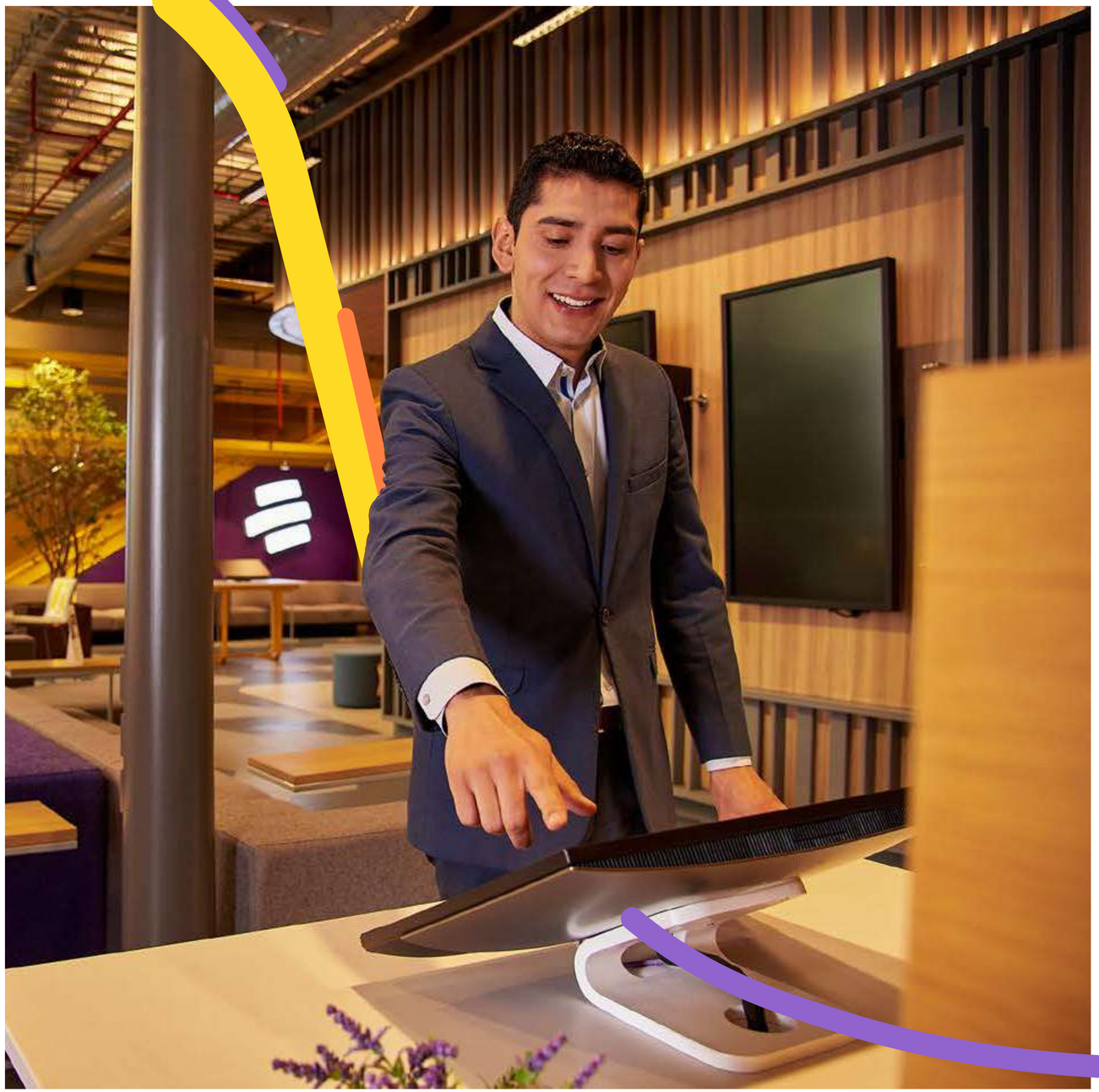
We build the future

Management Report 2021

Grupo **Bancolombia**



Report Development 2021

In developing this report, we identify the most relevant points of our management during 2021 for the various stakeholders. We report on the main achievements aligned with the strategy and the goals to be met. We present the Global Reporting Initiative (GRI) content index, the economic, environmental, and social indicators that contribute to the compilation of a sustainability report. We also report on the Sustainable Accounting Standards Board (SASB) indicator index to estimate structured reporting of these indicators in this first year, in the final segment.

This document has been prepared per the Core option of the GRI Standards. We are committed to working under this methodology to deliver a report on our administration that is increasingly tailored to the different stakeholders and to continue learning. This report was verified by a third party who reviewed its content adaptation to the Global Reporting Initiative's Sustainability Reporting Standard (GRI Standard).

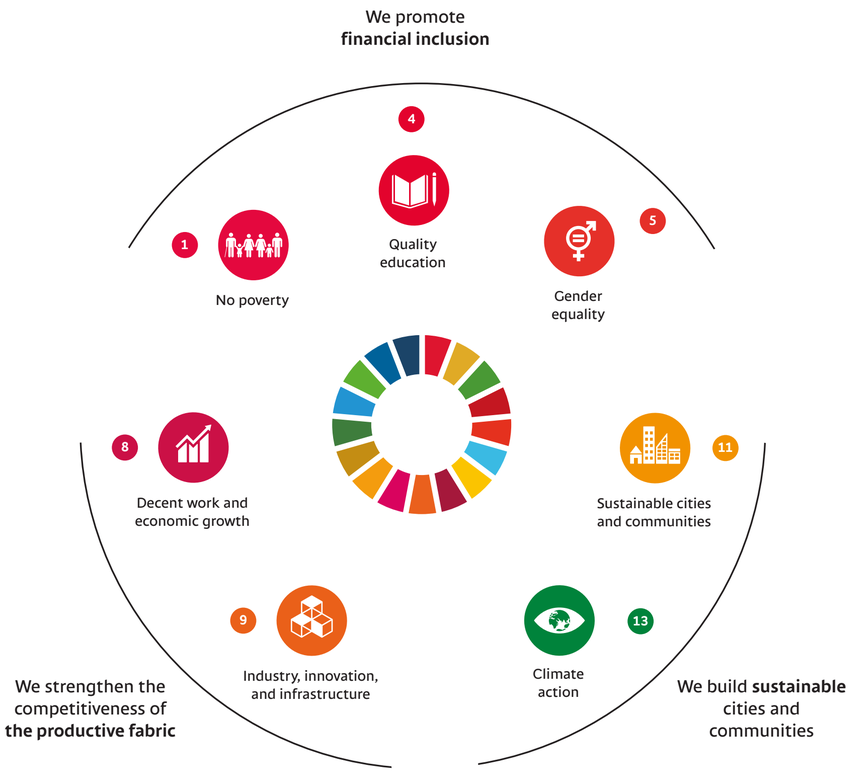
Likewise, we account for the commitment we have to sustainability through the work done by the volunteer management of the 10 UNGC Principles, the contribution to the fulfillment of the SDGs (Sustainable Development Goals), the commitments of the Paris Agreement, and participation in benchmark frameworks such as the DJSI, Equator Principles, United Nations Environmental Program - Financial Initiative (UNEP FI), Carbon Disclosure Project (CDP), Principles for Responsible Investment (PRI), Principles for Responsible Banking, UN Women, Partnership for Carbon Accounting Financials (PCAF), Net Zero Banking Alliance (NZBA), Task Force on Climate-Related Financial Disclosure (TCFD), and the Global Investors for Sustainable Development (GISD) Alliance, among others.

Our Purpose

We promote sustainable economic development to make well-being a top priority for **ALL.**

Action Areas

We have chosen three action areas where we can further that purpose and measure our results, **aligned with the United Nations Sustainable Development Goals (UN SDGs).**



Grupo Bancolombia

Clients
25 million,
of which:

› 6 million use A La Mano
› 10 million use Nequi

Grupo Bancolombia Key Figures

Assets
COP 290 trillion

Branches, offices, and agencies
878

Gross Portfolio
COP 204.4 trillion

ATMs
6,050

Deposits
COP 210,3 trillion

Correspondent banks
28.703

Net income
(attributable to shareholders)
COP 4.08 trillion

Digital users
more than 10 million

Estate
COP 33,9 trillion

Digital transactions
9.747 million

Direct employees
30,000

Suppliers
22,000

*Figures presented here are as of December 31, 2021, and include consolidated figures for Bancolombia, Banistmo, Bancoagrícola, and Bam.

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We put our capabilities at the service of Colombia, Panama, Guatemala, and El Salvador, to offer comprehensive financial and non-financial solutions to more than 25 million clients, including individuals, independents, businesses, SMEs, companies, and corporations. 30,000 employees aiming to promote sustainable economic development to achieve the well-being of ALL.

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Our Strategy

We change every day to overcome the most difficult challenges we face as an organization while evolving to support our customers in their daily lives and provide comprehensive solutions to address their needs beyond financial transactions.

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Well-Being for All

We generate well-being by strengthening the competitiveness of companies and businesses. We promote financial inclusion so that more people and companies can access opportunities generated by financial services. We offer solutions that contribute to constructing more sustainable cities and communities, making our planet increasingly cleaner.

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Achieving Customers' Brand Loyalty and Preference

We are a customer-focused organization. We stand out by providing reliable, approachable, timely, and user-friendly experiences for our customers. We are committed to earning your loyalty. Thus, we are improving the experience we offer you by strengthening our digital portfolio and providing you with more and better alternatives for the movement of your money.

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Building Culture and Talent to Foster Competitiveness

We have a team of more than 30,000 employees in four countries. They get up every day to work as part of a solid culture driven by ethics and integrity. Our employees focus on customer loyalty, preference, and sustainable growth, always seeking to achieve extraordinary performance.

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Juan Carlos Mora Uribe
Chief of Grupo Bancolombia

A Reliable Business

We are delighted to greet you and analyze together a year highlighted with all our stakeholders' trust placed in us. Thus, delivering greater profitability for you and strengthening our impact on the prosperity of Colombia, Panama, Guatemala, and El Salvador.

I acknowledge the excellent work done by the Board of Directors chosen by the shareholders and the leadership team of the different areas of the bank to achieve a profit of COP 4.1 trillion for Grupo Bancolombia in 2021.

Thanks to them and you, the 35,000 domestic and international shareholders who own Grupo Bancolombia. Thousands of companies and individuals and more than 17 million workers, with their pension savings, have part of their assets invested in Bancolombia.

2021 a Year of Celebration for Shareholders

2021 was a year of uncertainty. A year that challenged our traditional ways of working, our digital strategy, and our commitment to generating value with an economic, social, and environmental impact.

Despite the most challenging decisions, we have always been driven by our purpose of promoting sustainable economic development to make well-being a top priority for ALL.

This purpose was the reason to go far beyond financial institution requirements in our daily activities. We want our shareholders to share the excellent benefits their investments have on the country, in economic terms, when they are asked why they are Bancolombia's shareholders. We want them to be proud to share the social and environmental value their investments contribute to the future of the countries where we operate.

> **“There are millions of people and companies that have trusted Bancolombia. We have created 30,000 direct jobs and more than 15,000 indirect jobs in Colombia and Central America.”**

What Is the Main Headline?

A reliable business that already exceeds 25 million customers. A company that contributes COP 1.62 trillion in taxes to the country.

There are millions of people and companies that have trusted Bancolombia. We have created 30,000 direct jobs and more than 15,000 indirect jobs in Colombia and Central America. Today, we can say that we generate quality of life for people with these figures. We create development and inclusion opportunities. We build a solid organization model as an employer brand.

In 2021, we made our commitment to make well-being for all a reality. Our 22,000 suppliers, 28,000 correspondents banks, and 25 million customers counted on their bank as their main ally to ensure employment, access to credit, and leverage the recovery. We offered everyone financial services and comprehensive solutions for their day-to-day needs.

We were working with haste on the future vision while accompanying those who needed it most on this journey. A digital future in which mobile banking is critical for people and having a payments ecosystem is fundamental for business growth.

Proof of the digital future we build is each of the 6.5 million People App users. There was a 32% increase in the number of transactions in 2021.

Almost 6 million Colombians opened their first account through our “A La Mano” product. From their cellphones and at no cost, they can make transfers to receive their salary, pay bills, and add funds to their transport card.

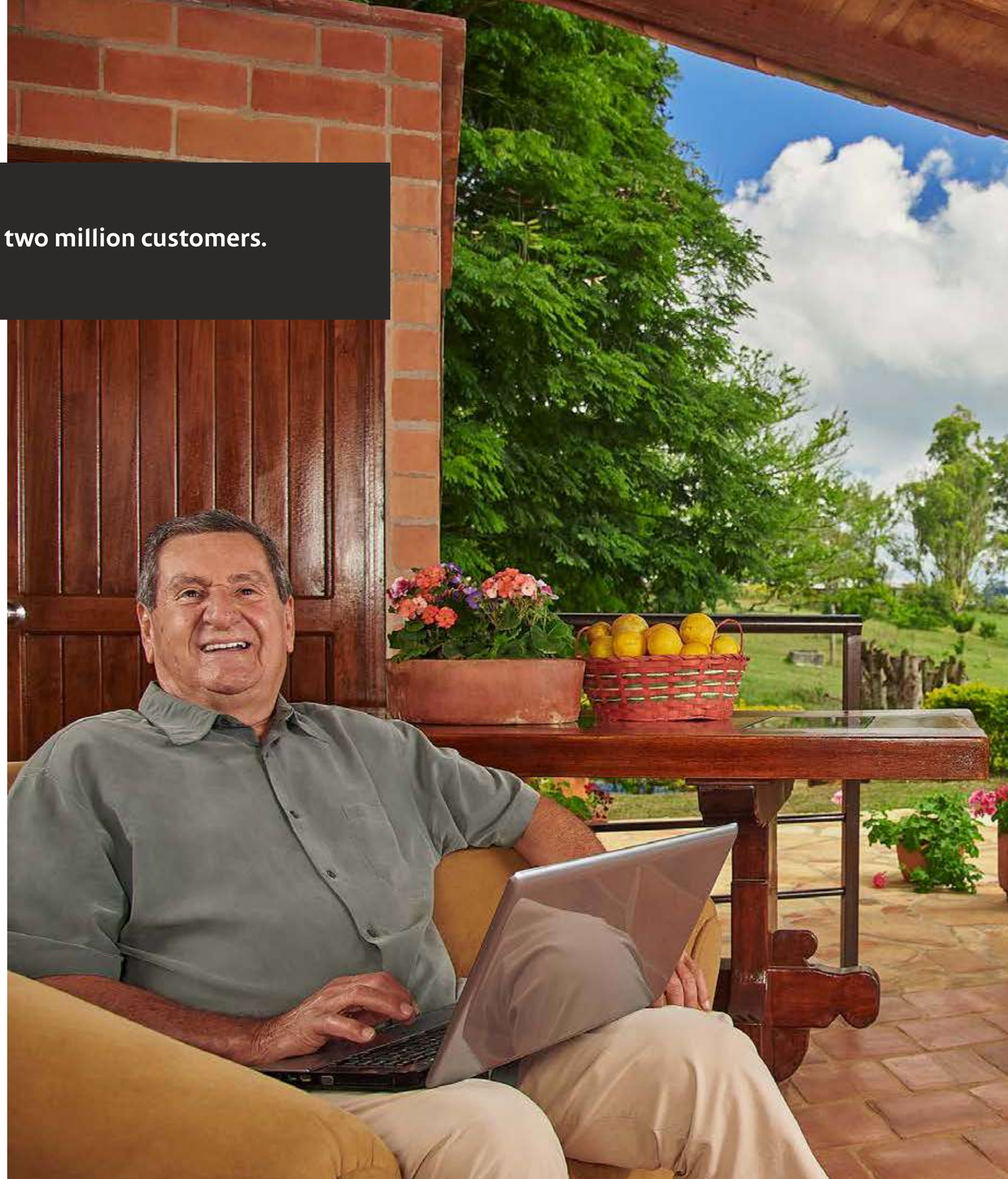
In 2021, we welcomed two million customers.

More than 10 million Nequi customers, a digital banking service we developed six years ago, can send money for free anywhere in the country, pay physically or digitally, have a savings plan, and withdraw cash from ATMs.

We are the bank of the people and the companies. We generate new possibilities to receive payments and increase sales. Some of these are Wompi, Botón Bancolombia, and QR codes, which are already available in all Colombian municipalities and have grown significantly in Central America.

We are the ally of companies and governments that need our expert advice in investment banking, trust, stocks, and treasury to implement large mega-projects that are key to the country's competitiveness. We have accompanied the development of 21 4G road concessions, representing works for COP 43.5 trillion. Last year, we announced our participation in the first 5G road APP in the country in Valle.

We are on track. Bancolombia has a presence in 99% of Colombian municipalities and still has work to do. As Colombians’ leading bank, we boldly and promptly lead to building the foundations for growth and employment.



Our Contribution to the Country

In 2021 we funded roads and bridges, power grids, and ports supporting our trade and keeping us united. We invested resources in health and education. We supported the government in its efforts to leverage housing construction and sales. We transformed our business to meet the needs of a new era.

Undoubtedly, credit was one of the key instruments for economic reactivation. Last year alone, we disbursed COP 87.1 trillion, equivalent to 50.3% of the taxes collected by the country's Directorate of National Taxes and Customs (DIAN). These resources reached all corners of the economy. They represented an answer for someone, covering the needs of individuals in their different stages of life, for entrepreneurs or contingent workers who needed capital to boost their business, including all size companies that could leverage projects relevant to countries' growth.

Bancolombia has a presence in 99% of Colombian municipalities and still has work to do.

Almost a million people accessed loans from Bancolombia for their consumption needs and individual and family projects. More so, these loans helped 278,000 people to purchase homes. Moreover, this was the first formal credit for many people. Before, they resorted to schemes such as loan sharking "gota a gota." We allocated more than COP 6 trillion to initiatives led by women. We are convinced that women have a multiplier effect on the economy and can generate well-being for families.

Credit was one of the instruments to boost business activity. 157,514 independent workers, 38,500 SMEs, 3,500 companies, and 1,760 corporate received disbursements of COP 63.5 trillion. These resources were used in working capital and projects that strengthen the productive fabric of countries, generate opportunities for people, and build more stable and diverse economies in the long term.

We supported the agricultural sector, providing more than 220,000 clients with financial and non-financial solutions to adapt to their conditions and business cycles. We also contributed with impact investing, financial education, and a scholarship program that has benefited 1,900 young people.

We Sow Today to Reap a Better Future

We are optimistic about the future. We contribute to transitioning to a low-carbon economy, reducing existing socioeconomic gaps. We support projects that incorporate environmental, social, and corporate governance (ESG) criteria. We disbursed COP 36.9 trillion in 2021 for these projects.

For instance, we provided COP 1.8 trillion in a credit line tied to sustainability indicators for companies committed to specific goals in improving their environmental and social indicators. Thus, they obtain a reduction in their interest rate.

Shareholders, if Bancolombia Wins, We ALL Win! You have decided to invest in a solid organization with a long-term vision to build a better future.

Shareholders, if Bancolombia Wins, We ALL Win!

You have decided to invest in a solid organization with a long-term vision to build a better future.

As good corporate citizens, we understand the impact of our actions, the power of consistency based on ethical and transparent behavior, the importance of strong corporate governance, the relevance of consolidating financial standards, and the value of materializing a strategy that transcends profitability to focus on generating value.

More than ever, this leads us to make a call to act as one in Colombia, despite any differences, to empower the work of the business sector. We need Colombians to regain confidence. We need to believe again in a better future for all.

Reason and heart tell us that we are on track. Evidence shows us that millions of people are walking alongside us.

We Are on Track and Will Continue to Do So

You have invested in a mindful generation, and I want to thank you for all Colombians. The more than 30,000 employees of Grupo Bancolombia will continue to transform the country as a legacy of each of you, with ethics and transparency guided by solid corporate governance. Beyond profitability, we share the same purpose, to promote sustainable development to make well-being a top priority for all.

Juan Carlos Mora Uribe
Chief of Grupo Bancolombia

Beyond profitability, we share the same purpose, to promote sustainable development to make well-being a top priority for all.

Chapter

01

About us

We put our capabilities at the service of Colombia, Panama, Guatemala, and El Salvador, to offer comprehensive financial and non-financial solutions to more than 25 million clients, including individuals, independents, businesses, SMEs, companies, and corporations. 30,000 employees aiming to promote sustainable economic development to achieve the well-being of ALL.

About Us

For 147 years, our commitment to strengthening Colombia, Panamá, Guatemala, and El Salvador's productive fabric, building sustainable cities and communities, and fostering financial inclusion has remained the same.

We are a generation of responsible leaders. Our more than 30,000 employees get up every day to promote sustainable economic development to make well-being a top priority for ALL Colombians, Guatemalans, Salvadorans, and Panamanians under a culture of ethics and integrity.

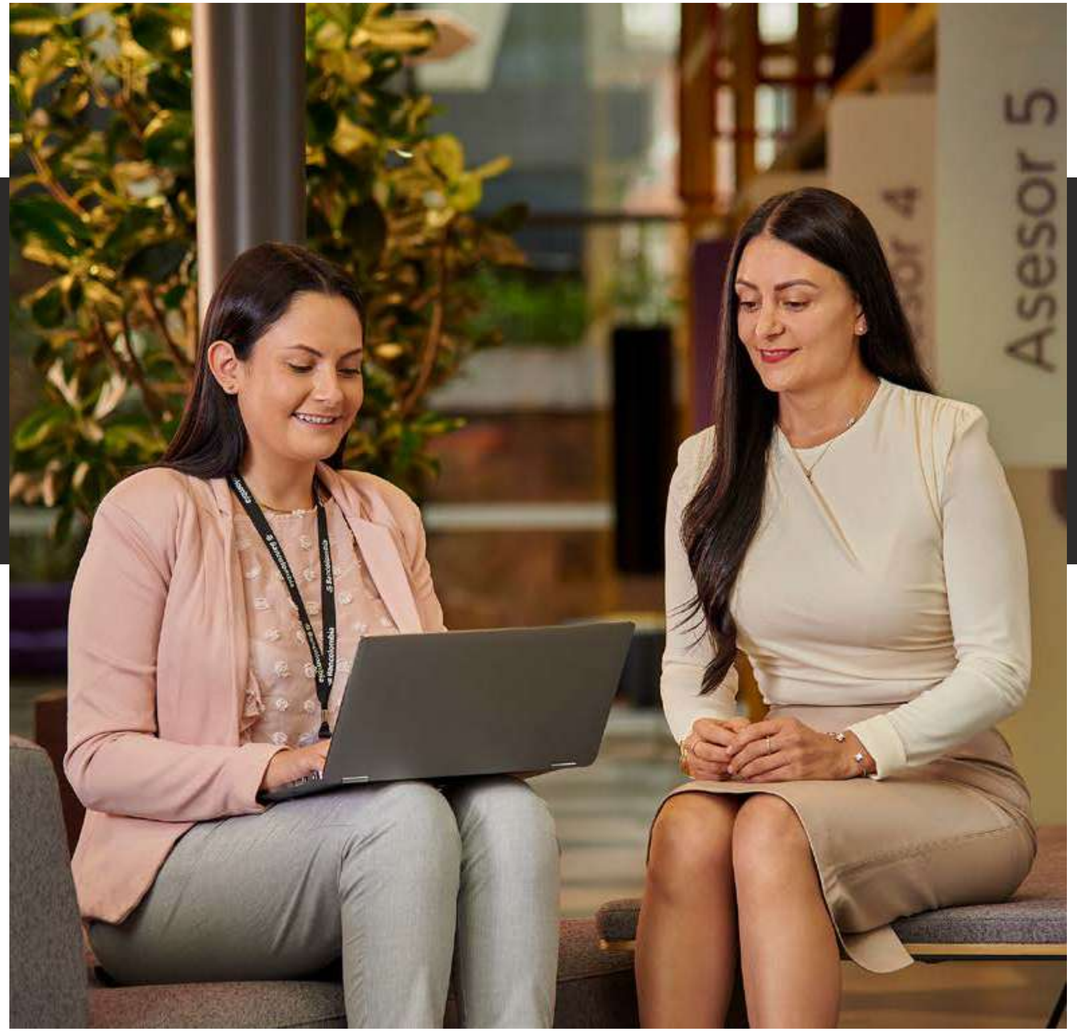
More than 25 million people, SMEs, companies, and corporations trust Grupo Bancolombia's companies to have all the products and services they require according to their purposes and needs. Starting from opening their first savings account to alternatives in banking, leasing, renting, stock brokerage, trust, and investment banking. We go beyond the financial aspect, partnering with other companies to offer integral solutions to people's daily needs.

We operate in four countries. We are proud of them and deliver the largest network of virtual and in-person solutions every day. Likewise, we are available wherever needed, accessible, timely, reliable, and close.

We are more than a financial services firm. We are a responsible generation that adapts to the challenges of the environment to generate a triple positive impact on the economy, society, and the environment, with a long-term vision. One of our priorities is to meet the UN SDGs.

We constantly work to maintain our position as one of the most sustainable banks in the world. According to the DJSI, we have been recognized as the best place to work and the company with the best reputation in Colombia during the last decade.

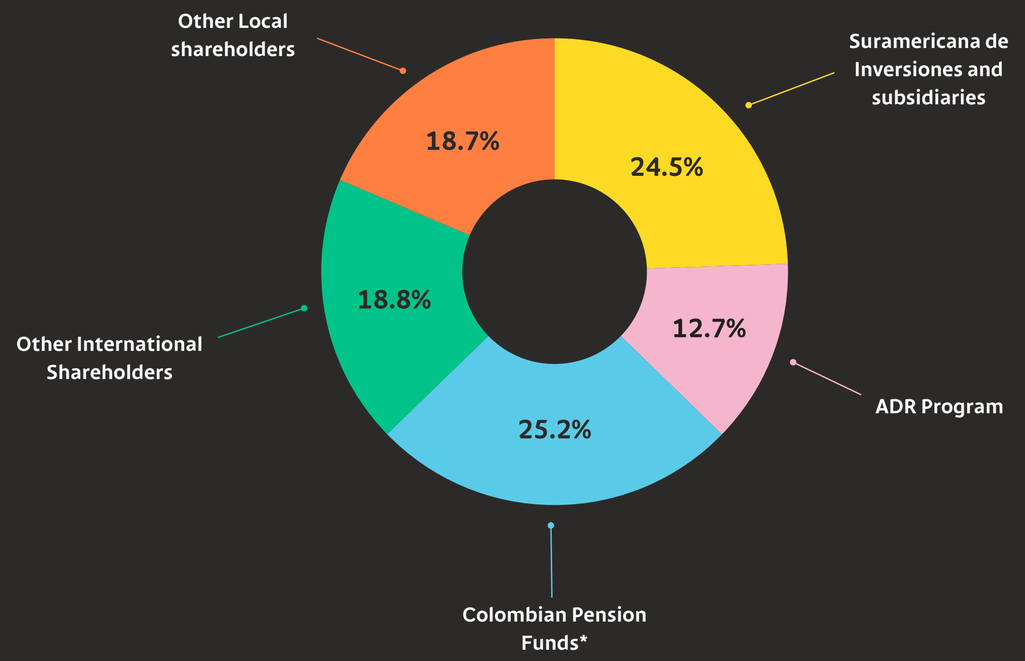
We are everyone's estate. Our shares are listed on the Colombian Stock Exchange and the New York Stock Exchange under the highest standards in corporate governance and ease of access to funding in the capital market.



Our Shareholders

Up to December 2021	Common Stock	Preferred Stock	Total
Suramericana de Inversiones and subsidiaries	46.2%	0.0%	24.5%
ADR Program	0.0%	27.1%	12.7%
Colombian Pension Funds*	19.9%	31.2%	25.2%
Other International Shareholders	21.5%	15.8%	18.8%
Other Local shareholders	12.41%	25.8%	18.7%

*Private Funding



Board of Directors

The Board of Directors of Grupo Bancolombia seeks to guide the organization toward achieving its present and future objectives. It provides direction to management by establishing the strategy and overseeing its implementation.

Gonzalo Alberto
Pérez Rojas

Silvina
Vatnick

Luis Fernando
Restrepo Echavarría

Sylvia
Escovar Gómez

Andrés Felipe
Mejía Cardona

Juan David
Escobar Franco

Arturo
Condo Tamayo

Steering Committee

Grupo Bancolombia's Executive Committee is liable for executing and developing actions toward the strategy and long-term objectives of the organization's implementation. This Committee drives high business performance and organizational cohesion. Additionally, it is responsible for promoting and protecting our brand and reputation.

Juan Carlos Mora Uribe
CEO Grupo Bancolombia

Aimeé Sentmat de Grimaldo
President Banistmo

Rafael Barraza Domínguez
President Bancoagrícola

Federico Bolaños Coloma
President Banco Agromercantil (BAM)

Mauricio Rosillo Rojas
Corporate Vice President

María Cristina Arrastía Uribe
Corporate Business Vice President

Claudia Echavarría Uribe
Legal Vice President and General Secretary

José Humberto Acosta Martín
Vice President Finance

Rodrigo Prieto Uribe
Corporate Risks Vice President

José Mauricio Rodríguez Ríos
Corporate Audit Vice President

Cipriano López González
Innovation and Sustainability Vice President

Liliana Vásquez Uribe
Vice President of Products

Jaime Alberto Villegas Gutiérrez
Corporate Services Vice President

Stakeholders Relations

We implement communication and engagement strategies with our different stakeholders to identify shared value creation through our most relevant economic, social, and environmental actions.

To learn more,

click here

and go to the Stakeholders Relations section.

Laying the Foundations for the Future

It is the fundamental structure for informed decision-making, the generation of value over time, and the proper and transparent management of Grupo Bancolombia. Our corporate governance practices constantly evolve, following the best domestic and international standards. Thus, positioning us as the industry benchmark.

E Environmental

S Social

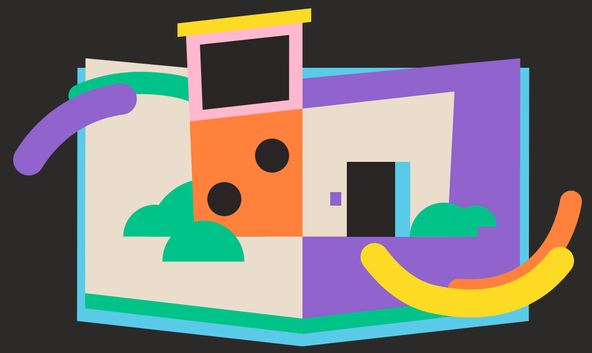
G Corporate Governance

Environmental

We support our clients throughout their decarbonization efforts, such as technological reconversion, sustainable construction, and clean energy. We develop different strategies to manage our impact on the environment as an organization. We make part of other environmental protocols.

Social

We promote financial inclusion and gender equity in our operations. We support projects that reduce social gaps in the countries where we operate, improving communities' quality of life. We foster conditions to promote the potential and well-being of our employees.



Corporate Governance

It is the fundamental structure for informed decision-making, the generation of value over time, and the proper and transparent management of Grupo Bancolombia. Our corporate governance practices are constantly evolving per the best national and international standards, consolidating Grupo Bancolombia as a benchmark for the industry.

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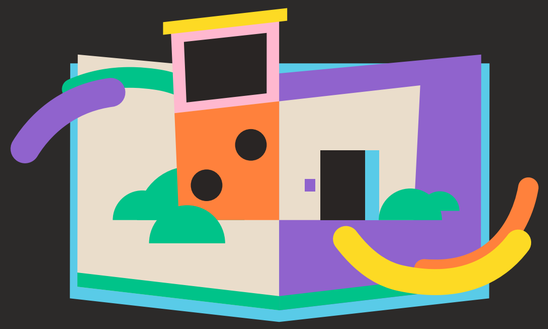

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Bancolombia Awards 2021

- According to Merco, **Bancolombia is the company with the best reputation in Colombia** and the best at attracting and retaining talent for the seventh consecutive year. Juan Carlos Mora, Chief of Grupo Bancolmbia, ranked second place in the ranking of business leaders.

- Bancolombia ranked fifth in the DJSI. It is **the most sustainable bank** in Colombia.

- **Juan Carlos Mora**, Chief of Grupo Bancolombia, was recognized as **2021's CEO** at the Bravo Business Awards of the Council of the Americas.

- **Cristina Arrastía**, Vice President of Business of Grupo Bancolombia, was elected **Woman of the Year** in Finance of the She Is Awards.

