheme of

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internal and regulatory limits periodically evaluated and approved by the Group's Board of Directors and Senior Management.

During 2024, the Group carried out the annual revision of limits for investment portfolios and trading and structural derivatives, in such a way that they were revised and updated according to the business growth objectives, the economic perspectives, and the risk appetite of the Group, with the approval of their Boards of Directors.

The valuation of the Trading and ALM portfolios is performed daily based on the input and valuation methodologies provided by the Bank's official price supplier - PRECIA. For this purpose, there are daily validation processes to ensure the correct valuation in the application. For further description, see Note 5.

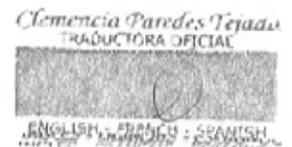
Calculation and management of the different metrics are performed on a daily, weekly, and monthly basis and whenever required by the market conditions. The metrics apply to all financial instruments that are part of the Trading and ALM portfolios and are exposed to possible losses due to variations in prices according to their business model.

Below is a summary of the quantitative information on the main metrics mentioned above.

Regulatory VaR: The Group uses the Regulatory VaR calculation following the guidelines of the Standard Model established by the Financial Superintendency of Colombia in Chapter XXXI, "Comprehensive Risk Management System", and the methodology established in Annex 6. This procedure is performed on a daily and monthly basis with the closing of the financial information. It consists of four elements that are calculated separately and the results are shown below (last, minimum, average, and maximum):

	Last	
	December 31, 2024	December 31, 2023
	December 31, 2024	December 31, 2023
Interest rate	\$ 185.788	196.124
Exchange rate	4.903	9.812
Price of shares	2.866	3.814
Collective portfolios	694	622
Bank VaR	194.251	210.372
Fiduciaria Scotiabank Colpatría S.A.	5	8
Scotia Securities (Colombia) S.A.	240	633
Consolidated VaR	\$ 194.496	211.013

VaR criteria	December 31, 2024			December 31, 2023		
	Minimum	Average	Maximum	Minimum	Average	Maximum
Bank	\$ 184.090	197.850	210.372	187.667	202.643	210.372
Fiduciaria Scotiabank Colpatría S.A.	1	5	16	8	12	16
Scotia Securities (Colombia) S.A.	240	358	633	351	504	633
Consolidated VaR	184.331	198.213	211.021	188.026	203.159	211.021



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In the calculation of the consolidated VaR, the risk charge taken into account for each of the subsidiaries is the value at risk calculated individually under the guidelines of the Standard Model of the Financial Superintendency of Colombia in Chapter XXXI.

During the past year, a decrease in the Regulatory VaR is evidenced due to lower exposure associated with the interest rate risk.

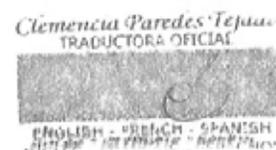
Foreign Currency Exchange Rate Variation Risk

The Bank's foreign currency assets and liabilities are mainly held in U.S. dollars, Canadian dollars, and Euros, among other currencies.

The following are the details in pesos of the foreign currency assets and liabilities held by the Bank:

	December 31, 2024		
	Millions of Dollars	Other Currencies Expressed in Millions of U.S. Dollars	Total Millions of Colombian Pesos
Assets in foreign currency			
Cash and cash equivalents	\$ 285	2	1.265.426
Investments – Bonds	172	-	758.374
Derivative instruments	135	-	595.235
Loan portfolio	314	-	1.384.473
Other accounts receivable	21	-	92.592
	\$ 927	2	4.096.100
Liabilities in foreign currency			
Customer deposits	31	1	141.093
Derivative instruments	131	-	577.599
Financing	590	-	2.601.399
Accounts payable	6	-	26.455
	\$ 758	1	3.346.546
Net asset position in foreign currency	\$ 169	1	749.554

	December 31, 2023		
	Millions of Dollars	Other Currencies Expressed in Millions of U.S. Dollars	Total Millions of Colombian Pesos
Assets in foreign currency			
Cash and cash equivalents	\$ 291	2	1.119.861
Investments – Bonds	210	-	802.631
Derivative instruments	386	-	1.475.311
Loan portfolio	345	-	1.318.607
Other accounts receivable	48	-	183.458
	\$ 1.280	2	4.899.868
Liabilities in foreign currency			



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	December 31, 2023		
	Millions of Dollars	Other Currencies Expressed in Millions of U.S. Dollars	Total Millions of Colombian Pesos
Customer deposits	142	1	546.553
Derivative instruments	294	-	1.123.683
Financing	636	-	2.430.824
Accounts payable	5	-	19.110
	\$ 1.077	1	4.120.170
Net asset position in foreign currency	\$ 203	1	779.698

If the exchange rate had increased by 10 Colombian pesos per US\$1 as of December 31, 2024 and 2023, the effect on the net position would generate an increase of \$1.700 and an increase of \$2.040, respectively.

On the other hand, if the exchange rate had decreased by 10 Colombian pesos per US\$1 as of December 31, 2024 and 2023, the effect on net position would generate a decrease of \$1.700 and a decrease of \$2.040, respectively.

c. Liquidity Risk

In the course of its operations, the Group is exposed to Liquidity Risk as a result of not being able to fully, timely, efficiently, and at reasonable prices meet its financial obligations arising from its commitments, due to the insufficiency of available liquid resources and/or the need to assume unusual funding costs.

To guarantee adequate control of the Liquidity Risk exposure and provide an adequate environment for liquidity management, the Group has implemented the Liquidity Risk Management System, framed in the Integrated Risk Management System (IRMS), through which this risk is effectively identified, measured, controlled, and monitored, which is approved by ALCO and the Board of Directors, and is constantly monitored monthly, through reports on the risk exposure and the approved limits. ALCO meets monthly to follow up on the liquidity risk exposure at the Senior Management level.

During the third quarter of 2024, the annual review of limits was carried out, under this review, the different assumptions used in the different monitoring and control metrics were evaluated and calibrated. The next review will be carried out during the second quarter of 2025, in accordance with the periodicity established jointly by the Bank and Scotiabank.

The policies are aligned with the principles governing Scotiabank's risk management, while complying with the mandates of local regulations, and are under permanent revision and updating to ensure the validity and timeliness of the content of the policies for proper management and decision-making.

Contractual Maturities of Assets: The following table presents the undiscounted contractual cash flows of financial assets, as of December 31, 2024 and 2023:

	December 31, 2024						
	1 Month	1-3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Year	>5 Years
Available Investments	\$ 2.686.277	-	-	-	-	-	-
	146.052	118.987	1.224.662	1.119.568	991.443	810.376	641.070



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Commercial portfolio	1.083.242	1.494.116	1.070.516	1.248.641	3.139.425	916.566	112.181
Consumer portfolio	1.484.613	696.190	865.614	1.473.080	4.645.867	2.630.879	4.947.781

		December 31, 2023						
		1 Month	1-3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	> 5 Years
Available	\$	2.576.346	-	-	-	-	-	-
Investments		373.301	32.263	30.091	1.769.884	677.692	1.027.818	920.134
Commercial portfolio		816.505	2.142.035	1.743.294	1.484.981	3.865.623	1.495.425	364.712
Consumer portfolio		1.482.118	723.587	901.629	1.505.180	4.061.381	3.195.027	5.103.355

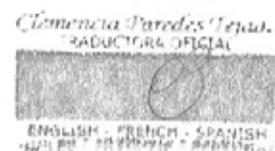
Contractual Maturities of Liabilities: The following table shows the undiscounted cash flows of financial liabilities, as of December 31, 2024 and 2023:

		December 31, 2024						
		1 Month	1-3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	> 5 Years
Term deposit certificates	\$	1.785.792	3.578.808	2.493.144	2.855.203	2.284.517	14.909	-
Outstanding bonds and securities		-	-	-	-	150.000	575.000	474.700
Other relevant contractual liabilities		12.792.181	272.774	1.117.233	721.298	518.162	367.964	1.347

		December 31, 2023						
		1 Month	1-3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	> 5 Years
Term deposit certificates	\$	1.607.720	3.137.361	2.999.399	4.474.673	2.208.853	112.158	-
Outstanding bonds and securities		-	-	-	-	300.000	125.000	924.700
Other relevant contractual liabilities		13.512.917	187.144	558.602	626.053	1.098.501	291.607	20.083

Regulatory Measurement IRL – During 2024, the Group complied with the limits established by the regulation in terms of positive 7-day and 30-day IRL, maintaining levels of high-quality liquid assets above the regulatory limit.

In 2024, the indicator (IRL) in amount and 30-day ratio decreased with respect to the end of 2023. The IRL behavior was mainly influenced by funding management through strategies to reduce volatile deposits and funding compensation through money market transactions. The IRL remains at sufficient levels to meet liquidity requirements.



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In line with the above, the strategy of the Group and Treasury has been adjusted to have an efficient management of liquidity levels, thus complying with the policies and guidelines established locally and by Scotiabank, together with the strengthening of the management of structural portfolios, high-quality liquid assets, and the funding structure of the entity.

The comparative result of the IRLr is shown below:

	December 31, 2024	December 31, 2023
7 days	377%	410%
30 days	217%	193%

	December/23 – December/24		
	Minimum	Average	Maximum
7 days	266%	533%	1,070%
30 days	163%	248%	398%

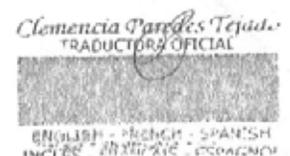
The following table shows the level of liquid assets at the end of December 2024 and their expected availability for a period of 90 days, in accordance with the provisions of the Financial Superintendency of Colombia. Liquid assets show hedging greater than twice the 30-day liquidity needs at the end of December 2024. For the term from 31 to 90 days, the flow projections show a negative gap due to their higher concentration and aggregation in the liability positions, as usual, given the structure of the Bank's balance sheet and liquidity management. In this regard, it is worth mentioning that this does not represent any risk of defaulting on obligations at that term, given that such positions are covered by the high buffers held in the previous terms.

	Liquid Assets at the Cut-Off Date (1)	Days 1 to 7 Total (2)	Days 8 to 15 Total (2)	Days 1 to 30 Total (2)	Days 31 to 90 Total (2)
Dec 31, 2024	\$ 4.104.597	3.105.756	2.417.990	2.212.348	(4.085.491)
Dec 31, 2023	3.411.586	3.132.123	2.741.424	1.996.121	(1.312.452)

- (1) Liquid Assets correspond to the amount of the available funds, investments in debt securities at fair value, investments in open-end mutual funds without a lock-up agreement, securities, or coupons transferred to the Group in the development of lending operations in the money market and that have not been subsequently used in borrowing operations in the money market.
- (2) The residual value of liquid assets for each time band after discounting the modified estimated net liquidity requirement (IRLm).

Throughout 2024, an average level of liquid assets was maintained higher than that recorded at the end of December 2023 (\$4.377.992 and \$3.411.586, respectively). In line with the bank's strategy for reducing funding costs, work is constantly being done to make more efficient use of liquidity, which has translated into an increase in the levels of liquid assets available for use. These levels are sufficient to support liquidity needs and ensure compliance with the regulatory and internal limits.

Minimum	Average	Maximum
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	Dec/23 – Dec/24	Dec/23 – Dec/24	Dec/23 – Dec/24
Total liquid assets	\$ 3.319.795	4.377.992	5.749.989
Investments	902.666	2.213.870	3.449.542
Available fund	1.442.205	2.164.122	2.738.082

Additionally, to monitor the Group's liquidity, the 30-day Consolidated Short-Term Exposure Indicator is measured, which reflects the net liquidity requirements by currency. The indicator is transmitted to the Financial Superintendency of Colombia on a biweekly basis and expressed in dollars.

Indicator	December 31, 2024	December 31, 2023
Bank STEI	USD 413.276.207	USD 437.294.431
Affiliates STEI	USD 6.440.603	USD 8.963.840

Currently, the Group presents positive indicators exceeding the minimum amount required greater than zero.

For further details related to the liquidity of the Broker and Fiduciary, please refer to the separate financial notes.

Regulatory Measurement NSFR

The liquidity indicator called Net Stable Funding Ratio – NSFR allows for monitoring the long-term liquidity of the entities through the structural management of the balance sheet.

This metric established, as of March 2022, the minimum level over the indicator at one hundred percent (100%). In September 2023, the regulatory change established by External Circular 013 of 2023 issued by the Financial Superintendency of Colombia was incorporated.

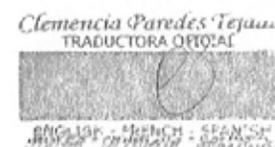
The Bank has complied with the minimum regulatory requirement since the implementation of the indicator. Throughout 2024, the Bank worked on the growth of stable funding sources and focused primarily on reducing costs associated with funding demand deposits related to more volatile customers.

By the end of December 2024, the indicator (NSFR) showed an increase with respect to the end of December 2023. The NSFR performance was mainly benefited by the lowest funding required due to lower portfolio demands, together with a reduction in other assets.

The indicator result is shown below:

	December 31, 2024				December 31, 2023			
	Minimum	Average	Maximum	Last	Minimum	Average	Maximum	Last
NSFR	106,5%	110,2%	114,0%	109,1%	104,4%	108,0%	113,6%	106,5%

Derivative Instruments - The Bank is exposed to liquidity risk in connection with the use of derivative instruments to meet its customers' needs, generate income from trading activities, manage market and credit risks arising from its lending, financing, and investment activities, and reduce its cost of capital.



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The internal and regulatory liquidity risk models reflect the inflows and outflows for derivative instruments through cash flow projections, thereby being considered within the defined limits and liquidity management.

The Bank maintains the implementation of continuous improvements in procedures, methodologies, and internal control mechanisms that allow it to effectively identify, measure, control, and monitor risks and adopt timely decisions for adequate mitigation, in the development of its authorized operations, for positions in the banking book and treasury book, whether on or off the balance sheet.

d. Operational Risk Management

The Group manages operational risks under the Integrated Risk Management System (IRMS) according to External Circular 018 of 2021 issued by the Financial Superintendency of Colombia under the model of the three lines of defense:

The first line is responsible for identifying and assessing risks and managing them, the implementation of preventive and corrective actions, and effective controls to address the deficiencies detected in the processes, the technology, or the administration with third parties. The second line, in this case, Enterprise Risk Management, is responsible for the duties of risk and control supervision, provides frameworks for risk management, identifies emerging issues, reports and detects changes in risk appetite, and also monitors the adequacy and effectiveness of risk management throughout the organization.

Accordingly, the second line of defense has established the Operational Risk Management Policy through which the different programs that allow management of operational risks in the identification, measurement, control, and monitoring stages are reported in order to keep the Group's risk profile updated.

Likewise, through the Operational Risk Matrix (ORM) tool, which reflects the probability of occurrence of risks and the impact or consequence given their materialization, the Operational Risk Profile is generated where, as of December 31, 2024, thirty-three percent (33%) of the risks have a medium rating and sixty-seven percent (67%) of the risks have a low rating, parameters that are within the acceptable risk appetite levels. However, the entity has an action plan in place to improve sustainability and maintenance of risks and controls.

Concerning Third-Party Risk Management (TPRM), through which processes and procedures are established to assess the exposure to risks of outsourced services, during 2024 several improvements were implemented in the process, among which the following improvements stand out:

- i. Expansion of the scope of services subject to the risk assessment process.
- ii. Strengthening of terms and conditions included in purchase orders and special alliance contracts.
- iii. Improvements in due diligence related to technology resilience risk frameworks, information security, and activities for closing "Exit Strategy" agreements.

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- iv. Simplification of risk assessment for various services, including consulting, litigation attorneys, and financial market infrastructure services, among others.
- v. Implementation of improvements to optimize contract renewal and execution processes.

On the other hand, through the strengthening of independent monitoring, opportunities for improvement were identified and follow-up activities were implemented through the establishment of action and monitoring plans, especially for those contracts with a higher level of risk exposure and for the monitoring activities performed by the contract manager during the verification of the third party's compliance with obligations.

Likewise, training activities on Operational Risk were delivered to critical third parties that provide services to financial entities, with the purpose of raising awareness of the importance of risk management on delegated activities.

As of December 2024, the Bank has 468 active contracts, where fifty-eight percent (58%) of the contracts were classified as contracts with medium inherent risk, thirty-four percent (34%) as low-risk contracts, and eight percent (8%) as high- and very-high-risk contracts; Scotia Securities S.A. Comisionista de Bolsa has 7 active contracts, where 3 contracts were classified as contracts with high inherent risk, 2 as low-risk contracts, and 2 as high-risk contracts; Fiduciaria Scotiabank Colpatría has 21 active contracts, where sixty-two percent (62%) of the contracts were classified as contracts with medium inherent risk, thirty-three percent (33%) as low-risk contracts, and five percent (5%) as high-risk contracts; after the risk assessment by the different risk frameworks, it was determined that they are within the Group's risk appetite. Although within the assessment by the different risk frameworks, some control deficiencies or risk alerts were identified, these were considered tolerable and there are action plans in follow-up for the corresponding control task to remedy identified gaps.