- In the first edition of the Sustainable Finance Awards, Bancolombia stood out in the leadership categories in **'Sustainability Transparency' and 'Sustainable Credits.'** Likewise, Banistmo, Grupo Bancolombia's subsidiary in Panama, led in '**Community Financing.'**

- The implementation of the Línea de Ganadería Sostenible, the first of its kind in the Colombian financial sector, earned Bancolombia the Asobancaria "**Acercando la banca a los colombianos" (Bringing banking closer to Colombians)** award in the Environmental category.

- **Bancolombia is the company with the best reputation in corporate responsibility and governance.** According to a study conducted by the Corporate Reputation Business Monitor (Merco) in its tenth edition, **scoring 10,000 out of a possible 10,000 points.**

- Bancolombia's Economic, Sectors, and Market Research team was acknowledged at **the AIE awards** of the Colombian Stock Exchange, Portafolio, and Fedesarrollo, after winning four gold medals in **Innovation Macroeconomic Analysis, Fixed Income, and Equities.**

- Global Finance acknowledged Banca de Inversión Bancolombia as **the best investment bank in the country.**

- IFC acknowledged Bancolombia for its contribution to promoting **sustainable real estate development**, particularly for **its support to its clients in the certification of sustainable buildings in Colombia and Central America.**

- Bancolombia was one of the winners of the **eCommerce Awards** Colombia 2021 in Financial Services and Online Banking.

- The housing rental solution that Bancolombia launched was recognized as the **'Real Estate of the Year 2021'** by the International Real Estate Federation (FIABCI).

- Banistmo won three awards in the first edition of the **SGD Impact Seal in Recognition of Best Practices**, organized by the Ministry of Social Development of Panama as Technical Coordinator of the Social Cabinet and President of the Senior Management of the Inter-Institutional and Society SDGs Commission.

- Global Finance chose Banistmo as the **Best Bank in Panama for SMEs.**

Chapter

02

Our Strategy

We change every day to overcome the most difficult challenges we face as an organization while evolving to support our customers in their daily lives and provide comprehensive solutions to address their needs beyond financial transactions.

Our Strategy

By strengthening the productive fabric, building sustainable cities and communities, and promoting financial inclusion in the countries where we operate, we foster sustainable economic development in Grupo Bancolombia to make well-being a top priority for ALL. We do it all in compliance with the UN's 17 SDGs to positively impact economies, society, and the environment.

We transform every day to respond to the tremendous economic, environmental, and social challenges we face. We want to go beyond the alternatives we offer today as a universal bank, evolving to accompany customers daily and provide complete solutions to their needs.

Therefore, we are making progress in developing everyday habitat, mobility, and business ecosystems. Based on our experience, customer knowledge, flexibility, and analytical capacity, we can partner with third parties and build platforms that offer comprehensive solutions to customers.

This evolution is part of our action plan to respond to the challenges of a constantly changing environment, seeking to ensure our sustainability as an organization and our intention to impact society's well-being positively.

Our strategic objectives are based on these premises, as follows:

Making Well-Being a Top Priority for All

We offer services for communities' development where we operate. We want to be their ally to help them make the most of the opportunities and better manage their resources in their daily lives. Thus, we generate well-being by strengthening the competitiveness of companies (the country's productive fabric). We promote financial inclusion so that more people and companies are integrated. Likewise, we seek to contribute to the economic development of the countries where we operate. Furthermore, we offer solutions that contribute to constructing more sustainable cities and communities, contributing to an increasingly cleaner planet.

Achieving Customers' Brand Loyalty and Preference

We are a customer-focused organization. We stand out by providing reliable, approachable, timely, and user-friendly experiences for our customers. We are committed to earning your loyalty, as measured by your referral over our competitors and our growth in market share. Consequently, we are working to offer you a better service. We are working on dropping the number of Queries, Complaints, and Claims QCC (AQRs, in Spanish) that cause unnecessary issues. We are improving the experience we offer you by strengthening our digital portfolio to promote the acquisition of our solutions through digital channels. At the same time, we strive to provide you with more and better alternatives for the movement of your money.

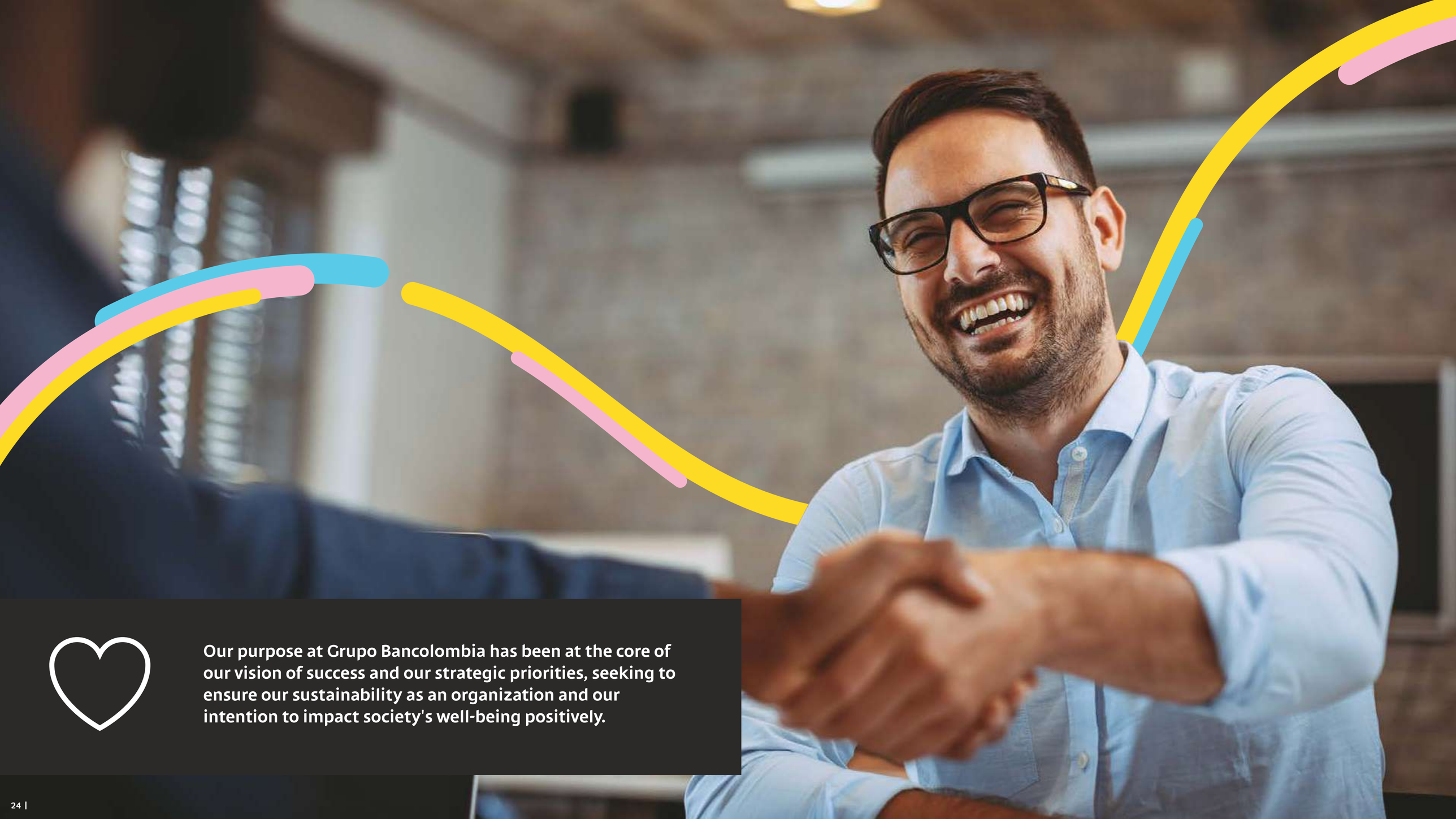
Growing While Staying Financially Strong

We are getting back on track for growth and profitability. We support our clients with a wise portfolio, proactive expense management, ad revenue leverage through financial and non-financial portfolio solutions, and significant investments in digitization and modernization. Thus, we look forward to maintaining our leadership in an increasingly competitive market.

Building Culture and Talent to Foster Competitiveness

We have a team of more than 30,000 employees in four countries. They get up every day to work as part of a solid culture driven by ethics and integrity. Our employees focus on customer loyalty, preference, and sustainable growth, always seeking to achieve extraordinary performance.

We understand that our talent is one of our core assets. Thus, we make their well-being and professional development a top priority. We seek to hire and retain the best talent in the market. We delegate the principles we stick to that make Bancolombia's culture stand out to our staff. Furthermore, we have become increasingly inclusive and equitable. We are friendlier and approachable. We are more empathetic to the reality and expectations of each of our customers.



Our purpose at Grupo Bancolombia has been at the core of our vision of success and our strategic priorities, seeking to ensure our sustainability as an organization and our intention to impact society's well-being positively.

Chapter

03

Growing While Staying Financially Strong

We drive growth and profitability. We support our clients with wise portfolio and proactive expense management, revenue leverage through financial and non-financial portfolio solutions, and significant investments in digitization and modernization. Thus, we look forward to maintaining our leadership in an increasingly competitive market.

We Trust Companies

“At Parque Infantiles Colombia, we created outdoor recreational areas and water parks with unique designs. We co-create with our clients according to their budget, terrain, and community needs. Therefore, each product is customized.” This is how Santander businessman Juan Camilo Ortiz defines his company. Mr. Ortiz and his wife, Lina Añez, started this business in 2014 when they began importing parks from Europe and China.

After five years, they felt they were ready to specialize in local design and production. In 2019 they decided to compete with the children's playground market that leads Europe. In Colombia, there is no other company in this sector. For that reason, they got advice, attended international fairs, and met suppliers.

“All the parts of our projects are brought from Europe because they are the best quality. But we do the whole design, painting, and installation process here. We stand out for making inclusive playgrounds. We have had clients such as schools where they have children in wheelchairs or with special conditions. We take everything into account and create playgrounds with ramps, with different accesses with specialized games.”

In 2020, Parques Infantiles grew exponentially and had financial products with different entities. However, all quotas and credit cards were canceled when the pandemic hit.

> **“We made it through that difficult year thanks to the support we received from the bank in different areas.”**

Juan Camilo says: “During the pandemic, we had products with several banks. They all closed our quotas. Bancolombia was the only one who continued to provide us with all the services, naturally with our supporting documents. We made it through that difficult year thanks to the support we received from the bank in different areas. We accessed the PAEF payroll subsidy, corporate credit cards, and the severance credit line. They also provided us with consulting services with Sura, training, and much more than financial products.”

“On the other hand, we also relied on an outstanding advisor, who always cared for us and helped us manage and identify what was useful. The truth is that everything with Bancolombia is straightforward. Its platform is almost intuitive, user-friendly, and makes our relationship with customers much easier because most of them use it,” says Lina.

Currently, Parques Infantiles has 40 employees. It has developed projects between the Amazon and San Andres Islands. It recently won a project from Procolombia to help them in the process to start exporting.

Financial Results

GRUPO BANCOLOMBIA
CONSOLIDATED FINANCIAL STATEMENTS

RESULTS AND BALANCE SHEET (Closing figures in millions of COP)	2021	2020	2019	2021 vs 2020 Var $	2021 vs 2020 Var %
Operating Income	23,780,034	23,254,960	23,875,502	525,074	2.26%
Net Operating Income	5,984,012	308,773	4,477,531	5,675,239	1838.00%
Net Income (Attributable to Shareholders)	4,086,795	275,994	3,117,351	3,810,801	1380.76%
Total Assets	289,855,048	255,568,505	236,088,113	34,286,543	13.42%
Loan Portfolio and Financial Leasing, Net	204,459,001	174,793,687	171,353,348	29,665,314	16.97%
Investments, Net	32,009,860	32,059,318	19,190,511	-49,458	-0.15%
Total Liabilities	255,929,590	227,453,292	207,282,494	28,476,298	12.52%
Deposits (Checking Accounts, Savings Accounts and CDs)	210,390,848	180,820,793	157,205,312	29,570,055	16.35%
Equity	33,925,458	28,115,213	28,805,619	5,810,245	20.67%

PERFORMANCE AND PROFITABILITY	2021	2020	2019
Net Interest Margin (NIM)	5.09%	4.91%	5.67%
Financial Efficiency	52.16%	50.51%	51.13%
Operational Efficiency	3.43%	3.08%	3.58%
Return on Average Assets (ROAA)	1.53%	0.11%	1.35%
Return On Average Equity (ROAE)	14.03%	1.02%	12.09%
Portfolio Quality (Overdue Portfolio/Gross Portfolio)	4.05%	4.93%	4.27%
Total Coverage Overdue Portfolio (Provisions/Overdue Portfolio)	166.29%	164.95%	133.94%
Basic Solvency Ratio	11.92%	11.24%	9.57%
Total Solvency Ratio	15.49%	14.74%	12.82%

Accounting accounts parameterization per the Board of Directors report and press release.

BANCOLOMBIA
Commercial Bank
UNCONSOLIDATED SUBSIDIARIES FINANCIAL RESULTS

RESULTS AND BALANCE SHEET (Closing figures in millions of COP)	2021	2020	2019	2021 vs 2020 Var $	2021 vs 2020 Var %
Operating Income	18,334,487	17,174,324	18,836,037	1,160,163	6.76%
Net Operating Income (Operating Profit)	5,243,413	1,035,238	3,979,303	4,208,175	406.49%
Net Income	4,149,704	904,331	3,356,381	3,245,373	358.87%
Total Assets	206,914,719	184,228,756	169,798,731	22,685,963	12.31%
Loan Portfolio, net	139,105,688	122,346,816	119,908,947	16,758,872	13.70%
Net investments	41,719,426	38,310,511	27,343,295	3,408,915	8.90%
Total Liabilities	175,147,270	158,447,620	143,942,490	16,699,650	10.54%
Deposits (Checking Accounts, Savings Accounts y CDs)	138,702,086	120,474,861	103,816,013	18,227,225	15.13%
Equity	31,767,449	25,781,136	25,856,241	5,986,313	23.22%

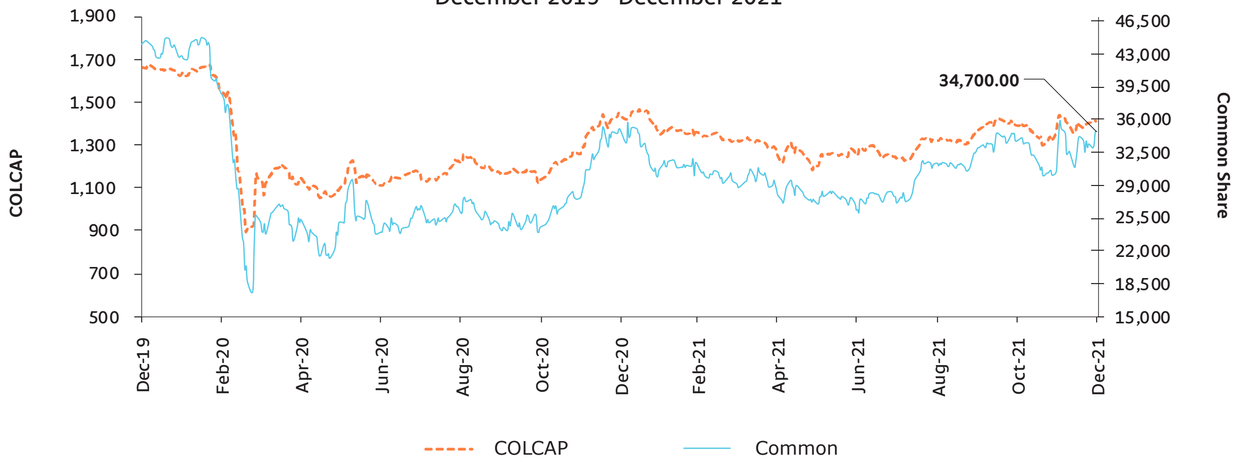
PERFORMANCE AND PROFITABILITY	2021	2020	2019
Net Interest Margin (NIM)	5.55%	5.38%	6.14%
Financial Efficiency	45.67%	48.08%	45.29%
Operational Efficiency	3.26%	3.19%	3.59%
Return on Average Assets (ROAA)	2.12%	0.51%	2.06%
Return On Average Equity (ROAE)	14.42%	3.50%	13.57%
Portfolio Quality (Overdue Portfolio/Gross Portfolio)	4.19%	5.44%	4.29%
Total Coverage Overdue Portfolio (Provisions/Overdue Portfolio)	186.72%	173.02%	167.03%
Basic Solvency Ratio	16.18%	14.66%	8.40%
Total Solvency Ratio	21.01%	20.17%	15.39%

MARKET (Figures as of December 31)	2021	2020	2019	2021 vs 2020 Var $	2021 vs 2020 Var %
Weighted Average Share Price	33,431	35,036	44,846	-1,606	-4.58%
Market Capitalization (millions)	32,154,666	33,698,963	43,134,208	-1,544,297	-4.58%
Number Shares Outstanding	961,827,000	961,827,000	961,827,000	-	0.00%
Intrinsic Value	33,028	26,804	26,882	6,224	23.22%
Earnings Per Share-Unit	4,314	940	3,490	3,374	358.87%

Accounting accounts parameterization per the Board of Directors report and press release.

Colombia: Bancolombia Shares - COLCAP

December 2019 - December 2021

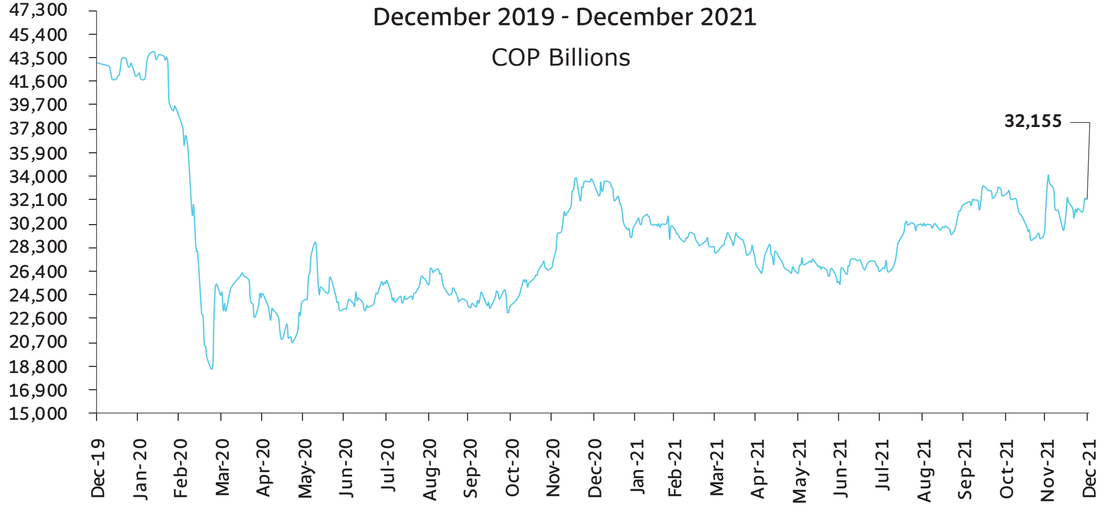


Source: Colombian Securities Exchange - BVC

Market Value-Weighted Index

December 2019 - December 2021

COP Billions



Note: This exercise is performed with Bancolombia's common and preferred shares closing price. Source: Colombian Stock Exchange (BVC) - Bancolombia calculations.

Economic Background

Much of the economic recovery was based on the vaccination programs' progress and the great response of economic policy (fiscal and monetary policy).

Main Trends in the Region (LAC)

Latin America had an accelerated economic recovery after adverse conditions due to COVID-19. In most of the region's economies, evident signs of recovery emerged in the first half of the year.

Subsequently, moderating with the onset of new contagion peaks and mitigating statistical effects based on the comparison.

Much of the economic recovery was based on the vaccination programs' progress and the great response of economic policy (fiscal and monetary policy). However, they were of lesser magnitude than high-income economies, which increased the gap between them.

Despite this challenging context, the IMF estimates that the region would have grown during 2021 at 6.8%, bringing production only 0.6% below the 2019 level. The lag and latent weaknesses in the labor market imply that economic activity has yet to return to pre-pandemic trends.

Regardless, 2021 had favorable external conditions for the region, thanks to the increase in commodity prices and the strengthening of international aggregate demand, which boosted exports recovery.

Uncertainty and risks remained high, mainly due to the re-emergence of new and more contagious strains of COVID-19. That was the beginning of a tightening trend in international financial conditions. Thus, putting external financing under pressure, significant increases in public debt levels, and sociopolitical instability with historical changes in the economic direction of the leaders who won the presidential elections in Peru and Chile.

Colombia

Despite the materialization of relevant risks that accentuated the country's vulnerability, the evolution of Colombia's economic activity in 2021 was characterized by a predominant recovery trend.

the availability of surplus liquidity that households accumulated during 2020 boosted consumption, the primary economy strengthening driver.

We estimate that full-year GDP growth was close to 10%, which would have recovered all the ground lost in 2020 and reached a level of aggregate output 2.5% higher than in 2019. This recovery was substantially higher than expected a year ago.

All this was possible even though the second quarter had a very adverse epidemiological and public order context, with multiple social mobilizations and infections, ICU occupation, and deaths from COVID-19 that reached new peaks and subjected the health system to tremendous pressure. This implied a breakdown of the recovery trend and a labor market stagnation.

Once the public order crisis returned to normal and the epidemiological figures dropped to the lowest levels of 2021 during the third quarter, the economy resumed its accelerated recovery. In particular, the level of aggregate production achieved by the country during this quarter was higher than the pre-pandemic benchmark for the fourth quarter of 2019. With the progress of the vaccination program, the restrictions that remained in place on the operation of many sectors were finally lifted.

In the second half of the year, mobility and the operating capacity of all economic activities and services, especially tourism and out-of-home entertainment, were almost entirely back to normal. In addition, the availability of surplus liquidity that households accumulated during 2020 boosted consumption, the primary economy strengthening driver.

This became a slight inflation acceleration driver. Although, the primary determinant of the rise in prices was the market basket. In the second quarter, the disruption of public order and its effect on agricultural production and distribution began to affect food inflation. Afterward, heightened stress in international logistics chains, high exchange rates, and shortages of critical raw materials for the sector continued to push food prices upward until the end of the year. This led to total annual inflation closing 2021 at 5.62%, a high point since 2016.

Since September, the response to this rising inflation and faster-than-expected economic recovery began the monetary policy stance adjustment. Thus, in the last 4 months of 2021, the level of intervention rate rose from its historical low of 1.75% to 3%.

In addition, the country's greater macroeconomic vulnerability was the third element that contributed to the beginning of monetary adjustment. During the past year, Colombia lost its investment-grade status due to the significant increase in public debt, the high fiscal deficits of 2020 and 2021, and the challenging outlook on this front. In addition, the economic recovery significantly fueled the import of goods and the outflow of factor income. The current account deficit rose to a level that exceeded 5% of GDP for the entire year. These two elements create twin deficits, which have resulted in local asset prices becoming more vulnerable to the evolution of foreign financial markets.

Panamá

The Panamanian economy showed a recovery trend during 2021 after growing during the second and third quarters at 40.4% and 25.5%, respectively. Despite this good economic performance, Panama will take longer to recover than the average of the countries in the region, given the unprecedented contraction the economy suffered during 2020 (-17.9%). The economy has become increasingly diverse during the past year, with higher mining, transportation, finance, and agriculture participation. According to the latest economic activity data (measured by the Monthly Index Economic Activity 'IMAE'), 4Q21 is also expected to have enjoyed a good recovery dynamic.

During the past year, in terms of prices performance, Panama emerged from the deflationary period (where it was for 12 consecutive months. As of March 2021, inflation returned to the country, progressively accelerating until reaching a peak in October (2.9%).

In 2021, Panama's fiscal performance was within what was expected by the market, and the Government met the announced goals. At year-end, the Non-Financial Public Sector (NFPS) budgetary deficit stood at 7.5% as a percentage of GDP. This year, fiscal consolidation is expected to improve as economic activity gradually increases and government revenues continue to gain traction while budgetary expenditures related to the health crisis decrease.

Guatemala

Partially and due to a less favorable comparison base effect, the economic recovery in Guatemala lost momentum in the last quarter of last year. Domestic demand also suffered a slight slowdown, even though household spending showed good dynamics in the previous months of the year. As measured by the monthly index of economic activity, growth in economic activity fell to an eight-month low during October, and exports of goods growth also lost momentum in the same month. However, the flow of remittances that have entered the country has continued to grow, reaching a five-month peak in November. This significant revenue stream has been instrumental in keeping household spending strong and contributing to economic recovery.

Unlike other regions' economies, consumer prices did not represent significant pressures during 2021. Inflation decelerated during 2021 from the inflation peak in February last year (6%) and closed 2021 at 3.1%, slightly above the lower limit of the central bank's target (3%-5%).

Fiscal performance during 2021 was better than expected by the market. Thus, the analysts' consensus expects the fiscal deficit to close in 2021 at 2.5% as the government withdraws stimulus and the economy continues to recover. Public spending during 2021 remained within the budget announced by the Government, so we are confident that the country will continue with sound fiscal management.

El Salvador

The economy showed a solid recovery path growing at 25.8% and 11.7% during 2Q21 and 3Q21 during 2021, respectively. Recovering pre-pandemic activity levels has been possible due to its good performance. Also, productive activity restrictions have been lifted thanks to the progress in the vaccination program.

The growth of remittances during 2021 reached historical peaks. It has become an increasingly important source of liquidity for households and the economy. Five years back, remittances represented 18% of GDP. In 2021, they represented 26.6%, totaling USD 7,517 million after annual growth of 26.8%.

El Salvador is vulnerable in fiscal terms, having closed 2021 with an estimated fiscal deficit of around 6%. This balance sheet result and public debt dynamic, estimated to have closed 2021 at 88% as a proportion of the GDP, leave little room for maneuvering on public finances. Added to the above complex scenario is that political tensions between President Nayib Bukele's Administration and the International Monetary Fund would hinder a possible loan of around USD 1.3 billion.

Estados Unidos

The U.S. economic activity performance in 2021 exceeded our expectations. It closed the year with a growth of 5.7%; an excellent dynamic of private demand supported this growth. The progressive removal of the measures to contain the pandemic (thanks to a strong vaccination plan, with about 60% of the population fully vaccinated) was also an ally in the economic recovery, particularly in the service sectors. This good dynamic of economic activity was also reflected in the recovery of the labor market, which closed last year with unemployment below 4%. These results have come amid high uncertainty stemming from new COVID-19 strains, bottlenecks in global supply chains, and escalating inflation.

Despite the good economic environment described above, the advance in consumer prices has exceeded the market's expectations (and that of the Federal Reserve), putting financial stability at risk. CPI inflation closed 2021 at 7%, a figure not reported since 1982. The conjunction of several phenomena has explained this increase in inflation. Supply constraints are derived from global logistical problems such as a solid private demand, driven partly by an extensive fiscal stimulus. Rising energy prices and the economic effects of the Fed's injection of liquidity during 2020 and part of 2021. This rise in prices has increased pressures on the Federal Reserve and its plan to harvest liquidity from the market and raise the Fed Funds rate early.

Outlook for 2022

Following the foreseeable dynamics of the global economy, the year ahead will be a stabilization period for economic growth in Latin America at levels consistent with its potential. In its latest edition of the World Economic Outlook (WEO), the IMF forecasts that the region's growth during 2022 will moderate to 2.4%.

This will be primarily underpinned by how economic policy impetus will continue to be reduced. As efforts to reduce fiscal deficits begin to move forward, the central banks of the major economies are rapidly increasing their policy rates to cope with the challenging inflationary context with which they received 2022. Also, political uncertainty with the elections in Colombia and Brazil and the definition of the new Political Constitution in Chile will limit dynamism.

Thus, the growth of the Colombian economy would moderate from 10.6%, which would have taken place in 2021, to 4%. The first half of the year will be marked by how consumption and investment decisions will be affected by the lack of clarity in the political landscape and by the stress still in force in international logistics chains. We expect the economy to return to greater dynamism only once the electoral contest is resolved and under the assumption that the winner is a candidate who continues to make orthodox use of economic policy tools.

In addition, the depletion of household liquidity surpluses that would limit the evolution of private consumption, the smaller gap to return to potential output levels, and the less expansionary stance of the economic policy stance will also contribute to the stabilization of growth.

The year ahead will be a stabilization period for economic growth in Latin America at levels consistent with its potential. In its latest edition of the World Economic Outlook (WEO), the IMF forecasts that the region's growth during 2022 will moderate to 2.4%.

The labor market will continue to recover, given the expected improvement in activity levels in the sectors lagging the most and the expectation that pressures on business costs will gradually ease.

Despite this, the labor market will continue to recover, given the expected improvement in activity levels in the sectors lagging the most and the expectation that pressures on business costs will gradually ease. However, the increase in informality would continue to be part of the panorama, also driven by the historic decision to increase the minimum wage.

Before the high comparison base, consumer inflation is expected to peak in the first months of the year. The moderation of current upward pressures allows it to begin a correction path to close the year at around 4.5%. In response to this scenario and the increase in external and fiscal vulnerability, Banco de la República will continue with an accelerated process of normalization of the monetary policy stance to reach a neutral rate of 5.5% before the end of 2022.

We expect the Panamanian economy to continue its recovery path during 2022, primarily driven by the reactivation of world trade and its main trading partners. A risk would be the logistical complications generated by global bottlenecks. Given the above, driven by the transport, trade, and mining sectors, we expect that by 2022 the economy will grow 6.5%.

We expect Guatemala to consolidate its vaccination program by 2022. We also expect the flow of remittances will continue to be an essential source of financing for household spending. On the other hand, inflation will continue to normalize thanks to the dissipation of international logistical problems, the moderation of oil prices, and the central bank's interest rate hike. We expect it to close at 4.1%. Fiscally, we expect the government to continue consolidation as the economic recovery increases government revenues and pandemic-related fiscal spending pressures are reduced.

For El Salvador, supported by private consumption and some public spending plans, we expect the economy to grow by 3.7%. The context of moderate inflation and the good flow of incoming remittances will help to boost private consumption. Several risks loom over our forecast horizon, stemming from the political and diplomatic management of the country. First, tensions between El Salvador and the U.S. could affect the flow of remittances, given a possible withdrawal of the work permit for Salvadorans in the U.S. (TPS). On the other hand, diplomatic relations with multilateral organizations such as the IMF could hinder the arrival of loans to the country essential for fiscal consolidation. Additionally, given the implementation of bitcoin as legal tender in the country, great uncertainty continues about the financial sector's performance.

In the United States, we expect economic activity growth to stabilize and GDP to advance at around 3.3%. Thus, a normalization of the comparison base effects (which explained part of the high growth in 2021) and a more challenging macroeconomic context would cause this stabilization. The main downside risks we see on the forecast outlook are the arrival of new strains of COVID-19, sustained inflation growth beyond current levels, a very aggressive monetary stance that slows down the good momentum of the labor market, the economic activity, and the global logistics stress likely to persist. Conversely, in terms of upside risks, we see a more favorable global recovery environment, especially for major U.S. trading partners, progress on international vaccination programs, and continued recovery and strengthening of the country's labor market.

In Colombia, Banco de la República will continue with an accelerated process of normalization of the monetary policy stance to reach a neutral rate of 5.5% before the end of 2022.

Grupo Bancolombia
Consolidated Financial Statement

In Grupo Bancolombia, we undertake the challenge of growing in the placement of financial products with responsibility, offering our clients adequate solutions to their financing needs, and optimizing the profitability of our investment portfolio.

Thus, we closed 2021 with total assets of COP 290 billion, an increase of COP 34 billion (13.4%) compared to 2020. In 2021 there was a constant devaluation of the COP against the USD, 15.98% (COP 549 per dollar). Thus, resulting in a COP 15.6 trillion growth in total assets. 68.2% corresponds to the gross portfolio. A determining factor was the dynamism of the net loan portfolio, in which we grew COP 29 trillion. 47% corresponded to Colombia. The remaining 53% corresponded to the operation's growth in foreign currency (USD), mainly due to foreign subsidiaries. We have encouraged customer credit consumption in all the modalities available to our clients due to the dynamics generated by the economic reactivation in all the geographical areas where we operate. Hence, we have maintained our position as a strategic ally in executing their projects.

Consequently, we maintained the composition of our gross portfolio, with a 64% share of commercial loans and a 22% share of consumer loans, similar to those reported in 2020.

Customer deposits increased COP 29.6 trillion (16.4%), matching the portfolio's growth during the year.