Concerning the regulation for compliance with the recording of operational risk events (External Circular 018 of 2021 issued by the Financial Superintendency of Colombia), the loss standard was strengthened to guarantee the correct identification, collection, and processing of loss events, thus complying with the high-quality event base, a specific criterion so that the Bank will be able to calculate its own Internal Loss Indicator (ILI), which is part of the solvency margin calculation, in the following years. In this regard, the Bank is in a transition period, so the ILI is being taken in accordance with the estimates of the Financial Superintendency of Colombia until 2025, which for 2024 was 1,5. The Bank continues to develop different actions at the level of technological systems, adjustment of strategies, and modification of processes to mitigate the operational risk, including strategies to strengthen controls to reduce the risk of fraud and associated monetary losses.

Analysis of Operational Risk Events

The following are the operational losses:

December 31,
2024

December 31,
2023

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Loss			
Fraud	\$	29.359	45.946
Operational risk		5.641	2.647
Fines and penalties		11.254	4.507
Recoveries		(2.847)	(3.054)
	\$	43.407	50.046

Accumulated losses as of December 31, 2024, are distributed as follows: sixty-eight percent (68%) in connection with fraud events, twenty-six percent (26%) in connection with fines, penalties, and litigation; and thirteen percent (13%) corresponding to operational risk events. In comparison with the losses of 2023, a decrease of thirteen percent (13%) was achieved, which is supported by the strengthening and follow-up of the controls implemented in the business units, in addition to the timely identification and management of events to mitigate economic losses.

In order to mitigate the events that generate the highest percentage of losses (fraud), authentication processes and monitoring rules were strengthened, as well as the sending of anti-fraud campaigns through #CriminalMente, a program established by the Bank that provides our customers with greater knowledge of the types of fraud and key points to avoid becoming victims of fraud or the fraud itself, mainly by social engineering. On the other hand, the Biocatch initiative was implemented to evaluate the behavior between the user and the device, facilitating the identification of events with a high rate of fraud in a timelier manner, thus reducing loss levels; as well as the implementation of two-way messaging for the confirmation of customer transactions and facial biometrics in some of the placement channels.

In addition, operational controls were strengthened and implemented in credit card origination/maintenance processes (enhancement and re-issuance), revision with allies and internal working groups to identify weaknesses and subsequent coverage of these.

Business Continuity

During 2024, as part of the strengthening of the Business Continuity Management program, the following activities were carried out:

- Updating of the business impact analysis (BIA) and the business continuity plan (BCP) by the different management departments (78) of the Group, thus complying with the timelines established by Scotiabank.
- Performing alternate site tests by 6 managers of the entity that defined, as part of their recovery strategies, to have an alternate operation center, with satisfactory results.
- Follow-up of the performance of disaster backup and recovery testing (DBR) from the functionality of technological applications to be tested according to the schedule led by the technological infrastructure team, in order to achieve the greatest participation of the different management departments of the Bank.

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- Evaluation of the criticality of suppliers (31) reported in the BIA of processes, validating their compliance with the business continuity program based on the documentation received and the questioning carried out.
- Performance of tests (50) in different scenarios of unavailability defined in the policy by different management departments of the Bank with satisfactory results.

Cybersecurity

During 2024, challenge and independent opinion activities were carried out on different IT and Cybersecurity processes (direct changes in databases, implementation of Bots, execution of DBR, technological obsolescence, and IT and Cybersecurity indicators and strategies, among others) generating opportunities for improvement to established processes, action plans, and controls.

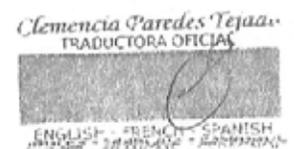
The implemented strategies were followed up and the approach and planning for the IT and Information Security strategies for 2025 were known. Additionally, handling, response, and support were given to the requests and visits of the Financial Superintendency of Colombia at the On-Site visit level regarding the revision of controls for the protection of consumer financial information, with minor recommendations for improvement in third-party verification processes and personal data processing.

The monthly monitoring of the different metrics, among which is the Security Risk Index (SRI), which allows analyzing that with respect to the SRI security indicator, *Protect*, the Group maintained the risk level of the indicator high for most of the year, close to the early warning threshold. However, in November, the objective of reducing the risk level to medium was achieved. During 2024, the components that most affected the SRI indicator *Protect* were those associated with phishing vulnerabilities and susceptibility.

The analysis of the SRI risk index, *Identify*, shows that during most of the year, the indicator remained at a low level and below the early warning threshold. The increase in the indicator in some months was due to the device detection component.

During 2024, a new IT and Cybersecurity risk indicator called "SRI 2.0" was implemented, which will generate metrics at a more executive level on the following processes: Vulnerability Management, Software Currency, Management of Assets, Failures caused by Changes, Monitoring of Critical Components, and Key Controls at Endpoints, among others. This new risk indicator will be analyzed to be incorporated into the local Risk Appetite Framework for 2025, allowing a more global view of key information security controls.

Regarding the monitoring of the indicator of hours of technological availability, the respective follow-up was carried out identifying that during 2024, the indicator exceeded the established limits (9,6 hours) during March, May, and July with a WIH of 11,87, 21,57, and 20,40 hours, respectively, observing the normalization of the indicator during the last quarter of the year. During the closing of each month, the second line analyzed the incidents and issued recommendations to the Technology area on those that generated unavailability or degradation of services, in order to generate changes that mitigate the root cause of the analyzed incidents.



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The DBR (Disaster Business Recovery) program planned for 2024, which focuses on testing IT operations at alternate sites, was fully and satisfactorily completed. At the end of 2024, the DBR 2025 program was planned and approved.

Likewise, the program to reduce technological obsolescence (Software Currency) was implemented as usual. The case of the business, scope, and budget for the fiscal year 2025 was managed by the Technology team.

Finally, as regards cyber threats, during the year, there were constant phishing and smishing attacks with which different public and private entities were impersonated to deceive people and obtain money and personal information. The Group reinforced the importance of managing the risk of third parties due to external and internal situations that have had an impact on the Group.

Model Risks

The Group manages the model risk associated with the probability of making erroneous decisions derived from the use of statistical tools. Within the non-financial risk management framework, the initial assessment and monitoring of the models implemented in the Bank is performed. The following were the activities carried out:

- Validation of different models used as an independent questioning of the development process through the conceptual revision of the methodology, the model testing, and the verification of the processes, as well as a revision of the assessment in use; the above to mitigate the model risk that may arise, among other things, from improper specifications, incorrect parameter assumptions, hypotheses or false assumptions, according to the Group's risk appetite.
- Updating the inventory by the fourth quarter of 2024 to maintain adequate governance in the monitoring, recording, and reporting of the Group's models.

Participation in Meetings and Submission of Reports

As required, the Group participates in periodic meetings with Scotiabank to address issues related to operational risk management and its different programs. In addition, monthly risk committees are held to inform senior management of relevant events and the Operational Risk evolution, all within the framework of regulatory compliance associated with IRMS.

e. Money Laundering and Terrorist Financing Risk Management System (ML/TF-RMS)

The Money Laundering and Terrorist Financing Risk Management System (ML/TF-RMS) meets and incorporates the characteristics of the Group and Scotiabank as well as the regulatory requirements, best practices, and international recommendations, especially those issued by the Group of Financial Action Task Force – FATF.

The Bank's Money Laundering and Terrorist Financing (ML/TF) Residual Risk profile has behaved within the acceptance levels approved by the Board of Directors, taking into account that no situations were



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affecting the ordinary performance of ML/TF-RMS. To determine this profile, control evaluations were conducted, and the results of the revisions carried out by the control bodies were taken into account.

During the fourth quarter of 2024, various changes and modifications were made to the Institutional ML/TF Risk Prevention Policy and its corresponding procedures, which were approved by the Board of Directors and communicated to the interested parties for their corresponding adoption.

As part of the transaction monitoring process, unusual transactions were identified and analyzed under the parameterized rules, and suspicious transactions were identified and reported where necessary. The officers were also reminded of their commitment to report unusual transactions and situations through the established communication channels.

As part of the transaction monitoring process, the monitoring rules were revised, and adjustments were made to the tools used. The officers were also reminded of their commitment to report unusual transactions and situations through the established communication channels.

Different training and communication activities were developed for all officers to raise awareness and specify duties and liabilities in connection with the prevention and control of the risk of ML/TF and Sanctions. These training activities were supported by different methodologies and developed according to the target group.

The requirements of the competent authorities were met within the agreed deadlines, and objective reports were sent to the Financial Information and Analysis Unit, following the guidelines issued by the regulator.

f. Issuer and Counterparty Risk Management System (SARIC in its initials in Spanish)

Exposure to counterparty risk (SARIC in its initials in Spanish) is understood as the contingency to which Scotia Securities is exposed as a consequence of the default in one or several transactions by its counterparties (or customers), events in which it will have to remedy for the default with its own resources or materialize a loss in its balance sheet.

This risk may arise in the development of transactions on its own account when the counterparty of the transaction fails to meet its obligations. Likewise, when one of its customers on behalf of which it carries out transactions fails to meet its obligations of payment or delivery of guarantees regarding the transactions entered into under the commission contract.

On the other hand, in accordance with the regulations in force (Decree 2555 of 2010), the value of all the risks that the Broker contracts and maintains with the same issuer or group of related issuers may not exceed thirty percent (30%) of its technical equity. For this reason, the entity has implemented a daily control on the concentration per issuer, which contemplates verification of the positions in securities and/or bank deposits per issuer.

Scotia Securities Colombia has adopted the guidelines of the Financial Superintendency of Colombia as regards the Integrated Risk Management System (IRMS) of Counterparty Risk (SARIC) regulated in Chapter XXXI of the Basic Accounting and Financial Circular.



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Likewise, the Broker structures its SARiC and issuer risk management through the Counterparty Risk Management (SARiC) Manual, which defines the stages of identification, measurement, control, and monitoring for the management of such risk, as well as the procedures and policies according to the development of its operations, based on local regulatory provisions and the guidelines of its parent company, Scotiabank Colpatría S.A.

g. Capital Administration

Capital Management

The Group's policy is to maintain a strong capital base to preserve the confidence of investors, creditors, and the market in general, as well as to support the future development of the business. The impact of the capital level on the return to shareholders is also recognized and a balance is sought to be maintained between high returns and the advantages and security offered by a strong capital position capable of absorbing unexpected losses. The Group's Board of Directors and Scotiabank continuously monitor the various financial risks to which positions within and outside the Bank's separate statement of financial position are exposed, including capital management risk.

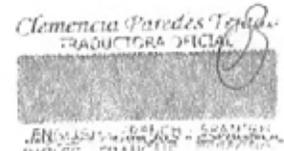
Capital Allocation

The financial risk management and control policy is set directly by the Group's senior management, analyzed and approved by the Board of Directors, and appropriately disclosed by the Group.

The risk policy is reviewed and updated as part of the annual review process and implemented for the following year of operation. Senior management monitors its capital base based on regulatory capital levels. The allocation of capital between specific operations and activities is, for the most part, driven by optimizing the return received from the capital allocation. The amount of capital allocated to each operation or activity is based in principle on regulatory capital requirements. However, these requirements do not always reflect the varying degree of risk associated with some activities. Although the allocation of capital is based on the optimization of the return received, there are different bases used for decision-making. In this regard, synergies that may exist between operations and activities and other resources and the adequacy of these activities with the Group's long-term objectives are also taken into account. Finally, the Group's policies with respect to capital management are reviewed periodically by the Board of Directors.

The Bank complies with the solvency margin requirements in accordance with the provisions of Decree 2555 of 2010, as amended by Decrees 1477 on August 6, 2018, and 1421 of August 6, 2019. This regulatory framework is aligned with the definitions of regulatory capital established by the International standard, in accordance with Basel III applicable in Colombia. Likewise, it defines the minimum regulatory Solvency and equity ratios, which are determined by the value of the technical equity, assets weighted by the credit risk level, market risk exposure, operational risk exposure, and leverage value, and include capital conservation buffers to avoid deficits.

In relation to the subsidiaries, as of March 2024, under the regulation of External Circular 003 of February 3, 2023, of the Financial Superintendency of Colombia, the existing rules on the calculation of the solvency ratio of the companies that manage third-party assets were adjusted. In turn, Chapter XIII-17 "Solvency Margin of the Companies that Manage Third-Party Assets" of the CBF was created to provide instructions related to the adequate equity and the minimum solvency ratio of the companies that manage third-party assets.



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The minimum regulatory solvency and adequate equity ratios as of January 1, 2021, applicable to the Bank are as follows:

	Minimum	Conservation Buffer	Minimum plus Conservation Buffer	Capital Buffer for Systemically Important Entities*	Minimum plus Combination Buffer*
Basic solvency ratio	4,5%	1,5%	6%	1%	7%
Additional basic solvency ratio	6%	1,5%	7,5%	1%	8,5%
Total solvency ratio	9%	1,5%	10,5%	1%	11,5%

* For entities defined as systemically important.

Fiduciaria Scotiabank Colpatría S.A. and Scotia Securities (Colombia) S.A. have a minimum solvency requirement of nine percent (9%).

As of December 31, 2024, the Bank and its subsidiaries meet the minimum required solvency and adequate equity ratios. The indicators of these are:

	December 31, 2024		December 31, 2023	
	Solvency Margin	Technical Equity	Solvency Margin	Technical Equity
Scotiabank Colpatría S.A.	11,72%	2.931.452	11,81%	3.192.585
Fiduciaria Scotiabank Colpatría S.A.	28,81%	18.514	33,74%	24.364
Scotia Securities (Colombia) S.A.	397,00%	43.731	292,00%	42.925



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8. Analysis of Changes in Financing During the Year

The following is the reconciliation of the movements in financing activities:

	December 31, 2024					
	Financial Obligations	Outstanding Investment Securities	Ordinary Shares	Share Issue Premium	Net Income for the Period and Retained Earnings	Total
Balance as of December 31, 2023	\$ 5,508,629	1,373,606	358,318	909,189	122,609	8,272,351
Changes in financing cash flows						
Payment of bonds	-	(150,000)	-	-	-	(150,000)
Other lease movements	(29,556)	-	-	-	-	(29,556)
Acquisition of financial obligations	311,648,237	-	-	-	-	311,648,237
Payment of financial obligations	(310,847,822)	-	-	-	-	(310,847,822)
Total changes in financing cash flows	770,859	(150,000)	-	-	-	620,859
Exchange rate difference	309,436	-	-	-	-	309,436
Related to liabilities						
Interest paid	(435,340)	(177,125)	-	-	-	(612,465)
Interest expenses on leases, bonds, and financial obligations	426,705	164,304	-	-	-	591,009
Total other changes related to liabilities	(8,635)	(12,821)	-	-	-	(21,456)
Total other changes related to net equity	-	-	-	-	181,733	181,733
Balance as of December 31, 2024	\$ 6,580,289	1,210,785	358,318	909,189	304,342	9,362,923

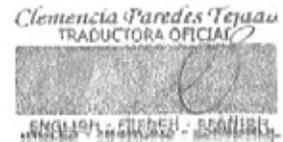


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December 31, 2023

	Financial Obligations	Outstanding Investment Securities	Ordinary Shares	Share Issue Premium	Net Income for the Period and Retained Earnings	Total
Balance as of December 31, 2022	\$ 4,210,736	1,373,919	322,079	695,428	461,174	7,063,336
Changes in financing cash flows						
Capitalization	-	-	36,239	213,761	-	250,000
Additions of leases	2,719	-	-	-	-	2,719
Other lease movements	(65,961)	-	-	-	-	(65,961)
Acquisition of financial obligations	281,236,952	-	-	-	-	281,236,952
Payment of financial obligations	(279,486,819)	-	-	-	-	(279,486,819)
Total changes in financing cash flows	1,686,891	-	36,239	213,761	-	1,936,891
Exchange rate difference	(387,286)	-	-	-	-	(387,286)
Related to liabilities						
Interest paid	(485,016)	(187,532)	-	-	-	(672,548)
Interest expenses on leases, bonds, and financial obligations	483,304	187,219	-	-	-	670,523
Total other changes related to liabilities	(1,712)	(313)	-	-	-	(2,025)
Total other changes related to net equity	-	-	-	-	(338,565)	(338,565)
Balance as of December 31, 2023	\$ 5,508,629	1,373,606	358,318	909,189	122,609	8,272,351



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9. Cash and Cash Equivalents

The following are the details of cash and cash equivalents:

	December 31, 2024	December 31, 2023
Legal currency		
Cash (1)	\$ 470.410	742.263
Banco de la República (2)	939.469	693.450
Banks and other financial entities	10.238	20.793
Exchange	465	224
	<u>1.420.582</u>	<u>1.456.730</u>
Foreign currency		
Cash	1.038	2.208
Banks and other financial entities	1.264.657	1.117.408
	<u>1.265.695</u>	<u>1.119.616</u>
Total cash and cash equivalents	\$ <u>2.686.277</u>	<u>2.576.346</u>

- (1) The decrease is due to lower levels of cash required in the ATMs available to the public.
(2) The increase in the balance in the Banco de la República account is mainly due to the realization of interest-bearing deposits in foreign currency and the implementation of strategies that seek to optimize the efficiency of the reserve requirement based on the levels of concentration in deposits.

Deposits in cash and Banco de la República may be used in full as part of the legal reserve required by the Board of Directors of Banco de la República. Calculation of the proportionality in the use of these deposits is made on the deposits subject to reserve requirements.