Net investments did not show greater movements compared to the previous year. However, throughout 2021 it was one of the lines that presented the most significant activities in all subsidiaries. Thus, this resulted in the strategy of making optimal use of resources and the correct portfolio management by the Grupo, closing the year at COP 32 billion. There was a growth of COP 3 trillion in cash during the year, which closed at COP 23.1 trillion in 2021, maintaining the liquidity levels required by the regulator and guaranteeing the availability of resources for our clients.

Meanwhile, Grupo Bancolombia's total liabilities closed the year at COP 256 trillion, increasing COP 29 trillion (12.5%). This resulted from the growth in our customers' deposits. Thereby offsetting our liabilities.

Customer deposits increased COP 29.6 trillion (16.4%), matching the portfolio's growth during the year. Demand deposits represented this increase in our clients' deposits. Savings and checking accounts increased by COP 20.3 trillion and COP 8.7 trillion, respectively. Thus, reducing time deposits by COP 1.6 trillion.

Our customers' deposits represented 82.2% of the total liabilities of Grupo Bancolombia, increasing by 271 basis points (bps) compared to the previous year. Loan loans with financial entities decreased to COP 2.7 trillion (23.7%) and closed the year at COP 8.6 trillion. This improved the management of the NIM due to optimizing the liability structure and its financial cost.

We reached shareholders' equity of COP 32.2 trillion, registering an annual growth of COP 5.7 trillion (21.4%), primarily due to the year's earnings and the translation adjustment from the restatement of the foreign subsidiaries' financial statements in our consolidated financial statements. As a result, equity gained 73 bps as a percentage of the balance sheet structure, closing the year at 11.1%, reflecting our commitment to strengthening our equity as a hedging mechanism against future risks. Likewise, solvency levels remained above the limits required by the regulator, ending the year with a primary solvency ratio of 11.92%, 68 bps higher than that recorded at the previous closing.

In Grupo Bancolombia, we closed the year 2021 with an accumulated net income of COP 4.1 trillion, with growth compared to the prior year of COP 3.8 trillion. 2021 was a year of economic recovery in all the geographical areas where we operate. Proof of it was a higher demand for credit and a generalized environment of lower interest rates.

Therefore, leveraged with a lower cost of funds, due to the funding sources optimization of COP 1.5 trillion (25.8), yielded an increase in net interest income of COP 1.5 trillion (25.8).

Net commissions increased COP 396 billion (13.0%) due to reducing the restrictions on economic activities, positive portfolio growth, and higher deposit demands, closing the year at COP 3.4 trillion.

The net portfolio provisions and credit risk impairment expense closed the year at COP 2.4 trillion, decreasing COP 5.1 trillion (67.8%). This was the outcome of the improvements in economic performance and the lower probability of default of our clients, registering a gain of 267 bps in the cost of credit, closing the year 2021 at 1.18%.

Accordingly, a higher generation of pre-tax profits (COP 5.7 trillion) led to a recovery of the income tax provision for 2021, reaching pre-pandemic levels and closing the year at COP 1.8 trillion.

In Grupo Bancolombia, we undertake the challenge of growing in the placement of financial products with responsibility, offering our clients adequate solutions to their financing needs, and optimizing the profitability of our investment portfolio.

This implied an 11% increase in operating income before provisions (COP 1.7 trillion) compared to a 14.6% increase in operating expenses (COP 1.2 trillion), which resulted in a financial efficiency of 52.16%, 165 bps higher than that recorded at the end of the previous year. The increase in operating expenses was mainly due to the standardization of bonuses and the execution of technological infrastructure projects.

Finally, the return on equity indicator closed 2021 at 14.03%, namely, 13 percentage points (pp) above what was recorded in 2020.

Bancolombia, Commercial Bank

Amidst a year of economic reactivation following the closures due to the COVID-19 pandemic, Bancolombia reported a 12.31% growth in total assets in 2021, representing COP 22.69 trillion more than at the end of 2020. This variation was mainly leveraged by the gross portfolio, which grew by 11.73% and contributed 69.83% of the total increase in assets.

Portfolio balances performance was primarily driven by the Commercial mode, growing 12.66% (COP 8.52 trillion), bringing the bank's market share in this line to 33.82%*, 98 bps higher than in 2020. On the other hand, consumption had a variation of 15.85% (COP 4.69 trillion) and reached a 19.93%* market share. In addition, Housing recorded a growth of 14.79% (COP 2.14 billion) and gained 26 bps of market share, reaching 19.76%*.

Investments, including investment financial instruments, subsidiaries, associates, and joint ventures, increased 8.90% due to higher earnings on equity method investments.

The decrease of COP 916,986 million, which was at 4.19%, in the portfolio provisions balance shows a reduction in credit risk. This resulted from the economic reactivation, reflecting an improvement in portfolio quality, with a decrease of 125 bps in the overdue portfolio indicator.

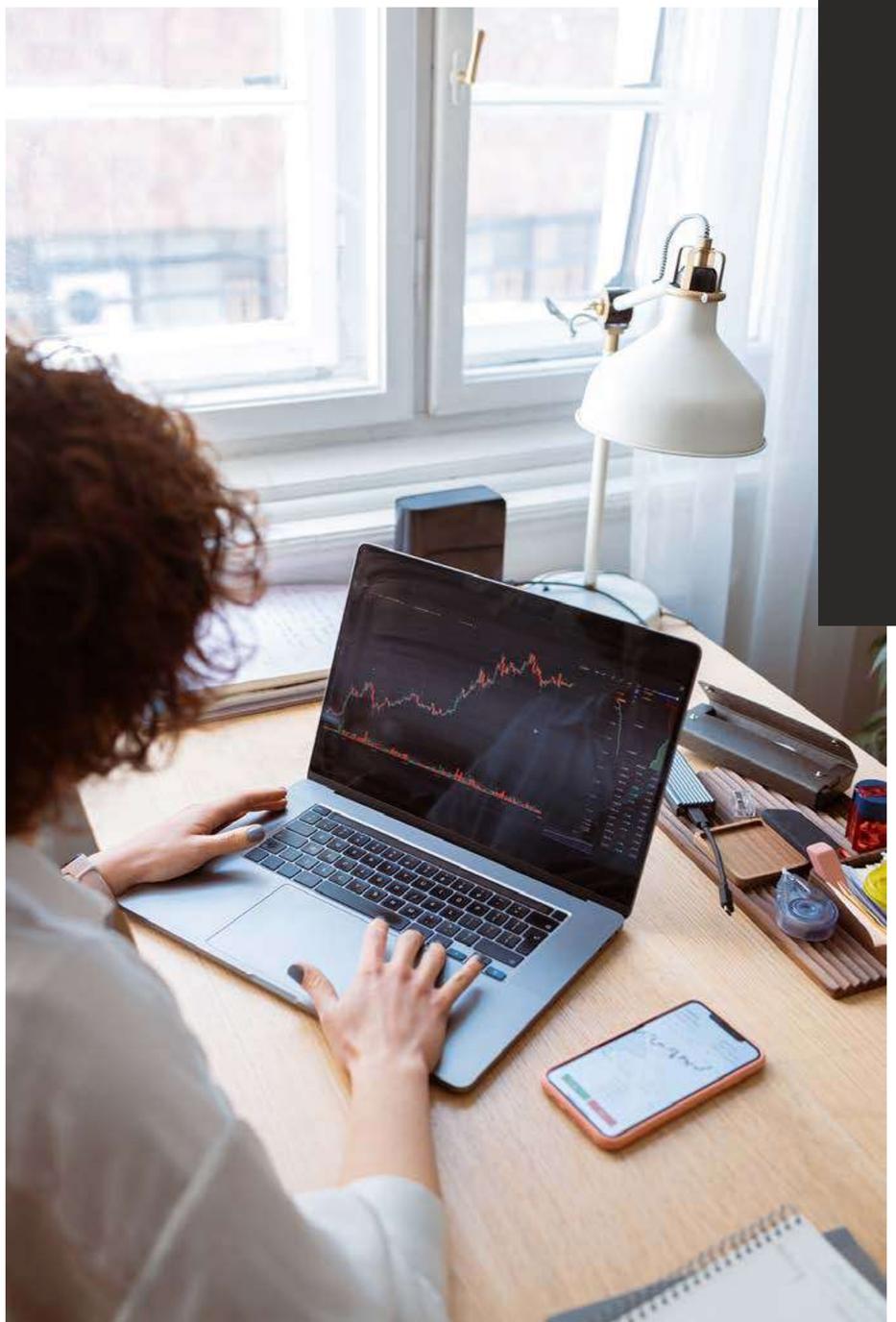
Consequently, we have maintained our market leadership in both total assets (25.20%*) and portfolio (26.71%*).

The company closed in 2021 with a total balance of liabilities of COP 175,15 trillion, representing COP 16,70 trillion more than the 2020 closing. Customer deposits are mainly the reason for this behavior, with the growth in savings and current accounts of COP 14.18 trillion and COP 6.88 trillion, respectively, and a decrease in CD of COP 4.84 trillion. A change in the funding structure is evident, with CDs losing 670 bps of their share of total deposits and savings and checking accounts gaining a more significant share, thus optimizing the cost of funding.

Bancolombia reported a

12.31%

growth in total assets in 2021, representing COP 22.69 trillion more than at the end of 2020.



Bancolombia closed 2021 with a net profit of COP 4.15 trillion.

Bancolombia's equity grew by COP 5.99 trillion due to the profit for the period and the reserves of COP 810,559 million, which positively impacted the technical equity, intending to have an equity solidity that allows maintaining the solvency indicators above the limits required by the regulator.

Consistent with the growing behavior of Bancolombia's assets, the generation of interest income and valuation of financial instruments after provisions presented an annual increase of COP 3.44 trillion. This was the result of a COP 1.32 trillion drop in interest expenses and a COP 2.71 trillion decrease in provision expenses, associated with a stabilization due to better portfolio performance and the release of the impairment of some clients because of the Program to Support Debtors (PAD, by its Spanish abbreviation) culmination, which generated a 219 bps decrease in the cost of credit, which stood at 1.64%.

Net interest margin recovered from the previous year due to the management of the funding structure, which improved the cost of liabilities. As a result, the company's net interest income increased 9.10%, equivalent to COP 731.333 million.

Income from the equity method was COP 994,439 million higher than that recorded in 2020, derived from the greater dynamism in the subsidiaries' financial results with the gradual reactivation of the economy worldwide.

Net income before provisions increased 19.00%, compared to 13.04% in operating expenses, representing a recovery of 241 bps in the efficiency indicator, which stood at 45.67%. Thus, pre-tax profit stood at COP 5.24 trillion, COP 4.21 trillion more than in 2020.

Finally, Bancolombia closed 2021 with a net profit of COP 4.15 trillion, representing an annual increase of 358.87% (equivalent to COP 3.25 trillion). Consequently, this led to a 1,092 bps recovery in return on equity, which stood at 14.42%.

*Competition figures are taken from the management report of the Financial Superintendence of Colombia as of November 2021.

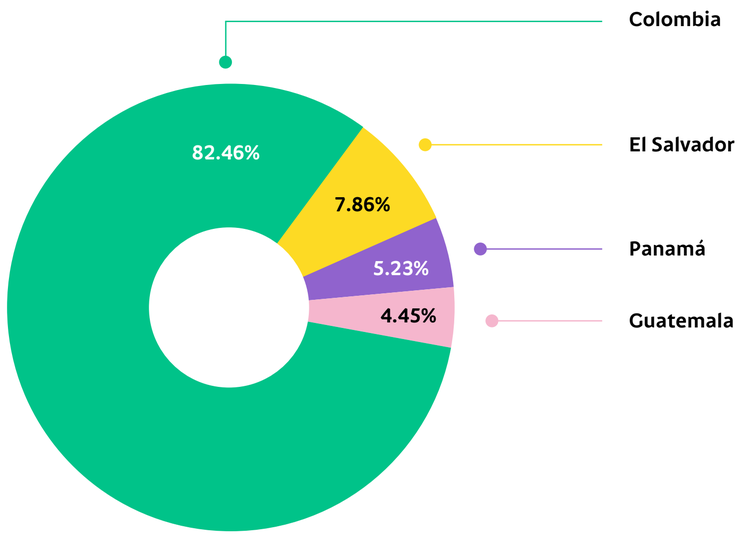
Tax Policy

As a regional agent, Grupo Bancolombia has a presence in 10 countries and operates in 4. Hence, Bancolombia understands the countries' laws where it operates and abides by their tax policies. As a taxpayer, it performs such duties responsibly and timely. These resources contribute to the fiscal sustainability of the countries. They also support the implementation of economic and social projects, leveraging communities' development.

According to current regulations, tax regulations (laws, decrees, doctrines, among others) issued in each geographical area where the Grupo operates are constantly being reviewed and analyzed to comply with tax obligations on time.

The following chart shows the Group's financial participation in the public finances of the 4 countries where operations are conducted for the fiscal year 2021:

Share of total taxes by country



Registered taxes by Region

Region	Registered Taxes*
Colombia	1,623,616
El Salvador	154,830
Panamá	103,080
Guatemala	87,536
TOTAL	**1,969,062**

*Figures in Million COP.

Profit distribution project

The Board of Directors presents for the consideration of the Ordinary General Shareholders' Meeting a profit distribution project that considers:

(i) The payment of an ordinary dividend of COP 3,120 per outstanding share, payable in 4 quarterly installments of COP 780 per share and quarter, on the following dates: April 1, July 1, and October 3, 2022, and October 2, and January 2023. (ii) Dividends for consideration by the Meeting will be recognized for both common shares and preferred shares in circulation.

(ii) The constitution of an occasional reserve for the patrimonial strengthening and future growth of the entity for COP 2.5 trillion.

(iii) An occasional reserve available to the Board of Directors for donations to social benefit projects for COP 30,000 million.

The following is the profit distribution project the Board of Directors presents for the Assembly's approval:

2021 Gross profit	5,243,412,678,921.91	
Appropriations for income and deferred tax	(1,093,709,094,797.78)	
2021 Liquid Profit		**4,149,703,584,124.13**
Taxed occasional reserve release		5,991,772,033.96
Unencumbered occasional reserve release		804,566,994,006.00
Plus retained earnings recognized in the opening balance sheet that were actually made during 2021		539,096,670,471.71
Plus release of provisioned resources to pay preferential shares dividends		57,701,443,512.78
Total to be Distributed		**5,557,060,464,148.58**
Provision for equity strengthening and future growth	2,526,160,224,148.58	
To pay a dividend corresponding to 509,704,584 common shares and 452,122,416 shares with preferred dividend and non-voting rights, subscribed and paid as on December 31, 2021, at a rate of $3,120 per share, payable as follows: $780 per share and quarter, on the following dates: April 1, July 1, October 3, 2022, and January 2, 2023.	3,000,900,240,000.00	
An occasional reserve available to the Board of Directors for donations to social benefit projects	30,000,000,000.00	
EQUAL AMOUNTS	**5,557,060,464,148.58**	**5,557,060,464,148.58**

Our Commitment to Investors

As an issuer in the capital markets, we are constantly promoting the highest standards of financial disclosure and interaction with our shareholders to maintain a close relationship to convey our strategy's impact to them.

Our specialized channels for maintaining contact with the markets include the Bancolombia Shareholder Service Center and the Investor Relations Department. By doing so, we meet the needs of our investors and keep them informed about the prospects and developments of the business.

In 2021, we participated in 28 local and international events. We interacted with several institutional investment funds that invest in Bancolombia. We also increased the number of meetings with investors, investment analysts, and rating agencies (thanks to virtuality). They closely follow Bancolombia and its subsidiaries' performance, perceiving our company as an appealing investment option.

Four earnings conferences are held to keep our investor community informed. We report on progress in implementing our strategy, business results, and prospects. We organized an investor's day. We addressed concerns and discussed key messages about digital transformation and sustainability, in which the organization has been engaged.

In 2021, Bancolombia consolidated its status as an issuer with IR Recognition. The Colombian Stock Exchange grants it to companies that adopt best practices in disclosure and investor relations.

We Have Been Deemed the Best Standing and Trusted Bank in the Country

G Standing

How do we build trust with our stakeholders to strengthen our reputation and achieve our purpose?

A question we ask ourselves every day after announcing standing as a fundamental, tangible, and manageable asset for Grupo Bancolombia.

When companies face a more challenging environment, misinformation, increasingly global competition, and growing expectations of stakeholders, especially banks, this becomes even more relevant. Due to the demand for products and services and the increasing need to demonstrate the contribution to society of this industry in terms of social, environmental, and governance wellbeing.

How and what can we do to strengthen the bonds of trust to achieve our goal of promoting sustainable economic development to generate well-being for all?

As good corporate citizens, we understand the impact of our actions, the power of consistency based on ethical and transparent behavior, the importance of strong corporate governance, the relevance of consolidating financial standards, and the value of materializing a strategy that transcends profitability to focus on generating value.

We have a strategy that stems from permanently listening to everyone to understand what they think of us, comparing expectations, and redirecting efforts to meet their needs. From that feedback, our more than 30,000 employees in the four countries take every expectation as a foundation for building trust with customers and non-customers alike.

Various stakeholders and corporate monitors currently endorse us. For instance, under Reptrak's methodology, Bancolombia reached a strong reputation level with 79.3/100 in 2021, four points higher than the previous year. Meanwhile, the emotional connection between Bam and Banistmo grew. At the same time, in Bancoagrícola, we identified some issues to strengthen, mainly marked by a context in which customers are demanding more significant effort concerning their expectations, which are leveraged on the service experience.

On the other hand, the Company Monitor on Corporate Reputation (MERCO), which evaluates the reputation of companies and business leaders in the country, awarded Bancolombia for the seventh consecutive year, the recognition as the best reputable company in the country. This is proof of our work to strengthen the bonds of trust with our different stakeholders and contribute to the organization's value with a commitment to criteria such as ESG.

To maintain and increase trust levels, we will focus on crucial reputation aspects such as integrity, customer experience, and sustainability. This, coupled with profitability, transparency, and compliance with the standards of the world's most sustainable companies, will set us on the path to differentiation to achieve better results and ensure long-term operation and well-being for all.

Corporate Governance Report

Our Corporate Governance

We are aware that the basis for promoting sustainable economic development for the well-being of all is corporate governance. This is the fundamental structure for informed decision-making, the generation of value over time, and the proper and transparent management of Grupo Bancolombia.

Our corporate governance practices constantly evolve, following the best domestic and international standards. Thus, positioning us as the industry benchmark.

The documentation and disclosure of our good corporate governance practices and their permanent updating make the duties and responsibilities of our management bodies and their members clear. Thus, we facilitate their compliance and guarantee our shareholders their rights to be permanently informed with high-quality data and participate in the company's management through the shareholders' meeting.

Our Shareholders and Their Rights

Note that our shareholding structure comprises common and preferred shares. The main difference is that preferred shares, except in the case of specific situations contained in the bylaws, do not grant voting rights to shareholders, while common shares do.

As of December 31, 2021, 52.99% of the shareholding composition corresponded to common shares and 47.01% to preferred shares; thus, the bank does not hold any shares in reserve according to legal requirements. Therefore, we have no shares issued and not subscribed by shareholders.

The identity of our shareholders with significant participations as of December 31, 2021, is as follows:

Name	% ordinary participation	% preferred participation	% total participation
Grupo de Inversiones Suramericana S.A.	46.11%	0.00%	24.43%
Fondo Bancolombia ADR Program	0.0000%	27.11%	12.74%
Moderate Mandatory Pension Fund Provenir	9.52%	4.17%	7.01%
Moderate Mandatory Pension Fund Protección	3.94%	10.35%	6.95%
iShares Colcap Stock Fund	3.43%	6.86%	5.05%

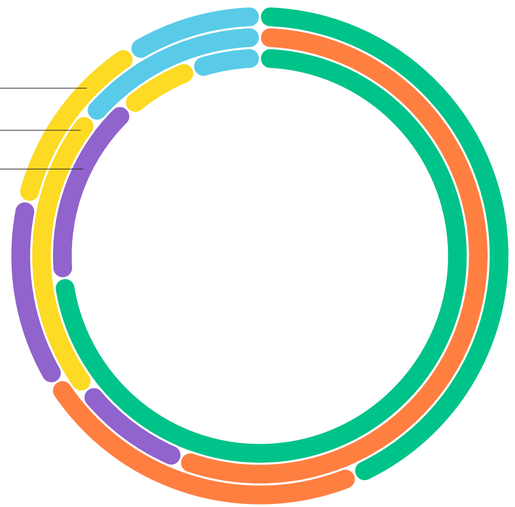
Shareholding structure

Chart reading: from the outside in

First row from outside: total shareholding

Second row: preferred participation

Third row from the center: ordinary participation



- Grupo de Inversiones Suramericana S.A.
- Fondo Bancolombia ADR Program
- Moderate Mandatory Pension Fund Provenir
- Moderate Mandatory Pension Fund Protección
- iShares Colcap Stock Fund

Grupo Bancolombia's main objectives are maintaining open and transparent communication and timely information with our shareholders.

As stated in our Good Governance Code and per the provisions of current regulations, the directors, the president, and the vice presidents of Bancolombia S.A. may dispose of or acquire shares of the company while they are in the exercise of their positions if the authorization procedure is completed by the Board of Directors (which is available for consultation on our corporate website), and transactions are unrelated to speculation.

The Bancolombia stock trading regulations establish that the acquisition or disposal transaction by the directors may not occur during the period between the time when directors become aware of a relevant transaction or business to be carried out by the Bancolombia Group and the time when it is disclosed to the market, nor during January, April, July, and October of each year, nor during the first ten calendar days of the remaining months. Thus, ensuring that the transactions are asymmetric information free.

As of December 31, 2021, the members of the board of directors held the following shares in the company:

Shareholder Name	Total Shares	% Equity
Gonzalo Alberto Pérez	10	0.00%
Juan David Escobar	88	0.00%

Grupo Bancolombia's main objectives are maintaining open and transparent communication and timely information with our shareholders. Thus, we provide our shareholders with complete, clear, and timely information to be permanently informed and contextualized on the evolution of the business and the economic group. Our corporate website (in Spanish and English) includes financial and non-financial information. It provides information about our business structure, our most relevant corporate documents, and our corporate strategy. Also, information about our directors and shareholders and topics concerning the organization's sustainability, including environmental, social, and human capital management, is included.

We provide our shareholders with complete, clear, and timely information to be permanently informed and contextualized on the evolution of the business and the economic group.

It is worth mentioning the permanent investor service offered by our Shareholder Service Center, managed by Fiduciaria Bancolombia, in charge of answering the queries and answering the various concerns of shareholders throughout each fiscal year, received through different face-to-face and remote channels, to highlight the constant, close, and fluid communication that we maintain with this critical stakeholder group In 2021, 11,967 requests regarding shareholder status, certificates, news, transfers, and dividend payments were handled, and a total of 785 calls and visits were attended.

Our Investor Relations Office manages a live transmission channel for the quarterly results presentations, among some of its roles. Some participants can submit their questions. These recordings and presentations are available on our corporate website.

Likewise, our management team holds periodic informative meetings with investors, analysts, and risk rating agencies in Colombia and abroad to present the progress and performance of Grupo Bancolombia's businesses. Thus, fostering dialogue spaces for all parties.

Bancolombia has a Disclosure Committee that reports to the Audit Committee. It is responsible for supervising the bank's information and disclosing it completely and timely to the market. All events of material importance are disclosed to the market through the relevant information mechanism. These events are available to the public on our corporate website in Spanish and English. Our relevant information is also published under 6K reports according to the Securities and Exchange Commission (SEC) guidelines. In 2021, Bancolombia published 37 relevant market information with prior approval of the Disclosure Committee.

We are mindful of shareholders' participation in shareholder meetings. Hence, we have adopted measures, so shareholders can prepare and evaluate the information concerning each session. Shareholders had access to the schedule 30 common days in advance for the meeting held in 2021. Additionally, per massive attendance and capacity restrictions at events due to the COVID-19 pandemic, with the endorsement of the Financial Superintendence of Colombia, we adopted alternative procedures so that shareholders could be represented at the meeting and exercise their voting rights, indicating in writing the direction of their vote through proxies.

On the other hand, Grupo Bancolombia provides timely and precise information through our corporate website no less than 15 common days in advance. Thus, all shareholders fully understand the issues to discuss at the Meeting and the proposals made by the board of directors, management, and shareholders. Access to the necessary documentation was given to make informed decisions. Likewise, with 15 working days' notice, shareholders had access to the documents about the right of inspection at our primary domicile.

The call was made more than 30 common days before the ordinary meeting. It was published in two newspapers of wide circulation and as relevant information in Colombia and the United States. It was also available to the public on the corporate website in English and Spanish.

In March 2021, 457,774,663 common shares, representing 89.81% of the total outstanding common shares, were represented by proxies at the ordinary shareholders' meeting held in March 2021.

At the Assembly held on March 2021, Shareholders were informed of the report on corporate governance and the internal control system. They approved the following proposals:

- **Management report and other directors' reports.**
- **Separate and consolidated financial statements duly audited.**
- **Distribution of profits and constitution of reserves.**
- **Election of the Board of Directors for the period 2021-2023.**
- **Election of the Financial Consumer Ombudsman for the period 2021-2023.**

Details of the proposals approved by the shareholders at the General Shareholders' Meeting held in March 2021 can be consulted on our corporate website.

Bancolombia is not aware of any agreements between its shareholders regarding shares, rights, management of the business, or similar matters. Neither are we aware of any business or family relationships that shareholders may have with each other.

We have adopted measures, so shareholders can prepare and evaluate the information concerning each session.

G Grupo Bancolombia Administration and Management

Our Board of Directors is a group of qualified professionals who have the necessary competencies to perform their duties and fulfill their responsibilities as directors. We seek to maintain a healthy diversity in the composition of our board of directors, fostering a mix of experience and innovative perspectives. Thanks to the combined skills, qualities, and experience, the governing body performs accordingly.

Following Hernando José Gómez's resignation, who was a director until December 31, 2020, the Ordinary Shareholders' Meeting of 2021 elected a new Board of Directors for April 2021 - March 2023. For this purpose, and with leading specialized firms such as Spencer Stuart and Korn Ferry, the Good Governance Committee searched for a woman with a unique economic and financial profile and a global and regional vision.

The suitability evaluation, compliance with the selection criteria, and the analysis of disqualifications and incompatibilities of the candidates to become part of the Board of Directors were conducted by the Corporate Governance Committee before holding the Shareholders' Meeting.

The proposals for the composition of the Board of Directors were presented at the Meeting. They were available for the shareholders through our corporate website no less than 15 common days in advance.

Silvina Vatnick and Sylvia Escovar (re-elected director) joined the Board of Directors upon process completion. They contribute their strategic vision, business, leadership, and personal attributes, incorporating female talent and enriching the functioning of this management body.

The Board of Directors was thus appointed as follows:

Gonzalo Alberto Pérez Rojas
Inside director,
belonging to our Board of
Directors since 2004.

Juan David Escobar Franco
Inside director,
belonging to our Board of
Directors since 2020.

Luis Fernando Restrepo Echavarría
Independent director
of our Board of Directors
since 2016.

Andrés Felipe Mejia Cardona
Independent director
of our Board of Directors
since 2016.

Sylvia Escovar Gómez
Independent director
of our Board of Directors
since 2020.

Arturo Condo Tamayo
Independent director.
He is from Ecuador and has
belonged to our Board of
Directors since 2016.

Silvina Vatnick
Independent Director.
She is from Argentina and
has belonged to our Board
of Directors since 2021.

Our Board of Directors comprises 71% independent directors and 29% female participation. Neither of our directors is a Bancolombia's team member or its subsidiaries, nor are they members of the boards of directors of the latter.

All our directors have an outstanding reputation, decision-making, and analytical skills. They proactively measure and evaluate risks and contribute to the financial, internal control, technological, commercial, economic, and legal aspects of Grupo Bancolombia, thanks to their different knowledge and specialties.

You can consult their resumes under the Board of Directors & Senior Management

tab here

In compliance with our bylaws, once the Board of Directors was elected, the directors met to appoint Gonzalo Pérez as Chairman of the Board. The functions performed by the Chairman of the Board are intended to set the strategic direction of the Bancolombia Group through the leadership of the meetings and discussions. Consequently, the Board Chairman coordinates the dynamics of the Board's relationship with the different levels of corporate governance, including the interaction of the directors among themselves and of the directors with the shareholders. All the above generate more excellent value for our organization and stakeholders. The Chairman of the Board also guides the conversations within the Board to ensure active participation from the directors and the relevance and conduct of the discussions. Finally, he leads the annual evaluation process of the Board of Directors. The preceding, under the supervision of and reporting to the Corporate Governance Committee, of which he is Chairman.

Likewise, with the support of the Legal Vice President and General Secretary, Claudia Echavarría Uribe, the Chairman of the Board of Directors, leads a systematic process of defining the agenda and methodology of the meetings. The thematic agenda guides the development of the activities of the Board of Directors, serves as a tool for planning and follow-up, and facilitates full compliance with the functions of management and supervision of the financial group, responding to the tasks and responsibilities of the governing body with a strategic, business and risk focus, and responding flexibly to the dynamics of the environment, the evolution of the business and the needs of Grupo Bancolombia.

In line with its agenda, the Board of Directors holds meetings to analyze the strategic execution and performance of the businesses in each geographical area in which the group performs business activities.

Delivering timely, relevant, and high-quality information is critical for our directors' decision-making process. Hence, Bancolombia continued to use a web-based tool with exclusive access for directors. Through this tool, they receive information on the meetings of both the Board of Directors and its support committees. The use of this tool makes it easier for directors to prepare for each session and to have information on the evolution and dynamics of the business.

In addition to making the information and documentation available to the directors in the application above and following current regulations, the Vice President, Legal, and General Secretary, who is responsible for keeping the Board of Directors' minute books that faithfully reveal the development of the meetings, and for ensuring compliance with the policies and guidelines established in the bylaws and the Code of Good Governance related to the operation of the Board of Directors.
Per our Code of Good Governance, directors shall be available to undertake their responsibilities to serve Bancolombia. Therefore, availability includes an attendance that shall not be less than 80% of the total number of ordinary annual meetings for the Board, except in the case of justified force majeure.

In 2021, the Board of Directors held 12 regular meetings and 2 extraordinary meetings with an average attendance rate of 95%.

The average attendance to meetings and committees of each director is as follows:

Gonzalo Alberto Pérez	100%
Juan David Escobar	93%
Luis Fernando Restrepo*	100%
Andrés Felipe Mejía	95%
Sylvia Escovar*	85%
Silvina Vatnick**	100%
Arturo Condo	100%

* Luis Fernando Restrepo and Sylvia Escovar were members of the Audit Committee and the Risk Committee, respectively, until Silvina Vatnick's arrival. During those months, their participation in the different sessions was 100%.

** Silvina Vatnick joined the Board of Directors and the Committees of May once the Colombian Financial Superintendence had sworn in her. The average attendance is calculated based on her appointment and the number of committees held.