As of December 31, 2023, the legal reserve requirement in Colombia was eight percent (8%) for deposits in checking and savings accounts and three comma five percent (3,5%) for deposit certificates of less than 18 months. With External Resolution No. 3, issued by Banco de la República in August 2024, the reserve requirement percentages were set at seven percent (7%) for deposits in checking and savings accounts and two comma five percent (2,5%) for deposit certificates of less than 18 months, applicable as of September 11, 2024. The legal reserve required, as of December 31, 2024 and 2023, to meet liquidity requirements for deposits in checking and savings accounts is \$906 and \$1.131, respectively, and the legal reserve required to meet liquidity requirements for deposit certificates of less than 18 months is \$218 and \$371, respectively.

Restrictions on the Group's cash and cash equivalents are restricted to special funds and the reserve requirement in Colombia.

10. Investment Financial Assets

The balance of financial assets in debt securities and investments in equity instruments comprise the following.

	December 31, 2024	December 31, 2023
Investments at fair value through profit and loss		
Debt instruments (1)	\$ 1.654.722	663.112
Equity instruments (2)	45.470	19.844
	<u>1.700.192</u>	<u>682.956</u>
Investments at amortized cost	<u>1.443.074</u>	<u>1.567.625</u>

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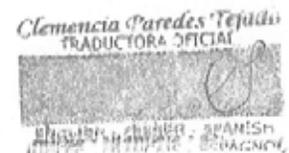
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	December 31, 2024	December 31, 2023
Investments at fair value through OCI		
Debt instruments (3)	2.841.206	2.096.135
Equity instruments	145.099	133.946
	2.986.305	2.230.081
Total investment financial assets	\$ 6.129.571	4.480.662

- (1) During 2024, these investments showed an increase of \$991.610 as compared with the balances reported as of December 2023, mainly due to the acquisitions of T-Bills and short-term TES securities by the Bank's treasury, as part of the liquidity management strategy and the risk management business model.
- (2) During 2024, there was an increase in these investments mainly due to the valuation in Redeban Multicolor S.A., according to the report submitted by the market supplier, Precia.
- (3) As of December 31, 2024, an increase of \$745.071 was recorded as compared with the balances reported as of December 31, 2023, mainly related to acquisitions of TES securities by the Bank's treasury, which responds to the deposit hedging strategy that the Bank has been developing given the current cycle of the monetary policy interest rate.

Interest received on investment assets on December 31, 2024 and 2023, was \$198.860 and \$166.464, respectively.

Dividends received from investments in equity instruments on December 31, 2024 and 2023, were \$6.574 and \$5.688, respectively.



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The following is a summary of financial investment assets by maturity date:

	December 31, 2024						
	Up to Three Months		More than Three Months and Not More than One Year		More than One Year		Total
	Up to One Month	More than One Month and Not More than Three Months	More than Three Months and Not More than Six Months	More than Six Months and Not More than One Year	Between One and Three Years	More than Three Years and Not More than Five Years	
Investments at fair value through profit and loss	\$ 550,027	-	332	5,136	148,305	16	1,700,192
Investments at fair value through other comprehensive income	-	14,569	324,810	592,360	563,542	635,448	2,986,305
Investments at amortized cost	213,291	-	610,354	420,654	198,775	-	1,443,074
	\$ 763,318	14,569	935,496	1,018,150	910,622	635,464	6,129,571

	December 31, 2023						
	Up to Three Months		More than Three Months and Not More than One Year		More than One Year		Total
	Up to One Month	More than One Month and Not More than Three Months	More than Three Months and Not More than Six Months	More than Six Months and Not More than One Year	Between One and Three Years	More than Three Years and Not More than Five Years	
Investments at fair value through profit and loss	\$ 121,808	321,580	-	27,552	43,324	873	682,956
Investments at fair value through other comprehensive income	-	-	-	129,844	309,993	592,509	2,230,081
Investments at amortized cost	239,914	9,341	636,255	473,365	130,346	78,404	1,567,625
	\$ 361,722	330,921	636,255	630,761	483,663	671,786	4,480,662

Resolución
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11. Trading and Hedging Derivatives

The details of the fair value of derivative instruments are as follows:

	Derivative Assets			
	December 31, 2024		December 31, 2023	
	Trading (1)	Hedging (2)	Trading	Hedging
Interest rate contracts				
Interest rate swap	\$ 164.949	5.068	448.726	4.810
Foreign exchange contracts				
Currency forward	407.683	-	1.184.623	-
Currency swap	8.290	106.104	37.097	174.558
Spot transactions	267	-	90	-
Currency options	25.246	-	38.608	-
Securities contracts				
Securities forward	14.722	-	-	-
Total	\$ 621.157	111.172	1.709.144	179.368
	Derivative Liabilities			
	December 31, 2024		December 31, 2023	
	Trading (1)	Hedging (2)	Trading	Hedging
Interest rate contracts				
Interest rate swap	\$ 167.783	-	454.017	45.484
Foreign exchange contracts				
Currency forward	438.997	-	803.813	-
Currency swap	18.385	-	36.781	189.464
Spot transactions	2	-	-	-
Currency options	17.123	-	57.620	-
Securities contracts				
Securities forward	4.975	-	292	-
Cash flows contracts				
Currency swap	-	67.899	-	-
Interest rate swap	-	9.196	-	-
Total	\$ 647.265	77.095	1.352.523	234.948

(1) Trading Derivatives

The fair value of derivative instruments has positive or negative variations as a result of fluctuations in exchange rates, interest rates, or other risk factors depending on the type of instrument and the underlying.

(2) Hedging Derivatives

a. Cash Flow Hedges

Hedging with Derivatives

This type of strategy seeks to protect the variability of the flows received or paid by the Bank from the balance sheet items designated as hedging objects, through the use of derivative instruments. In general, the swaps used can change, e.g., the payment flows of an item from USD to COP, or from the IBR variable rate to the fixed rate, protecting the balance sheet from the volatility of such exposures.

Cash Flow Hedges, Assets

- Synthetic Investments: USD bond investments

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As part of its structural investment portfolio, the Bank purchases sovereign bonds in USD (Yankees) and designates the flows received from these bonds as a hedge object in order to change them from USD fixed-rate flows to COP fixed-rate flows, eliminating the exchange rate volatility.

The hedging instrument is a Cross Currency Swap, in which the Bank receives a fixed rate in COP and pays a fixed rate in USD (replicating the coupon and principal payments to be received from the bond), thus limiting the volatility of the flows received in the face of changes in the USD/COP rate.

Cash Flow Hedges, Liabilities:

- Synthetic Funding: Loans in USD

The Bank has loans in USD indexed to USD variable interest rate (SOFR + Spread), or in USD fixed rate. In this sense, the objective of this strategy is to limit the volatility of the projected cash flows from the loan, in the face of variations in the USD/COP exchange rate.

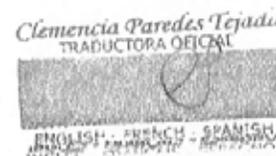
The hedging instrument is a Cross Currency Swap, in which the Bank pays a fixed rate in COP and receives a fixed or variable rate in USD (under the same conditions of the loan taken). This hedge effectively translates the designated component of the cash flows of the loan in USD into a fixed-rate instrument in COP and, therefore, eliminates the volatility of the paid cash flows in the face of changes in the USD/COP exchange rate.

- Macro Hedging – 90-day TDC portfolio and interest-rate sensitive demand accounts.

In its operations, the Bank issues 90-day TDCs and captures demand resources that have a high correlation with the monetary policy rate (IBR overnight indicator). In this sense, the objective of this strategy is to limit the variability of the repricing of this type of liabilities to the base interest rate risk and pay a fixed rate at a determined term.

The hedging instrument is an interest rate swap in COP, in which the Bank receives IBR overnight and pays a fixed rate at a determined term, thus fixing the cost of the base risk of 90-day deposits and demand accounts.

For the Period Ending on December 31, 2024	Par Value of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Hedge Ineffectiveness			Carrying Amount of the Hedged Item
		Assets	Liabilities	Gains/(Losses) on Hedging Instruments Used to Calculate Hedge Ineffectiveness	Gains/(Losses) on the Hypothetical Derivative Used to Calculate Hedge Ineffectiveness	Hedge Ineffectiveness Recorded in Net Income for the Period	
Cash Flow Hedges							
Treasury bonds (USD) / Cross currency swap	568.921	74.869	3.017	62.746	62.898	-	529.770
Demand deposits / IRS swap	271.528	-	7.703	(8.092)	(12.348)	(167)	271.528
90-day term deposit certificates / IRS swap	182.380	280	-	322	11	15	182.380
Loans in foreign currency / Cross currency swap	971.619	31.235	64.882	(26.859)	(26.859)	-	953.685
Total	1.994.448	106.384	75.602	28.117	23.702	(152)	1.937.363



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For the Period Ending on December 31, 2023	Par Value of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Hedge Ineffectiveness		Hedge Ineffectiveness Recorded in Net Income for the Period	Carrying Amount of the Hedged Item
		Assets	Liabilities	Gains/(Losses) on Hedging Instruments Used to Calculate Hedge Ineffectiveness	Gains/(Losses) on the Hypothetical Derivate Used to Calculate Hedge Ineffectiveness		
Cash Flow Hedges							
Treasury bonds (USD) / Cross currency swap	568.921	174.558	-	167.299	167.585	108	454.863
Demand deposits / IRS swap	271.528	-	32.617	(34.128)	(41.145)	-	271.528
90-day term deposit certificates / IRS swap	388.530	4.810	569	3.185	2.895	185	388.530
Loans in foreign currency / Cross currency swap	1.254.127	-	189.464	(175.729)	(175.729)	-	1.095.462
Total	2.483.106	179.368	222.650	(39.373)	(46.394)	293	2.210.383

Items that Have Affected the Statement of Other Comprehensive Income

The following table summarizes the movement of the cash flow hedge in other comprehensive income:

For the Period Ending on December 31, 2024	Gains/(Losses) on OCI as of December 31, 2023	Net Gains/(Losses) Recognized in OCI	Amount Reclassified to Net Income	Gains (Losses) in OCI as of December 31, 2024	Balance in Cash Flow Hedge Unrealized Reserve/Foreign Currency Currency Translation Account as of December 31, 2024
					Active Hedges
Cash Flow Hedges					
Treasury bonds (USD) / Cross currency swap	68.383	(49.590)	17.357	36.150	36.150
Demand deposits / IRS swap	(34.128)	29.044	(3.087)	(8.171)	(8.171)
90-day term deposit certificates / IRS swap	2.870	3.113	(6.010)	(27)	(27)
Loans in foreign currency / Cross currency swap	(7.060)	77.275	(73.423)	(3.208)	(3.208)
Total	30.065	59.842	(65.163)	24.744	24.744

For the Period Ending on December 31, 2023	Gains/(Losses) on OCI as of December 31, 2022	Net Gains/(Losses) Recognized in OCI	Amount Reclassified to Net Income	Gains (Losses) in OCI as of December 31, 2023	Balance in Cash Flow Hedge Unrealized Reserve/Foreign Currency Currency Translation Account as of December 31, 2023
					Active Hedges
Cash Flow Hedges					
Treasury bonds (USD) / Cross currency swap	-	243.650	(175.267)	68.383	68.383
Demand deposits / IRS swap	-	(27.716)	(6.412)	(34.128)	(34.128)
90-day term deposit certificates / IRS swap	15.304	2.208	(14.642)	2.670	2.670
Loans in foreign currency / Cross currency swap	19.822	(401.789)	374.907	(7.060)	(7.060)
Total	35.126	(183.647)	178.586	30.065	30.065



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Cash Flow Hedges of Highly Probable Transactions

At present, the Bank has contractual obligations in dollars which, due to the volatility of the exchange rate (USD/COP), affect the Bank's net income to the extent that payments are made on a future date. Given this, for hedging purposes, they are classified as highly probable transactions.

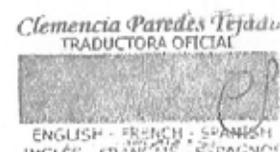
For purposes of this strategy, the hedged item is defined as the projected USD cash flows that the Bank would pay for within a predefined and sufficiently delimited future period, starting with the first cash flow to be paid. The projected USD cash flows, which are eligible to be hedged, are based on the Bank's budget expenditure projection.

The hedging instrument, in this case, is the purchase of US dollars in the SPOT market, according to the schedule of projected cash flows for the payments that are the hedged item. For this reason, a long position in USD/COP is designated as a hedging instrument through the purchase of cash, where the Bank purchases a specific amount of dollars at an exchange rate and allocates them to the monthly payment of these obligations considered highly probable.

b. Fair Value Hedge

This type of strategy seeks to protect the fair value of the hedged item through the use of hedging instruments, in general, swaps that reflect the movements of the interest rate curve, as the case may be. The swaps used as hedges reflect interest rate expectations through the exchange of the variable rate (IBR) vs. fixed rate.

For the Period Ended December 31, 2024	Par Amount of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Hedge Ineffectiveness			Carrying Amount of the Hedged Item	Accumulated Amount of the Gains/(Losses) Adjustments to the Fair Value Hedge over the Hedged Item
		Assets	Liabilities	Gains/(Losses) on the Hedging Instrument Used to Calculate Ineffectiveness	Gains/(Losses) on the Hedged Item Used to Calculate Ineffectiveness	Ineffectiveness of the Hedge Recorded in Net Income for the Period		Active Hedges
Interest Rate Risk - Swap								
TES fixed-rate securities / IRS swap	265.000	4.194	1.386	22.817	(23.907)	(1.090)	226.216	9.395
Term deposits (TDC) / IRS swap	517.200	594	107	(3.507)	3.524	17	521.703	(3.524)
Total	782.200	4.788	1.493	19.310	(20.383)	(1.073)	747.919	5.871



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For the Period Ended December 31, 2023	Par Amount of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Hedge Ineffectiveness			Accumulated Amount of the Gains/(Losses) Adjustments to the Fair Value Hedge over the Hedged Item	Active Hedges
		Assets	Liabilities	Gains/(Losses) on the Hedging Instrument Used to Calculate Ineffectiveness	Gains/(Losses) on the Hedged Item Used to Calculate Ineffectiveness	Ineffectiveness of the Hedge Recorded in Net Income for the Period		
Interest Rate Risk - Swap								
TES fixed-rate securities / IRS swap	265.000	-	12.045	(13.705)	14.512	807	219.312	(14.512)
Total	265.000	0	12.045	(13.705)	14.512	807	219.312	(14.512)

Cash Flow Schedule

Par Amount	December 31, 2024				December 31, 2023			
	Remaining Term to Maturity				Remaining Term to Maturity			
	Up to One Year	Between One Year and Five Years	More than Five Years	Total	Up to One Year	Between One Year and Five Years	More than Five Years	Total
Cash Flow Hedge								
USD bonds / Cross currency swap	\$ -	312.126	256.795	568.921	-	199.638	369.283	568.921
Demand deposits / IRS swap	-	-	271.528	271.528	-	-	271.528	271.528
90-day TDCs / IRS swap	142.100	40.280	-	182.380	206.150	182.380	-	388.530
Foreign currency loans / Cross currency swap	971.619	-	-	971.619	282.513	971.619	-	1.254.132
Fair Value Hedges								
TES fixed-rate securities / IRS swap	-	160.000	105.000	265.000	-	160.000	105.000	265.000
Term deposits (TDC) / IRS swap	332.000	185.200	-	517.200	-	-	-	-
Total	\$ 1.445.719	697.606	633.323	2.776.648	488.663	1.513.637	745.811	2.748.111

Average Rate or Price

Average Price or Rates of Hedging Instruments	December 31, 2024		December 31, 2023	
	Fixed Interest Rate (1)	Exchange Rate (2)	Fixed Interest Rate (1)	Exchange Rate (2)
Cash Flow Hedges (Assets)				
Exchange rate difference / Interest rate risk - Swap	13,88%	4.632,22	13,88%	4.632,22
Cash Flow Hedges (Liabilities)				
Interest rate risk - Swap	9,41%	N/A	9,17%	N/A
Exchange rate difference / Interest rate risk - Swap	13,89%	4.519,16	13,69%	4.459,86
Fair Value Hedges (Assets)				
Interest rate risk - Swap	9,06%	N/A	9,06%	N/A
Fair Value Hedges (Liabilities)				
Interest rate risk - Swap	8,96%	N/A	N/A	N/A

- (1) Weighted average interest rates relationships of all relationships. Annual Effective Rates (30/360)
(2) Weighted average agreed-upon exchange rates of all hedging relationships

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12. Loan Portfolio and Financial Leasing Operations

As of December 31, 2024 and 2023, the consumer portfolio includes the housing portfolio and the commercial portfolio and includes loans with commercial mortgages.

The following are the details of the portfolio by type of segment:

	December 31, 2024	December 31, 2023
Commercial portfolio	\$ 9.324.094	12.015.350
Impairment of commercial portfolio	(236.743)	(238.436)
Consumer portfolio	18.354.502	19.230.146
Impairment of consumer portfolio	(1.089.838)	(1.160.146)
Total	\$ 26.352.015	29.846.914

Impairment Movement for Loan Portfolio

The following are the details of the impairment of commercial and consumer portfolios:

Beginning balance as of December 31, 2023	\$	(1.398.582)
Expenses for portfolio impairment		(1.453.466)
OCI portfolio impairment		(216.378)
Write-offs		1.628.851
Sale of current portfolio and others		112.994
Balance as of December 31, 2024	\$	(1.326.581)
Beginning balance as of December 31, 2022	\$	(1.143.240)
Expenses for portfolio impairment		(1.478.290)
OCI portfolio impairment		(79.346)
Write-offs		1.187.060
Sale of current portfolio and others		115.234
Balance as of December 31, 2023	\$	(1.398.582)

a. Consumer Portfolio

Provision for loan portfolio impairment

	December 31, 2024			December 31, 2023		
	Capital	Impairment	Total	Capital	Impairment	Total
Cards	\$ 3.909.157	(316.678)	3.592.479	4.249.237	(366.785)	3.882.452
Revolving + Overdraft + Prestacheque	829.114	(55.832)	773.282	1.086.386	(97.709)	988.677
Codensa	1.515.490	(111.648)	1.403.842	1.670.175	(112.545)	1.557.630
Mortgage + Employees	6.602.647	(105.491)	6.497.156	6.822.089	(96.411)	6.725.678
Commercial mortgage	428.547	(7.829)	420.718	493.743	(9.483)	484.260

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Instalamento + Unlinked + Others	4.143.734	(384.601)	3.759.133	4.023.306	(395.114)	3.628.192
Payment orders	24.235	(1.404)	22.831	44.784	(2.957)	41.827
Restructured	586.753	(77.323)	509.430	380.380	(52.944)	327.436
Vehicle + SME	314.825	(29.032)	285.793	460.046	(26.198)	433.848
Total	\$ 18.354.502	(1.089.838)	17.264.664	19.230.146	(1.160.146)	18.070.000

Segmentation by Stages of Credit Losses in Loans

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Cards	\$ 108.351	115.813	92.514	316.678
Revolving + Overdraft + Prestocheque	15.451	19.048	21.333	55.832
Codensa	27.731	41.142	42.775	111.648
Mortgage + Employees	10.981	42.553	51.957	105.491
Commercial mortgage	547	4.256	3.026	7.829
Instalamento + Unlinked + Others	40.017	182.067	162.517	384.601
Payment orders	778	464	162	1.404
Restructured	2.339	16.018	58.966	77.323
Vehicle + SME	1.407	2.704	24.921	29.032
Total	\$ 207.602	424.065	458.171	1.089.838

	December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Cards	\$ 129.548	138.767	98.470	366.785
Revolving + Overdraft + Prestocheque	26.016	29.967	41.726	97.709
Codensa	36.667	43.840	32.038	112.545
Mortgage + Employees	12.471	42.662	41.278	96.411
Commercial mortgage	1.077	3.700	4.706	9.483
Instalamento + Unlinked + Others	147.506	138.697	108.911	395.114
Payment orders	1.797	713	447	2.957
Restructured	3.659	30.820	18.465	52.944
Vehicle + SME	2.215	3.689	20.294	26.198
Total	\$ 360.956	432.855	366.335	1.160.146

The following table presents the changes in credit loss movements during the year:

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2023	\$ 360.956	432.855	366.335	1.160.146
Remeasurements	(640.705)	(733.707)	1.114.057	(260.355)

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	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Changes in models and methodologies (Covid-19)	(203.264)	(46.575)	(7.892)	(257.731)
Impairment due to new loans	331.476	357.959	264.312	953.747
Release for cancellations and payments	(379.195)	(568.958)	(525.246)	(1.473.399)
Transfer to:				
Stage 1	677.633	398.623	311.519	1.387.775
Stage 2	60.189	563.039	557.423	1.180.651
Stage 3	512	20.829	122.591	143.932
Total impairment movement	(153.354)	(8.790)	1.836.764	1.674.620
Write-offs	-	-	(1.557.815)	(1.557.815)
Recoveries	-	-	(187.113)	(187.113)
Balance as of December 31, 2024	\$ 207.602	424.065	458.171	1.089.838

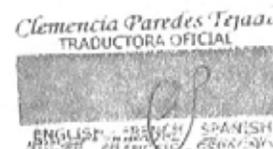
	December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2022	\$ 375.041	300.876	263.288	939.205
Remeasurements	(961.287)	(617.563)	1.171.658	(407.192)
Changes in models and methodologies (Covid-19)	(136.457)	13.277	23.650	(99.530)
Impairment due to new loans	817.521	856.521	598.278	2.272.320
Release for cancellations and payments	(254.136)	(698.867)	(906.664)	(1.859.667)
Transfer to:				
Stage 1	407.603	343.302	314.977	1.065.882
Stage 2	111.876	224.135	133.294	469.305
Stage 3	795	11.174	54.288	66.257
Total impairment movement	(14.085)	131.979	1.389.481	1.507.375
Write-offs	-	-	(1.145.531)	(1.145.531)
Recoveries	-	-	(140.903)	(140.903)
Balance as of December 31, 2023	\$ 360.956	432.855	366.335	1.160.146

Key Input and Assumptions

A model based on portfolio rolling between delinquency bands by product is used, under this understanding, the key controls include:

- An accounting reconciliation process for reporting balances by arrears period, write-off amount, and recovery amounts.
- An auditable process for the model implementation parameters such as the average product rate and the expected remaining life of the portfolio.

Macroeconomic scenarios are included in the model to calculate the level of expected credit losses through adjustment factors at the level of losses in optimistic, pessimistic, and base scenarios, which are weighted according to economic expectations.



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	Impairment	Base Scenario	Optimistic Scenario	Pessimistic Scenario	Pessimistic Scenario FL
Consumption (Stages 1 & 2)	\$ 631.669	746.291	702.920	881.287	1.033.709

Carrying Amount of Exposures by Risk Rating

The following is the exposure by risk contribution for Probability Given Default (PGD) by class of credit:

Credit Cards PGD Category	Stage 1	Stage 2	Stage 3	Total
Very low	\$ 3.835	112.970	90.559	207.364
Low	30.853	1.956	651	33.460
Medium	33.601	587	686	34.874
High	28.643	282	618	29.543
Very high	11.419	18	-	11.437
Total	\$ 108.351	115.813	92.514	316.678

Revolving PGD Category	Stage 1	Stage 2	Stage 3	Total
Very low	\$ 207	18.453	20.762	39.422
Low	3.852	366	135	4.353
Medium	4.166	138	236	4.540
High	5.307	81	181	5.569
Very high	1.919	10	19	1.948
Total	\$ 15.451	19.048	21.333	55.832

Codensa PGD Category	Stage 1	Stage 2	Stage 3	Total
Very low	373	33.548	32.991	66.912
Low	\$ 3.717	2.691	5.448	11.856
Medium	4.924	3.511	3.055	11.490
High	7.545	919	770	9.234
Very high	11.172	473	511	12.156
Total	\$ 27.731	41.142	42.775	111.648

Total Mortgage PGD Category	Stage 1	Stage 2	Stage 3	Total
Very low	\$ 864	33.374	27.396	61.634
Low	5.827	13.380	27.145	46.352
Medium	3.548	51	230	3.829
High	1.001	2	48	1.051
Very high	288	2	164	454
Total	\$ 11.528	46.809	54.983	113.320



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Loans				
PGD Category	Stage 1	Stage 2	Stage 3	Total
Very low	\$ 10	148.731	219.094	367.835
Low	141	30.040	73	30.254
Medium	11.523	19.255	61	30.839
High	12.447	131	129	12.707
Very high	19.013	392	2.288	21.693
Total	\$ 43.134	198.549	221.645	463.328

Vehicle + SME				
PGD Category	Stage 1	Stage 2	Stage 3	Total
Very low	\$ -	150	208	358
Low	15	11	6	32
Medium	17	-	-	17
High	9	-	-	9
Very high	3	-	-	3
Loans with no PD	1.363	2.543	24.707	28.613
Total	\$ 1.407	2.704	24.921	29.032

Non-Impaired Past Due Loans

Product	Portfolio balance by Delinquency Strips December 2024		
	31-60	61-90	>90
Mortgage	\$ 125.338	71.855	303.069
Loans	110.265	79.977	202.549
Bank TDC	53.666	47.627	119.069
Codensa	26.014	24.191	104.599
Total	\$ 315.283	223.650	729.286

Product	Portfolio balance by Delinquency Strips December 2023		
	31-60	61-90	>90
Mortgage	\$ 160.037	89.771	263.591
Loans	151.150	117.517	232.088
Bank TDC	114.782	72.229	104.566
Codensa	70.663	33.014	38.887
Total	\$ 496.632	312.531	639.132

b. Commercial Portfolio

December 31, 2024			December 31, 2023		
Capital	Impairment	Total	Capital	Impairment	Total



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Commercial	\$	9.324.094	(236.743)	9.087.351	12.015.350	(238.436)	11.776.914
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Impairment Movement

		December 31, 2024			
		Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2023	\$	40.126	77.051	121.259	238.436
Remeasurements		(26.157)	49.071	89.509	112.423
Impairment due to new loans		120.123	-	13.845	133.968
Release for cancellations and payments		(85.443)	(57.587)	-	(143.030)
Transfer to:					
Stage 1		(6.539)	6.539	-	-
Stage 2		7.403	(7.403)	-	-
Total impairment movement		9.387	(9.380)	103.354	103.361
Write-offs		-	-	(71.036)	(71.036)
Recoveries		-	-	(34.545)	(34.545)
Other movements		(223)	750	-	527
Balance as of December 31, 2024	\$	49.290	68.421	119.032	236.743

		December 31, 2023			
		Stage 1	Stage 2	Stage 3	Total
Balance as of December 31, 2022	\$	34.329	62.255	107.451	204.035
Remeasurements		(27.596)	22.918	74.273	69.595
Impairment due to new loans		48.458	-	13.035	61.493
Release for cancellations and payments		(24.115)	(18.066)	-	(42.181)
Transfer to:					
Stage 1		(6.753)	6.753	-	-
Stage 2		9.610	(9.610)	-	-
Total impairment movement		(396)	1.995	87.308	88.907
Write-offs		-	-	(41.529)	(41.529)
Impairment recoveries		-	-	(31.971)	(31.971)
Other movements		6.193	12.801	-	18.994
Balance as of December 31, 2023	\$	40.126	77.051	121.259	238.436

Key Input and Assumptions

The Bank's provision calculations are products of complex models with a number of variable underlying assumptions. Some of the key variables include:

- Changes in the risk ratings of the borrower or instrument, reflecting changes in credit standing.
- Changes in transaction volumes.

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- Changes in the future-oriented macroeconomic environment are reflected in the variables used in the models, such as GDP growth, unemployment rates, commodity prices, and housing price indexes, which are most closely related to credit losses in the relevant portfolio.
- Changes in macroeconomic scenarios and probability weights assigned to each scenario; and
- Borrower migration between the three stages may result from changes in any of the above assumptions and input.

The following table provides a comparison between the estimated credit losses for portfolios in Stage 1 and Stage 2 and the impairment under the optimistic and pessimistic scenarios:

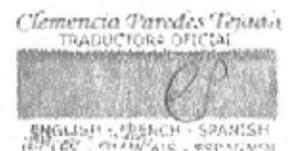
	Impairment	Base Scenario	Optimistic Scenario	Pessimistic Scenario	Pessimistic Scenario FL
Credit losses	\$ 117.711	102.290	96.218	128.794	290.324

Non-Impaired Past Due Loans

Portfolio Balances by Delinquency Strips December 2024				
	31-60 Days	61-90 Days	More than 91 Days	Total
\$	1.250	13.443	929	15.622

Portfolio by Maturity Period

		December 31, 2024						
Segment	Up to One Month	More than One Month and Not More than Three Months	More than Three Months and Not More than One Year	More than One Year and Not More than Five Years	More than Five Years	Interest	Total	
Commercial	\$ 773.604	1.591.676	2.341.435	4.354.771	140.188	122.420	9.324.094	
Consumption	1.746.527	775.436	2.561.414	7.862.996	5.151.709	256.420	18.354.502	
	\$ 2.520.131	2.367.112	4.902.849	12.217.767	5.291.897	378.840	27.678.596	
		December 31, 2023						
Segment	Up to One Month	More than One Month and Not More than Three Months	More than Three Months and Not More than One Year	More than One Year and Not More than Five Years	More than Five Years	Interest	Total	
Commercial	\$ 506.612	2.240.990	3.274.329	5.643.428	155.396	194.595	12.015.350	
Consumption	1.604.633	794.673	2.627.893	8.345.869	5.527.162	329.916	19.230.146	
	\$ 2.111.245	3.035.663	5.902.222	13.989.297	5.682.558	524.511	31.245.496	



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Interest Generated by the Bank's Portfolio: The effective annual interest on average monthly balances generated by the Bank's portfolio was as follows:

Segments	From January 1 to December 31, 2024	From January 1 to December 31, 2023
Commercial	\$ 13,38%	14,64%
Consumption	22,45%	24,21%
The housing includes monetary correction	10,58%	10,40%

Annual Effective Placement Rates: As of December 31, 2024 and 2023, the Bank had published the following rates for the different portfolio types:

	December 31, 2024	December 31, 2023	
	From 5,50% to 16 % A.E.	From 12,27% to 14,96% A.E.	Depending on the Company
Commercial loans	9,94% A.E.	9,81% A.E.	RVU (Real Value Unit)
Housing loans	11,49% A.E.	18,92% A.E.	Pesos
	7,59% A.E.	10,41% A.E.	Social housing RVU
	10,79% A.E.	14,30% A.E.	Social housing pesos
Credit card (consumption)	26,11% A.E.	37,52% A.E.	For purchases
Revolving credit limit (consumption)	From 12,42% to 26,11% A.E.	From 35,75% to 37,55% A.E.	

Interest on the loan portfolio received as of December 31, 2024 and 2023, was \$4.488.466 and \$4.968.461, respectively.

Accrued Interest on the loan portfolio as of December 31, 2024 and 2023, was \$4.405.691 and \$5.112.346, respectively.

Portfolio Sale

As of December 31, 2024 and 2023, the Bank sold the portfolio obtaining a profit of \$73.593 and \$113.351, respectively, broken down as follows:

Written-Off Portfolio Sale

The following are the Bank's commercial and consumer portfolio sales during 2024 and 2023:

	December 31, 2024		December 31, 2023	
	Gross Capital Balance	Selling Price	Gross Capital Balance	Selling Price
Commercial	\$ 24.634	7.389	143.000	16.996
Consumption	948.346	62.531	1.243.177	69.658
		69.920		86.654



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Current Portfolio Sale

The following are the details of the sale of the commercial portfolio as of December 31, 2024 and 2023:

	December 31, 2024		December 31, 2023	
	Commercial		Commercial	
Carrying amount of portfolio, interest, and others	\$	92.375		33.026
Provision for principal, interest, and others		(15.774)		(32.882)
Net carrying amount		76.601		144
Less selling Price		80.274		26.841
Income	\$	3.673		26.697

c. Accounts Receivable from Financial Leasing

The Bank offers asset-based financing and uses a wide variety of industrial equipment and commercial companies to offer financial programs tailored to the needs of manufacturers, dealers, and distributors of assets.

The accounts receivable from financial leasing are included in the loan portfolio. The Bank's net investment in the accounts receivable from financial leasing was as follows:

	December 31, 2024		
	Present Value of Accounts Receivable from Minimum Lease Payments	Future Financial Income	Gross investment in Accounts Receivable from Financial Leasing
One year or less	\$ 90.774	74.946	165.720
One to five years	183.447	183.461	366.908
More than five years	319.819	242.753	562.571
Final balance	\$ 594.040	501.160	1.095.199

	December 31, 2023		
	Present Value of Accounts Receivable from Minimum Lease Payments	Future Financial Income	Gross investment in Accounts Receivable from Financial Leasing
One year or less	\$ 82.522	92.587	175.109
One to five years	216.028	224.685	460.713
More than five years	367.352	288.576	655.928
Final balance	\$ 685.902	605.848	1.291.750

As of December 31, 2024 and 2023, an uncollateralized remaining value of \$59.440 and \$73.580 had been recorded.

13. Other Accounts Receivable, Net

The following are the details of other accounts receivable, net:



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	December 31, 2024	December 31, 2023
Commissions	\$ 17.301	20.559
Deposits (1)	107.495	205.751
Tax advances	23.775	16.785
Abandoned accounts	56.190	62.023
Transfers to the Treasury Department	11.553	11.971
Codensa - Crédito Fácil contract (2)	14.043	483.934
Cámara de Riesgo Central de Contraparte	30.054	35.518
Labor advances	12.184	12.374
Derivative default	4.536	4.831
Various others	61.415	39.050
Impairment	(6.262)	(5.271)
Total	\$ 332.284	887.575

- (1) The decrease is explained by the reduction in the volume of operations carried out through security deposits that support the operations with foreign financial institutions, as part of the liquidity management strategy.
- (2) As of December 31, 2024, the account receivable from Enel comprised collection of the last days of December, while at the end of December 2023, the balance corresponded to 90 days of collection pending transfer by Enel Codensa to the Bank.

Impairment expenses on accounts receivable amounted to \$3.577 as of December 31, 2024; as of December 31, 2023, it was \$2.087.