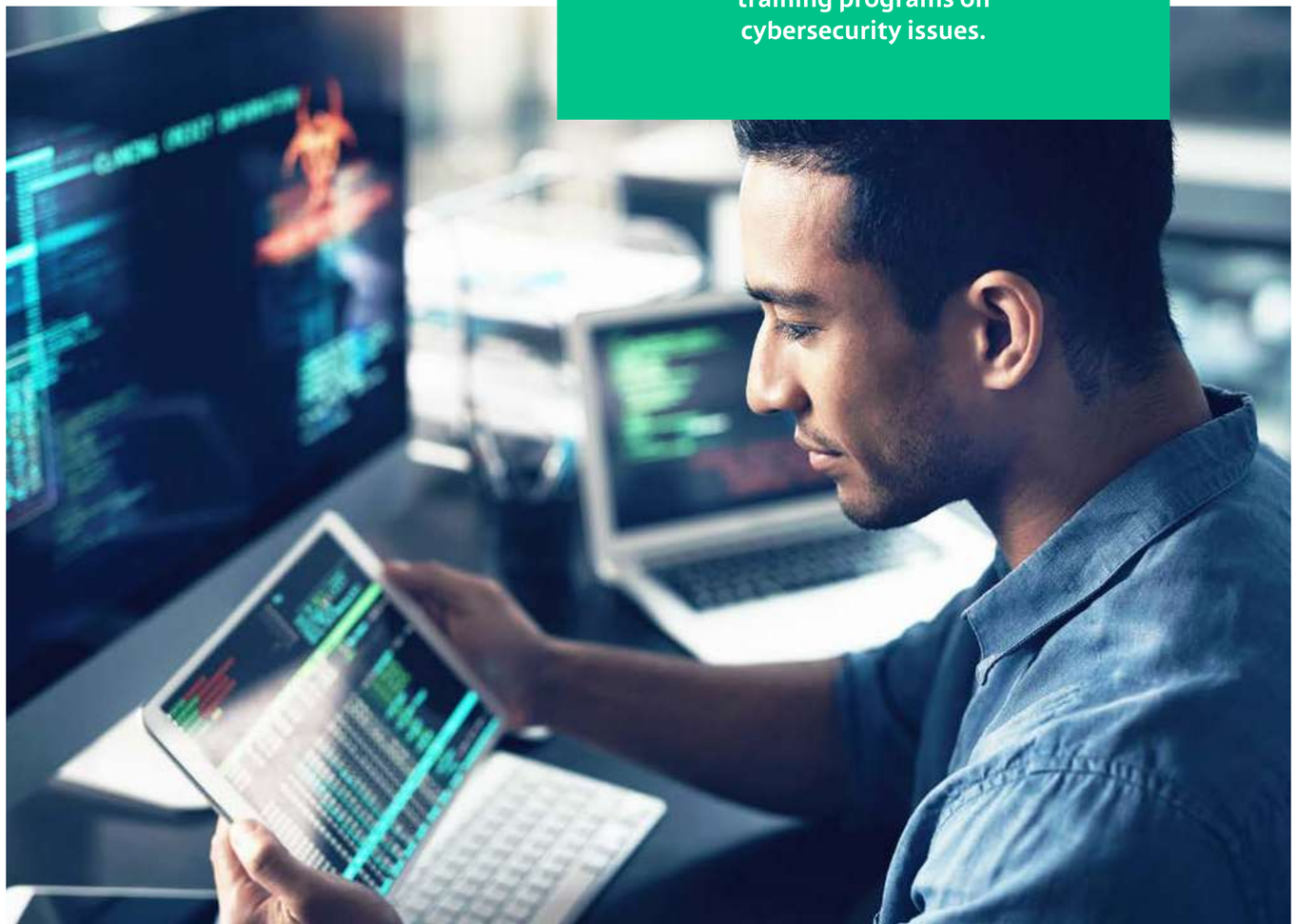
The amount set for 2021 for monthly Board fees and participation in the Board of Directors' Committees was COP 10 million. The amount of these fees is 70% paid in cash. The remaining 30% is paid at the end of each year through a contribution to the SVA Institutional Fund, to which we have referred. In 2021, the total value paid to the members for their participation in the Board and the different support committees amounted to COP 1,654,540,678.78.

The budget for Board of Directors' fees and Board support committees for the year 2022 is estimated at COP2,700,000,000 , which includes the increase in costs approved by the Assembly for directors, as well as higher travel expenses for a year in which it is expected to resume the Board of Directors' travel dynamics, which in previous years was marked by the restrictions of the pandemic.

Directors have participated in training sessions to continue accessing knowledge and keeping up with the latest trends. Highlights in 2021 include training programs on cybersecurity issues provided by the Instituto de Empresas de Madrid. Blockchain technology and Decentralized finance, in association with Pontificia Universidad Católica de Chile. Participation in the Board of experts on the prevention of laundering in cryptocurrencies with Dr. Andrew Hinkes, a professor at NYU Stern Business School and NYU School of Law. ESG trends and responsible investment with Eduardo Atehortúa, PRI Latin America director. Independent Director and Chairman of the Audit Committee, Arturo Condo, completed training in the Cybersecurity and Executive Strategy program at Stanford University. Silvina Vatnick, who joined the Board of Directors in April 2021, completed an induction program that included various topics such as Grupo Bancolombia's strategy, corporate governance, ethics, directors' responsibility, sustainability, human talent, and technology, among others.

The Board of Directors may request external advisors' technical and specialized support other than those hired by management upon request to exercise its functions and decision making. In 2021, the Audit Committee was accompanied by an independent accounting advisor responsible for reviewing the 20F disclosures.

Highlights in 2021 include training programs on cybersecurity issues.



[1] This amount does not include fees for advice to the board of directors and that are required within the progress and evolution of the business, for the fulfillment of the responsibilities that assist the management body.

The following committees support our Board of Directors:

Good Governance Committee

Composed of three (3) members of the Board of Directors, Gonzalo Alberto Pérez Rojas, Sylvia Escovar Gómez, and Luis Fernando Restrepo Echavarria. The president of Bancolombia, the legal vice president, and the general secretary, who acts as secretary of this committee, attend permanently.

The main objective of this committee is to assist Bancolombia's Board of Directors in supervising compliance with the Corporate Governance measures, review any possible changes to such standards, and lead the Board members' profile definition, Board of Directors' succession policies, and their compensation, among others.

In 2021, the Good Governance Committee met 4 times.

Audit Committee

It consists of three (3) independent members of the Board of Directors. The current members are Arturo Condo Tamayo, president, Andrés Felipe Mejía Cardona, and Silvina Vatnick.

After the Colombian Financial Superintendence authorized her to become a member of the Board of Directors, Silvina Vatnick has acted as the Audit Committee's financial expert since May 24, 2021. Before this, and during the first months of the year, Sylvia Escovar served as a member of the Audit Committee and financial expert.

The main objective of this committee is to support the Board of Directors by overseeing the effectiveness of our internal control system. Other specific responsibilities of the Committee are (i) overseeing the integrity of the financial statements, the financial reporting process, and the internal accounting and financial control systems, (ii) presenting to the Meeting, through the Board of Directors, the candidates for the Statutory Auditor position. For this purpose, the Audit Committee conducts an objective and public evaluation after analyzing certain variables, (iii) to ensure controls in the preparation and transparency of Bancolombia's consolidated and separate financial information, including its appropriate disclosure, verifying the existence of the necessary controls for the construction, disclosure, and dissemination of such information. Likewise, the Committee evaluates the draft year-end financial statements and its notes, opinions, observations of the control entities, the Internal Audit and the Statutory Auditing's Office evaluations results, (v) to approve the annual budget, supervise the activities, and evaluate the Interna Audit's performance, which reports directly to the Audit Committee, (vi) to receive and review reports issued by internal and external auditors; (vii) to evaluate programs and controls design and implementation to prevent, detect, and properly manage risks related to internal fraud and misconduct, and to recommend measures for fraud cases that may have affected the quality of financial information, and (viii) to obtain relevant information on fraud and misconduct cases related to employees. Lastly, the Audit Committee's functions include learning about the criteria for determining the price and other conditions of material and non-recurring transactions to be entered into with related parties before their execution.

Bancolombia's Internal and External Auditors and the Compliance Officer report to the Audit Committee. Likewise, Bancolombia has an Ethics Committee that reports to the Audit Committee and is responsible for defining general policy issues, providing guidelines on ethics, conduct, and integrity, and defining corporate positions on complex ethical dilemmas.

In 2021, the Audit Committee met 13 times.

Designation, Compensation, and Development Committee

Composed of three (3) members, Gonzalo Alberto Pérez Rojas, Luis Fernando Restrepo Echavarría and Sylvia Escovar Gómez. The Vice President of Human Management acts as secretary of this committee.

The Designation, Compensation, and Development Committee's primary task are to support the Board of Directors in determining the policies and provisions for the selection, appointment, hiring, and remuneration of senior management and, in general, all matters related to Grupo Bancolombia's remuneration model.

The Designation, Compensation, and Development Committee's functions are to (i) determine the human resources management policies, establish the selection, evaluation, compensation, and development processes for senior management, (ii) establish the objective criteria for hiring our principal officers, (iii) propose the objective criteria for hiring senior management and design succession plans, (iv) determine the criteria for evaluating the performance of senior management, and (v) issue recommendations to the Board of Directors on the appointments and compensation of the president and senior management.

The Nomination, Compensation, and Development Committee recommend that the Board of Directors define the variable compensation model for the President, Vice President, and employees, which rewards the integral vision of the business, teamwork, and the pursuit of profitable, efficient, and sustainable growth, based on people. Our Value-Added System (Sistema de Valor Agregado-SVA) remunerates the creation of added value according to the results at Grupo's level and the fulfillment of strategic goals. All the above is based on the policies approved by the Shareholders' Meeting.

The Designation, Compensation, and Development Committee is also responsible for approving the salary of senior management. Note 27 of the separate financial statements (note 28 in the consolidated financial statements) contains the detail of labor payments made to senior management during 2021.

In 2021, the Designation, Compensation, and Development Committee met twice.

Risk Committee

Composed of three (3) members of the Board of Directors, Andrés Felipe Mejía Cardona, president, Juan David Escobar Franco, and Silvina Vatnick.

The main objective of this committee is to support the monitoring and control of risk management policies, guidelines, and strategies. In addition, this committee supports our Board of Directors in learning and understanding risks assumed, the analysis of the capital required to support them, and tracking its risk appetite.

In 2021, the Risk Committee met 12 times.

Evaluations of the Board of Directors are conducted annually to be permanently informed of the Board of Directors' performance. The evaluations alternate between internal and external assessments. For the 2021 fiscal year, an external review was conducted by the firm Governance Consultants S.A. Its results will be evaluated by the Corporate Governance Committee and the Board of Directors. They will be taken into consideration for the permanent dynamics of improvement of the Board of Directors. The board's evaluation process is independent of the evaluation process of senior management. The evaluation of the bank's president was conducted by the chairman of the Board of Directors, and that of the corporate vice presidents was led by the bank's president, with satisfactory results.

During the 2021 fiscal year, the Board of Directors, following the recommendation of the expert support committee on the matter, as appropriate, approved policies and manuals on accounting and tax matters, ethics and integrity, credit risk, operational risk, liquidity risk, data, cybersecurity and Anti-Money Laundering, and Anti-Terrorist Financing Risk Management System (Sarlaft, by its abbreviation in Spanish), and other regulatory matters within its jurisdiction.

The board of Directors and its various support committees ensure attention to stakeholders, including investors, supervisors, control bodies, and others. Relations are conducted with professionalism, transparency and within the framework defined in the Good Governance and Ethics and Integrity codes.

In January 2022, in compliance with the duty to protect Grupo Bancolombia's business, the Board of Directors approved amendments to the Code of Good Governance to protect Grupo Bancolombia's information, reinforcing independence criteria, and the regime of disqualifications and incompatibilities in our Board of Directors, among other aspects. Thus, our Code of Good Governance establishes the commitment, previously defined, to have 5 out of 7 independent directors on the Board of Directors.

Administrator's Compensation

The president and vice presidents of Bancolombia have a variable compensation represented in units of participation in the Value-Added System Fund (SVA), managed by Protección, which invests exclusively in Bancolombia shares and has a performance term of (3) years to encourage long-term organizational vision, reward the generation of value, align the interests of the management team with the interests of the shareholders, and recognize and encourage the management team high performance, following the organizational strategy. Per the policies approved by the shareholders' meeting, all the above.

Note 27 to the separate financial statements (note 28 to the consolidated financial statements) contains the details of labor payments to senior management.

Likewise, since 2020, the Meeting has incorporated an alignment component with the strategic objectives of Grupo Bancolombia and its shareholders in the compensation policy for members of the Board of Directors, adopting better corporate governance standards. Thus, our directors receive a percentage of 30% of their compensation through the SVA Fund, and their contributions must have a two (2) year term of permanence.

Funds withdrawn from the SVA Fund and the trading of the shares represented through this fund shall follow the same authorization procedure by the Board of Directors, with the same restrictions.

Accordingly, in 2021, the Board of Directors authorized SVA's withdrawal transactions to Maria Cristina Arrastía Uribe and José Mauricio Rodriguez, vice presidents of Business and Internal Audit. The bank informed the market of these authorizations on each occasion.

Related-Party Transactions

We offer our customers, including our related parties, access to our financial products and services as a financial services provider. We enter into agreements and alliances under the needs and evolution of the business.

Note 27 to the separate financial statements (note 28 to the consolidated financial statements) discloses the total amount of its transactions with related financial parties.

Our commercial and business relationships with related parties are entered into at market prices and in Grupo Bancolombia's best interest. Although such transactions are not conflictive, managers may face dilemmas in decision-making. Hence, Grupo Bancolombia employees and managers shall exercise prudence when dealing with an actual or apparent conflict of interest, following the internal policies and guidelines set for this purpose. These policies are included in our Code of Good Governance and our Code of Ethics and Conduct, which can be consulted on our website.

Our Code of Good Governance considers as related parties the companies subject to Bancolombia's supervision, our members of the Board of Directors and Senior Management, including their spouses and children, the companies in which our members of the Board of Directors and Senior Management have an investment of more than 10%, the entities that make up the Sura Bancolombia Conglomerate, and other shareholders of Bancolombia with a stake in our capital stock of more than 10%.

According to these policies, transactions with related parties are classified based on their recurrence and materiality to apply adequate identification, disclosure, evaluation, and in some cases, approval standards to transactions that require greater attention from a corporate governance perspective.

No material and non-recurring transactions with related parties occurred during the year 2021. Thus, additional approval and disclosure procedures defined in the Company's Code of Good Governance were not required.

Our commercial and business relationships with related parties are entered into at market prices and in Grupo Bancolombia's best interest.

Specifically, transactions with entities belonging to the Sura Bancolombia Financial Conglomerate were entered based on the best interest of each of the parties to obtain better conditions for their own business, under the premise of not jeopardizing the companies' ability to comply with their obligations to third parties.

However, the Board of Directors monitored the treasury operations performed with our related economic parties every month, following the market risk classification. These operations were executed under market conditions and in compliance with the procedures established.

Bancolombia generally discloses its transactions with related parties in the financial statement notes at the end of each fiscal year. The following transactions entered during 2021 are highlighted (in COP millions):

- Investments in Bancolombia subsidiaries for COP 23,416,032.
- Loan portfolio from customers and financial institutions, net for COP 901,424.
- Right-of-use assets under a lease, net for COP 300,718.

On the other hand, according to the Organic Statute of the Financial System, certain credit operations, including those of administrators and their relatives, require the approval of the Board of Directors, except for the vote of the respective director.

Thus, for 2021, four credit quotas were submitted to the Board of Directors for review after compliance verification, with indebtedness and risk concentration limitations. Their approval implied the abstention of the respective director and was unanimously authorized by the other members of the Board of Directors.

Economic Group Report

We promote the execution of agreements and contracts between the companies that are part of our Grupo, leveraging Grupo Bancolombia's economic cohesion, considering that business relationships and product or service consumption relationships reflect the parties' interest to obtain the best conditions for their benefit. Therefore, none of the transactions entered between Bancolombia and its affiliates or subsidiaries were performed under the exclusive influence or interest of the parent company.

We enter asset and liability transactions with our affiliates and subsidiaries, leasing agreements, correspondent agreements, and network use as part of our business activities. We provide financial services as agreed upon per the legal provisions in force and in compliance with the Code of Good Governance principles.

The most critical operations during the fiscal year 2021 are listed below in compliance with Article 29 of Law 222 of 1995, detailing each one per type of operation, conditions, and effects on the company. The figures are expressed in millions of COP.

Renting Colombia S.A.

At the end of the year, the primary active operations with this company were the loan portfolio for COP 244,734 and fundraising through savings accounts for COP 28,109.

The previous operations generated interest expenses for Bancolombia S.A. for COP 120, and the portfolio operations implied interest income for COP 13,200.

Banca de Inversión Bancolombia S.A.

Bancolombia S.A. raised funds through checking and savings accounts with Banca de Inversión Bancolombia for COP 819,447. These passive operations involved interest expenses amounting to COP 3,978.

Bancolombia Panamá S.A.

At year-end, Bancolombia recorded active operations of deposits in correspondent banks for COP 129,026, interbank funds sold for COP 278,745, and passive operations corresponding to deposits for COP 82,386. Bancolombia S.A. made loans with its subordinate Bancolombia Panamá, amounting to COP 3,512,277 as of December 31, 2021.

The above transactions generated interest expense for Bancolombia of COP 53,172.

At the end of December 2021, Bancolombia recorded profits on interbank operations with Bancolombia Panamá for COP 159 and a profit of COP 44 in spot and derivative transactions.

Bancolombia Puerto Rico International Inc.

At the end of the year, the primary asset transactions with this company corresponded to deposits in correspondent banks for COP 39,314. The principal liability transactions were due to financial obligations for COP 657,896 and deposits for COP 80,572.

Liabilities transactions involved interest expenses of COP 6,585.

Inversiones CFNS S.A.S.

At the end of the year, Bancolombia S.A. presented transactions with Inversiones CFNS for deposit-taking of funds through checking and savings accounts for COP 108,633.

Banistmo S.A.

At the end of December 2021, Bancolombia recorded active operations with this subsidiary in banks for COP 1,813 and a loan portfolio for COP 402,122. It also recorded passive deposit operations for COP 399,252.

At the end of the year, Bancolombia reported an interest income of COP 5,856.

Private Equity Fund Fondo Inmobiliario Colombia

As of December 2021, Bancolombia registered a loan portfolio of COP 501,502, other accounts receivable for COP 31,203, and financial obligations for COP 354,274 with the Private Equity Fund Fondo Inmobiliario Colombia. Bancolombia presented deposit-taking transactions through savings accounts for COP 49,778.

At the end of the year, Bancolombia reported portfolio interest income of COP 26,685 and lease income of COP 63,276.

Grupo Agromercantil Holding

As of December 31, 2021, Bancolombia registered a loan portfolio of COP 79,623 and deposits in checking accounts for COP 3,978 with the Conglomerate Grupo Agromercantil Holding.

Other Transactions

Bancolombia S.A. has raised deposit takings through checking and savings accounts with Fiduciaria Bancolombia and Valores Bancolombia. The end of 2021 amounted to COP 266,860 and COP 69,799, respectively. These liabilities transactions with Fiduciaria and Valores involved interest expenses and other items for Bancolombia, amounting to COP 1,955 and COP 420, respectively.

Additionally, Bancolombia recorded deposit liabilities transactions with Bancoagrícola and subsidiaries for COP 2,523 and transactions with Bancolombia Caymán, active operations in banks for COP 27,029, and passive operations corresponding to deposits for COP 11,512.

In 2021, we renewed our corporate identity. We created a new identity that offers sophistication, transparency, and simplicity as a statement to the diversity that enriches, unites, and expands in Colombia, Panama, Guatemala, and El Salvador, the countries where we operate.

Company's Legal Status

As of December 31, 2021, as a public limited company and banking establishment supervised by the Financial Superintendence of Colombia, we complied with current regulations. Likewise, we complied with the provisions applicable to security issuers in the United States and Colombia.

Therefore, our activities and transactions were performed within the legal framework. The results of our businesses are duly reflected in the financial statements, and the relevant matters that occurred during the year were duly disclosed to the market through the information mechanisms authorized by the Financial Superintendence of Colombia and the Securities and Exchange Commission of the United States (SEC). This includes situations for which we were sanctioned and duly disclosed to the market through the relevant information mechanism and published on our corporate website.

We have not been notified, nor are we aware of any legal proceedings that could jeopardize our operations. However, the financial statement notes disclose significant contingencies arising from ongoing legal proceedings.

We maintained constant communication with our supervisors during the year, promptly responding to their requirements and requests. Likewise, we permanently followed up on regulatory modifications and projects in progress to understand and anticipate their impact on our operations.

Furthermore, we have complied with the provisions established by the Financial Superintendence of Colombia regarding the security and quality of transactional information with our policies and procedures related to information management. We have different controls, encryption mechanisms, and software to analyze and detect advanced threats to keep information secure, confidential, complete, and available. Likewise, we have segregated duties, implemented processes, and adopted identity and access control to manage risks and close vulnerabilities.

On the other hand, during 2021, we complied with our duties to receive and pay invoices issued to us. To ensure that invoices are duly processed for timely payment and address requests for invoice discounting with due diligence, we have adopted measures to facilitate these invoices' free circulation and payment.

Note that, in 2021, we renewed our corporate identity. We created a new identity that offers sophistication, transparency, and simplicity as a statement to the diversity that enriches, unites, and expands in Colombia, Panama, Guatemala, and El Salvador, the countries where we operate.

The new palette is inspired by different cultures, the biodiversity of their lands, and bodies of water with new strokes, sounds, and colors. Thus, breaching borders and displaying a more powerful region with shared interests and clear commitments.

We have evolved to respond to the world's significant economic, environmental, and social challenges. Therefore, our commitment and purpose encompass different universal scopes. The well-being of all is the driving force of our efforts. We are evolving as a brand to respond to the organization's internal needs and the external significant economic, environmental behavior, and social challenges facing the world.

We want to inform our shareholders that Bancolombia complies with the regulations on intellectual property and copyrights in developing our corporate purpose. We own the rights above and have due authorization to execute them through contracts signed with the owners or authorized distributors of intellectual property or copyrights.

Our Bancolombia brand and other relevant brands are duly registered. There are 192 registered trademarks in Colombia, 14 commercial slogans granted, 3 registered trademarks, and 5 commercial names granted. Abroad, we have 287 trademarks, 4 commercial slogans, and 3 commercial names.

Anti-Money Laundering and Anti-Terrorist Financing Risk Management System (SARLAFT)

We work with a risk-based approach in managing the different programs administered by or in coordination with the Vice-Presidency of Compliance around money laundering and financing of terrorism in a transversal manner. The Board of Directors approved the Regulatory Compliance Manual, which established guidelines for managing the risk associated with compliance with regulations, standards, or internal policies, through the assignment of responsibilities, in line with the three action areas.

G

We continue to promote different initiatives to foster an ethical culture in everyone's actions. Among these activities, the following stand out (i) the updating, approval, and dissemination of the Code of Ethics and Conduct, stressing the inclusion of our organizational purpose and alignment with the culture that should be reflected in the behavior of collaborators vis-à-vis stakeholders, ii) the mandatory training program for all employees, reinforcing awareness of AML/ATF prevention, anti-fraud, Consumer Service System, Code of Ethics, anti-corruption, and personal data protection, iii) the evolution of the "Demuestra mi Voz interior" campaign, a communication strategy designed by Security, Cybersecurity and Compliance, to achieve more significant impact and efficiency.

Another strategic focus was the AML/ATF risk management methodology transformation project and the risk factor segmentation. With the support of external consultants, we implemented this project to ensure its validity and effectiveness based on the analysis of contexts. As a result, the articulation of the system's components in favor of continuing to evolve the risk-based approach assertively and integrally is highlighted.

We worked as a priority to comply, within the established deadline, with the regulatory changes introduced by SARLAFT 4.0. The implementation was developed as a project involving the participation of different organization teams, which worked on twelve (12) action areas to adopt changes.

We continued the COVID-19 Roundtable, a forum to develop strategies and activities to address the emerging risks of the current situation, obtaining findings on corruption and AML/ATF. We also com the red flag evaluation research process redesign process to introduce different alerts responding to risk type (short, medium, and complete) and thus streamline decision-making.

We implemented a new monitoring system for the ACH service. We strengthened and redefined eight (8) monitoring systems to manage AML/ATF risks more efficiently.

Regarding global trends, we participated in the Cryptoassets Sandbox initiative of the Financial Superintendence of Colombia in alliance with the Gemini exchange. We are working on developing policies, processes, and prevention and control measures for operations monitored and supervised by the Superintendence of Finance and in compliance with regulatory guidelines.

Internal Control System Report

I. Administration Report: Certification

As a result of the activities and evaluations conducted by the Administration in its first, second, and third areas, we can conclude that Bancolombia's Internal Control System (from now on ICS) as of December 31, 2021, operated satisfactorily.

The ICS is constantly adapting, improving controls and their execution to provide and maintain utmost security and quality in our transactions and information and its disclosure, consistent with the evolution and dynamics of the business units and the best practices and recommendations.

Employees know the ICS and the different programs that develop or complement it at the various levels and units of the entity. The ICS is an integral part of the operation and is periodically reviewed to ensure continuous improvement. Evidence of the above is available.

As part of the ICS opinion on SOX compliance, the administration evaluates and assesses control issues that become evident to determine their materiality and define possible action plans if these issues are relevant to internal control. For observations, weaknesses, and deficiencies noted, remediation plans are undertaken, monitored, and supervised.

The administration possesses economic resources and the human talent for ICS implementation and operation. Likewise, the governance models are reviewed and updated for articulated and synergic management. Accordingly, with third party expert advice, a review, diagnosis, and update process of the governance model for all risk and control functions began in 2021 to continue evolving consistent with the best international practices, the size and systemic importance of our organization, and to improve emerging risks or practices adoption level.

Per the size and complexity of the business, our ICS has policies and procedures and has been structured per the standards and best practices of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its 2013 version.

Below, the general status and main actions developed during the period evaluated for each of the elements of the SCI are presented.

a. Control Environment

Bancolombia's Board of Directors leads the strategic planning process based on a competitive environment diagnosis, trends, and Grupo's capabilities to achieve its objectives. Incentive strategy alignment is achieved through dashboards with indicators defined according to the pillars established by the Board of Directors.

We are committed to responsible business and sustainability. Therefore, we operate under the law and the highest ethics, integrity, and transparency standards. We know that the existence of an adequate control environment derives not only from the application of applicable regulations but also from the culture of the organization, where integrity is one of the features that characterize us and, therefore, we focus on encouraging expected and unacceptable behavior in the actions of employees, promoting whistleblower channels and whistleblower protection, establishing guidelines for team member behavior in social systems, directing efforts towards the customer and team member knowledge, and strengthening the criteria for the identification, management, and disclosure of conflicts of interest.

In 2021, framed in the ICS, the organization worked on strengthening the Control Environment as follows:

- The Compliance Vice-Presidency led the Code of Ethics and Conduct guidelines updating to reflect consistency between our words and actions, demonstrating ethics and integrity through our actions. After the Board of Directors approved the changes in August 2021, we began to disseminate them through a strategy that included information directed to all employees and the delivery of a specific activity to the organization's leaders, who oversaw communicating the code update to their work teams.

  The Regulatory Compliance Manual was also approved. This supports the Combined Assurance Model for adequate governance in decentralized regulatory, legal, and risks report management, an essential input for the Vice-Presidency of Compliance and the key stakeholders to continue working on its implementation.

  In addition, we continued to strengthen the compliance programs centrally managed by the Vice-Presidency of Compliance. These programs supervise and monitor the following risks: ethical standards defined by the organization in its Code of Ethics and Conduct, Sarlaft, Anticorruption, Personal Data Protection, Consumer Protection, FATCA/CRS, and Behavioral Risk in Money Markets, and Anti-Fraud Program Framework, for which Compliance plays an articulating role.

- The Ethics, Integrity, and Cybersecurity Working Group continued working to promote and strengthen these issues through interventions in the culture to encourage the desired behaviors among employees and provide clarity regarding those that are not tolerated, strengthen the duty to report and raise awareness regarding the observance and application of the organization's cybersecurity policies.

- The ethics committees oversaw the management of ethics-related matters, defining guidelines, directing, and supervising the approach to awareness and culture, monitoring indicators of complaints received, their management, and administrative decisions in compliance with the zero tolerance to fraud policy, among other activities in compliance with its regulations.

- "Demuestro mi Voz interior" (My Inner Voice) strategy development as an evolution of the "Escucha Tu Voz interior" (Listening to Your Inner Voice) campaign to raise awareness among employees about being honest. This strategy included communications and interactions as follows:

  - Videos, infographics, examples, and social experiments. Thus, reinforcing our role in mitigating risks, mainly those of money laundering, financing of terrorism, financial consumers assistance, corruption, and personal data protection.

  - Videos and statements outlining the consequences of misconduct. All these are framed in the "zero tolerance to fraud" policy.

- Training sessions on the Code of Ethics and Conduct were held, providing opportunities for employees to analyze our actions' integrity and ethics as our hallmark.

- Advice and accompaniment were provided to employees on ethical issues. Questions about the Code of Ethics and Conduct guidelines, support for ethical dilemmas, conflicts of interest management, and personal investment rules, among other topics, were addressed. Thus, promoting a consultation, disclosure, and accompaniment culture to employees.

- A mandatory training plan for employees is updated annually on internal control and compliance issues. Topics related to Ethics, Anti-Fraud, Anti-Corruption, SOX Law, Anti-Money Laundering, and Data Protection are included in this plan. In 2021, the results were highly satisfactory, achieving 98% compliance. Additionally, other training activities were held for specific audiences considering their risks.

- Some of our employees, including suppliers and customers, reported suspicion or knowledge of violations of the Code of Ethics and Conduct provisions or the policies that complement it through our Ethics Hotline, a whistleblower channel that Grupo Bancolombia has established for this purpose.

- All reports and complaints received were investigated. In addition, investigations were conducted due to alerts detected by the areas responsible for ensuring compliance with the Code of Ethics and Conduct, the Anti-Fraud Program Policies, and the zero-tolerance standard for fraud. When investigations determined that any of our employees failed to comply with the provisions, policies, or ethical standards required by Grupo Bancolombia, either actively or by omission, respective sanctions or disciplinary measures were imposed, per the provisions of the Internal labor Regulations and the applicable regulations. The embargo was determined considering the seriousness of the act, recidivism, economic losses, reputational effects for Grupo Bancolombia or its member companies, or our customers.

- In addition to internal sanctions, Grupo Bancolombia initiated the corresponding civil or criminal actions deemed viable and appropriate.

We evolved in the adoption of culture to achieve our strategy and purpose of positively impacting society, generating well-being, and adapting to the challenges of the context.

- Seeking excellence in talent management in the organization in connection with the Internal Control System, the Vice-Presidency of Human Resources implemented the following strategies:

  › Banca en Movimiento started on February 1, 2021, to turn Bancolombia into an agile organization within the framework of the ¨Movimiento B" culture. Directed by the business strategy, this initiative has 3 keys to success (Customer Experience, Efficiency - Productivity, and Speed). The wave methodology transformed structures with more than 5,000 people involved. Talent management processes evolved. New governance models and action frameworks were established for applications and technology, and guidelines were given for agile budgeting.

  › Attraction, retention, and development of strategic knowledge to ensure the right talent with the necessary expertise and competencies to meet the challenges in data science, artificial intelligence, cybersecurity, software architecture, and others. This strategy seeks to forecast talent needs in the long term, considering possible future risks and the organization's strategic priorities.

  › We evolved in the adoption of culture to achieve our strategy and purpose of positively impacting society, generating well-being, and adapting to the challenges of the context. The consolidation of MovimientoB and LíderB is reflected in the scores obtained in the #YTuQuéDices (#WhatDoYouThinkAboutIt?) measurement, conducted throughout the year, with a complete diagnosis that presents strengths and opportunities. Also, we can evidence the adoption of the desired cultural traits.

  › We continued developing the talent analytics strategy to learn more in-depth about our employees and manage their information for decision-making in people-related matters. The return planning was programmed through the analytical program called Staggered System to the New Normal (Sistema Escalonado al Nuevo Normal —SENN), designed to ensure compliance with biosecurity gauges and protocols, bearing in mind the diverse conditions of the employees.

  › A work plan on Information Governance and Quality was developed in collaboration with the Compliance and Analytical Skills areas, including the chapter on protecting team member data to ensure proper internal information management.

  › Bancolombia participated in the "Entrepreneurs for Vaccination" initiative with ANDI and the National Government, achieving 79% of employees with a complete vaccination schedule and 13% with a minimum by 2021. This is proof of our genuine commitment to our employees and our purpose to make well-being a top priority for all.

  › As customary, managers conducted the employees' performance evaluation during 2021 through a series of questions to assess the competencies and skills, ensuring employees' suitability to perform their duties.

  › Training strategies were offered and implemented with different themes and methodologies to maximize our employees' potential, strengthen their knowledge and skills, and deliver tools to develop the skills for the future of work.

- The branch office certification was incorporated in the Coordination for Self-Control and Certification Actions (Coordinación de Acciones de Autocontrol y Certificación -AYC). To strengthen organizational health, compliance with the 20F, and the culture of self-control, the process owners established action plans for continuous improvement regarding controls implemented in the branch offices. Likewise, three chapters were incorporated into the AYC+ application, 1. SOX self-assessment. 3. Corruption.

  Business users certified 563 processes, closing 1,132 agreements for continuous improvement and 414 gaps in the quality of responses. Additionally, 112 controls belonging to 38 processes were certified in the branches, obtaining answers from 90% of the cashiers, advisors, and assistant managers. Likewise, 22 suppliers and 44 contracts were certified in 2021, generating 140 improvement commitments. Thus, with the certification in 2020 and 2021, 48% of the bank's spending on suppliers is covered.

b. Risk Assessment and Control Activities

Grupo Bancolombia has a risk management framework and controls to preserve its management and operating capacity's efficacy, efficiency, and effectiveness. To prevent, avoid or minimize events that may affect objectives operation or fulfillment, or the costs or damages caused associated with the materialization of these events.