14. Non-current Assets Held for Sale

The following is the movement in non-current assets held for sale:

	December 31, 2024	December 31, 2023
Beginning balance	\$ 19.824	27.238
Additions	15.453	23.935
Reclassification towards other assets	-	(2.497)
Reclassification towards investment property	(16.128)	(19.567)
Cost of assets sold	(6.879)	(9.285)
	12.270	19.824
Adjustment to the lower of fair value and carrying amount	(497)	(553)
	\$ 11.773	19.271

The following is the movement in the impairment of non-current assets held for sale:

	December 31, 2024	December 31, 2023
Beginning balance	\$ 553	175
Impairment recorded as expenses	819	730
Recovery through sale	(332)	(178)
Reclassification towards investment property	(543)	(174)
	\$ 497	553



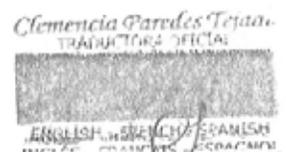
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Marketing

The Bank carries out the following steps for marketing non-current assets held for sale:

- The marketing is carried out through the publication of the assets on the Bank's web page for the knowledge of the general public. This publication is made with the information of the assets for sale and photographic records, providing the possibility of direct contact by the interested parties with the officers of the responsible area of the Bank via e-mail for the expansion of information, contactability, organization of agendas, and handling of proposals.
- Lists are created to be delivered to possible interested parties and the information is distributed to the Office Managers and Area Managers so that they will become acquainted with and distribute the list of the Bank's properties, so that each one may offer the properties according to the portfolio of customers handled by them.
- This commercial list is sent periodically to all potential customers who at some time, have been interested in the assets sold by the Bank.
- Each of the real estate assets has a notice of sale published indicating that the property is owned by the Bank and disclosing the contact telephone number, so that the interested parties may contact the Bank to start negotiations; additionally, there is a QR that refers to the Bank's web site where the assets are published, so that they may expand the information regarding the immovable property and access the information available in the web site.
- Agreements are made with real estate agencies to promote sales and visits are made to all the properties in the different regions where they are located on a regular basis in order to strengthen the marketing processes and support the efforts aimed at achieving the urban planning regulations applicable to immovable properties to verify their best use.
- Auction processes (virtual) are carried out where goods owned by the Bank are made available to the general public so that those interested parties may participate openly in their acquisition; these auctions, as well as the goods that are traded, are made public and are reported in mass media for the knowledge of those interested parties at a general level.



SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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15. Property and Equipment, Net

The following are the details and movements in property and equipment:

	Land	Buildings and Refurbishment	Equipment and Furniture	Improvements in Leased Properties	Constructions in Progress	Financial Leasing	Total
Balance as of December 31, 2023	\$ 108,915	157,491	93,084	2,308	3,873	131,243	496,914
Acquisitions	-	5	36,527	-	-	-	36,532
Fee adjustments	-	-	-	-	-	7,553	7,553
Capitalization of constructions in progress	-	-	-	-	843	-	843
Sales	(5,256)	(3,451)	-	-	-	-	(8,707)
Withdrawals	-	-	(36,915)	-	-	(1,543)	(38,458)
Transfers of constructions in progress	-	1,612	531	1,737	(3,880)	-	0
Depreciation	-	(8,201)	(24,840)	-	-	(26,050)	(59,091)
Amortization	-	-	-	(1,264)	-	-	(1,264)
Impairment	-	(163)	-	-	(72)	-	(235)
Impairment recovery	-	-	10	-	-	-	10
Reclassification from other assets	-	-	120	-	-	-	120
Balance as of December 31, 2024	\$ 103,659	147,293	68,517	2,781	764	111,203	434,217
Balance as of December 31, 2022	\$ 111,763	153,203	101,810	2,987	15,963	164,660	550,386
Acquisitions	-	148	20,049	-	3,304	2,720	26,221
Fee adjustments	-	-	-	-	-	15,211	15,211
Sales	(2,848)	(2,858)	-	-	-	-	(5,706)
Withdrawals	-	(363)	(4,716)	-	-	(24,560)	(29,639)
Transfers of constructions in progress	-	14,909	-	485	(15,394)	-	0
Depreciation	-	(7,548)	(24,053)	-	-	(26,788)	(58,389)
Amortization	-	-	-	(1,164)	-	-	(1,164)
Impairment	-	-	(6)	-	-	-	(6)
Balance as of December 31, 2023	\$ 108,915	157,491	93,084	2,308	3,873	131,243	496,914

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As of December 31, 2023 and 2022, there are no mortgages or title reservations on the items of property and equipment, nor have they been assigned as mortgage collateral.

As of December 31, 2024 and 2023, from the sale of real estate that in the IFRS transition balance sheet used the fair value as the attributed cost, \$6.389 and \$5.114 were reclassified from the first-time adoption to retained earnings, respectively.

Sale of Property and Equipment

As of December 31, 2024 and 2023, sales of property and equipment are detailed below:

	December 31, 2024	December 31, 2023
Cost of assets sold and/or withdrawn	\$ 45.622	10.785
Gains on the sale of assets	4.433	2.556
Proceeds from the sale	<u>\$ 50.055</u>	<u>13.341</u>

Impairment of Property and Equipment

The Group evaluated internal and external indicators such as significant changes in the legal, economic, technological, or market environment with an unfavorable impact on the value of assets, resulting in the identification of some indicators that reflect a measure of impairment of fixed assets represented in real property and constructions in progress as of December 31, 2024, and December 31, 2023, for which the Group proceeded to the calculation of the recoverable amount and as a result, it recognized the value of \$235 and \$62 for impairment, respectively. No evidence of impairment was identified with respect to real estate assets.

Decommissioning

As of December 31, 2024 and 2023, the Bank had made provisions for decommissioning of \$3.671 and \$3.982, respectively. (See Note 23).

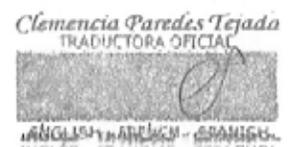
16. Investment Property, Net

The following are the details of investment property:

	December 31, 2024	December 31, 2023
Cost	\$ 106.176	150.907
Impairment	(9.310)	(15.355)
Depreciation	(3.584)	(5.281)
Total	<u>\$ 93.282</u>	<u>130.271</u>

The following is the movement of investment property:

	Land	Buildings	Total
Cost			
Balance as of December 31, 2023	\$ 49.083	101.824	150.907
Sales (1)	(6.508)	(54.351)	(60.859)
Reclassification from non-current assets held for sale	6.204	9.924	16.128
Balance as of December 31, 2024	<u>48.779</u>	<u>57.397</u>	<u>106.176</u>
Balance as of December 31, 2022	\$ 47.538	106.384	153.922



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	Land	Buildings	Total
Sales	(10.631)	(12.770)	(23.401)
Reclassification from other assets	-	819	819
Reclassification from non-current assets held for sale	12.176	7.391	19.567
Balance as of December 31, 2023	\$ 49.083	101.824	150.907
Depreciation			
Balance as of December 31, 2023	\$ -	(5.281)	(5.281)
Depreciation movement	-	(900)	(900)
Recovery from sales	-	2.597	2.597
Balance as of December 31, 2024	-	(3.584)	(3.584)
Balance as of December 31, 2022	\$ -	(4.659)	(4.659)
Depreciation movement	-	(1.171)	(1.171)
Recovery from sales	-	549	549
Balance as of December 31, 2023	\$ -	(5.281)	(5.281)
Impairment			
Balance as of December 31, 2023	\$ (7.046)	(8.309)	(15.355)
Reclassification from non-current assets held for sale	-	(543)	(543)
Recovery from sales	-	15.231	15.231
Impairment recorded in expenses	(2.708)	(5.935)	(8.643)
Balance as of December 31, 2024	(9.754)	444	(9.310)
Balance as of December 31, 2022	\$ (6.789)	(12.584)	(19.373)
Reclassification from non-current assets held for sale	-	(174)	(174)
Adjustment	-	5.228	5.228
Recovery from sales	2.633	233	2.866
Impairment recorded in expenses	(2.890)	(1.012)	(3.902)
Balance as of December 31, 2023	\$ (7.046)	(8.309)	(15.355)
Carrying amount			
Balance as of December 31, 2024	\$ 39.025	54.257	93.282
Balance as of December 31, 2023	\$ 42.037	88.234	130.271

(1) During 2024, there was an increase in sales of investment property, which is explained by the implementation of a commercial strategy designed to market assets that have been held for more than two years and reduce the cost of managing this portfolio.

The fair value of investment property as of December 31, 2024 and 2023, amounts to \$126.190 and \$179.867, respectively.

As of December 31, 2024 and 2023, there are no restrictions on the availability of these assets.

17. Intangible Assets and Goodwill, Net

The following are the details of intangible assets and goodwill:

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	Computer Software (1)	Other Intangible Assets (2)	Total Intangible Assets	Goodwill
Cost				
Balance as of December 31, 2023	\$ 1.003.090	61.078	1.064.168	112.974
Acquisitions	109.768	767	110.535	-
Balance as of December 31, 2024	1.112.858	61.845	1.174.703	112.974
Balance as of December 31, 2022				
Balance as of December 31, 2022	\$ 837.728	63.065	900.793	112.974
Acquisitions	184.186	25	184.211	-
Derecognition of intangible assets	(13.910)	-	(13.910)	-
Impairment	(4.914)	(2.012)	(6.926)	-
Balance as of December 31, 2023	\$ 1.003.090	61.078	1.064.168	112.974
Accumulated amortization				
Balance as of December 31, 2023	\$ (467.536)	(58.541)	(526.077)	-
Amortization expenses	(154.860)	(1.130)	(155.990)	-
Balance as of December 31, 2024	(622.396)	(59.671)	(682.067)	-
Balance as of December 31, 2022				
Balance as of December 31, 2022	\$ (353.156)	(57.410)	(410.566)	-
Amortization expenses	(120.811)	(1.131)	(121.942)	-
Derecognition in accounts	6.431	-	6.431	-
Balance as of December 31, 2023	\$ (467.536)	(58.541)	(526.077)	-
Impairment				
Balance as of December 31, 2022	-	-	-	-
Impairment expenses	(12.414)	(2.012)	-	-
Derecognition due to impairment	12.414	2.012	-	-
Balance as of December 31, 2023	-	-	-	-
Carrying amount				
As of December 31, 2024	490.462	2.174	492.636	112.974
As of December 31, 2023	\$ 535.554	2.537	538.091	112.974

- (1) This corresponds to the software acquired and created for the development of the different technological projects developed by the Bank.
- (2) This mainly corresponds to changes that have been made to Enel's systems associated with regulatory requirements or proposed improvements related to financial products or services.

Impairment Analysis of the Cash-Generating Unit:

The analysis performed by the Bank to identify the Cash-Generating Unit (CGU) concluded that it corresponds to the group of assets and liabilities of the consumer and mortgage operating segment, which represents the lowest level over which the Bank controls goodwill. The above considering that the purpose of the business combination was the assignment of Citibank Colombia S.A.'s consumer banking business for Small- and Medium-Sized Enterprises, as well as the placement of mortgage products for these customers.

In the evaluation of the impairment of the goodwill acquired from the business combination of consumer banking, credit cards, and small- and medium-sized enterprises of Citibank Colombia S.A., as of December 31, 2024, the value in use was calculated as the recoverable amount, mainly considering the following variables:

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- Five-year valuation horizon with value in perpetuity.
- Volume decreases through advanced payments, in line with a capital efficiency strategy for 2025 and volume increases for 2026 to 2029 with a capital-efficient business profitability strategy.
- The valuation is made by discounting free-cash flows at a rate of thirteen comma eighty-seven percent (13.87%), which represents the Bank's cost of capital. The Capital Asset Pricing Model (CAPM) methodology was used.

The Bank used the following economic assumptions:

- From 2025, the portfolio is expected to decrease in line with the Bank's capital efficiency strategy and volume increases for 2026 - 2029.
- The Colombian economy presented a recovery in 2024, exceeding the GDP perspective in some quarters. For the next few years, it is expected to continue with an average growth performance of three percent (3%).
- The above, together with a reduction in inflation from nine comma twenty-eight percent (9,28%) in 2023 to five comma twenty percent (5,20%) in 2024, contributed to a reduction in Banco de la República's intervention rate of 350 bps, standing at nine comma seventy-five percent (9,75%).

Additionally, the financial analysis of the results of the Cash-Generating Unit was carried out, resulting in the following factors:

- An average asset decrease of two percent (2%) is expected for the consumer segment in the coming years, due to the new strategy of efficient use of capital.
- Financial income is projected taking into account a lower volume of Personal Loan products for 2025, in line with the Bank's risk appetite and the current strategy. From 2026 onwards, portfolio increases are considered, leading to an increase in financial income.
- Commissions decrease in line with lower consumption volumes.
- In the projection of financial outflows, it is expected to have an indicator with a downward trend given the repricing of the intervention rate of Banco de la República. However, we are seeking to attract demand deposits, such as payrolls or transactional liabilities.

Finally, no decreases in the value of long-term assets were identified and no significant changes were recognized in the legal factors or the business environment that could affect the net asset value of the Cash-Generating Unit.

The methodology and assumptions used for the valuation of the CGU to which the goodwill is assigned were revised by management, and based on the revision, it is concluded that, as of December 31, 2004, no impairment of goodwill was identified that should be recognized in the financial statements.

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18. Income Taxes

Components of the Income Tax Expenses: Income tax expenses for the years ended December 31, 2024 and 2023, comprise the following items:

	December 31, 2024	December 31, 2023
Current tax expenses		
Income tax (1)	\$ 7.891	7.093
Occasional income tax	787	688
Change in prior years' estimates	2.423	(10.416)
Subtotal	\$ 11.101	(2.635)
Deferred tax (income) expenses	(47.850)	(109.422)
Total income tax expenses	(36.749)	(112.057)

(1) The bank is part of the Scotiabank group, therefore, once the calculation of the minimum consolidated tax of fifteen percent (15%) has been made, there is no place to settle the above tax.

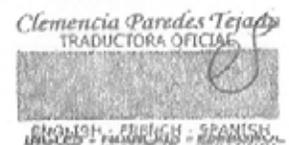
Reconciliation of the Nominal Tax Rate and the Effective Rate

The tax provisions in force applicable to the Group stipulate that in Colombia:

- Starting in 2021, the Economic Growth Law reduces the presumptive income to zero percent (0%) of the net equity on the last day of the immediately prior financial year.
- In accordance with the Social Investment Law 2155 of 2021, the audit benefit is extended for the years 2022 and 2023 for taxpayers who increase their net income tax of the tax year in relation to the net income tax of the immediately preceding year at least by thirty-five percent (35%) and twenty-five percent (25%), with which the income tax return will become final within 6 or 12 months following the filing date, respectively.
- With the Economic Growth Law 2010 of 2019, the term of finality of the income and supplementary tax return of taxpayers that determine or offset tax losses or are subject to the transfer pricing regime will be 5 years.
- The excess of presumptive income may be offset in the following 5 financial periods.
- Tax losses may be offset with ordinary net income obtained in the following 12 financial periods.

Through the Tax Reform for Equality and Social Justice, Law 2277 of December 13, 2022, a tax reform was adopted, such provision introduces some modifications in income tax matters, which we present below:

- The general income rate applicable for the years ended December 31, 2024 and 2023, is thirty-five percent (35%) for national companies and their assimilated companies, permanent establishments of foreign entities, and foreign legal entities with or without residence in the country, required to file the annual income and complementary tax return.
- For financial institutions, insurance companies, reinsurance companies, stock brokerage firms, agricultural brokerage firms, stock exchanges of agricultural, agro-industrial, or other commodities,

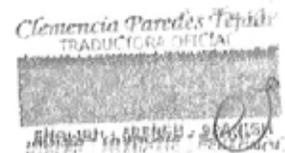


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and stock market infrastructure providers, a surtax of 5 additional points of the general income rate is established during the financial periods 2023 to 2027, being the total rate of forty percent (40%) if they have a taxable income equal to or higher than 120.000 TVU (\$5.647.800.000 in pesos, year 2024). The surtax will be subject to an advance payment of one hundred percent (100%).

- A minimum tax is established for residents in Colombia, and an additional tax is set in the event that the purged income tax with some adjustments is less than fifteen percent (15%) of the accounting profit before taxes with certain adjustments. Given the state of things, taxpayers must (i) determine the purged tax of the Colombian taxpayer, or the purged tax of the group, in the event that it is part of a business group, (ii) determine the purged profit of the Colombian taxpayer or the group, in the event that it is part of a business group, and (iii) determine the purged tax rate of the Colombian taxpayer or the group, in the event that it is part of a business group. If the effective rate (purged tax/purged profit) is lower than fifteen percent (15%), the tax to be added should be calculated for the taxpayer or the group, in the event that it is part of a corporate group.
- The Special Economic and Social Zones ZESE, in its initials in Spanish, during the period that their income rate is zero percent (0%), taxpayers whose purged profit is equal to or less than zero, those who are governed by the provisions of Art 32 of the E.T. (Concessions), industrial and commercial companies of the State or mixed economy companies that exercise monopolies of luck, chance, and liquors; hotels and theme parks provided that they are not required to submit country by country reports, are exempted from this rule.
- The amount of the summation of some income not constituting income, special deductions, exempt income, and tax discounts are limited to three percent (3%) per annum of the ordinary net income.
- Article 158-1 is repealed, eliminating the possibility of deducting the costs and expenses associated with investments in CTel, i.e. these investments will only be entitled to a tax discount. The possibility of taking as a tax discount thirty percent (30%) of the investments in Science, Technology, and Innovation (CTel) that have the approval of the National Council of Tax Benefits (CNBT in its initials in Spanish) remains, the previous regulation established a discount of twenty-five percent (25%).
- The possibility of taking as a tax discount fifty percent (50%) of the ICA effectively paid before filing the income tax return is eliminated. One hundred percent (100%) accrued and paid prior to the filing of the income tax return will be deductible.
- One hundred percent (100%) of the taxes, rates, and contributions effectively paid in the tax year, which maintain a causal relationship with the generation of income (except for the income tax), will continue to be deductible; fifty percent (50%) of the tax on financial movements (GMF) will be deductible, regardless of whether or not it has a causal relationship with the income-generating activity.
- Payments for memberships to social clubs, labor expenses of housing support personnel, or other activities unrelated to the income-producing activity, and personal expenses of partners, participants, shareholders, customers, and/or their relatives, all of which will be considered income in kind for their beneficiaries, will not be deductible.
- It is established that non-deductible amounts for sentences arising from administrative, judicial, or arbitration proceedings correspond to the amounts that are of a punitive, sanctioning, or damage compensation nature. (Paragraph 3 of Article 105 of the E.T.).
- The occasional gain tax rate is established at fifteen percent (15%).