Stages	Identification	Measurement	Control	Monitoring
Tools	Risk assessments	Impact Measurement	Controls Policy	Risk Indicators
	Risk Certification	Frequency Measurement	Controls Certification	Operations Monitoring
	Accounting Cycle Paths	Accounting and Financial Materiality	Access Certification	Transactional Monitoring
	Segregation Analysis	Risk Maps	Action Plans Management	Behavioral Monitoring
	Event Report	Business Impact Analysis (BIA)	Controls Effectiveness	Risks Monitoring
	Among others			
Risks	Operational Risks / Financial Reporting Risks / Fraud Risks / Compliance Risks (AML/ATF, Corruption, Regulatory Compliance)			

Risk management and control framework illustration

As part of this framework, the entire organization incorporates the principles of self-control, self-management, and self-regulation. Thus, articulating the actions of the three action areas and all the control areas that interact within the second action. Hence, roles and responsibilities defined for the different risk areas and other lines are aligned with the provisions of the SOX Act and the chapter of the Basic Legal Circular (C.E 029), referring to the Internal Control System ensuring compliance in addition to that.

In 2021, Bancolombia continued to strengthen its Risk Governance model as a critical element in comprehensive risk management. This framework includes different risks identification to which the organization is exposed, roles and responsibilities definition of each of the action areas against these risks, and the association of the lines performing each of the positions. The framework promotes a risk management culture through self-control, self-management, and self-regulation.

Good structuring in the three action areas and their proper functioning prevents gaps and unnecessary effort duplication. It offers greater possibilities for achieving adequate management through interaction between the business and support units and the control and prevention units. Thus, facilitating the achievement of organizational objectives and providing reasonable assurance for the different stakeholders on controlling the entity's risks and sustainability.

Measures of the second line have been reviewed and implemented by the business units, the risk and control systems, and the assurance function of the third line in a joint effort to increase the organization's resilience and its capacity to adapt to unexpected events that may affect how the entity's services are provided such as pandemics, changes in work schemes (remote work), migration to virtuality, among others.

Business and support units are constantly improving and implementing new controls to maintain the effectiveness and efficiency of the rules to mitigate risks and ensure operational, compliance, and information objectives achievement.

Actions or remediation plans have been implemented to mitigate risks that generate a significant exposure. According to their complexity and scope, management decides to reduce and execute them within reasonable timeframes.

In addition, the following measures were adopted by the different risk management or control systems to improve risk management and processing, prevention, and control:

- A revision, update, and redesign of the Operational Risk Manual and the Technological and Cybernetic Risk Manual were made to achieve higher procedure development levels and methodologies. It is available for its management and a structure closer to front-line users allowing for better understanding and adoption.
- The required capital metrics for operational risk were implemented in line with the new standards and modifications suggested in the Basel Committee's update on the subject risk.
- The concept of "responsible for business element" is incorporated into the risk methodology for empowerment and commitment to risk management in other risk-generating business elements and processes, such as applications, end-user tools, products channels, or contracts with third parties.
- The scope of risk identification and evaluation was expanded to include risks derived from applying models and the use and processing of information.
- A new methodology was developed to estimate control effectiveness and risk mitigation capacity objectively.
- In addition to the characterization of the controls implemented, the mitigation orientation was added, either in the frequency of occurrence, impact, severity, or both variables.
- Within the assessment of interruption risks, the expected and unexpected exposure at different time intervals was included to allow a BIA (Business Impact Analysis).
- A technological solution was implemented to support the management of technical and cybernetic risks according to their complexity and methodological requirements.
- A process of reclassifying vulnerabilities on-premises and cloud technology was implemented, which allows updating the score of each, considering the internal variables of the entity's technological environment and the information obtained through risk assessments.
- Monitoring and alert systems were implemented on end-user developments (EUC), seeking to increase assurance and provide timely information to the first line for an adequate self-management of the risks derived from their products.
- Processes were implemented to periodically review and update information on the controls implemented by the entity, generating alerts on quality, completeness, and updating to the first and second areas.
- The risk management model with reputational impact evolved, defining its classification and periodic evaluation mechanisms to maintain and safeguard the reputation and trust of its stakeholders.
- Greater coverage was given to the in-depth analysis of the risks of misappropriation, internal fraud, and improper business practices, delving into crucial aspects of such risks such as the segregation of duties environment, controls, information sources, technology, and tools that may be vulnerable or determinant in the control activities.
- A collaborative workflow was implemented for a detailed risks analysis that may affect the entity's principles of Personal Data Protection.
- The risk assessment methodology was deepened, and the importance of identifying those risks that may affect the provision of services to financial consumers was further developed.
- The risk self-management model on financial reporting in the first line and the specific roles of the second line were strengthened.
- The end-user tools policy continued to be implemented and improved.

Additionally, Grupo Bancolombia acknowledged the importance of the role of its employees in the adequate management of risk and implemented permanent training and awareness strategies to ensure that the organization has people who are aware and trained on the subject.

The role of senior management and the Board of Directors, who actively participated throughout the year in the approval, monitoring, and control of the organization's policies, methodologies, tools, guidelines, and strategies for risk management, should not go unnoticed.

c. Information and Communication

Grupo Bancolombia ensures that clear and timely information is accessible to its collaborators and stakeholders. Therefore, information administration and management policies are part of the training programs that all employees must complete. These policies are aligned with the SCI and are evaluated and monitored.

Likewise, Grupo Bancolombia relies on the Information Security Management System (ISMS), which contains cybersecurity and information security policies based on international reference frameworks. In turn, a cybersecurity strategy is defined and implemented through programs that include, among others, controls and mechanisms' design, implementation, dissemination, education, awareness, and maintenance to manage cyber and information security risks.

The primary purpose of the strategy and the ISMS is to safeguard the confidentiality, integrity, and data availability of customers, employees, shareholders, other stakeholders, and strategic and business information. Furthermore, to have a controlled environment in the interactions with allies and related third parties.

We leveraged a culture of compliance with the different elements of the ICS through internal communication media by providing information related to the Code of Ethics and Conduct, the anti-fraud program, and internal communication campaigns to dissuade employees from these practices and invite them to seek help if they are in situations of increased risk of fraud. Likewise, we have strengthened the segregation of duties analysis, self-management of risk in End-User Computing (EUC), cybersecurity risk management, and, in general, all information of public interest to the organization or necessary for the performance of our employees' duties concerning the ICS.

In addition, we have an appropriate control environment for our processes and applications to ensure that the information managed, stored, or processed in them complies with security, integrity, confidentiality, availability, quality, and backup criteria. Grupo Bancolombia manages its platforms, applications, and the information handled therein according to Control Objectives for Information and Related Technology (COBIT) standards.

Progress was made in identifying and classifying information assets in 2021, including those shared with third parties, so that cybersecurity controls are implemented according to the level of risk.

Finally, a regional cybersecurity assessment was performed by an external specialized entity as part of the ISMS evaluation, where results highlighted strengths in areas such as process implementation and action frameworks to prevent information leakage, adequate corporate strategy, and evolution of the process and control levels, the development of technologies for assets information protection, and incident and threat management with international standards.

Moreover, in 2021, Data Protection Integrated Management System (DPMS) continued to be implemented, where:

- Internal guidelines for data processing regarding policies and procedures, culture, training, third parties, control, and risks, were updated.
- Reports were made to the National Database Registry (NDR) administered by the Superintendence of Industry and Commerce (SIC), and improvements were made to the customer management tool.
- Personal Data Protection risk management methodology was established, focused on operational risks.
- The Personal Data Incident Management Protocol was designed in the cybersecurity incident escalation model developed with the security, intelligence, reaction, risk methodology, IT operational risks, and the legal team.
- Self-assessments on different components of the DPMS, aimed at ascertaining the data protection regime compliance status in Grupo Bancolombia's entities in Colombian territory, mainly focusing on consent management and attention to queries or claims, were designed.
- The Privacy by Design toolbox was designed and implemented to generate spaces for methodological implementation and provide self-management instruments on data protection issues for initiatives, projects, and alliances.
- The team member information domain was included within the Integral Personal Data Management System.

The Bank defined risk management as an integral part of the organization's culture, reinforcing the definition of roles and responsibilities under the three action areas model through the "Dale la Vuelta al Riesgo" (Grabbing risk by the throat) campaign. Its objective is to raise management and control awareness among its employees, their role within the model, and their commitment to active risk management.

Regarding information disclosure to the market, the Disclosure Committee is responsible for supervising the timeliness, sufficiency, and clarity of the information disclosures that Bancolombia delivers to its investors.

d. Monitoring

As a third action area, the Internal Audit Committee independently and objectively oversees the organization's value improvement and protection by providing assurance, advice, and risk-based analysis. Likewise, it is responsible for evaluating the internal control system within the organization, allowing senior management to validate its proper functioning.

In 2021, the Internal Audit Committee evaluated the new post-pandemic work dynamics, promoting an adequate control environment in the areas, expanding coverage towards the organization's most relevant risks, and ensuring proper closure of the identified gaps.

As part of its role as supervisor of the internal control system, the Audit Committee performed the following activities:

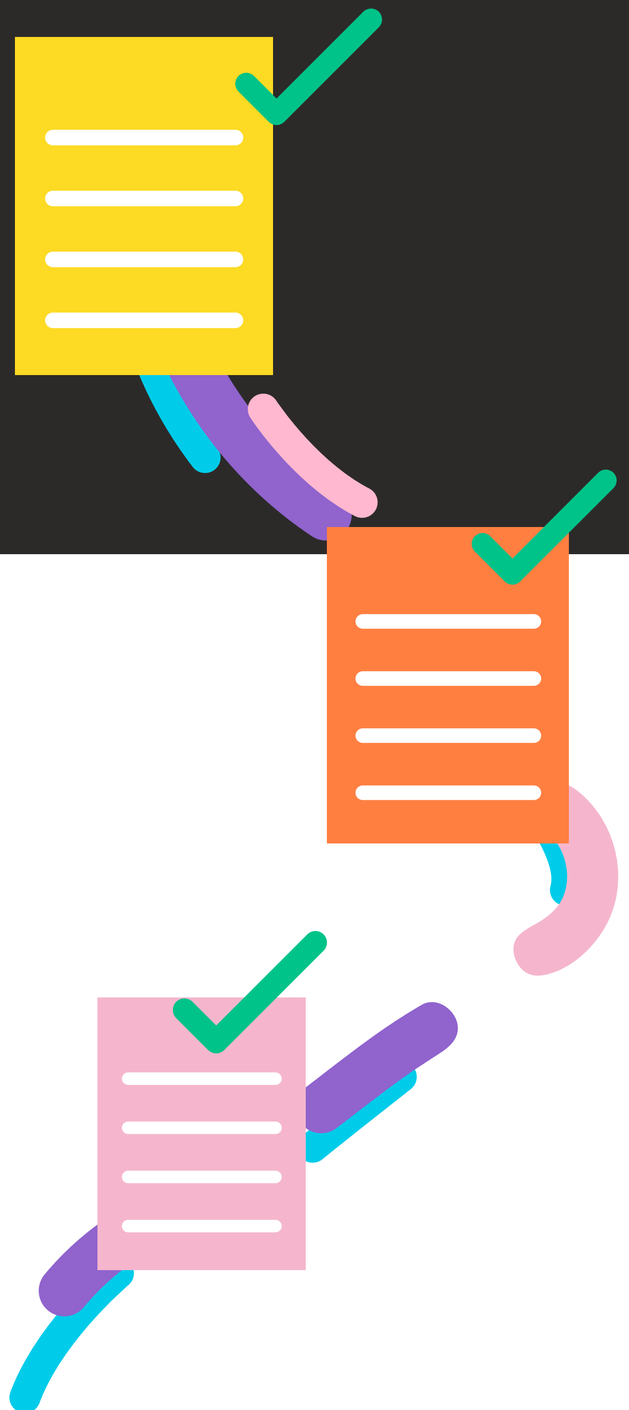
- Approved the development of the Internal Auditing and Statutory Auditor's work plan.
- Supervised compliance with the plan, noted relevant results, and ensured the closure of identified gaps.
- Monitored the primary management indicators on operational, behavioral, and corporate issues.
- Maintained the Board of Directors informed regarding activities development and the main aspects known by this board.
- Held a minimum of one private meeting with the Internal Auditor and the Statutory Auditor, excluding the administration's presence.

I. Internal Audit Report

The internal control system is appropriate. Its components and principles are in place and are operating reasonably in the organization per the design and control operation evaluation results.

We have periodically informed management of the evaluation results, who has adopted the recommendations, formulating and implementing the necessary action plans to ensure the resolution of identified gaps.

In addition, we dealt with the requirements issued by the different external control agencies promptly.



Report of the Audit Committee

To ensure the effectiveness and efficiency of controls and that the information we disclose to our stakeholders is complete, reliable, and accurately reflects the reality of Grupo Bancolombia's business, the Audit Committee continued to direct its efforts towards the proper supervision of the structure and effectiveness of Grupo Bancolombia's internal control system in 2021.

We evaluate the following matters in the execution of the Committee's duties:

Internal Auditing and Statutory Auditing work execution, so their work plans addressed operation risks and independent performance of their functions. Similarly, we ensured that their findings and the supervisory authorities' observations were met and work plans were duly executed.

Proper operation of the entity's compliance programs, including fraud prevention, money laundering, data protection programs, and proper operation of the ethics hotline set up for confidential and anonymous reporting of improper acts, fraud, or corruption. All reports are duly investigated and, where appropriate, penalized.

Cybersecurity risk management to prevent fraud. The Committee accompanied and supervised the preventive and strengthening strategic initiatives of Grupo Bancolombia to guarantee the necessary resources for protecting its information assets in a challenging environment against the threat posed by this risk.

Financial information we disclose to the market, including the 20 F report to the Securities and Exchange Commission (SEC).

Specifically, the Committee has emphasized a comprehensive review of the disclosures on portfolio provisions contained in the financial statements at the end of the fiscal year. Therefore, ensuring that the methodologies and models used to calculate provisions are correctly designed and calculation processes include controls to avoid errors in the figures.

Based on the Committee's findings and the scope and content of the statutory auditor's and internal auditor's reports, we authorize the Assembly to approve the separate and consolidated financial statements and notes thereto duly audited and free of provisos.

G Risk management

With solid solvency and liquidity indicators, profitable growth is one of our pillars to protect our shareholders, customers, collaborators, and suppliers' investments.

After the COVID-19 contingency, 2021 was a year of recovery, with a better economic outlook, recovery in different sectors, and an improvement in the performance of the portfolio in general, affected by the end of the National Government's temporary measures and the alternatives offered by the bank to modify payment conditions with customers.

Throughout the year, credit risk management in Grupo Bancolombia focused on the containment and recovery of the portfolio affected by the COVID-19 pandemic. Also, on developing strategies and methodologies to actively support the reactivation of credit occurring in the different economies where Bancolombia operates.

On the other hand, amidst a challenging scenario, results in Grupo Bancolombia's portfolio exceeded expectations despite market volatility, risk rating downgrade of several Latin American countries, social unrest, and disruptions in global supply chains, which generated inflationary pressures, resulting in monetary stabilization in different economies around the world.

The Corporate Risk Vice-Presidency developed initiatives and/or projects aligned with the organization's strategy during the year, among which the following stand out:

- Progress in the development of its innovation strategy. Thus, maintaining the objective of promoting innovative risk management with a long-term vision. Also, incorporating trends and best practices in risk management and being prepared to meet challenges posed by the market and the dynamism of financial and non-financial risks. We highlight important progress in searching for solutions, tools, and technology to propose additions to the information ecosystem, processes, tools, and models.

- In addition to the above, innovation was declared objective and strengthened through the Sandbox. It focused on alternative analytical and origination models to evolve, challenge, and complement current solutions. Thus, significant efforts were made in the risk teams to provide training and tools to facilitate such developments. Progress was made in structuring and implementation of the proof of concepts (POC) and proof of values (POV).

- Strengthening of integral risk management tools, positioning tools such as the risk map before decision-making boards, connecting it with the organization's strategic planning and the risk appetite framework, making progress in the definition of indicators and granular thresholds, for example, for credit risk, which allows for business monitoring and decision making.

- Changes were made to the activities SOX cycle to strengthen the implementation of the three-action areas model and the roles and responsibilities of the first action area. Thus, improving self-management and self-control issues. Progress was made in the internal control around end-user tools and the implementation of the respective policy. Additionally, internal control over financial reporting was aligned with the bank's digital transformation, incorporating control frameworks around RPA (Robotic Process Automation) and Software as a service. Controls were strengthened around assumptions in accounting estimates.

Megatrends, the pandemic, and environmental development have stressed the importance of managing new risks organizations face. Non-traditional or emerging risks, delving into a risk management culture in a transversal manner. Therefore, the Corporate Risk Vice-Presidency implemented the "Dale la Vuelta al Riesgo" (Grabbing Risk by the Throat) strategy as part of the organization's culture, raising awareness of everyone's role in this objective as risk management is everyone's responsibility according to the three action areas model implemented in recent years.

Likewise, mandatory virtual training plans are constantly and permanently developed through programs such as SOX Law, Operational Risk Management System (SARO, by its abbreviation in Spanish), SARLAFT, ethics, and conduct, among others.

The Corporate Risk Vice-Presidency employs highly qualified human talent to manage different risks that may jeopardize the organization. According to the defined learning plans, it has complied with the training plan to achieve this. This plan focuses on developing the competencies required to perform its responsibilities. By 2021, the percentage of compliance with the Vice-Presidency's mandatory program was 93.7%.

Furthermore, we implemented empowerment strategies for leaders and collaborators. We prioritized dynamism as a feature of the culture to be developed in the vice-presidency team. We strengthened the teams' knowledge and analytical skills, among others, following the Movimiento B program. This, per the strategy fundamental pillars, leveraging the objectives of human talent development in skills for today and the future, promoting risk management as part of the organization's culture.

Besides, we accompanied the organization's transformation. We actively participated in the Banca de Movimiento (Motion Banking) project. We reorganized part of the Vice-Presidency team into Continuous Improvement Process Teams (CIP Teams) and Centers of Excellence (CoE), incorporating agile practices in their management.

The Board of Directors understands and approves the organization's resources, structure, and processes associated with risk management. The Risk Committee assists the Board in its supervisory duties. The committee oversees the board's approval, monitoring, and control of policies, methodologies, tools, guidelines, and strategies for risk identification, measurement, management, and mitigation.

Credit Risk

During the first half of the year, in response to the pandemic that originated in the previous year, efforts were directed towards managing the portfolio under relief and offering financial alternatives to affected customers, analyzing their payment capacity by updating models and methodologies.

During the second half of the year, permanent review processes were conducted on the quality of the affected portfolio because of the termination of the portfolio relief programs in the different countries. In Grupo Bancolombia, the portfolio that saw some relief dropped from 15.6% of the total portfolio at the end of 2020 to 4.2% at the end of 2021. To support the economic recovery through loans, the credit risk areas of all banks have consistently developed updates, methodologies, and sectorial analysis to actively manage the risk outlook and adequately support the initiatives of the different activities.

We offered our customers relief and financial solutions, reflecting the changes in their payment capacity during 2021. This is a measure to support our customers following the effects of COVID-19 and in compliance with local regulatory frameworks. The amount of relief granted during the year by each bank was as follows:

Bench	Clients	Exposition	Coin
Bancolombia	459,564	9.2 trillion	COP
BAM	-	0	USD
BAES	9,899	119,081,915	USD
Banistmo	94,976	1,650,603,754	USD
B. Panamá, B. Puerto Rico and B. Cayman	3	7,832,058	USD

In 2021, activities were developed to continue optimizing the risk management of the entire credit cycle, including the following actions:

Loan Origination

For the People business development strategy support, models and methodologies were developed throughout the group to facilitate pre-approved processes and proactively grant loan solutions to our customers. These developments contribute to the efficiency of loan processes and substantially improve customer response. We highlight the progress in the use of new non-traditional information to improve payment capacity estimation methodologies, leveraging, for example, the use of transactional data and its usability in risk scoring models.

For business and corporate businesses, automatic credit quota approval methodologies have been developed to generate efficiencies for commercial and credit teams, and timely approval of credit limits is available for all clients. The total amount of credit approvals for the corporate business in Colombia amounts to COP 26 trillion.

A new Warranty solution was structured on the Collective Investment Funds (CIF) (Fiducuenta and Plan Semilla, among others) to support the development of new products. This is available for all segments and can be used to support commercial portfolio financing.

Loan Tracking

The sectoral analysis has represented one of the evolution objectives in the credit risk management methodologies in the different portfolios of the legal entity segments.

In 2021, corporate sectoral risk appetite analyses were performed in all banks. These analyses established guidelines to assist clients in sectors affected by the pandemic, clients requiring support through loan lines in their activities reactivation. Sectoral studies were developed in the four banks of Grupo Bancolombia for the hotel, tourism, real estate, sugar mills, and energy sectors.

Likewise, to create an excellent sectoral loan portfolios monitoring process, sectoral risk level estimation analyses have been developed in Colombia, Panamá, El Salvador, and Guatemala to support the loan tracking and granting process.

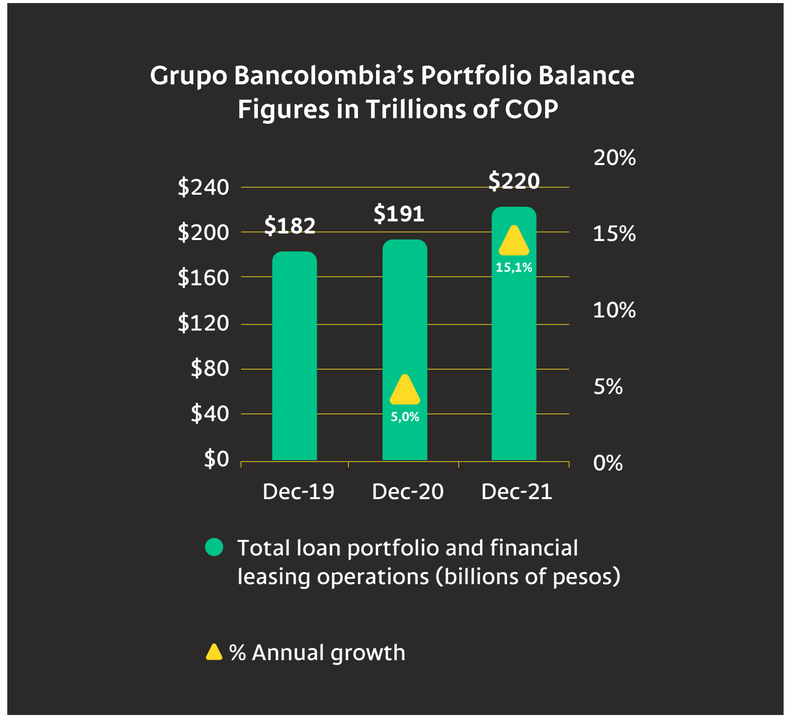
Loan Recovery

Methodologies and strategies used to manage the portfolio in the recovery cycle were implemented during the year to identify changes in the risk situation of clients in all segments.

In the Individuals segment, considering the effects of the pandemic on the customers' payment response, behavioral economics strategies were developed to understand customer behavior further and improve collection strategies to understand the consumer's needs effectively. In this sense, processing groups were implemented with incentives for financial education, trust, and prosocial behaviors.

Grupo Bancolombia Results

Grupo Bancolombia's gross portfolio balance in pesos recorded a 15.1% growth for the end of December 2021 compared to the same month of 2020. This was mainly justified by the behavior of the commercial and consumer portfolio in Bancolombia, the increase in portfolio balances in dollars with greater emphasis in Bam and Bancolombia Panamá, and the restatement in pesos of Bancolombia's foreign currency portfolio, considering in this last aspect the COP devaluation during the period under analysis.

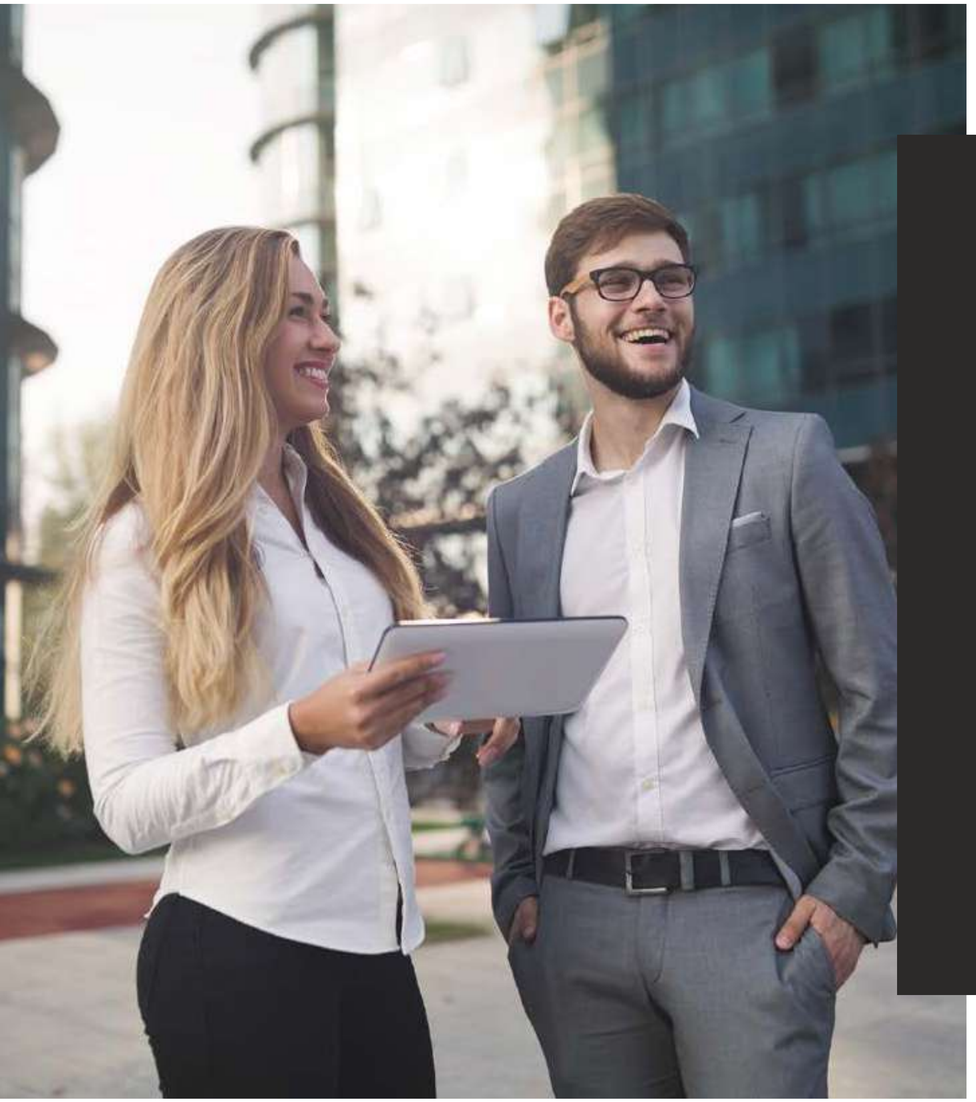


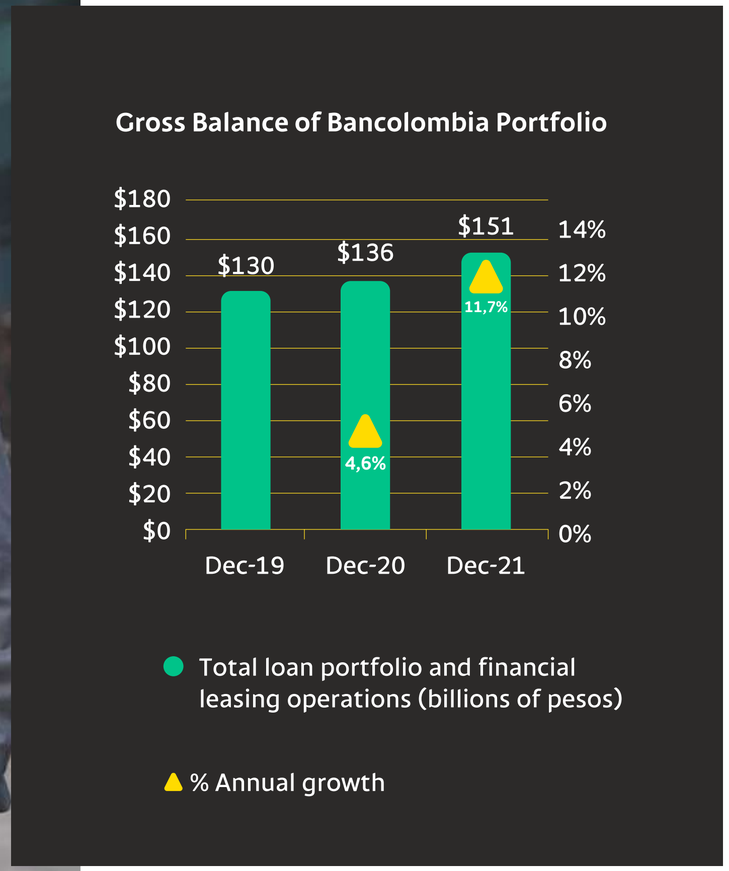
Notes: Total exposure information IFRS 9 standard.

Including figures from Bancolombia, Panamá, Cayman, Puerto Rico, Banistmo, Banco Agrícola, and BAM.

At the end of December 2021, the 30-day overdue portfolio balance decreased 4.3% compared to the same cut in 2020. This outcome, among other factors, is from the structural, coherent, and tailored solutions assistance to customers that the different companies of Grupo Bancolombia have provided in response to the new reality and challenges arising from the effects of the pandemic. The portfolio balance growth resulted in the 30-day Overdue Portfolio Indicator dropping from 5.5% to 4.5% between December 2020 and December 2021. Similarly, the 90-day overdue portfolio balance decreased 8.7% between the comparable periods. Thus, generating a direct impact on the 90-day Overdue Portfolio Indicator, which closed at 3.4%, compared to 4.3% in the same period of the previous year.

The accrued expenses for 2021 amounted to COP 2.4 trillion. Thus, registering a decrease of 68% compared to the previous year. In a general sense, it was driven by a better macroeconomic expectation, a greater dynamism of the economy as an outcome of better portfolio performance, especially in the legal entities' portfolios. Given the above, the coverage of the overdue portfolio ended at 158% compared to 159% registered in 2020.





Notes: Information on total exposure to IFRS 9 standard.

Bancolombia

Bancolombia closed the 2021 period with an 11.7% portfolio growth compared to the previous year. This performance is attributable to a positive trend in the principal product portfolios this year, with higher balance growth during the second half of the year. The annual variation of the commercial loan and lease portfolio was 10.1%, consumer loan 15.7%, mortgage loan 15.0%, and microcredit -9.6%. Overall portfolio balance growth is mainly due to the gradual recovery of the post-COVID-19 economic dynamics and a more favorable panorama versus last year's experience.

In December 2021, the 30-day overdue portfolio indicator closed at 4.9%, representing a decrease compared to 6.2% at the end of December 2020. The portfolio quality indicator shows a reduction in the non-performing portfolio of all types of loans during the year and the portfolio balances' growth.

The coverage of the overdue portfolio experienced growth in the period, ending at 160.7% at the end of December 2021 compared to 154.3% in 2020. Accumulated provision expenses for the year to date amounted to COP 2.1 trillion. Thus, registering a 64% decrease compared to the previous year. A better macroeconomic outlook generally drives this result and the end of the COVID-19 debtor assistance program (PAD, by its abbreviation in Spanish), which generated lower provisions as customers released their financial relief and showed good payment behavior.

Other Companies [2]

Banistmo presented a portfolio balance growth of 18.1% at the end of 2021, compared to the figure for the same cut in the previous year. This variation resulted from balances behavior expressed in pesos due to the exchange rate effect and the dynamics in the local currency of the housing and consumer portfolio. The 30-day overdue portfolio indicator stood at 5.0% at year-end, compared to 3.7% in 2020, while total overdue portfolio coverage ended at 133.3%, compared to 176.6% between the same periods compared. Impairment of the overdue portfolio and the lower level of coverage in the period was mainly due to the cessation of financial relief offered to clients in Panamá by the end of 2021, a situation that affected the consumer and housing portfolios to a greater extent.

For **Bancoagrícola**, in 2021, the portfolio balance ended with a 21.6% growth due to a positive trend during the first three quarters of the year in the dollar portfolio for commercial and consumer loans. Due to the decrease in overdue balances in commercial and consumer loans in the last quarter, the 30-day overdue portfolio indicator stood at 2.5% compared to 3.0% in 2020. Recovery negotiations and proactive management of affected customers for companies and governments are especially noteworthy. On the other hand, the containment strategies implemented for Individuals and SMEs, such as the increase in the collection capacity, greater inclusion of commercial teams in the recovery management through adjustments in incentive schemes, and the offering of solutions for affected customers, stand out. Coverage ended December 2021 at 187.9%, compared to 210.4% in the same period of the previous year.

On the other hand, **Bam** ended with a 25.5% portfolio increase at the end of 2021 compared to 2020. This was driven by the growth of the commercial, consumer, and housing portfolios. A highlight was the Corporate banking portfolio with a better dynamism in the first quarter of the year and better performance in the last quarter in Individual banking. The 30-day overdue loan portfolio indicator stood at 3.2%, compared to 4.9% at the end of 2020, driven by the decrease in overdue balances in the commercial and consumer banking sectors, consistent with the strategy of assisting customers with structural solutions and economic dynamics recovery in Guatemala, compared the previous year. In December 2021, the 30-day overdue portfolio coverage reached 165.3% compared to 150.3% in December 2020.

In **Bancolombia Panama**, the portfolio balance registered a 28.3% growth compared to the previous year, and the 30-day Past Due Portfolio Indicator remained stable at 0.3% between the periods under analysis. Regarding Bancolombia Puerto Rico, the portfolio balances in pesos recorded a positive fluctuation of 9.0%, while the overdue portfolio remained at 3.3% between the end of December 2020 and December 2021.

Finally, **Bancolombia Cayman** grew its portfolio balance in 2021 by 29.6% compared to 2020, while its 30-day overdue portfolio indicator dropped from 5.2% to 4.3%.

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[2] Data presented for the Grupo companies other than Bancolombia SA includes the restatement of figures from USD to COP under IFRS regulations. There was a 16% COP devaluation against the USD from December 2020 to December 2021.

Market Risk

Although 2021 was the year of economic recovery, volatility remained in the financial markets because of downgrades in the risk ratings of several Latin American countries, including Colombia, Panamá, and El Salvador, higher debt levels and fiscal deficits following the measures implemented by governments to address the COVID-19 crisis, as well as social unrest. Likewise, the increase in inflation derived from the rise in the price of oil, raw materials, and problems in global supply chains led central banks worldwide to begin withdrawing monetary stimulus and, in some cases, to increase their benchmark rates. Therefore, market and liquidity risk management were framed in strengthening measurements and analysis under stress scenarios to evaluate and anticipate possible impacts of the abovementioned events on our and third-party portfolios managed by Grupo Bancolombia to establish strategies to reduce these impacts.

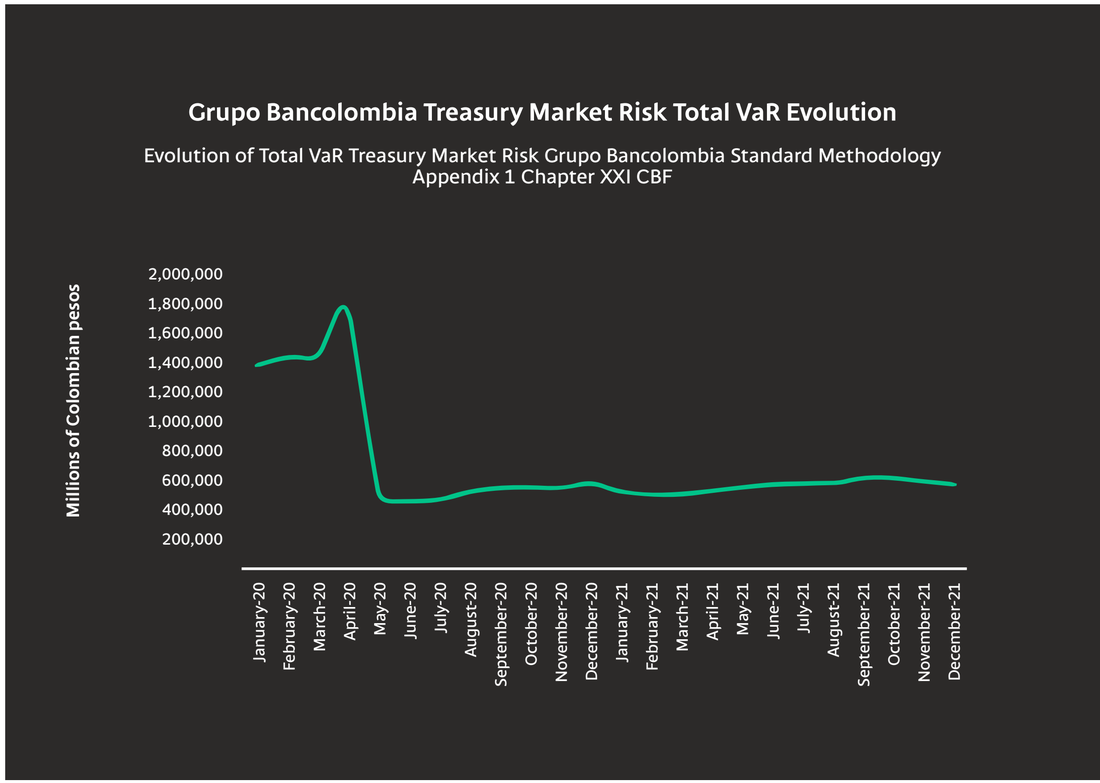
Efforts were also targeted at improving the efficiency of internal reporting and risk monitoring and control processes, continuing with information inputs from Bancolombia, Banistmo, and Banco Agrícola's portfolios in the Landing Zone. Also, in the migration of processes towards new technologies. Thus, reducing the execution time of monitoring activities in Grupo Bancolombia's entities and migrating tools toward the target model.

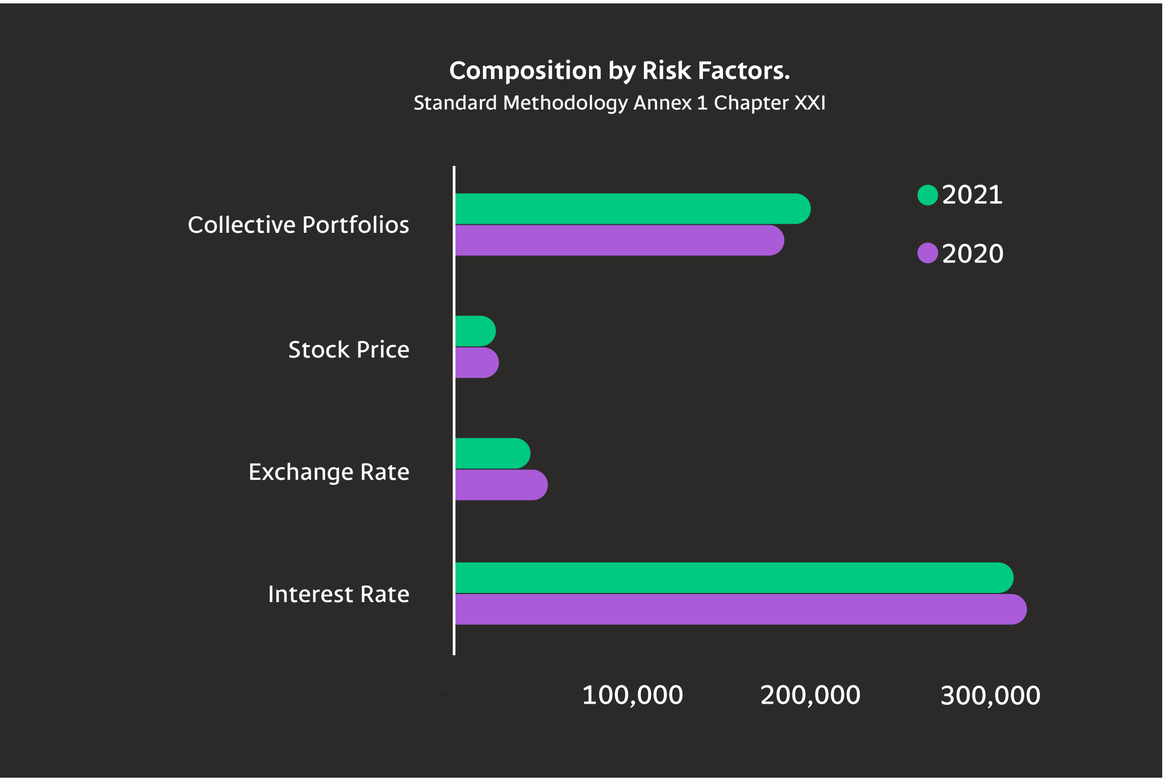
VaR limits were also reviewed and adjusted in the various entities of Grupo Bancolombia to facilitate the execution of the business strategies proposed by the Treasury and Business Vice-Presidencies. In Banistmo, internal processes were also reviewed to streamline approval flows and reduce response times for the attention of the businesses.

On the other hand, the active VaR methodology for portfolios managed by Valores Banistmo was implemented. The VaR limit was defined for the Investment Fund managed by Gestora BanAgrícola to strengthen advisory processes in managing third-party resources. In Valores Bancolombia, the VaR methodology was implemented to measure the level of risk exposure of our client's investments. Thus, supporting the control and monitoring of their risk profile. Based on the provisions of the regulations in Colombia, a new risk profiling survey was also created, incorporating the analysis of behavioral economics variables that meet the current needs of customers and the market.

In 2021, the methodology used by Grupo to monitor the market risk exposure of the trading activity continued to be the value at risk (VaR), which quantifies the extent of possible loss over a given time horizon at a pre-defined confidence level. For such monitoring, the internal weighted historical simulation model is used, with a confidence level of 99% and a time horizon of 10 days, and the standard methodology regulated by the Financial Superintendence of Colombia (SFC) in Chapter 21 of the Basic Accounting and Financial Circular, the result of which is incorporated in the solvency ratio.

In 2021, Grupo's exposure to market risk maintained moderate consumption compared to the tolerance levels approved by the Board of Directors, with an average occupation of less than 40% of its internal VaR limits. The exposure to market risk measured with the standard methodology of the SFC ranged between COP 1,092,446,743,910 and COP 1,711,794,862,101, with an average exposure of COP 1,509,084,808,129. Total exposure increased due to the increase in the position in Bancolombia's collective portfolios.



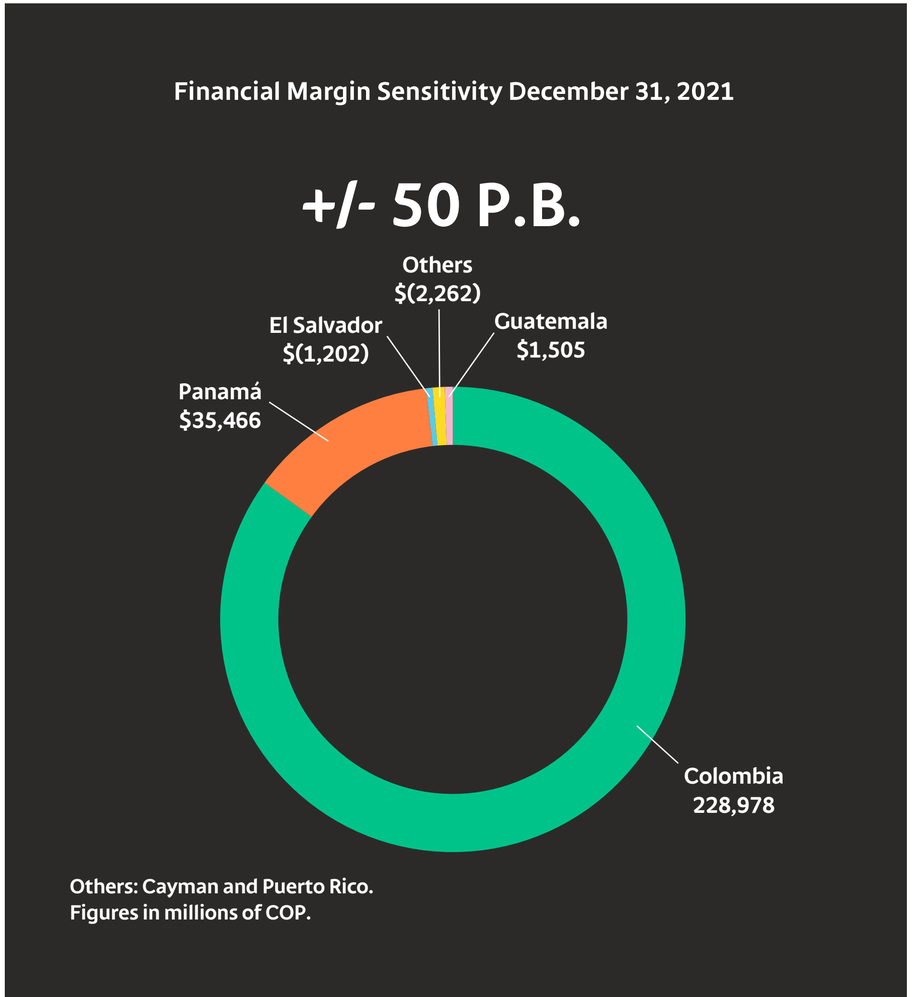


In 2021, we approved and implemented a change in the banking book's corporate value-at-risk methodology for interest rate risk to one based on Weighted Historical Simulation. We assign relatively more weight to the most recent observations and less weight to past performances. Hence, to incorporate observed variations in the market sooner. We continued with the Economic Value of Equity (EVE) measurement, under the standard Basel framework for the banking book positions of Grupo Bancolombia, excluding Bam.

Multiple analyses of the impact on the interest rate risk of new operations expected within the balance sheet were also performed, and significant progress was made in the transition to the Libor rate, adjusting the applications and internal processes to allow the entry of new transactions to Secure Overnight Financing Rate (SOFR).

An increase in the more stable liability positions continued to be observed, which increases the duration of liabilities and maintains a negative mismatch by a period in Grupo Bancolombia's balance sheet.

Overall, sensitivity to interest rate increases for Grupo Bancolombia's total financial margin is positive. The overall positioning of balance sheets was that the average duration of liabilities is longer than that of assets regarding Market Value or Equity (MVE).



Liquidity Risk

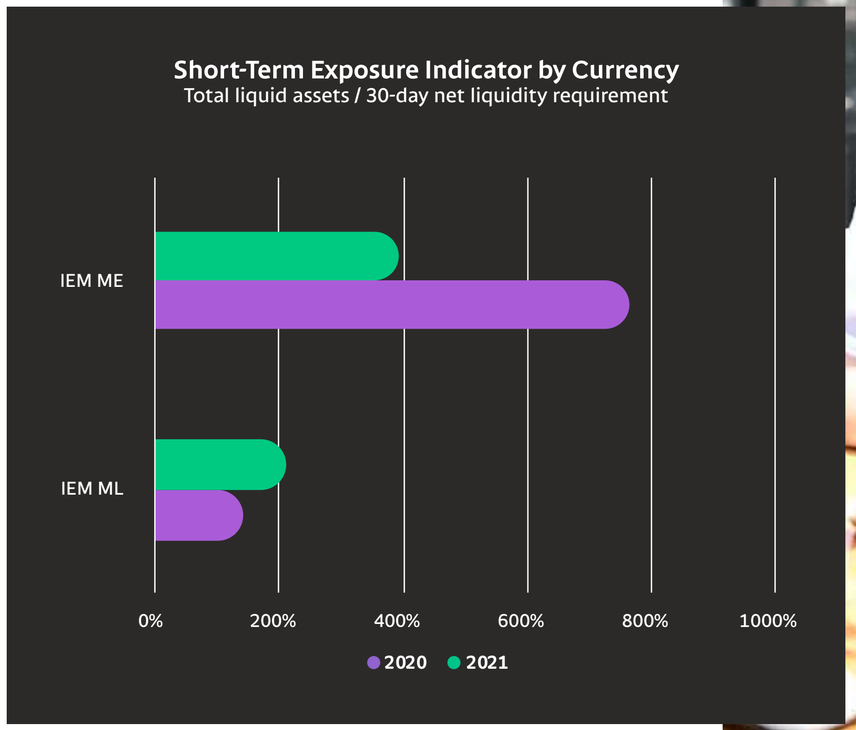
In 2021, we continually implemented the new liquidity and interest rate risk management application in all the geographical areas where Grupo Bancolombia operates. Liquidity simulations were also conducted under different scenarios to guarantee comfortable liquidity levels amid the reactivation of portfolio growth, the extension of credit relief, and the reduction of credit ratings in Colombia, Panamá, and El Salvador.

Efforts were made to estimate the stability of deposit accounts for retail, SME, corporate and institutional clients in Bancolombia, Banistmo, and Bancoagrícola, considering the different behavior among the various clients' segments in normal and stressed conditions.

Efforts were oriented to improving the forecast models for Collective Investment Funds adherent movements in Colombia to strengthen the measurement of liquidity risk under the internal model, considering the lessons learned from the COVID-19 pandemic impact on the markets and clients' behavior. Liquidity alerts were also designed to complement the contingency plan of the Investment Fund managed by BanAgrícola.

Liquidity risk management operates with an internal liquidity gap projection model for actual and stressed situations. Likewise, the Liquidity Risk Indicator (IRL), as defined by the SFC, the Consolidated Short-Term Exposure Indicator regulated by Banco de La República in the External Regulatory Circular DODM No. 361 of 2016, and the Net Stable Funding Ratio (NSFR), with comfortable liquidity levels for compliance with internal and regulatory limits. We also continued measuring liquidity under the standards established by the Basel Committee regarding the LCR and NSFR.

In 2021, a comfortable liquidity position was maintained in the Group, with a 30-day liquidity coverage at the end of December of 210% in legal currency (LC) and 392% in foreign currency (FC). Liquid assets were maintained in LC for COP 21.8 trillion and FC for USD 5,706 million. By 2020, Grupo Bancolombia's liquid assets amounted to COP 18.1 trillion in LC and FC to USD 5,617 million, leaving the 30-day liquidity coverage at 140% and 763%, respectively.



Operational Risk

Grupo Bancolombia has an operational risk management system. This system aims to perform adequate risk management to prevent adverse events and/or reduce their consequences.

Operational risk management is part of a continuous cycle that includes risk identification, measurement, control, monitoring, and management stages. Therefore, the risks to which Grupo Bancolombia is exposed in its operations are constantly being evaluated.

Regarding the Operational Risk Management System (SARO), External Circular 025 of 2020 issued by the SFC was implemented in 2021. This directly or indirectly modifies operational risk management. Among the main regulatory changes is incorporating regulatory capital requirements for operational risk in Colombia and the inclusion of improved management of third-party risks.

In 2021, the Corporate Risk Vice-Presidency implemented strategies like the "Dale la Vuelta al Riesgo" (Grabbing risk by the throat) to promote a risk awareness culture as part of the human talent development program. Thus, raising team members' awareness of risk management as it applies to all areas of the organization.

Bancolombia

For operational risk events, there was a 27.85% decrease in accumulated net economic losses in 2021 versus the previous year due to the stabilization of post-COVID-19 processes and the strengthening of transactional monitoring rules in digital channels and payment methods.

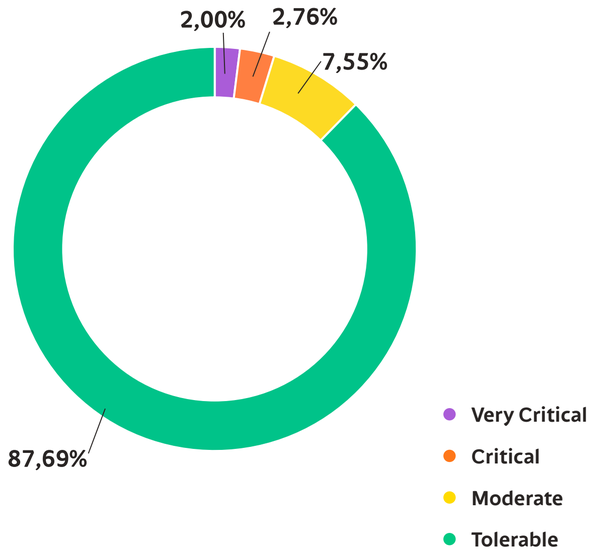
Fraud losses decreased (-18.58%) due to strengthening security in the enrollment and re-enrollment processes of dynamic passwords in the Digital Personas channel, leveraged by the migration process to Soft Token. In the categories other than fraud, the (-45.04%) decrease is explained by improvements in ATM synchronization processes.

Cybersecurity risk exposure has remained at reasonable levels, thanks to the measures that have been adopted in terms of controls, monitoring, and mitigation actions to adjust to this change in the operation. Constant monitoring of the health and well-being of employees continues, which has allowed all processes and products to operate smoothly to date.

Consolidated Operational Risk Statement

Grupo Bancolombia's total operational risk profile at the end of 2021 shows a composition by risk criticality levels. These operational risks consist of tolerable rating (low risks) 87.69%, 7.55% in moderate rating (medium risks), 2.76% in critical rating (high risks), and 2.0% in very critical rating (very high risks). The latter shows the risks in higher thresholds regarding the individual appetite of the Grupo Bancolombia's companies. Regarding the composition of the operational risk portfolio at the end of 2020, there were variations due to the migration of tolerable and moderate risks to higher criticality levels, which led to critical risks representing 3.77% to 4.77%.

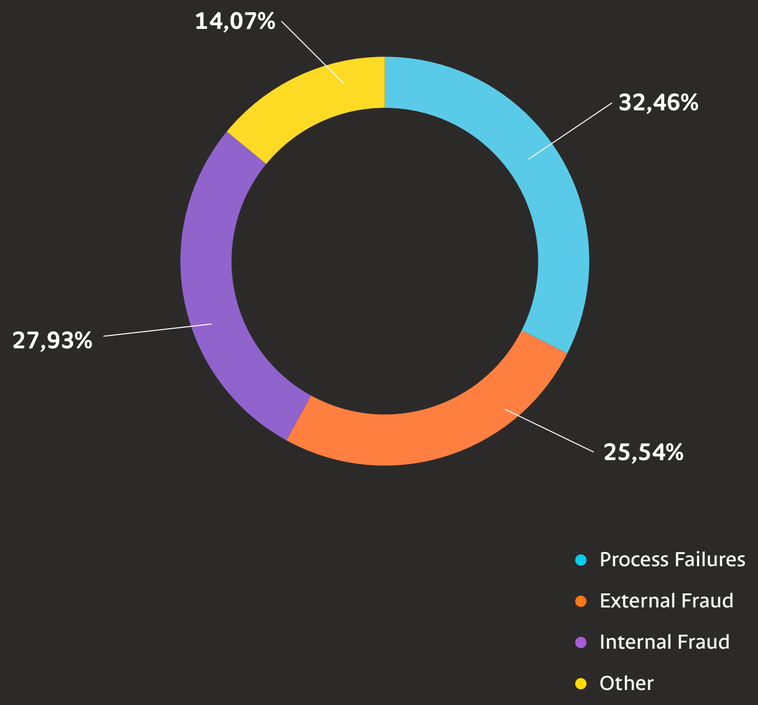
Operational Risks by Criticality



Residual exposure (after considering the mitigating control effect) showed a 12.76% increase compared to the end of 2020.

Grupo Bancolombia's operational risk profile is represented by risks classified as process failures (32.46%), internal and external fraud 53.47% (27.93% external fraud and 25.54% external fraud), and other categories (14.07%).

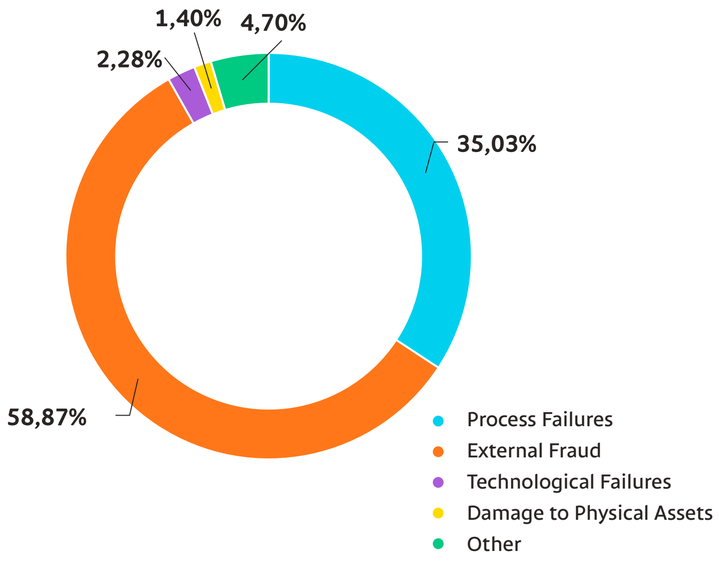
Risk Profile by Category



As a result of the post-COVID-19 processes stabilization and the strengthening of transactional monitoring rules, operational risk (materiality) losses registered a decrease of 7.39% compared to 2020.

58.87% of the losses are due to external fraud events, 35.03% to process failures, 2.28% to technological failures, 1.40% to damage to physical assets, and the remaining 4.07% are composed of the other operational risk categories.

Operational Losses by Category



Operational Risk Management Achievements

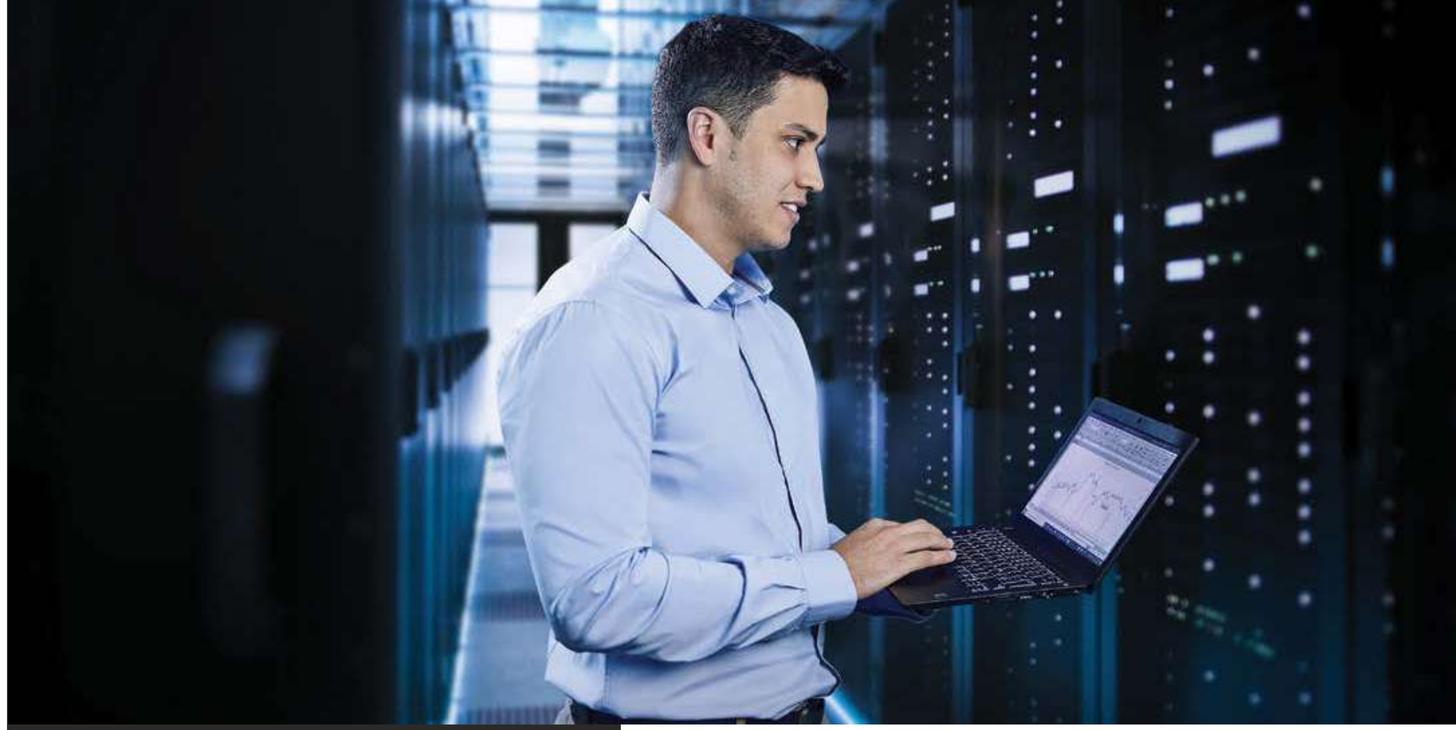
1. Risk profile coverage remains at high levels, ensuring that changes in Grupo Bancolombia's processes, products, channels, and services are evaluated and managed promptly. Thus, providing a higher level of achieving the organization's operational objectives.

2. Processes and controls made more flexible at the beginning of the pandemic were stabilized. Transactional monitoring rules were strengthened. Thus, decreasing the exposure to fraud risk and total materialized losses.

3. A review from top to bottom of processes has been performed. Hence, generating value propositions for the business to make controls more flexible. This cost-benefit ratio was favorable for the organization regarding cost savings and customer service.

4. The model risk profiles were implemented. Thus, achieving a review and evaluation of more than 160 models. Various risk factors were identified and managed from new action plans through it.

5. Improvements to the internal control environment for risks related to misappropriation of assets in supply processes related to negotiation, contracting, and payment to suppliers, channels and cash, deposits, collections, treasury, and international trade were made.



In 2021, we kept consolidating technology and cybersecurity risk management. We made progress os assessing regulatory vulnerabilities, monitoring compliance with baselines, accompanying the secure development cycle, teleworking strategies, the governance model for sites exposed on the Internet, migration to the cloud, and emerging threats.

Cyber Risk Management

More than 220 technological and cybernetic risk assessments related to issues of central platforms, changes in transactional channels, functioning of the control environment, sensitive information, and strategic allies, among others, were performed. More than 175 action plans were established.

Additionally, no losses due to cyber risk events affecting the Bank and its subsidiaries' security occurred during 2021. 88% progress was made in the technological and cyber risk profile on the relevant technical components. The organization focused on implementing strategies, projects, and plans for risk mitigation through the analyses performed.

Business Continuity Management

In 2021, the focus was to continue strengthening the operational resilience of Grupo Bancolombia, highlighting the following achievements:

Execution of eight simulation exercises of existing protocols to validate their functionality and train crisis management teams. Highlights include disruption scenarios in the event of a natural disaster and public risk.

Definition of new continuity strategies to strengthen existing natural disasters, public risk, and pandemic protocols. In addition, a new protocol was created to reinforce the response capacity to the war scenario.

Updating the organization's BIA (Business Impact Analysis) processes and channels, strengthening business resilience by updating and implementing its continuity strategies.

Identification and implementation of continuity strategies that mitigate the emerging risks of political instability, digital disinformation, and climate change, among others, to which the organization is exposed.