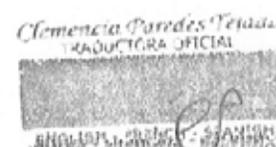
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- A withholding tax rate of ten percent (10%) is established for dividends received by national companies that do not constitute occasional income or gains (formerly seven comma five percent, 7,5%), which shall be transferable to the resident individual or the foreign investor. The exceptions established in the regulations in force remain. Dividends and shares received by permanent establishments of national foreign companies that do not constitute occasional income or gains will be taxed at the special rate of twenty percent (20%).
- It was provided that the tax on taxable dividends will be determined: (i) by applying an income rate of thirty-five percent (35%) corresponding to the year in which they are declared and (ii) the rate of the non-taxed dividend will be applied to the remainder, depending on the beneficiary (if it is a resident individual or an unliquidated succession of a resident taxpayer, the table of Article 241 of the E.T. shall apply).
- Dividends declared against income of 2016 and prior years' income will retain the treatment in effect at that time; and those corresponding to income of 2017, 2018, and 2019 that are declared as of 2020 will be governed by the rates set forth in the 2010 Law.

In accordance with IAS 12, Income tax, paragraph 81 section (c), the following are the details of the reconciliation between the total income tax expenses of the bank and its subsidiaries calculated at the tax rates currently in force and the tax expenses effectively recorded in net income for the period, for the periods ended December 31, 2024 and 2023.

	December 31, 2024		December 31, 2023	
Loss before income tax	\$	(161.409)	\$	(366.218)
Tax expenses calculated in accordance with the nominal rates of 40% and 38%	40%	(64.564)	40%	(146.487)
More or (less) taxes related to the following items:				
Dividends received not constituting income or occasional gains	2%	(2.630)	1%	(2.123)
Tax-exempt income	0%	(265)	0%	(99)
Other non-taxed income	15%	(24.026)	2%	(7.082)
Tax on financial transactions	(9%)	13.998	(4%)	14.425
Non-deductible expenses	(20%)	32.943	(10%)	34.481
Other items	4%	(6.053)	(1%)	3.819
Occasional gains at 15% and 10%, respectively	(1%)	787	0%	688
Effect on deferred tax at the expected rates at which differences are expected to be reversed	(2%)	3.737	0%	737
Effect of tax additions	(4%)	6.902	0%	-
Tax provision refund	(2%)	2.422	3%	(10.416)
Total income tax expenses	23%	\$ (36.749)	31%	\$ (112.057)



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Movement in Deferred Tax Balances

Deferred Taxes due to Temporary Differences:

Differences between the carrying amount of assets and liabilities and their tax bases give rise to the following temporary differences that generate deferred taxes, calculated and recorded in the periods ended December 31, 2024 and 2023, based on the tax rates in force for the years in which the asset is expected to be realized or the liability settled.



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The following is the movement of deferred taxes:

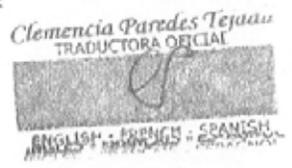
	Net Balance as of January 1, 2024	Recognized in Net Income	Recognized in Other Comprehensive Income	Adjustments and/or Reclassification P/S	Balance as of December 31, 2024		
					Net	Deferred Tax Assets	Deferred Tax Liabilities
Valuation of investments in debt securities	\$ 14,269	17,310	13,473	64	45,116	45,116	-
Unrealized exchange rate difference	(36,204)	14,387	-	-	(21,817)	-	(21,817)
Equity instruments	(16,376)	(3,996)	(1,297)	-	(21,669)	-	(21,669)
Financial derivatives	(7,310)	(7,943)	2,129	-	(13,124)	-	(13,124)
Provisions for assets	65	-	-	-	65	65	-
Cost of personal property, furnishings, and computer equipment	7,425	(145)	-	-	7,280	7,280	-
Cost of real property, land, and buildings	(34,520)	6,210	-	-	(28,310)	-	(28,310)
Inv techn and innovation	(7,090)	2,415	-	-	(4,675)	-	(4,675)
Deferred charges	(25,569)	884	-	-	(24,685)	-	(24,685)
Prepaid expenses	101	-	-	-	101	101	-
Loan portfolio	(228,597)	(23,600)	75,440	-	(176,757)	-	(176,757)
Covid portfolio	(130)	-	-	-	(130)	-	(130)
Foreclosed assets	(74,650)	12,062	-	-	(62,588)	-	(62,588)
Other differences in assets	4,680	(73)	-	-	4,607	4,607	-
Actuarial calculation	2,489	155	-	-	2,644	2,644	-
Deferred income	(555)	-	-	-	(555)	-	(555)
Provisions for liabilities	8,814	2,511	-	-	11,325	11,325	-
Other differences in liabilities	7,288	-	-	-	7,288	7,288	-
IFRS 16	7,663	140	-	-	7,803	7,803	-
Other adjustments and reclassifications	7,608	(270)	-	-	7,338	214,981	(207,643)
Business combination adjustments	13,264	-	-	-	13,264	13,264	-
Business combination amortization	(3,951)	(96)	-	-	(4,047)	-	(4,047)
Tax loss	196,958	27,900	-	-	224,858	224,858	-
Tax assets (liabilities)	\$ (164,328)	47,851	89,745	64	(26,668)	539,332	(566,000)



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	Balance as of December 31, 2023						
	Net Balance as of January 1, 2023	Recognized in Net Income	Recognized in Other Comprehensive Income	Adjustments and/or Reclassifications	Net	Deferred Tax Assets	Deferred Tax Liabilities
Valuation of investments in debt securities	\$ 94,347	(986)	(81,509)	(80)	11,772	11,772	-
Unrealized exchange rate difference	40,856	(77,070)	-	-	(36,204)	-	(36,204)
Equity instruments	(15,365)	136	1,350	-	(13,879)	-	(13,879)
Financial derivatives	(36,022)	28,739	1,973	-	(7,310)	-	(7,310)
Provisions for assets	-	65	-	-	65	65	-
Cost of personal property, furnishings, and computer equipment	7,598	(173)	-	-	7,425	7,425	-
Cost of real property, land, and buildings	(32,610)	(1,910)	-	-	(34,520)	-	(34,520)
Inv techn and innovation	(7,297)	207	-	-	(7,090)	-	(7,090)
Deferred charges	(23,472)	3,903	-	-	(25,569)	-	(25,569)
Prepaid expenses	101	-	-	-	101	101	-
Tax credits	914	(914)	-	-	-	-	-
Loan portfolio	(224,637)	(31,731)	27,771	-	(228,597)	-	(228,597)
Covid portfolio	(130)	-	-	-	(130)	-	(130)
Foreclosed assets	(71,239)	(3,411)	-	-	(74,650)	-	(74,650)
Other differences in assets	4,851	(171)	-	-	4,680	4,680	-
Actuarial calculation	2,458	31	-	-	2,489	2,489	-
Deferred income	(555)	-	-	-	(555)	-	(555)
Provisions for liabilities	12,160	(3,346)	-	-	8,814	8,814	-
Other differences in liabilities	7,288	-	-	-	7,288	7,288	-
IFRS 16	8,224	(561)	-	-	7,663	7,663	-
Other adjustments and reclassifications	7,587	(379)	-	-	7,608	7,070	538
Business combination adjustments	13,264	-	-	-	13,264	13,264	-
Business combination amortization	(3,987)	36	-	-	(3,951)	-	(3,951)
Tax loss	-	196,958	-	-	196,958	196,958	-
Tax assets (liabilities)	\$ (223,256)	109,423	(50,415)	(80)	(164,328)	267,589	(431,917)



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Tax Credits

Law 1819 of December 29, 2016, in its Article 123, creates a transition regime for offsetting tax losses and excess presumptive income, as well as the minimum base excesses generated before 2017.

As of December 31, 2024 and 2023, the following are the details of the tax losses that have not been used by the Bank:

	December 31, 2024	December 31, 2023
Tax losses expiring on:		
December 31, 2035	\$ 552.769	492.395
December 31, 2036	9.374	-
Total tax credits	<u>\$ 562.143</u>	<u>492.395</u>

Effect of current and deferred taxes on each component of other comprehensive income, in equity:

The effects on other comprehensive income are detailed below:

	December 31, 2024			December 31, 2023		
	Amount before Taxes	Deferred Tax	Net	Amount before Taxes	Deferred Tax	Net
Net comprehensive income for the period	\$		(124.660)	-	-	(254.161)
Items that can be subsequently reclassified to net income for the period						
Cash flow hedges	(5.321)	2.129	(3.192)	(7.378)	1.973	(5.405)
Items that will not be reclassified to net income for the period						
Changes in the fair value of financial instruments	(240.097)	87.616	(152.481)	133.656	(52.388)	81.268
Financial instruments portfolio	(23.719)	12.176	(11.543)	213.002	(80.159)	132.843
Total movement in net comprehensive income	(216.378)	75.440	(140.938)	(79.346)	27.771	(51.575)
Total with comprehensive movement	(245.418)	89.745	(155.673)	126.278	(50.415)	75.863
	\$		(280.333)			(178.298)

Current Income Tax Assets and Liabilities

Current income tax receivable and/or payable balances are as follows:

	December 31, 2024	December 31, 2023
Assets		
Income tax credit balance	\$ 1.079.849	680.464
Liabilities		
Income tax	(639)	-
Total current tax, net	<u>1.079.210</u>	<u>680.464</u>

For financial statement presentation purposes, the Bank offset deferred tax assets and liabilities as established in paragraph 74 of IAS 12 and current tax assets and liabilities as established in paragraph 71 of IAS 12, considering the application of the tax provisions in force in Colombia on the legal right to offset current tax assets and liabilities.

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Uncertainties in Open Tax Positions, IIFRS 23 (Interpretation Issues of International Financial Reporting Standards). Uncertainty Regarding Income Tax Treatment.

As of December 31, 2024 and 2023, the Group has no tax uncertainties that would generate a provision for such item, taking into account that the income and supplementary tax process is regulated under the current tax framework. Consequently, there are no risks that could imply an additional tax liability.

Transfer Prices

In accordance with the provisions of Laws 788 of 2002 and 863 of 2003, 1607 of 2012 and 1819 of 2016, regulated by Decree 2120 of 2017, the Bank prepared a study of transfer prices on transactions carried out with foreign economic related parties during 2023. The study did not result in adjustments affecting the Bank's income, costs, and tax expenses.

Although the 2024 study of transfer prices is in the process of preparation, no significant changes are expected as against the study of the previous year.

Deferred Tax on Investments in Subsidiaries

In compliance with paragraph 39 of IAS 12, the Bank did not record deferred tax liabilities related to temporary differences in investments in subsidiaries to the extent that it can control the timing of the reversal of such differences and this is not expected to occur in the near future.

Temporary differences for the items indicated as of December 31, 2024 and 2023, amounted to \$(32.717) and \$(16.483), respectively.

19. Other Assets, Net

The following are the details of other assets:

	December 31, 2024	December 31, 2023
Advance payments	\$ 110.087	107.904
Art and cultural assets	2.844	2.844
Foreclosed assets (1)	99.831	126.783
Miscellaneous	43.051	42.900
Impairment	(15.277)	(20.428)
Total	\$ 240.536	260.003

(1) The following are the details of the foreclosed assets:

	December 31, 2024	December 31, 2023
Rights and shares in real property	\$ 94.388	119.076
Investments	641	641
Machinery and others	4.802	7.066
Total	\$ 99.831	126.783



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The following is the impairment movement for other assets:

	December 31, 2024	December 31, 2023
Beginning balance	\$ 20.428	29.668
Provision recorded in expenses	3.108	4.706
Recovery from sales	(7.743)	(5.003)
Reclassification of other assets	(516)	(8.943)
	\$ 15.277	20.428

20. Deposits and Liabilities

The deposits received by the Bank from customers in the course of its operations are detailed below:

	December 31, 2024	December 31, 2023
Deposits in bank current accounts	\$ 1.938.805	1.987.552
Term Deposit Certificates (1)	13.293.562	14.974.901
Savings deposits	10.766.423	11.435.124
Others	342.508	744.350
Total	\$ 26.341.298	29.141.927

(1) The decrease recorded as compared with 2023 is explained by a lower funding requirement as a result of the decrease in the loan portfolio.

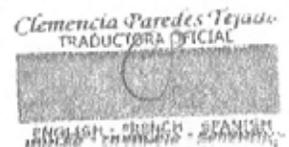
Temporality of Term Deposit Certificates

The following is the classification by temporality of term deposit certificates:

	December 31, 2024	December 31, 2023
Issued for less than 6 months	\$ 2.760.845	2.661.376
Issued for a period equal to 6 months and less than 12 months	2.285.490	3.205.806
Issued for a period equal to 12 months and less than 18 months	3.666.904	4.465.285
Issued for a period equal to 18 months or more	4.580.323	4.642.434
Total	\$ 13.293.562	14.974.901

According to each funding modality, the effective annual interest on the average daily balances generated by these liabilities as of the end of December 31, 2024 and 2023, was as follows:

	December 31, 2024	December 31, 2023
Current accounts	2,54%	3,45%
Term deposit certificates in legal currency	11,97%	13,74%
Ordinary Savings Deposits	6,37%	9,18%



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Interest accrued on customer deposits as of December 31, 2024 and 2023, were \$2.379.241 and \$3.077.795, respectively.

Interest paid on customer deposits as of December 31, 2024 and 2023, were \$2.545.586 and \$2.935.006, respectively.

21. Financial Obligations

The details of financial obligations are as follows:

Short-Term Financial Obligations

	December 31, 2024	December 31, 2023
Commitments to transfer investments in simultaneous transactions	\$ 799.274	888.668
Commitments originating from short positions of simultaneous transactions	274.749	80.389
Commitments to sell investments in open-ended repo transactions (1)	2.246.615	1.451.944
Foreign banks (2)	1.141.591	560.917
Financiera de Desarrollo Territorial S.A. FINDETER	-	10.405
Fondo para el Financiamiento del Sector Agropecuario FINAGRO	-	25.753
Banco del Exterior- BANCOLDEX	919	-
Total	\$ 4.463.148	3.018.076

- (1) At the end of 2024, there was an increase in the funding lines in repo transactions with Banco de la República due to the increase of positions in TCOs and the execution of short transactions by the trading desk.
- (2) The increase in obligations with foreign banks is due to a greater demand for funding in foreign currency, mainly in USD, as part of the Bank's strategy to fund loans in dollars and treasury transactions.

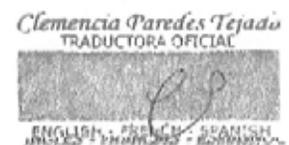
Effective Interest Rates

The following is a summary of the average annual effective interest rates charged on financial obligations:

	December 31, 2024		December 31, 2023	
	Minimum %	Maximum %	Minimum %	Maximum %
Interbank funds	9,12%	9,84%	12,16%	12,47%
Repo and simultaneous transactions	7,63%	8,18%	6,24%	9,30%

Repo, simultaneous, and interbank transactions are carried out at market conditions.

Long-Term Financial Obligations



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	December 31, 2024	December 31, 2023	Current Interest Rate
Foreign banks	\$ 1.458.106	1.868.910	Between 6,08% and 6,75%
Financiera de Desarrollo Territorial S.A. FINDETER	340.047	267.057	Between 11,31% and 12,01%
BANCOLDEX	7.479	46.975	Between 16,89% and 17,46%
Fondo para el Financiamiento del Sector Agropecuario FINAGRO	173.136	150.114	Between 15,18% and 15,66%
Financial leasing (1)	130.611	150.307	
Employee savings plan	7.762	7.190	
Total	\$ 2.117.141	2.490.553	

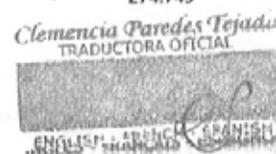
(1) The following is the movement of financial obligations:

	December 31, 2024	December 31, 2023
Beginning balance as of January 1, 2024	\$ 5.508.629	4.210.736
Disbursement	311.648.237	281.236.952
New lease contracts	-	2.719
Increases due to adjustments to the rent fee	7.553	15.210
Interest accrued on loans	416.627	471.196
Interest accrued on leases	10.078	12.108
Interest paid	(435.340)	(485.016)
Loan cancellations	(310.847.822)	(279.486.819)
Lease payments	(35.566)	(56.612)
Lease termination	(1.543)	(24.559)
Adjustment for exchange rate differences	309.436	(387.286)
Final balance as of December 31, 2024	\$ 6.580.289	5.508.629

Interest accrued on financial obligations as of December 31, 2024 and 2023, was \$426.705 and \$483.304, respectively. Interest paid for financial obligations as of December 31, 2024 and 2023, was \$435.340 and \$485.016, respectively.