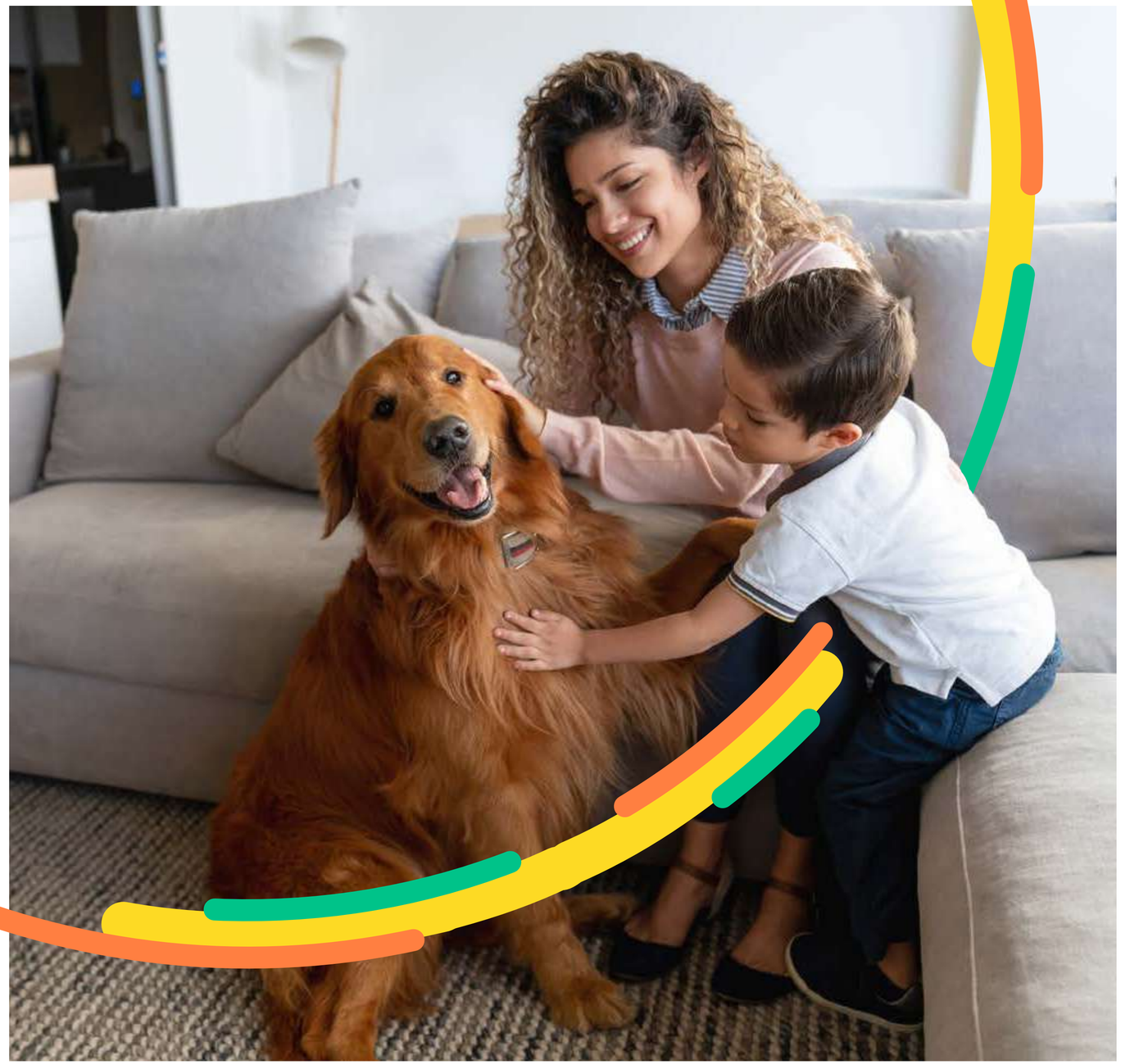
Definition of the organization's resilience strategy for new business models.

Progress tests simulating disruption scenarios with selected critical suppliers to validate their response capacity.

In 2021, cybersecurity events remained one of the main focuses when simulating crisis events and defining continuity strategies.

Insurance Management

Grupo Bancolombia continues to corporate insurance coverage, ensuring adequate risk management. We continued to analyze alternative risk transfer methods to provide excellent and efficient risk management in risk transfer.



Emerging Risks

Although the economic reactivation framed 2021 as a result of the implementation of vaccination programs, removal of sanitary restrictions, increase in household consumption, and acceleration in the digital transformation. With effects such as increased social nonconformity, global logistics crisis, and increased inflation and debt, organizations need to anticipate emerging risks generated or amplified by COVID-19.

To establish the implications on the development of the strategic objectives of Grupo Bancolombia because of the pandemic and the changes in trends derived from the global contingency, the bank carried out a review and analysis of external sources and internal aspects to have a holistic view of the emerging risks that could imply economic or reputational impacts for the organization and establish mitigating actions for their monitoring and control.

Political Instability and Regulatory Uncertainty

Geopolitical risks worsened in 2021 in many countries worldwide, including Latin America. Likewise, divisions intensified and the level of trust in public institutions plummeted. Similarly, unemployment, informality in the labor market, poverty, and insecurity intensified.

Given this situation, in addition to the electoral processes that will take place in 2022 in Latin America and the United States, changes in regulatory and tax matters may occur, including the application of policies that will mainly affect financial institutions and their business models.

Grupo Bancolombia closely monitors regulatory initiatives and continuously follows up on regulatory projects that significantly impact the financial sector's activities as mitigation measures. In addition, it coordinates and leads the relationship with authorities, guilds, and other stakeholders to serve as allies in setting new regulatory agendas.

Supply Chain Disruption

Post-pandemic recovery of world trade continues. However, in the reactivation process, production capacity has been affected by high consumer demand, port congestion, and problems in the logistics and transportation industry. Thus, generating shortages, higher prices of raw materials, and increased inflation.

For Grupo Bancolombia, the crisis in the supply chains represents the possibility of economic impacts due to the deterioration of customers whose operations could be affected by this situation. The bank manages this risk and establishes possible economic effects through a process that includes sectoral analysis and identifying customers with a potential impact on their income. In addition, it monitors different forums to identify events that could reduce the borrowers' ability to pay and, if necessary, offer them alternatives to accompany them in the development of their business.

Lack of Preparation for Market Changes and Risks Due to New Services on Digital Platforms

Changes in market expectations based on the accelerating use of technologies, digitalization, and creation of ecosystems require new approaches to customer and user relationships, including services through channels other than the traditional ones and the delivery of financial and non-financial solutions. Organizations seek to evolve their business model in an agile and innovative way, providing customized solutions amid a fiercely competitive environment.

Grupo Bancolombia has several initiatives related to financial and non-financial services ecosystems with other businesses to meet the new market needs, which implies great challenges in risk management.

ESG Risks: Sustainability, Climate change, Diversity, Equity, and Inclusion

ESG issue's importance lies in the risk they pose to maintaining social, environmental, and economic balance globally.

Climate change remains one of the most severe threats to humanity. Global warming and the considerable increase in floods, fires, and droughts are part of the worldwide situation, demanding timely and continuous efforts to control them. However, the health crisis, geopolitical tensions, and uneven global recovery have led states to prioritize measures and resources to restore economic growth, leaving efforts to address climate change on the back burner.

Social-wise, the pandemic has heightened social discontent due to the lack of access to opportunities and low satisfaction with society's growing needs. Thus, generating equity, diversity, and inclusion gaps.

Last but not least, **the Covid-19 crisis** has stressed the importance of good governance practices associated with the evaluation and supervision of non-financial and emerging risks to manage them comprehensively, identifying, monitoring, and controlling their impacts.

Grupo Bancolombia aims to promote sustainable development to make well-being a priority for ALL as an economic agent and socio-environmental actor. Therefore, its decisions seek to contribute toward compliance with global strategies for 2030, particularly the United Nations' 17 Sustainable Development Goals (SDGs) and the Paris Agreement.

This commitment is connected to a governance model within Grupo Bancolombia. Thus, ensuring the adoption and compliance of decisions on sustainability. Supervising sustainability incorporation in the risks, opportunities, and impacts for our operations, banking and investment activities, and other products and services we provide to our customers.

In 2021, to leverage this purpose from a credit risk perspective, implementing the corporate credit policy for critical industries in the face of climate change continued. Under this policy, Grupo Bancolombia sets the guidelines for sectoral support for sectors with the most significant impact on carbon emissions. Grupo Bancolombia has gradually reduced credit exposure by 2030 with a specialized support model for customers in these industries for the coal mining and coal-fired power generation sectors. Additionally, credit policies have been established for the livestock, cement manufacturing, iron and steel manufacturing, air transportation, maritime transportation, and vehicle manufacturing sectors that define guidelines for the financing and promotion of credit-oriented to sustainable uses that promote the transition of these industries towards decarbonization. Grupo Bancolombia manages the transition risk on its credit portfolio by implementing this policy.

Progress has been made in analyzing and approving credit operations in the non-conventional renewable energy sector to promote carbon neutrality in the credit portfolio. Aside from it, direct coal financing reduction will contribute to the emissions reduction objective financed by the bank. Similarly, in 2021 environmental and social risk analyses were conducted in Colombia for COP 8.1 trillion to evaluate the environmental and social impact of the financed credit operations, complying with defined corporate guidelines and standards established by the Equator Principles.

Among some of Banistmo's highlights is the successful placement of the gender social bond and resources allocation obtained to finance 311 SMEs led by women. In Bancoagrícola, credit lines for financing women in the Individuals and SMEs segments continue to be promoted.

Regarding the capital markets business, progress was made to incorporate environmental, social, and corporate governance risk assessment methodologies for ESG issuers and investment portfolios in 2021. Hence, adjusting the methods to best industry practices and complying with analysts' and investors' requirements. Grupo Bancolombia has more than 70 ESG portfolios and 30 issuers internally qualified with ESG risk methodologies by the end of the year. The issuers are authorized by the external provider, ETFs, and ESG Mutual Funds approval methodologies.

Increasing asset coverage rated under ESG criteria, together with the approaches made to issuers, has generated more significant investment opportunities for the Asset Management and Proprietary Position portfolios and the strengthening of the Distribution and Sales advisory services with the inclusion of ESG criteria in the reports for clients. In addition, an ESG portfolio rating tool was developed to monitor the performance and assets that make up the portfolios that follow this type of strategy. On the other hand, opportunities for improvement were identified. We are working on closing gaps to achieve greater integration of ESG criteria in the different businesses. These will include the analysis of portfolio impact, exposure to climate risk, engagement and voting, better coverage of qualified assets, the definition of goals, and strengthening processes to achieve international practice compliance.

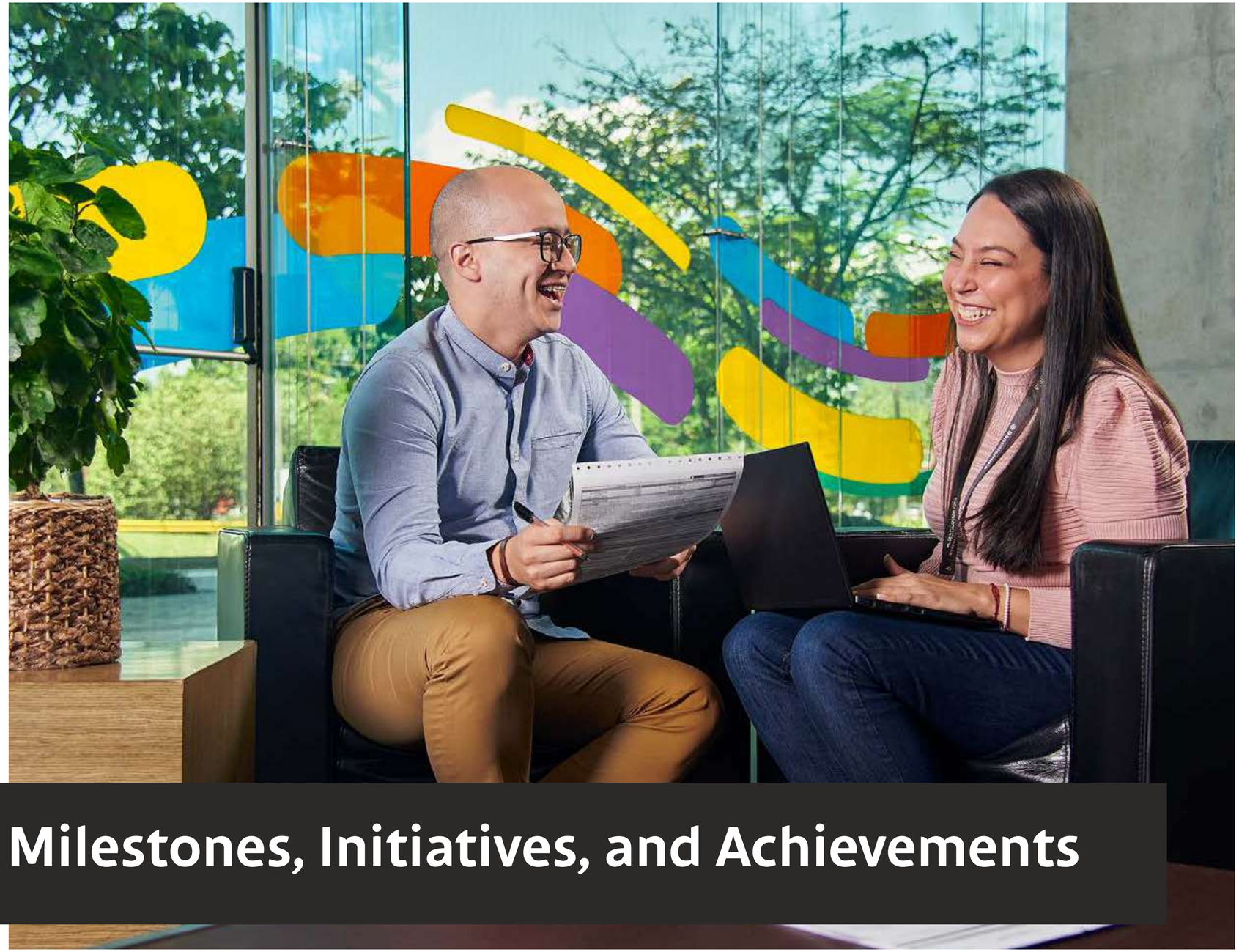
Capital Management

Profitability and sustainable growth are fundamental premises in Grupo Bancolombia's capital management. Thus, we have developed policies, procedures, and methodologies to make decisions based on the risk-return relationship of the operations of our businesses.

Hence, our risk assessment is involved, starting from prices definition, profitability, and measurements to our employees' variable remuneration.

We understand that our management of allocated capital seeks to guarantee coverage for unexpected losses that may arise from different types of risks to which the entity's balance sheet is exposed. In 2021 our efforts centered on analyzing methodologies used, their impact on the various portfolios during the pandemic, actions requiring implementation to incorporate this global crisis event, and the development of tools that will help us make informed risk decisions focused on profitability.

Although internal models are used for the bank's management, currently, for regulatory purposes, Grupo Bancolombia calculates its regulatory capital requirements according to chapters 13-16 of the Basic Accounting and Financial Circular, aligning with the Basel 3 standard model. The domestic systematically important buffer that Grupo Bancolombia must comply with, within capital requirements corresponding to 1% of the Preliminary Risk Analysis (PRA) or (APNR, by its abbreviation in Spanish), stands out, covered with the best quality capital (Common Equity Tier 1 or CET1). According to the Financial Superintendence of Colombia calculations, Bancolombia is the most important entity in the financial system locally. However, we are not part of the Global Systemically Important Institutions (G-SIB) list at the international level.



Milestones, Initiatives, and Achievements

We Know Our Customers Better

We have developed new competencies and explored new information sources to understand our customers better and develop new risk models to provide customers with a more reasonable offer according to their needs and grow the organization solidly and sustainably.

Thus, reaching out to 16.9 million customers with a product offering more consistent with their needs and a customized and timely experience. In addition, with transactional information, we have better estimated our customers' income, increasing the pre-approved offer by 17%, targeting 1.2 million customers, including a large percentage of the Social sector who previously lacked the possibility of accessing loans.

The pre-approval process has improved. Customers can more easily access resources when they need them. Portfolio delinquency has dropped. Today, more than 1.2 million people have pre-approved loans. Every month, there are 3 million potential customers for pre-approved loans. In addition, we automatically allocated quotas for 42,700 SMEs customers of COP 4.8 trillion and for 2,600 business customers of COP 5.1 trillion, of which COP 754,000 billion corresponded to pre-approved quotas last year.

For legal entities, we have also improved risk discrimination in loan origination. We have simplified commercial teams' operations and increased automated operation approval and credit quotas. Thus, we have expanded our capacity in operational, commercial, and credit areas, improving response capacity and making more efficient use of resources.

We are implementing tools and statistical models to monitor and generate valuable information to understand economic sectors, developing a risk level quantitative and objective rating for each one with a 70% coverage. In addition, detailed monitoring can be done based on each industry's guidelines by considering the evolution of their main variables. Thus, we gain more significant insight into our clients to deliver tailored solutions for them and identify the risk they assume with our products portfolio.

Banistmo is yet another example. We are also developing new risk models to understand post-pandemic customer behavior. Hence, we can optimize costs and reduce provisions. An improvement of USD 22 million did not need to be provisioned in 2021.

We increase the pre-approved offer by 17%, targeting 1.2 million customers, including a large percentage of the Social sector who previously lacked the possibility of accessing loans.

We Promote Efficiency and Productivity

We held an Efitón initiative, in other words, an efficiency marathon (Effithon), in Colombia and Central America. The entire organization is summoned to propose and implement new ideas to generate income or reduce expenses in any area, process, service, or product through this initiative. In 2021, more than 800 people participated in the four Effithons we held.

To mitigate market and refinancing risks, we applied a debt management alternative for Bancolombia and Banistmo to manage early maturities of bonds in dollars. Thus, mitigating market and refinancing risks and time saving on interest expenses. In 2022, maturities will total close to USD 2,000 million. In 2021, USD 1,200 million was managed.

Thanks to low rotation assets marketing, structured sales, price updates, referrals, traditional marketing, and the used goods portal strategies, we are reducing goods inventories given in payment. At the end of 2021, the goal was met by 185%, with accumulated sales exceeding COP 297,975 billion.

With our Vice-Presidency of Innovation and Sustainability being recognized as an R+D unit, we will continue to advance in alliances, explorations, and bets with recognized actors of the University, Business, and State triad for the joint execution of projects that contribute to transformation and leverage sustainable economic development throughout the national territory.

We are developing a strategy to become a 100% Cloud organization to improve the availability and agility of our applications and achieve greater cost efficiency. We make more efficient use of computing capabilities by migrating applications to the cloud. Thus, avoiding cost overruns due to unused infrastructure and improving the availability and agility of applications to deliver more robust solutions.

We have already migrated 221 applications. In 2021, 154 were relocated to the cloud. Hence, reducing the number of incidents in these applications and improving server provisioning times, moving from 2 days to 87 minutes SLA. Additionally, many of the migrated components use automatic deployments to update their services in production in less than a minute.

We are making accounting operation management more efficient with the construction and use of data analytics solutions. Thus, strengthening internal controls over financial statements and collaborative work among all the actors in the process, digitizing interaction, monitoring, and information exchange promptly.

Seeking to facilitate decision-making, we have developed the Nowcast Inflation application. Therefore, we can accurately forecast the monthly inflation data and evaluate the existence of possible deviations from the observed data compared to other analysts' forecasts.

S We Are Growing Along with the Economic

We have developed capabilities to accompany people, companies, and governments in their different needs. Together, we drive economic development in the countries where we operate.

Infrastructure is a critical aspect due to its impact on population development and well-being.

We are trustees of four new road concessions (Cambao-Manizales, Public-Private Partnership PPP Private Initiative PI (APP IP, by its abbreviation in Spanish) Doble Calzada Oriente, Valle del Cauca Road Network, and APP IP Ruta Caribe 2). These investments amount to COP 9.7 trillion and include improvements in more than 830 kilometers of roads in at least six departments.

We have accompanied the development of 21 concessions of 4G roads in Fiduciaria Bancolombia S.A. (Trustee). They total COP 43.5 trillion.

We completed the financial closing of Accenorte, a fourth-generation concession that will improve connectivity between Bogotá and Briceño and Zipaquirá, passing through Chía and Cajicá, with a 65 kilometers (around 40m) length. This transaction will be for COP 531,000 billion, corresponding to 100% of the financing in the long term. Thus, ensuring design, construction, process, and maintenance resources for road accesses to the north of Bogota.

Together, we drive economic development in the countries where we operate.

We also co-led the financial closing of the Río Magdalena 2 Highway, a 152-kilometer (94m) road corridor between Antioquia and Santander. We have committed to this project for up to COP 625,000 billion.

We supported the expansion of the Panama Metro in several sectors. This project will generate around 5,000 jobs and improve the life quality of 500,000 people living in West Panama. On the one hand, we will disburse USD 180 million throughout the project's construction through No Objection Certificates, which constitute payment obligations. We will also serve as administrative agents and collection managers for these certificates.

With a loan of COP 379,000 billion, we will finance the preliminary phase of the first line of the Bogotá Metro. The concessionaire will use this loan to finalize designs and studies and adapt the workshop yard, among other items. We will also finance the 80 Metro, the third line of this transportation system in Medellín.

Through the first social PPP (APP), we supported the development of the social infrastructure the country needs. On an equal basis, with a financial closing of COP 260,000 billion, we participated with Itaú Unibanco in building the Bosa Hospital in Bogotá. This will benefit around 400,000 people in four location areas in the city's southwest.

On the other hand, we continually support local governments in Colombia with digital alternatives, including Wompi and Botón Bancolombia, to simplify procedures for citizens and facilitate public sector collections. Through our platforms, they have handled COP 3.51 trillion. In addition, 170 municipalities will use the Bancolombia Button for tax collection.

We are the Superintendency of Notary and Registry's financial agent. We will support its digital transformation process to simplify processes and achieve interoperability with other parties in the chain. Thus, facilitating an estimated COP1 trillion a year in collections through Botón Bancolombia.

Colpensiones (Colombia's Pension Administrator) has a Social Protection Floor program that seeks to ensure a life annuity for the population with monthly incomes of less than the minimum wage and no access to social security. This group of people can access this benefit by making periodic contributions. Bancolombia will be their financial ally in the collection process.

Our clients have experienced changes in commercial dynamics and disruptions in supply chains in recent months. For this reason, we offer them international factoring. According to their business cycle, this solution helps them generate cash flow.

International Factoring has been the ideal solution during the current situation. It generates efficiencies in the working capital of buyers and suppliers, generating cash flow following the client's business cycle. Business growth of USD 1.7 billion, with an 87% increase over the previous year, is proof of this. Hada and Federación Nacional Cafeteros, Colombian exporters with clients worldwide, are two milestone international communities that we closed in 2021 and are worth highlighting.

Through Valores Banistmo, we accompanied the Republic of Panama to issue global bonds for USD 2,000 million to finance the 2021 national budget and the repurchase of commercial paper maturing in 2022 and 2024. Thus, we contributed to the reactivation of the Panamanian economy and the strengthening of its capital market.

Remittances are an important source of income for thousands of families in the countries where we operate. We offer them a service that facilitates sending and receiving funds. In 2021 alone, we carried out more than 13 million remittance payment transactions, totaling USD 5,342 million, 36% more than the previous year.

We have developed a strategy to help more companies, especially SMEs, hedge interest rate risks and have more security in their cash flows, taking advantage of current market conditions. We closed 269 operations for more than COP 312,000 billion.

We obtained AEO (Authorized Economic Operator) certification through our Leasing business in April 2021. Thus, we can provide more accessible, more agile, and transparent processes for nationalizing imported goods that we finance and/or rent to our customers while complying with international standards to guarantee security in our supply chain.

Grupo Bancolombia Capital

We combine our complementary competencies in Grupo Bancolombia Capital to deliver an integrated, complete, differentiated, and agile financial solution. Thus, we accompany the development of our clients' projects with multidisciplinary teams assisting structured businesses, including trust schemes, guarantees, credit quotas, and foreign exchange hedging strategies.

We support the development of the local capital market to make it stronger and offer more alternatives to investors. In this regard, Valores Bancolombia was one of the leading placement agents of fixed-income issues, participating in transactions performed by 15 issuers, which placed a debt of COP 2.5 trillion in 2021.

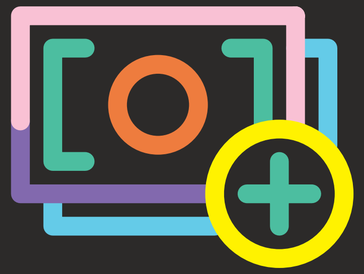
We are expanding our offerings to meet the investment needs of our customers so that they can easily diversify their portfolios with different types of assets. Thus, we have developed new Collective Investment Funds (CIFs) that invest in alternative assets. In addition, we are implementing the use of FICs as collateral in credit operations for clients. At the end of 2021, we had COP 20.04 trillion in assets under management in FICs.

Moreover, we added more virtual investment tools in the Sucursal Virtual Personas and Empresas (Online Office for Individuals and Companies) App, which have differentiated rates according to the amount and term of the investment. Last year we closed with an online investment balance of COP 5.8 trillion, which represented more than 100% growth in the balance.

With Inversí and Investbot, we expand the possibility for people to access different investment alternatives among the collective investment funds we manage since we offer them a financial plan managed by experts to meet their medium and long-term objectives.

Furthermore, we complemented our offering with the listing in the Colombian Global Market of the Colombian Stock Exchange of 9 ETFs structured by BlackRock so that more people can invest in international assets from the local market using COP while not needing foreign accounts. COP 25,679 trillion has been traded since its launch on September 14, up to the end of 2021.

We also accompanied the Concesión Túnel Aburrá Oriente in the first project bond issuance in the local capital market, with our structuring, placement, and anchor investor services for COP 260,000 billion, of a total amount placed of COP 700,000 trillion.



We support the development of the local capital market to make it stronger and offer more alternatives to investors.

Last year our clients' interest in seeking savings and investment alternatives in international markets grew. We closed the year with a 32% increase in assets under the management of products with international exposure corresponding to COP 1.77 trillion, in clients with diversified portfolios by 31%. We went from 16,135 to 21,143 clients with some of their products with global exposure. We received authorization from the Financial Superintendence of Colombia (Superfinanciera) to establish a broker-dealer and investment advisor in the United States, in line with our intention to develop our global offering. Thus, we expect to expand the solutions portfolio for our clients.

E Sustainable Finance

Grupo Bancolombia has been consolidating its sustainable finance strategy, bringing market solutions, so companies and individuals can adopt a sustainable relationship with the environment and meet social needs. Thus, by issuing green, social, and sustainable bonds, we seek to promote company projects that enable a transition to a low-carbon economy or contribute to closing social gaps such as access to health or drinking water. Also, we convey a message to the stock market that investments can also generate social and environmental value.

We have issued 5 bonds for COP 2.1 trillion. We have supported financed renewable energy, sustainable construction, women entrepreneur empowerment, social infrastructure, circular economy, and access to affordable housing initiatives.

In Colombia and Panamá, we have issued these bonds in the secondary and primary markets with national and international buyers such as the International Finance Corporation (IFC) and the Inter-American Development Bank (IDB). Per the Green, Social & Sustainable Bond Principles standard, the following is the status of the 5 issuances as of December 31, 2021.

01

Bancolombia Green Bond First Issuance

58% of the projects financed from the first issuance in 2016 are small hydropower plants operating from water flow without a dam, with less than 20MW. The other 42% are sustainable construction projects with LEE certification.

Issuance data:

- Disbursements for COP 350,000 billion.
- 9 projects in 3 Departments and 7 municipalities of Colombia.
- Average disbursement per operation: COP 41,170 billion.
- Average term per Operation: 8.9 years.
- Impact of projects financed by the green bond:

265.6 GWh annual electricity generated by renewable sources
41 MW renewable energy power installed capacity
76,000 tons of CO2 averted per year
307,000 M2 of sustainable construction

02

Bancolombia Green Bond Second Issuance

On July 18, 2018, we executed a second green bond issuance for COP 300,000 billion. 19% of the projects financed with this issuance correspond to sustainable construction projects. The remaining 81% are renewable energy projects. 100% of the resources have been allocated and disbursed.

Data from the second issuance:

- Disbursements for COP 300,000 billion.
- 6 projects in 5 Departments and 5 municipalities of Colombia.
- Average disbursement per operation: COP 43,610 billion.
- Average term per Operation: 7.8 years.
- Impact of projects financed by the green bond:

230 GWh per year of electricity generated by renewable sources
35 MW renewable energy power installed capacity
85,400 tons of CO2 averted per year
141,500 M2 of sustainable construction

03

Bancolombia Sustainable Bond Third Issuance

On July 19, 2019, we executed the first sustainable bond issuance for COP 657,000 million acquired in its entirety by the IDB, becoming the third issuance with sustainable characteristics. 69% of the resources are green projects focused on renewable energy, sustainable construction, and cleaner production. The remaining 31% corresponds to social projects focused on low-income housing and basic sanitation. 100% of the resources have been allocated and disbursed

Data from the third issuance:

- Disbursements for COP 657,000 billion.
- 22 projects in 9 Departments.
- 14 green projects and 8 social projects.
- Average disbursement per operation: COP 40,550 billion.
- Average term per Operation: 6.6 years.

Sustainable Development Goals to which we contribute to this issue: SDG 11: Sustainable Cities and Communities, SDG 9: Industry, Innovation, and Infrastructure, SDG 7: Affordable and Clean Energy, SDG 6: Clean Water and Sanitation, SDG 4: Quality Education and SDG 3: Health and Well-being.

04

Bancolombia Sustainable Bond Fourth Issuance

On September 16, 2021, we executed the second sustainable bond issuance for COP 600,000 billion in the first Colombian market. 70%t of the proceeds correspond to green projects focused on renewable energy, sustainable construction, and circular economy. The remaining 30% corresponds to social projects focused on social housing, social infrastructure, and women's empowerment. 100% of the resources have been allocated and disbursed.

Data from the fourth issuance:

- Disbursements for COP 600,000 billion.
- 173 projects in 16 Departments.
- 17 green projects and 156 social projects.
- Average disbursement per operation: COP 3,685 billion.
- Average term per Operation: 7.5 years.

Sustainable Development Goals to which we contribute with this issuance: SDG 1: No Poverty, SDG 3: Good Health and Well-being, SDG 5: Gender Equality, SDG 7: Affordable and Clean Energy, SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation, and Infrastructure, SDG 10: Reduced Inequalities, SDG 11: Sustainable Cities and Communities, SDG 12: Responsible Consumption and Production, and SDG 13: Climate Action.

Banistmo Gender Social Bond First Issuance

Banistmo, our subsidiary in Panamá, issued in August 2019 the first social bond with a gender focus in Latin America for USD 350 million, structured and underwritten by the IDB Invest in line with its strategy of female economic empowerment and its commitments to the Gender Parity Task Force, the Gender Equality Seal, and the Women's Empowerment Principles of the UN Women. 100% of the resources are earmarked to enable access to financing for SMEs led by women, commercial loans to women-owned small businesses focused on the trade, services, and agribusiness sectors. In August 2021, 100% of the resources were allocated and disbursed, benefiting 311 SMEs led by women.

Sustainable Development Goals to which we contribute to this issuance: SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, and SDG 9: Industry, Innovation, and Infrastructure.

Bam took out a sustainable loan for USD 70 million to strengthen its capacity to grow sustainably, funding projects that impact people's wellbeing.

G Responsible Investment

In Grupo Bancolombia, we are committed to implementing best practices in responsible and sustainable investment. We know that Environmental, Social and Corporate Governance (ESG) criteria are fundamental to fulfilling our fiduciary duty.

Since our 2014 adherence to the Principles for Responsible Investment (PRI), supported by the United Nations, we have challenged ourselves to incorporate these criteria as a fundamental and integral element in our investment processes. On this journey, and with the experience and knowledge we have acquired, we have integrated sustainability into our product and service offerings, our recommendations to the market, and our position. In 2021 we reached the following milestones:

As part of our business ambition to mobilize at least COP 500 billion by 2030 through financial services in activities associated with the purpose, we have proposed to have COP 1.9 trillion in assets under management with ESG criteria by 2021, COP 5 trillion by 2022, COP 15 trillion by 2024, and at least 90% of total Asset Management assets by 2024. In 2021 we achieved COP 2.7 trillion, meeting the goal by 140%.

We relaunched the Renta Alta Convección Fund to the market with a change in its investment strategy, including ESG criteria with an ESG rating objective under MSCI ESG Research measurement methodologies. In addition, we brought the global Sustainable Income Fund to the Panamanian market, increasing our offering of sustainable investment products in the region. We expanded our assets under the management of an ESG strategy by COP 472,500XX trillion with these products

We joined the Net Zero Asset Managers initiative by committing to align our investment portfolios with carbon-neutral scenarios by 2050, becoming the first organization in Latin America to be part of it. Therefore, we conducted our first measurement of the indirect carbon footprint of our investments under the PCAF methodology and defined our science-based targets that will be submitted for validation by the Science-Based Target Initiative (SBTi). Emissions from our investment portfolios, equivalent to 63,115 tons of CO_2e, represent 1.2% of Grupo Bancolombia's total emissions.

Due to the region's lack of information and ESG ratings, we continue applying our proprietary ESG evaluation models under international standards. In 2021, we increased our ESG rating coverage by 33 local issuers, which allows us to make responsible decisions aligned with our ESG policies.

We included ESG criteria in our Economic Research (Investigaciones Económicas) investment recommendations and published the first analysis of the ESG rating status of Colombian companies.

E Environmental and Social Risk Analysis in Financing

We are committed to responsible and sustainable financing. In Bancolombia, we have adopted the Equator Principles of the World Bank and the Performance Standards of the International Finance Corporation (IFC) as standards applied to the identification, evaluation, and management of the environmental and social risks and impacts implicit in the operations and projects we finance. Their application scope evaluates the environment and natural resources, climate change, biodiversity, community health and safety, ethnic minorities, human rights, and occupational safety.

We manage internal processes and policies on environmental and social risk analysis aligned with the fourth version of the Equator Principles and their entire application framework, approved by the Vice Presidency of Risks in October 2020 and updated in November 2021. The update is based on the description of activities that require Environmental and Social Risk Analysis, environmental risk studies for the receipt of guarantees, acceptance in lieu, and assets delivered via leasing, preventing the risks associated with environmental liabilities in real estate where activities that are susceptible to environmental impacts are developed.