Maturity by Timelines of Short-Term Financial Obligations

	December 31, 2024				Total
	Up to One Month	More than One Month and Not More than Three Months	More than Three Months and Not More than Six Months	More than Six Months and Not More than One Year	
Commitments to transfer investments in simultaneous transactions	\$ 799.274	-	-	-	799.274
Commitments arising from short positions in simultaneous transactions	274.749	-	-	-	274.749

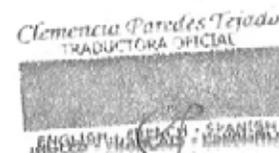


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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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		December 31, 2024				
		Up to One Month	More than One Month and Not More than Three Months	More than Three Months and Not More than Six Months	More than Six Months and Not More than One Year	Total
Commitments to selling investments in open-ended repo transactions		2,246,615	-	-	-	2,246,615
Foreign Banks		32,570	522,598	508,493	77,930	1,141,591
BANCOLDEX		919	-	-	-	919
Total short term	\$	3,354,127	522,598	508,493	77,930	4,463,148

		December 31, 2023				
		Up to One Month	More than One Month and Not More than Three Months	More than Three Months and Not More than Six Months	More than Six Months and Not More than One Year	Total
Commitments to transfer investments in simultaneous transactions	\$	888,668	-	-	-	888,668
Commitments arising from short positions in simultaneous transactions		80,389	-	-	-	80,389
Commitments to selling investments in open-ended repo transactions		1,451,944	-	-	-	1,451,944
Foreign Banks		156,277	158,871	197,811	47,958	560,917
Fondo para el Financiamiento del Sector Agropecuario FINAGRO		13,825	11,928	-	-	25,753
Financiera de Desarrollo Territorial S.A. FINDETER		4,671	-	5,734	-	10,405
Total short term	\$	2,595,774	170,799	203,545	47,958	3,018,076



SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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Long-Term Financial Obligations

	December 31, 2024									
	Current Portion					Non-Current Portion				
	Up to Three Months	More than One Month and Not More than Three Months	More than Three Months and Not More than One Year	More than Six Months and Not More than One Year	Total Current Portion	Between One and Three Years	More than Three Years and Not More than Five Years	More than Five Years	Total Non-Current Portion	Total Long Term
Foreign Banks	\$ -	747,212	435,489	4,771	1,187,472	250,741	19,893	-	270,634	1,458,106
FINDETER	5,166	38,091	-	2,396	45,653	82,624	205,433	6,337	294,394	340,047
BANCOLDEX	54	208	45	1,729	2,036	5,256	187	-	5,443	7,479
FINAGRO	-	115	-	2,235	2,350	112,773	29,927	28,086	170,786	173,136
Financial leasing	2,235	4,510	6,865	14,102	27,712	61,693	37,555	3,651	102,899	130,611
Employee savings plan	136	382	549	815	1,882	3,911	1,969	-	5,880	7,762
	\$ 7,591	790,518	442,948	26,048	1,267,105	516,998	294,964	38,074	850,036	2,117,141

	December 31, 2023									
	Current Portion					Non-Current Portion				
	Up to Three Months	More than One Month and Not More than Three Months	More than Three Months and Not More than One Year	More than Six Months and Not More than One Year	Total Current Portion	Between One and Three Years	More than Three Years and Not More than Five Years	More than Five Years	Total Non-Current Portion	Total Long Term
Foreign Banks	\$ 43,192	112,210	225,525	206,294	587,131	1,150,542	131,237	-	1,281,779	1,868,910
FINDETER	-	17,399	53,994	67,800	139,193	68,057	59,807	-	127,864	267,057
BANCOLDEX	252	1,313	584	24,978	27,127	17,865	239	1,744	19,848	46,975
FINAGRO	15,116	-	10,366	46,678	72,160	57,384	72	20,498	77,954	150,114
Financial leasing	2,002	4,040	6,150	12,631	24,823	55,257	63,692	6,535	125,484	150,307
Employee savings plan	252	410	573	1,315	2,550	2,975	1,665	-	4,640	7,190
	\$ 60,814	135,372	297,192	359,696	852,894	1,352,080	256,712	23,777	1,637,569	2,490,553

Resolución
6694/78
Minjusticia

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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

22. Employee Benefits

The following are the details of the employee benefit liabilities:

Employee benefit	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Short-term benefit (1)	\$ 73.041	68.173
Long-term benefit (2)	8.601	7.742
Post-employment benefit (3)	1.168	1.311
Total	\$ 82.810	77.226

(1) Short-term benefits comprise:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Severance pay	\$ 21.122	20.587
Interest on severance pay	2.477	2.429
Vacations	28.928	29.136
Extra-legal bonuses	7.858	7.466
Total payroll payable	648	458
Extra pays	12.008	8.097
Total	\$ 73.041	68.173

(2) Long-Term Benefits Include the Seniority Bonus and the Vacation Bonus: The Bank provides a specific group of employees with long-term extra-legal seniority bonuses throughout their working life depending on the number of years of service, every five (5), ten (10), fifteen (15), and twenty (20) years, etc., calculated as days of salary; furthermore, additional vacation days and vacation bonuses according to seniority.

(3) Post-Employment Benefits: This corresponds to retirement pensions. The actuarial calculation as of December 31, 2024, was made considering a discount rate of fifteen comma twenty-three percent (15,23%), a pension increase rate of nine comma ninety-five percent (9,95%), and the inflation rate of nine comma ninety-five percent (9,95%).

The compensation of key management personnel for each of the categories of benefits granted is disclosed in Note 34 related parties.

The following is the movement of the seniority bonus during 2024 and 2023:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Benefit obligations defined at the beginning of the period	\$ 5.503	4.968
Costs of services of the current period	571	605
Interest cost	553	540
Benefits paid directly by the Bank	(777)	(733)
Increase by transfer of business	-	(1)
Remeasurements:		
a. Effect of the change in financial assumptions	47	88
b. Effects of the change in experience	14	(301)
Benefit obligation defined at the end of the period	\$ 5.911	5.166

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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
 Notes to the Consolidated Financial Statements

Actuarial Assumptions

The variables used to calculate the projected long-term benefit obligation are shown below:

	2024		
	Scotiabank Colpatría	Fiduciaria Scotiabank	Scotia Securities
Discount rate	9,93%	9,73%	9,51%
Salary-increase rate	3,00%	5,00%	3,00%
Inflation rate	3,00%	3,00%	

	2023
Discount rate	11,00%
Salary-increase rate	9,59%
Inflation rate	3,00%

The employee turnover rate is calculated based on an average of the general turnover rate for the last three years.

The expected life of the employees is calculated based on mortality tables RV-08 ("Valid Annuitants"); this mortality table was constituted using the experience gathered in the period between 2005 and 2008 by the administrators of the General Pension System of the Occupational Accident System and life insurance companies.

The discount rate is assigned according to the duration of the plan; thus, plans with a longer time horizon have a higher rate than a short-term plan, and therefore, for longer time horizons, the TES curve will have a higher interest rate.

As of 2024, the Group's actuarial calculations are updated by PricewaterhouseCoopers (PwC).

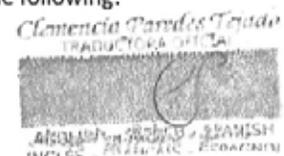
Sensitivity Analysis 2024

The sensitivity analysis of the long-term benefit liabilities for the different variables with changes of zero comma five percent (0,5%) for the rate of discount and inflation is the following:

Inflation	Scotiabank Colpatría			Fiduciaria Scotiabank			Scotia Securities		
	9,43%	9,93%	10,43%	9,23%	9,73%	10,23%	9,01%	9,51%	10,01%
3,50%	6.146	5.993	5.847	70	69	68	4	4	4
3,00%	5.910	5.840	5.751	69	67	66	4	4	4
2,50%	5.833	5.694	5.562	67	66	65	4	4	4

Sensitivity Analysis 2023

The sensitivity analysis of the long-term benefit liabilities for the different variables is the following:



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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	2023
Discount rate	
a. Discount rate -50 bps decrease in	5.626
b. Discount rate +50 bps increase in	5.376
c. Salary-increase rate -50 bps decrease in	4.115
	December 31, 2023
1 Hypotheses used to determine long-term benefit obligations	
Discount rate	11,00%
Salary-increase rate	9,59%
Long-term inflation rate	3,00%
2 Hypotheses used to determine the cost of long-term benefits	
Discount rate	11,00%
Salary-increase rate	4,00%
Long-term inflation rate	3,00%

Payments of Expected Future Benefits

Payments of future benefits expected over the next 10 years reflecting services, as the case may be, are expected to be paid as follows:

	Expected Payment
For year 1	\$ 762
For year 2	980
For year 3	804
For year 4	687
For year 5	735
For the next 5 years	2.837

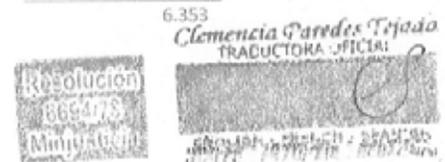
On December 22, 2016, the Ministry of Commerce, Industry, and Tourism issued Decree 2131, by which preparers of financial information are required to disclose, in the notes of the financial statements, the calculation of pension liabilities under their responsibility, in accordance with the parameters established in Decree No. 1625 of 2016.

As of December 31, 2024, the amount of the actuarial calculation in accordance with the parameters established in Decree No. 1625 of 2016 is \$1.283, and the difference with the retirement pension liabilities determined based on actuarial assumptions defined in the International Accounting Standard 19 "Employee Benefits" is a lower value of \$115.

23. Provisions

The following are the details of the provisions:

	December 31, 2024	December 31, 2023
Labor lawsuits and litigation in the process (1)	\$ 3.685	6.353



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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Decommissioning	3.671	3.982
Other provisions	7.756	2.763
Total	\$ 15.112	13.098

(1) As of December 31, 2024 and 2023, the Group had provisions for 30 and 33 proceedings against it, respectively, including ordinary civil, labor, and administrative proceedings.

The movement of provisions is shown below:

December 31, 2024				
	Lawsuits and Litigation in Process	Decommissioning	Other Provisions	Total
Balance as of December 31, 2023	\$ 6.353	3.982	2.763	13.098
Provisions built up during the period	3.102	5	15.183	18.290
Provisions used during the period	(3.647)	(316)	(9.332)	(13.295)
Provisions released during the period	(2.123)	-	(858)	(2.981)
Balance as of December 31, 2024	\$ 3.685	3.671	7.756	15.112

December 31, 2023				
	Lawsuits and Litigation in Process	Decommissioning	Other Provisions	Total
Balance as of December 31, 2022	\$ 6.483	4.361	7.546	18.390
Provisions built up during the period	3.504	148	7.146	10.798
Provisions used during the period	(2.684)	(527)	(9.724)	(12.935)
Provisions released during the period	(950)	-	(2.205)	(3.155)
Balance as of December 31, 2023	\$ 6.353	3.982	2.763	13.098

24. Accounts Payable and Other Liabilities

The details of accounts payable and other liabilities are as follows:

	December 31, 2024	December 31, 2023
Taxes payable	\$ 48.667	53.385
Dividends and surplus	840	841
Suppliers and services to be paid	90.207	111.469
Labor withholdings and contributions	86.895	84.854
Settled deposit insurance to be paid	47.427	51.367
Various creditors	18.383	18.787
Accounts payable for derivative transactions	25.140	31.247
ACH transfers (1)	30.070	62.536
Loyalty programs	19.673	8.629
Credit memos to be applied to obligations (2)	52.572	29.472
Income received in advance Cardif AXA	23.895	26.325
Commissions and fees	15.645	9.115
Miscellaneous	88.497	105.471
Total	\$ 547.911	593.498

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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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- (1) The decrease is due to lower disbursements and a lower volume of pending transactions at the end of December 2024.
- (2) This corresponds to payments pending to be applied as of December 31, 2024 and 2023, mainly for credit card portfolio obligations received through different means, which are paid in the first business days of the following month.



SCOTIABANK COLPatria S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

25. Outstanding Investment Securities

The following are the details of outstanding investment securities:

	Loan Value	Term	December 31, 2024	December 31, 2023	Interest Rate	Date of Issue	Expiration Date
2014 issuance by public offering	150,000	2014	\$ -	151,226	CPH-4.58%	11/12/2014	11/12/2024
2016 issuance by public offering	150,000	2016	150,631	150,935	CPH-4.61%	16/06/2016	16/06/2026
2017 issuance by public offering	125,000	2017	125,825	126,253	CPH-3.89%	5/12/2017	5/12/2027
2019 issuance by private offering	450,000	2019	450,375	450,375	10%	28/06/2019	28/06/2029
2020 issuance by private offering	224,700	2020	224,759	235,622	10%	30/06/2020	30/06/2030
2022 issuance of perpetual bonds	250,000	2022	259,195	259,195	22.53%	27/10/2022	Perpetual
Total			\$ 1,210,785	1,373,606			

As of December 31, 2024 and 2023, expenses of \$164,304 and \$187,219 were incurred for these obligations, including monetary correction at an effective annual rate on average daily balances of twelve comma twenty-seven percent (12.27%) and thirteen comma eighty-seven percent (13.87%), respectively.

Interest paid on the subordinated bonds as of December 31, 2024 and 2023 was \$177,125 and \$187,532, respectively.

The following are the details of the maturities of the outstanding investment securities as of December 31, 2024:

Year	December 31, 2024
2025	-
2026	150,000
2027	125,000
2029	450,000
After 2029	474,700
	\$ 1,199,700



SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

26. Equity

Subscribed and paid-in capital as of December 31, 2024 and 2023, comprises:

	December 31, 2024	December 31, 2023
Capital stock		
Authorized capital	\$ 432.150	432.150
Capital to be subscribed	(73.832)	(73.832)
Subscribed and paid-in capital	\$ 358.318	358.318

As of December 31, 2024 and 2023, the total subscribed and paid-in shares was 55.553.196.622.

The main shareholders and their equity stake are described below:

	December 31, 2024 and 2023	
	Number of Shares	Shareholding Percentage
Grupo Mercantil Colpatría S.A.		
Mercantil Colpatría S.A.	12.444.335.299	22,40%
Vince Business Corp	9.863.115.465	17,76%
Banderato Colombia S.A.S	906.756.185	1,63%
Acciones y Valores Nuevo Milenio S.A.	1.160.195.835	2,09%
Subtotal	24.374.402.784	43,88%
Scotiabank		
Multiacciones S.A.	31.099.603.688	55,98%
Otros minority shareholders	79.190.150	0,14%
Subtotal	31.178.793.838	56,12%
Total	55.553.196.622	100%

There are no shares with preferential rights, privileges, and restrictions for the distribution of dividends.

Reserves

	December 31, 2024	December 31, 2023
Reserves		
Legal reserve		
Appropriation of earnings	\$ 1.427.752	1.726.555
Occasional reserves		
Charity and donations	-	1.500
Tax provisions	1.750	1.750
Total reserves	\$ 1.429.502	1.729.805

Legal Reserve: In accordance with the legal regulations in force, the Bank must build up a legal reserve by appropriating ten percent (10%) of the net income of each year until reaching fifty percent (50%) of the subscribed capital stock; however, it may be reduced below the above percentage to offset losses in excess of retained earnings.

Occasional Reserves: Occasional reserves are determined at the General Shareholders' Meeting for distribution of dividends in cash or shares, future capitalizations, or specific donations as defined by the Shareholders' Meeting.

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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Profit Distribution Project

On March 21, 2024, at the Bank's Ordinary General Meeting, the shareholders approved the loss absorption project for the amount of \$300.303 as follows: legal reserve release of \$298.803 and occasional reserve release for donations of \$1.500 to offset losses.

On March 27, 2023, at the Bank's Ordinary General Shareholders' Meeting, the shareholders approved the profit distribution project for the amount of \$151.352 as follows: Creation of a legal reserve of \$90.931 to maintain in retained earnings the amount of \$60.421, release of a reserve of \$1,500, and creation of a reserve for donations of \$1.500.

Other Comprehensive Income

	December 31, 2024	December 31, 2023
Differences in the loan portfolio (1)	\$ 35.982	176.919
Gains and losses on financial instruments (2)	31.387	37.125
Cash Flow and foreign currency hedges	14.846	23.844
	<u>\$ 82.215</u>	<u>237.888</u>

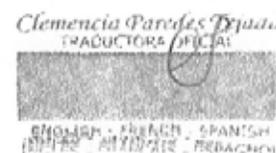
(1) Pursuant to the provisions of the Financial Superintendency of Colombia, the Bank recorded, in other comprehensive income, the adjustment resulting from the difference between the loan portfolio impairment of the separate financial statement and that of the consolidated financial statement.

(2) The decrease presented in the net comprehensive income of financial instruments is given by the valuation of debt and equity instruments. The latter, particularly, by the valuation of the investments in ACH COLOMBIA S.A., Credibanco, and Titularizadora, in the amount of \$10.552.

27. Income from Commissions and Other Services, Net

The following is the net income from commissions for the years ended:

	December 31, 2024	December 31, 2023
Income from commissions and other services		
Banking services (1)	\$ 259.429	234.429
Affiliated establishments	531.299	537.204
Fiduciary rights	44.606	43.282
Collection management	53.222	55.446
Credit card handling fees (2)	362.737	313.200
Miscellaneous	62.436	72.612
Total	<u>\$ 1.313.729</u>	<u>1.256.173</u>
Expenses for commissions and other services		
Banking services	\$ (62.072)	(57.964)
Fees	(123.199)	(110.824)
Placement of products	(86.992)	(82.744)
Use of transactional channels	(109.681)	(113.874)



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2024	December 31, 2023
Cencosud business cost	(43.924)	(43.370)
Collection management	(20.873)	(18.887)
Mandate contract, Codensa	(5.666)	(6.071)
Miscellaneous	(190.717)	(195.204)
Total	\$ (643.124)	(628.938)
Total income from commissions, net	\$ 670.605	627.235

- (1) The increase responds to the increase in the number of customers during 2024 and a higher transaction volume; additionally, there was an increase in financial advisory services provided to corporate customers during 2024.
- (2) The increase in these commissions is mainly associated with the collection of foreign transactions with credit cards.

28. Employee Benefit Expenses

The following are the details of employee benefit expenses for the years ended:

	December 31, 2024	December 31, 2023
Salaries	\$ (238.030)	(238.771)
Comprehensive salary	(142.056)	(138.781)
Extra pays (1)	(28.621)	(57.208)
Pension contributions	(53.813)	(53.637)
Vacations	(26.254)	(26.395)
Family Benefit fund contributions	(26.103)	(26.131)
Legal bonus	(23.042)	(22.180)
Extra-legal bonus	(56.514)	(53.881)
Severance pays	(22.280)	(22.277)
Other employee benefits	(45.815)	(46.800)
Total	\$ (662.528)	(686.061)

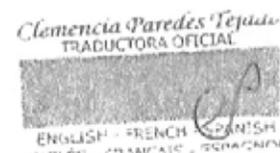
- (1) In 2023 there was an increase mainly explained by the offer of a closed retirement plan that was freely and voluntarily accepted by the employees to whom it was offered; this situation did not occur in 2024.

29. Other Income

The following are the details of other income for the years ended:

	December 31, 2024	December 31, 2023
From the sale of property and equipment	\$ 4.433	2.556
From the sale of investment property	-	191
Dividends and stakes	6.574	5.688
Exchange rate difference, net (1)	195.649	228.855
Recovery of written-off portfolio	106.274	105.478
Portfolio sale (2)	73.593	113.351
Miscellaneous	66.539	57.954
Total	\$ 453.062	514.073

- (1) The exchange rate difference is reported as net. The decrease is mainly due to the reduction of the asset position in dollars during 2024 as compared with 2023, as of December 31, 2024, the Bank has an asset position of USD 169 as compared with 2023, which corresponds to USD \$203.
- (2) The movement of this item is detailed in Note 12.



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SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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30. Other Expenses

The following are the details of other expenses for the years ended:

	December 31, 2024	December 31, 2023
Taxes and fees (1)	\$ (280.856)	(299.960)
Leases	(12.956)	(11.962)
Insurance	(112.808)	(120.045)
Maintenance and repairs	(122.238)	(119.657)
Depreciation of property and equipment	(59.091)	(58.389)
Amortization of property and equipment	(1.264)	(1.164)
Amortization of intangible assets	(155.990)	(121.942)
Publicity, advertising, and public relations	(141.714)	(145.788)
Temporary	(14.463)	(25.193)
Utilities, cleaning, and security	(49.557)	(54.621)
Transportation	(29.364)	(24.114)
Loss on the sale of non-financial assets	(1.085)	(2.744)
From the sale of investment property	(11.139)	-
Miscellaneous	(157.334)	(201.184)
Total	\$ (1.149.859)	(1.186.763)

(1) The details of taxes and rates are the following:

	December 31, 2024	December 31, 2023
Assumed taxes	\$ (5.873)	(8.577)
Tax on financial movements	(70.307)	(73.010)
Industry and Commerce	(94.876)	(100.813)
Discountable sales tax	(97.155)	(104.392)
Other taxes	(12.645)	(13.168)
Total	\$ (280.856)	(299.960)

31. Contingencies

As of December 31, 2024 and 2023, the Group was involved in administrative and judicial proceedings against it; the lawyers in charge of the proceedings quantified the possible obligations based on the analyses and concepts issued, thus determining the following contingencies:

- **Labor Proceedings:** As of December 31, 2024 and 2023, the amount of the labor lawsuit claims was \$13.279 and \$14.053, respectively. There are proceedings with a risk rating of less than fifty percent (50%) for \$8.850 and \$7.593, respectively, which have not been provisioned.
- **Civil Proceedings:** As of December 31, 2024 and 2023, the amount of the claims of the judicial proceedings on account of civil lawsuits was \$125.140 and \$165.981, respectively. There are proceedings with a risk rating of less than fifty percent (50%) for \$123.866 and \$164.604, respectively, which have not been provisioned.



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- **Administrative Proceedings and Others:** In claims for administrative and judicial tax proceedings initiated by national administrative and tax authorities, in some cases, penalties that the Bank would incur in the exercise of its activity as a National and Territorial tax collecting entity are established; in some other cases, higher taxes are determined in its capacity as a taxpayer. As of December 31, 2024 and 2023, The amount of this claim amounted to \$45. This proceeding has a one hundred percent (100%) risk rating; for this reason, it is fully provisioned.

Additionally, at the closing of December 31, 2024, the Bank is involved in legal proceedings facing administrative acts issued by the DIAN (the National Tax and Customs Administration), with a rating of less than fifty percent (50%) of probability issued by independent experts, which should not be provisioned.

As of December 31, 2024 and 2023, there are no contingencies or proceedings against the subsidiaries Scotia Securities (Colombia) S.A. Sociedad Comisionista de Bolsa y Crédito Fácil Codensa S.A. Compañía de financiamiento en liquidación.

32. Credit Commitments

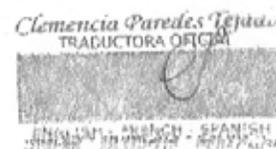
In the course of its normal operations, the Bank grants a guarantee to its customers in which it irrevocably undertakes to make payments to third parties in the event that the customers fail to comply with their obligations to such third parties, with the same credit risk of the financial assets in the loan portfolio. The granting of guarantees and letters of credit is subject to the same loan disbursement approval policies as regards the credit quality of customers, and guarantees are obtained as deemed appropriate under the circumstances.

The following are the details of committed credit lines not used:

	December 31, 2024	December 31, 2023
Guarantees	\$ 1.089.381	2.427.924
Letters of credit not used	18.407	21.640
Overdraft limits	375.340	208.645
Credit card limits not used	11.244.949	12.493.482
Credit openings	1.586.496	1.918.731
Non-disbursed approved loans	391.118	1.365.594
Total	\$ 14.705.691	18.436.016

The following are the details of the commitments by type of currency:

Currency	December 31, 2024	December 31, 2023
COP	\$ 14.290.371	17.576.267
USD	411.016	850.078
EUR	4.304	9.605
YEN	-	66
Total	\$ 14.705.691	18.436.016



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33. Related Parties

In accordance with IAS 24 Related Party Disclosures, a related party is a person or entity that is related to the entity preparing its financial statements, which may exercise control or joint control over the reporting entity, exercise significant influence, or be considered a member of key management personnel of the reporting entity or a parent of the reporting entity.

The Group considered the participation of related parties in the generation of profits. The existence of the relationship with related parties, such as shareholders, members of the Board of Directors, and directors of the Bank and subsidiaries, are clear examples of persons and entities that influence or may have an effect on the results and financial position of the Group.

In accordance with the above, the related parties for the Group are the following:

Shareholders: Shareholders who individually own more than ten percent (10%) of the Bank's capital stock and those whose individual shareholding is less than this percentage but in respect of which there are transactions above five percent (5%) of the technical equity.

Key Management Personnel: Key management personnel includes those persons who have the authority to plan, direct, and control the Bank's activities directly or indirectly, and the responsibility for doing so, including any director or manager of the Bank. Legal Representatives, members of the Board of Directors, the President, and the Vice Presidents are also included.

Subsidiaries: The entities where the Bank has control are Fiduciaria Scotiabank Colpatría S.A., Scotia Securities (Colombia) S.A., Comisionista de Bolsa, Crédito Fácil Codensa S.A. Compañía de Financiamiento - en liquidación.

Other Non-Subsidiary Related Entities: The Bank recognizes as non-subsidiary related entities those companies that are part of the corporate group and maintain a relationship through transactions such as transfers of resources, services, or obligations.

Transactions with Related Parties: The Bank may enter into transactions, agreements, or contracts with related parties, understanding that any such transactions shall be carried out at fair values, taking into account market conditions and rates.

There were no transactions between the Bank and its related parties during the years ending December 31, 2024 and 2023:

- Loans that entail for the borrower an obligation that does not correspond to the essence or nature of the loan agreement.
- Loans with interest rates other than those that are ordinarily paid or charged to third parties under similar term conditions, risk, etc.
- Transactions whose characteristics differ from those carried out with third parties.

The balances of assets and liabilities with related parties are listed below:

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	December 31, 2024		
	The Bank of Nova Scotia	Mercantil Colpatría	Other Entities of Group Colpatría and BNS (1)
Assets			
Correspondents	\$ 3.677	-	-
Forward transactions	383.894	-	92
Loan portfolio	-	32	271
Accounts receivable	342	67	12.896
Total assets	\$ 387.913	99	13.259
Liabilities			
Deposits and liabilities	\$ -	14.913	271.772
Credit lines (2)	-	-	1.729.606
Interest	-	160	14.443
Forward transactions	344.907	-	-
Other accounts payable	8.055	-	1
Bonds	-	267.603	657.097
Other liabilities	1.380	-	6.874
Total liabilities	\$ 354.342	282.676	2.679.793

	December 31, 2023		
	The Bank of Nova Scotia	Mercantil Colpatría	Other Entities of Group Colpatría and BNS (1)
Assets			
Correspondents	\$ 4.233	-	-
Forward transactions	1.371.430	-	41
Loan portfolio	-	78	3.891
Accounts receivable	348	108	12.268
Total assets	\$ 1.376.011	186	16.200
Liabilities			
Deposits and liabilities	\$ -	8.582	239.646
Credit lines (2)	-	-	1.613.584
Interest	-	5.483	26.970
Forward transactions	984.094	-	-
Other accounts payable	4.702	-	-
Bonds	-	267.603	661.097
Other liabilities	-	-	5.827
Total liabilities	\$ 988.796	281.668	2.547.124

The movements in income and expenses with related parties for the years ended December 31, 2024 and 2023, are listed below:



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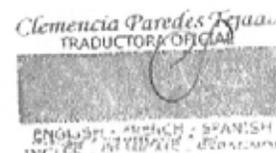
SCOTIABANK COLPATRIA S.A. AND SUBSIDIARIES
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	December 31, 2024		
	The Bank of Nova Scotia	Mercantil Colpatría	Other Entities of Group Colpatría and BNS (1)
Income and expenses			
Forward	\$ 1.842.576	-	33
Other income	23.444	-	1.642
Interest and commissions	1.849	309	120.152
Total income	<u>\$ 1.867.869</u>	<u>309</u>	<u>121.827</u>
Interest and commissions	\$ (17.404)	(28.493)	(199.658)
Forward	(1.965.782)	-	-
Other expenses	(21.211)	-	(29.255)
Total expenses	<u>\$ (2.004.397)</u>	<u>(28.493)</u>	<u>(228.913)</u>

	December 31, 2023		
	The Bank of Nova Scotia	Mercantil Colpatría	Otras entidades Grupo Colpatría y BNS (1)
Income and expenses			
Forward	\$ 4.449.358	-	-
Other income	7.797	-	330
Interest and commissions	2	488	147.091
Total income	<u>\$ 4.457.157</u>	<u>488</u>	<u>147.421</u>
Interest and commissions	\$ (18.809)	(29.296)	(277.340)
Forward	(3.446.324)	(633)	-
Other expenses	(32.853)	-	(19.039)
Total expenses	<u>\$ (3.497.986)</u>	<u>(29.929)</u>	<u>(296.379)</u>

- (1) The other entities of the group that presented operations with the Bank include Acciones y Valores Nuevo Milenio S.A., AXA Colpatría Capitalizadora S.A., AXA Colpatría Seguros de Vida S.A., AXA Colpatría Seguros S.A., Banderato Colombia S.A.S., Colpatría Medicina Prepagada S.A., Constructora Colpatría S.A., Constructora San Isidro S.A., Emermédica S.A., Finanseguro S.A.S., Gestor Capital S.A.S., GSG Gestiones y Servicios Globales S.A.S., Inversiones Sequoia Colombia S.A.S., MC Victorias Tempranas S.A.S., Multiacciones S.A.S., Nixus Capital Humano S.A.S., Olimpia IT S.A.S., Scotia Global Business Services Colombia Zona Franca Empresarial S.A.S., Scotia Global Business Services Dominican, Scotia Servicios Corporativos Spa, Scotiabank Caribbean Treasury Limited, Scotiabank Chile, Scotiabank de Costa Rica S.A., Scotiabank Inverlat S.A., Scotiabank Panama, Scotiabank Perú, Scotiabank República Dominicana, Scotiabank Uruguay S.A., Servicios Corporativos Scotia S.A. de C.V., Servicios Regionales Tecnología Scotiabank Limitada, Scotiabank Uruguay S.A., Vince Business Colombia S.A.S.
- (2) This corresponds to financing of foreign currency and working capital operations for USD 392.276.599 and USD 422.177.664, as of December 31, 2024 and 2023, these operations are negotiated at market rates. The average rate of operations outstanding as of December 31, 2024 and 2023, is zero comma forty-eight percent (0,48%) and zero comma sixty-one percent (0,61%), respectively.

Key Management Personnel: This relates to all transactions between members of the Board of Directors, legal representatives, and key management personnel. Some members of the Bank's key management personnel are also members of the key management personnel of the subsidiaries.



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The compensation of key management personnel includes salaries and short-term benefits such as extra pays and vacations.

For the years ending December 31, 2024 and 2023, the employee benefits for the key management personnel consist of:

	December 31, 2024	December 31, 2023
Salaries	\$ 9.501	12.885
Extra pays	5.157	5.112
Other benefits	28	188
Total	\$ 14.686	18.185

34. Law of Conglomerates

Law 1870 of 2017 regulates the new framework for Financial Conglomerates in Colombia and creates new instruments for their supervision, understanding, and consolidation.

On February 7, 2019, by resolution of the Financial Superintendency of Colombia (SFC in its initials in Spanish), Scotiabank Colpatria S.A. was identified as part of a Financial Conglomerate in Colombia and Bank of Nova Scotia (BNS), as the Financial Holding Company of this conglomerate.

Now, taking into account that BNS is domiciled and incorporated abroad in accordance with the provisions of Article 7 of Law 1870, on December 24, 2019, with Resolution 1257 of the SFC, an equivalence accreditation was carried out between the supervision exercised by the SFC in Colombia and OSFI (Office of the Superintendent of Financial Institutions) in Canada, excluding Scotiabank from the application of the provisions set forth in Title I of Law 1870.

35. Approval of Financial Statements

The consolidated financial statements and the attached notes were authorized for issuance by the Board of Directors and the Legal Representative, in accordance with minutes No. 750 of February 19, 2025, to be submitted to the General Shareholders' Meeting for approval, which may approve or modify them.

36. Subsequent Events

1. Agreement for the Integration of Operations

On January 6, 2025, the Bank was informed of the execution of an agreement between The Bank of Nova Scotia (Scotiabank), the Bank's parent company, and the majority shareholders of Banco Davivienda S.A., to integrate the Colombian operations of Scotiabank Colpatria S.A. with those of Davivienda S.A.

As part of the reported agreement, Mercantil Colpatria will sell its interest in the Bank to Scotiabank, prior to or in parallel with the integration process of Scotiabank Colpatria S.A. and Davivienda S.A. The agreement also includes the integration of Scotiabank's current operations in Costa Rica and Panama with Davivienda.



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This operation is subject to regulatory approval by the Financial Superintendency of Colombia, as well as the regulators of the other countries involved, and is expected to take up to 12 months from the execution of the agreement, during which time each entity will continue to operate independently, without affecting the conditions and services of the products offered by each bank.

2. Decisions of the Shareholders' Meeting

a. Capitalization Plan

In an extraordinary meeting of the General Shareholders' Meeting held on February 10, 2025, it was decided to decree the issuance and placement of up to eleven thousand four hundred and forty-six million eight hundred and three thousand three hundred and seventy-eight (11.446.803.378) common shares of the Bank, on which it was authorized to receive an advance for the subscription of these shares.

b. Issuance of Bonds

Likewise, the General Shareholders' Meeting approved the issuance of Subordinated Bonds through a private offering, which has the following characteristics:

- Amount: Up to ~ \$250.000.
- Rate Type: Fixed Rate – Semiannual Coupon (between fourteen comma five percent (14,5%) and sixteen comma five percent (16,5%) EA, subject to market conditions).
- Maturity: 10 years.
- Target of the Offering: Private Offering directed to specified investors (less than 99 persons) including the possibility of offering them to Scotiabank or an affiliate or subsidiary of Scotiabank.

The issuance will be subject to the corresponding corporate approvals and the corresponding formalities.

THIS IS A COMPLETE AND ACCURATE TRANSLATION OF THE ORIGINAL DOCUMENT THAT I HAD IN MY HAND. FOR COMPARISON PURPOSES, A COPY THEREOF IS KEPT IN THIS OFFICE.

Bogota, June 19, 2025

Number of pages including this one: 127