In the same way, it strengthens Climate Change, Biodiversity, Human Rights, Transparency, Corporate Ethics, and Governance assessment through project finance and in ordinary operations, corporate loans, bridge loans, and financial advisory services, in the business units of corporate banking, business banking, SME banking, investment banking, leasing operations and receipt of guarantees and acceptance in lieu, at the corporate level and in all countries where we operate. Thus, preventing risks associated with environmental liabilities in real estate where activities sensitive to environmental impacts are developed.

Environmental and social criteria, standards, risk categorization parameters, and the structuring of environmental and social contingencies are defined in each analysis using the tools generated by the Equator Principles and the IFC Performance Standards, tailored to Grupo Bancolombia, local regulations, country, and region needs.

The Risk Vice-Presidency may evaluate a project or activity to the Sustainability Committee. This committee comprises the risk, legal, commercial, sustainability, communications, and other areas of interest for decision making, to determine the feasibility, result, qualification, and procedure requiring implementation.

The amount required to perform the environmental and social risk assessment for operations over USD 1,000,000 in the following sectors was maintained per the application of the Policy: (i) Tanneries, (ii) Mining, (iii) Animal slaughter and meatpacking plants, (iv) Chemicals and agrochemicals, and (v) Iron and steel. Likewise, the amount of USD 4,000,000 was maintained in the following sectors (i) Energy, (ii) Sugar mills, (iii) Oil palm, and (iv) Paper and cardboard. These conditions apply to Corporate, Business, SME, and Investment Banking operations and Leasing products.

Other sectors that may also pose potential socio-environmental risks and affect credit repayments are included. These sectors are also subject to local and national authorities' environmental authorizations, licenses, and permits. Some of these sectors are (i) Brickyard, (ii) Transportation and storage of hazardous substances, (iii) Food sector, (iv) Animal feed production plants, (v) Animal-breeding farms for commercial purposes, (vi) Poultry and swine farming, (vii) Textile plants, (viii) Forestry activities, (ix) Fishing and tuna, and (x) Health sector.

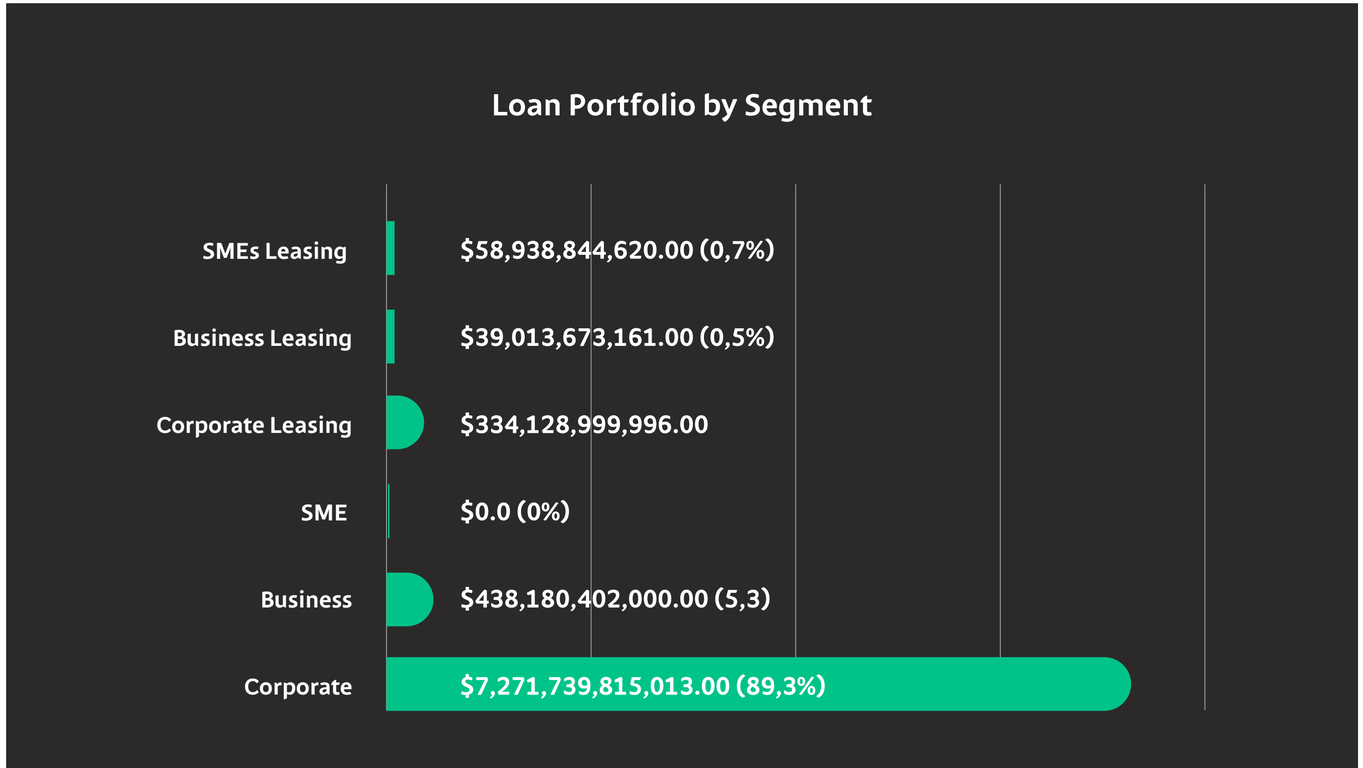
We are highly committed to responsible and sustainable financing.

If the request is reasonably supported, environmental and social risk assessments are performed for the sectors mentioned above.

In 2021, 112 transactions were evaluated through the Socio-environmental Risk Analysis process, increasing by nearly 24% the total number of assessed operations compared to the previous period (90 transactions), covering a complete portfolio of COP 8,142,001,734,790 (COP 8.1 trillion), increasing by 72% the portfolio hedging compared to the previous period (COP 4.7 trillion), distributed among Bancolombia's business units. The following is a general balance sheet of Environmental and Social Risk Analysis (ESRA) activities, followed by a balance sheet by business unit:

Considering the increase in the number of operations evaluated for the previous year (90 evaluations in 2020 and 112 in 2021), the number of approval requests covered was COP$ 8,142,001,734,790.00 (COP8.1 trillion), increasing nearly 42% of the portfolio hedging concerning the previous period (COP4.7 trillion). The total amount of transactions with unfavorable results amounted to COP 814,077,799,996.00 (10% of the total amount evaluated).

89.3% of the total amount hedged corresponds to operations of the Corporate Segment, 5.3% to operations of the Business Segment, 4.1% to Corporate Leasing, 0.5% to Business Leasing, and 0.7% to operations of the SME Leasing Segment.



Statistics on Project Finance and Project-Linked Corporate Loans

Within the 112 operations evaluated with favorable results during 2021, 16 correspond to Project Finance or corporate loans linked to projects developed in Colombia (Latin America) with the following report:

To learn more,

click here

Sector and Project	Category	Analysis date	Country	Review	
				Third party	Internal
Energy					
Matrix Renewables Colombia - Bosques Solares de Los Llanos I S.A.S. E.S.P.	B	21/01/2021	Colombia	ERM	
Matrix Renewables Colombia - Bosques Solares de Los Llanos II S.A.S. E.S.P.	B	22/01/2021	Colombia	ERM	
Matrix Renewables Colombia - Bosques Solares de Los Llanos III S.A.S. E.S.P.	B	22/01/2021	Colombia	ERM	
Planeta Rica SAS, Akuo Energy SAS - Planeta Rica Solar Plant	B	9/03/2021	Colombia	ENERTIS	
Enersia SASESP - Proyecto Helios Phase I	B	8/04/2021	Colombia	ENERTIS	
Generadora Cantayús S.A.S. E.S.P **	B	21/04/2021	Colombia		X
Trina Solar Colombia SAS - Bosques Solares de Los Llanos IV and V S.A.S. E.S.P.	C	16/07/2021	Colombia	ENERTIS	
Generadora Cantayús S.A.S. E.S.P **	C	29/10/2021	Colombia	ERM	
Infrastructure					
Promotora Hospital de Bosa S.A.S.	C	21/06/2021	Colombia	INFRATA LTDA.	
P.A Rio Magdalena 2	B	2/08/2021	Colombia	ARUP LTDA.	
Concesionaria del Desarrollo Vial de La Sabana - DEVISAB	C	9/07/2021	Colombia	ARUP LTDA.	
Concesionaria Alternativas Viales S.A.S. - Cambo - Manizales Concession	B	12/07/2021	Colombia	ARUP LTDA.	
Túnel Aburrá Oriente S.A. Concession*	B	3/09/2021	Colombia	ARUP LTDA.	
Santa Marta Riohacha Concession Trust	B	21/10/2021	Colombia	INFRATA LTDA.	
Concesionaria Vial Unión del Sur S.A.S. Rumichaca - Pasto Concession	B	15/12/2021	Colombia	INFRATA LTDA.	
Agribusiness					
Copaltas SAS	C	6/04/2021	Colombia		X

* Business loan. Previously also evaluated as a project.
** Business loan. Previously also evaluated as a project.

Eco-efficiency

This chapter includes the eco-efficiency management implemented in 2021 and describes the results obtained in Grupo Bancolombia's operations in Colombia, Panamá, El Salvador, and Guatemala. Next year, we will include our Renting and Transportempo business information. Aside from the financial sector, we will report on the actual industry.

We use various natural resources such as energy, water, and paper in our direct operation. This requires conscious management to reduce the impact of our actions and a commitment to define a strategy to reduce consumption consistent with our corporate purpose. Therefore, we permanently monitor our consumption, aligned with reduction goals.

We exceeded our goals for the 2010 - 2020 period and reinforced our commitment. We established a new baseline in 2019 to challenge ourselves to reach higher goals.

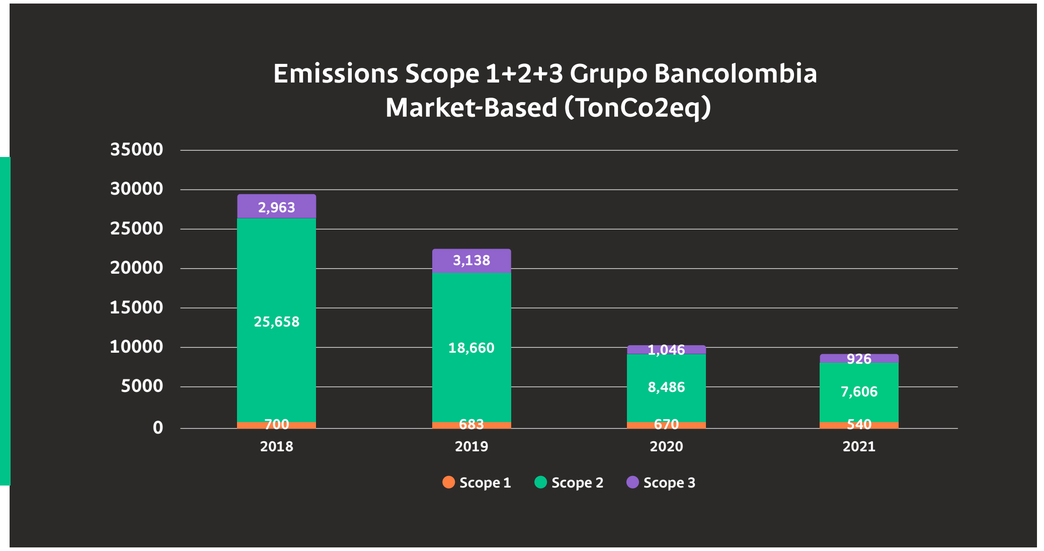
Due to the prolonged pandemic conditions, we decreased our consumption during 2021 above the reduction trend we had before the pandemic and those derived from implementing different eco-efficiency actions. Although we met our goals, we expect a return to normalcy by 2022. We will capitalize on the lessons learned to redefine them based on the analysis of our consumption trends.

Additionally, we restated the energy consumption data for 2018 to 2020 due to improved measurement methodology for services provided to third parties.

	Goal 2019 - 2030		
Energy (kWh)	-20%	2019 - 2021: **-19%**	We decreased by 5% compared to 2020
Renewable Energy (kWh)	100%	**75%** of our consumption	was renewable by 2021
Water (m^3)	-10%	2019 - 2021: **-23%**	We decreased by 3% compared to 2020
Paper (kg)	-25%	2019 - 2021: **-28%**	We increased by 3% compared to 2020
Air travel (Ton CO_2)	-20%	2019 - 2021: **-89%**	We decreased by 37% compared to 2020
Waste (tons)	-30%	We increased by **16%**	compared to 2020

A Grupo Bancolombia Emissions GRI 305.1-305.2-305.3-305.4-305.5

Climate change is an ever-increasing challenge. At Bancolombia, we are committed to defining concrete actions to actively contribute to mitigation and compensation from our direct operations and move towards a low-carbon economy.



Scope 1: Direct emissions associated with fossil fuel consumption in emergency power generation plants at our sites.

Scope 2: Indirect emissions associated with the electricity acquired for our operation.

Scope 3: Emissions associated with our paper consumption, business air travel, and the logistics processes of our branches and buildings. We discuss our financed emissions in detail in a later chapter.

In 2021 we reduced our Scope 1 + 2 emissions by 11%, with emissions of 8,146 tons of CO2.

In 2021, we redefined our science-based target for Scopes 1 and 2, aligned with a 1.5°C () scenario, and committed to reducing our direct emissions by 73% in 2024 compared to the 2019 emissions. By 2030, we expect to achieve carbon neutrality in the countries where we operate. We defined this goal based on the SBTi methodology.

Since 2020, we have achieved carbon neutrality in Colombia thanks to our energy efficiency strategies, renewable energy consumption in 100% of our facilities due to the implementation of photovoltaic systems, and the purchase of certified renewable energy (REC). In addition, we offset all of our Scope 1 and 3 emissions.

Due to the purchase of certified renewable energy, we calculate our location-based and market-based footprint:

Year	Scope 1	Scope 2		Scope 1+2		Scope 3	Total		Variation		Total/Employee		Variation	
		Location Based	Market Based	Location Based	Market Based		Location Based	Market Based	Location Based	Market Based	Location Based	Market Based	Location Based	Market Based
2018	700	25,627		26,327		2,963	29,290	29,290	-1%	-1%	0.57	0.57	-5%	-5%
2019	683	22,717	18,660	23,400	19,343	3,138	26,537	22,481	-9%	-23%	0.50	0.42	-13%	-26%
2020	670	19,128	8,486	19,798	9,157	1,046	20,844	10,203	-21%	-55%	0.38	0.18	-24%	-56%
2021	540	19,998	7,606	20,538	8,146	926	21,464	9,072	3%	-11%	0.36	0.15	-5%	-18%

Energy Management
GRI 302.1 - 302.3 - 302.4

From our Energy Model, we efficiently manage energy consumption, achieving a reduction of 5%.

Year	Energy (MWh)	Variation (%)	Energy/Employee	Variation (%)
2018	115,295	**0.0%**	2.25	**-4.2%**
2019	110,710	**-4.0%**	2.08	**-7.5%**
2020	93,533	**-15.5%**	1.69	**-18.7%**
2021	89,197	**-4.6%**	1.49	**-11.9%**

*An adjustment is made to the methodology for measuring the energy consumption for third-party services in our Data Center. For this reason, a variation of the information is presented compared to previous years.

Energy Efficiency

We continue implementing and researching energy efficiency strategies based on constant energy consumption monitoring in branches and buildings to identify and intervene in deviations that could alter compliance with the goals set. In this sense, we have strengthened our strategies at the corporate level, integrating the actions we implement in each of the countries where we have a presence.

We have integrated buildings into Building Manager System (BMS) for decision making and preventive management for energy and water efficiency, consumption control, and indoor personnel comfort.

In 2021, Grupo Bancolombia continued the remote work strategy for 36% of employees and external personnel. Thus, we reduced energy consumption, among other actions.

Renewable Energy

We remain committed to using 100% renewable energy in our operations by 2030. By 2021, 75% of our energy consumption will be renewable, contributing to our climate commitments.

Renewable Energy Certificates (RECs) from the grid, with a total consumption of 74% contributed by each of the countries:

Colombia

100%

Panamá

50%

Self-generated non-conventional renewable energy. We continue to explore implementation projects based on the analysis of our infrastructure.

Colombia

our main building, General Management, has 1960 panels, an installed power of 700 kW, which generated 671 MWH during 2021, equivalent to 10% of the building's energy consumption.
As well as in our headquarters in La Palmas and Torre Oriente, with a different generation of 60 MWh.

El Salvador

In our data center,
with 142 MWh generation.

Water Management GRI 303.1 - 303.3 – 303.4 – 303.5

We have a documented management in the Water Management Model to efficiently use the water resource, whose consumption is focused on the operation of our administrative headquarters and branches.

We define mechanisms to reduce consumption through this model, working with our value chain to achieve a rational use of water in our offices.

	2018	2019	2020	2021
Water (m3) Aqueduct	347639	332060	267435	252296
	11.1%	**-4.5%**	**-19.5%**	**-5.7%**
Rainwater (m3)	19520	13182	12359	17375
	129.1%	**-32.5%**	**-6.2%**	**40.6%**
Phreatic and Underground (m3)	29699	27894	13809	16531
	44.0%	**-6.1%**	**-50.5%**	**19.7%**
Total	396,858	373,136	293,603	286,202
	0.397	0.373	0.294	0.286
	16.0%	**-6.0%**	**-21.3%**	**-2.5%**
Total/Employee	**7.7**	**7.0**	**5.3**	**4.8**
	11.2%	**-9.4%**	**-24.3%**	**-10.0%**
Reused Volume	**19520**	**13182**	**12359**	**17375**
% Reused	**4.9%**	**3.5%**	**4.2%**	**6.1%**

*Per the nature of our service, the amount of water reported corresponds to the water collected from the aqueduct and the water discharged into the sewage system since no consumption of this resource is made.

Main Initiatives

› Monitoring of drinking water supply and flow rate calibration in faucets.

› We used rainwater to recycle 17,375 m3 of water in two buildings in Colombia.

› Migration to state-of-the-art technology in plumbing equipment.

› Automatic control of the filling of potable water storage tanks.

Grupo Bancolombia's discharges generated in its headquarters correspond to Domestic Wastewater (DWA). Based on the country's regulatory classification, these waters are discharged to the sewage systems in compliance with the regulations in force for this resource.

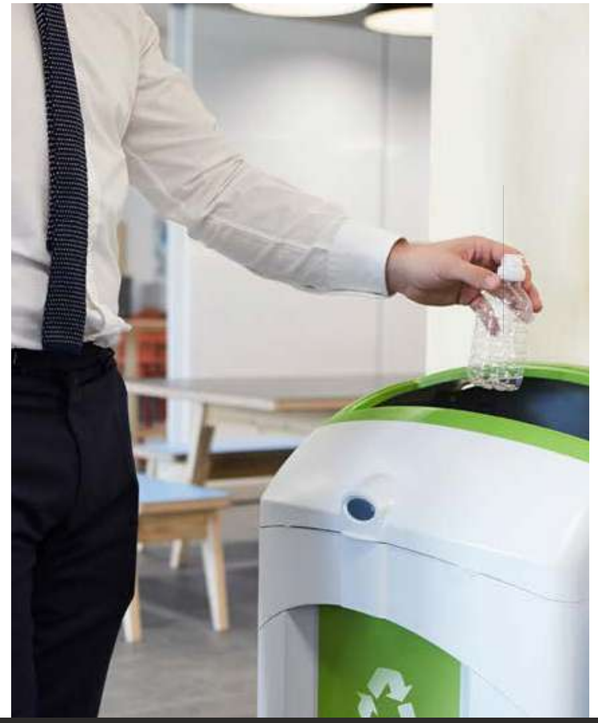
Waste Management GRI 306.2

We generated 1,394 tons of waste in 2021, increasing by 16% the amount of waste going to final disposal due to the return to headquarters and the replacement of batteries in some buildings.

Waste not destined for disposal outside the facility (TON)				
Hazardous Waste	**2018**	**2019**	**2020**	**2021**
Reuse/recycle	-	-	-	4.45
Other types of classification	-	-	-	-
Total	-	-	-	**4.45**
Non-hazardous Waste	**2018**	**2019**	**2020**	**2021**
Reuse/recycle	1,004.75	1,184.33	2,428.08	883.68
Other types of classification	-	-	-	-
Total	**1,004.75**	**1,184.33**	**2,428.08**	**883.68**

Waste destined for disposal outside the facility				
Hazardous Waste	**2018**	**2019**	**2020**	**2021**
Waste incinerated with energy recovery	4.86	12.45	6.96	0.11
Waste incinerated without energy recovery	2.26	0.12	0.07	3.14
Landfills	-	-	-	-
Waste disposed of in another way (Cells)	-	-	-	1.07
Total	**7.12**	**12.56**	**7.03**	**4.32**
Non-hazardous Waste	**2018**	**2019**	**2020**	**2021**
Waste incinerated with energy recovery	-	-	-	-
Waste incinerated without energy recovery	-	-	-	-
Landfills	1,048.11	1,090.31	581.49	682.74
Waste disposed of in another way (Cells)	-	-	-	-
Total	**1,048.11**	**1,090.31**	**581.49**	**682.74**
Total Waste	**2,060**	**2,287**	**3,017**	**1,575**
Recycling %	**49%**	**52%**	**80%**	**56%**

*Waste figures reported changed for each year following the new requirements of GRI.

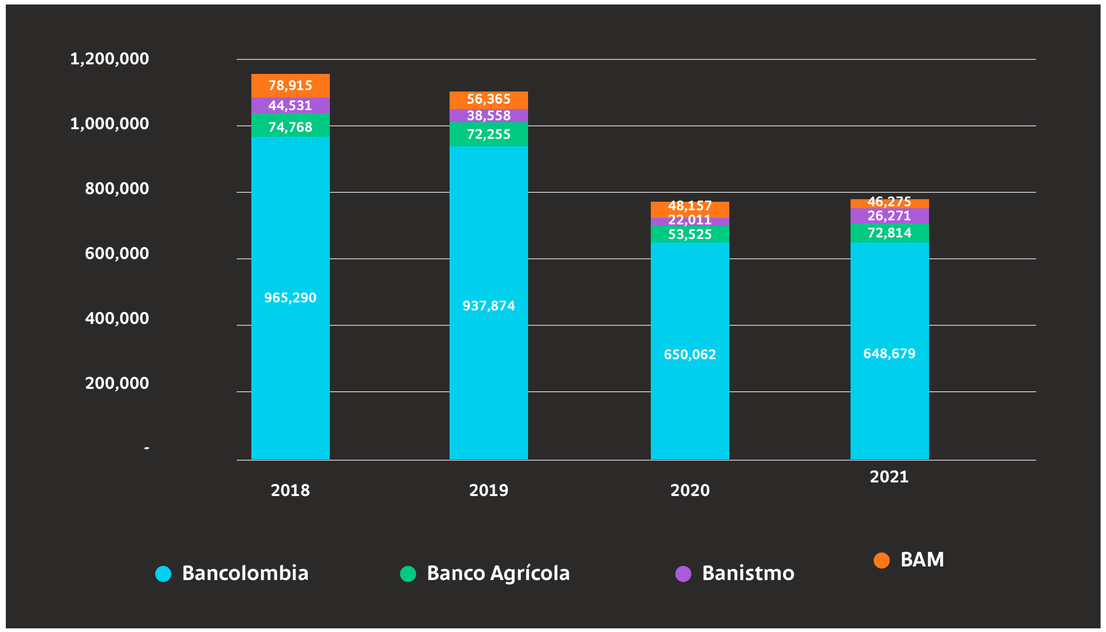


All our management aims to promote the circularity of waste.

We implemented different initiatives to reincorporate waste into new production processes within a circular economy framework to maximize the use of waste generated in our operation. We implemented our waste management starting from the eco-design of our goods product portfolio and supply acquisition by implementing sustainability criteria in our supply chain to reduce the amount of waste from the design stage. The waste generated in our operation is classified by typology for use, donation, treatment, and/or final disposal.

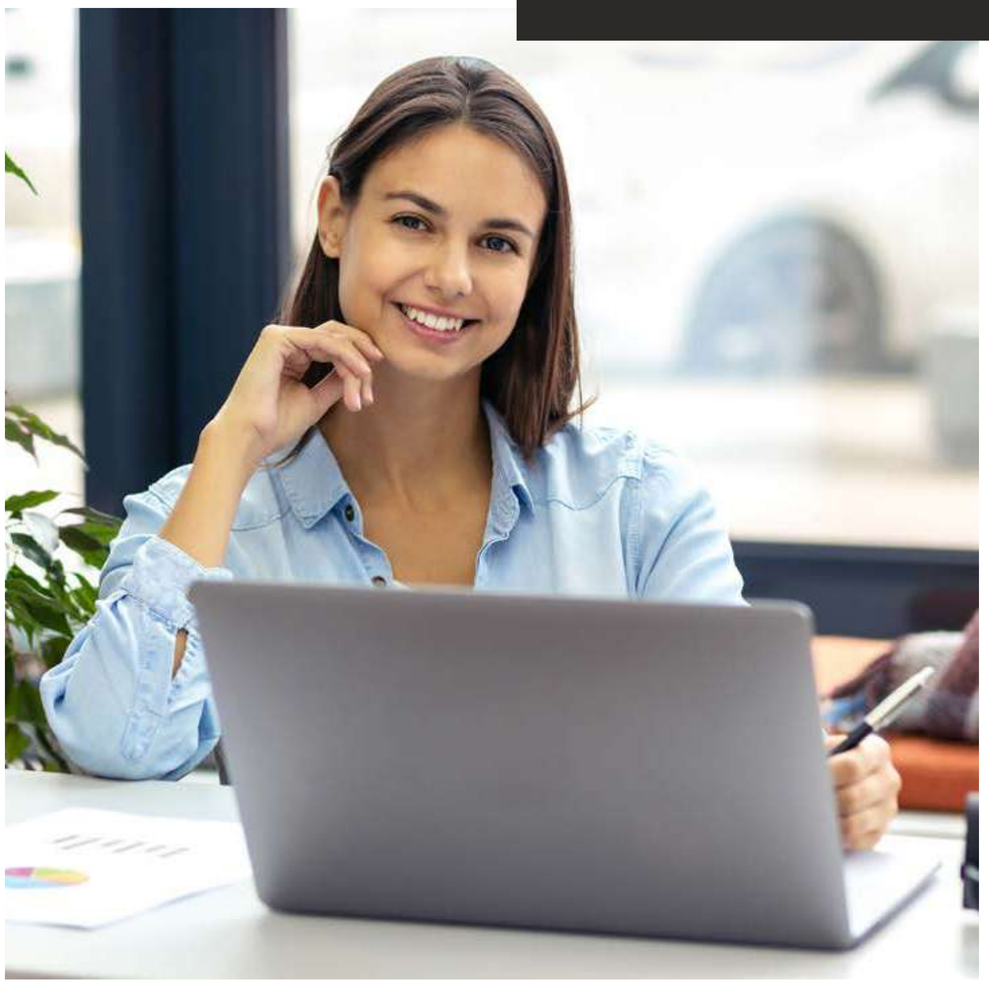
Paper Consumption (Kg) GRI 301.1

In Grupo Bancolombia, we have undertaken several actions to redesign our processes, digitize processes, and reduce paper consumption.



As part of this initiative, we stopped using 24 million formats in Colombia, equivalent to 21% compared to 2020. We have cut 16 thousand boxes for packaging, equivalent to 26% in one year.

97% of our statements are now digital.



Business Travel

To offset the impact of the carbon footprint generated by our trips, we continued implementing the internal carbon tax for business travel. In 2021, we developed an internal collection of COP 190 billion. We have invested in energy efficiency initiatives to reduce energy consumption and purchase certified renewable energy (REC).

We strengthened travel policies and complimented them with the employees' culture of using digital tools to optimize travel. Additionally, we supported using the shared airport and inter-municipal transportation, reducing our carbon footprint and generating efficiencies of COP 424,371 billion.

HQ and Branch Offices Sustainable Construction

We have integrated sustainability criteria in an asset life cycle framework. Each stage is aligned with our eco-efficiency goals under design and sustainable measures, which resulted in the consolidation of the best practices manual under LEED and EDGE standards.

We migrated our operations from administrative headquarters with traditional construction to buildings certified in sustainable construction in the cities of Bogota and Barranquilla. In the case of Bogota, our North Headquarters building has LEED Gold certification in Core & Shell.

In addition, we have certified headquarters in sustainable construction:

- **Torre Oriente building in the city of Medellín, Colombia under EDGE Certification. It is the first of its kind to obtain this certification.**
- **Headquarters and the SOHO branch in Panama City, under LEED Gold certification.**

To learn more about our eco-efficiency initiatives, please visit our website.

G Sustainable Supply Chain

Our supply chain is the extended arms of an organization. Thus, we are aware of its relevance to reaching our goals. Organizations can create value and make well-being a top priority for all when we count on suppliers and allies committed to sustainability and focus on a higher purpose.

93% of our purchases are from local suppliers.

Therefore, in Grupo Bancolombia, we have defined different initiatives that allow the integration of responsible and sustainable practices:

- We have a Sustainable Purchasing Policy as a critical tool for implementing and developing sustainability in the supply chain process. Thus, we are bound to act responsibly in procuring products and contracting services processes that respect the environment and are manufactured or produced under socially fair conditions.
- Since 2009, we have incorporated ESG criteria in the annual evaluation of suppliers and partners. In 2021, 118 suppliers classified as critical underwent the sustainability evaluation, where 47% of our purchases are centralized.
- Last year, more than 100 companies conducted a sustainability assessment to select suppliers. Sustainability was considered as part of the selection process.
- We supported two suppliers in the development of their Strategic Sustainability Models.

Some of the data obtained from the program in 2021:

- Assessed companies generate around 359,772 jobs.
- 46% of its employees identify as women. 32% hold leadership positions in their organizations.
- 37% of businesses are diversely owned or led by underrepresented groups such as women, the LGBT population, and racial or ethnic minorities.
- 37% monitor their greenhouse gases. 24 companies set emission reduction targets. 5 of them have achieved carbon neutrality.
- 26% address stakeholder and human rights complaints.
- 69% monitor their water consumption. 53 companies have set reduction targets.
- 65% have a code of ethics, and 66% monitor and report on their anti-corruption program.

Chapter

04

Well-Being for All

We generate well-being by strengthening the competitiveness of companies and businesses. We promote financial inclusion so that more people and companies can access opportunities generated by financial services. We offer solutions that contribute to constructing more sustainable cities and communities, making our planet increasingly cleaner.

Renewable Energy for All

In 2016, Cindy Prieto, an administrator, and her husband, Ian Martínez, an architect, created Seca Energy in Panamá, a company specializing in designing, installing, maintaining, operating, and monitoring solar energy projects. They are the first ones in the country with German technology and warranty. At first, it was a challenge as they had a good product, but not many people knew about the project. Thus, they had to teach people to publicize their business.

Cindy says: “We got to the point where people already knew what a solar panel was. We sat down with customers. They wanted the product and were interested in it. Although, when we got to the payment portion, they asked us if we financed this project. That was out of the question. I am part of the Panamanian Chamber of Solar Energy board of directors, and we were always looking for a way to finance these projects. We could not make it due to guarantees issues and lack of knowledge.”

After trying several options, Cindy received an email from In-Pactamos, a Grupo Bancolombia initiative committed to sustainable development and promoting a culture of entrepreneurship and innovation, accompanying and strengthening Colombian, Salvadoran, Panamanian, and Guatemalan companies on their path to economic, social, and environmental growth.

“I got an email along the lines: Are you a woman? Are you an entrepreneur? Do you have a sustainable project? I replied affirmatively. I am a woman, an entrepreneur, and I work in renewable energy. So, I signed up.”
Cindy attended her first interview in a baggy dress as she was two months into her pregnancy with her second child. She was afraid of being excluded due to her situation. After passing the filter, she decided to inform them about her status. It was a relief for her to find out that it was not an inconvenience. The project was what mattered. It was very good.

“I learned a lot with the In-Pactamos program. I learned about networking and how to present your business. I met more entrepreneurs. Most importantly, I could address the issue of financing for my clients' renewable energy projects. I made it because I could talk to people I never imagined from Banistmo.”

> **“I got an email along the lines: Are you a woman? Are you an entrepreneur? Do you have a sustainable project? I replied affirmatively. I am a woman, an entrepreneur, and I work in renewable energy. So, I signed up”**

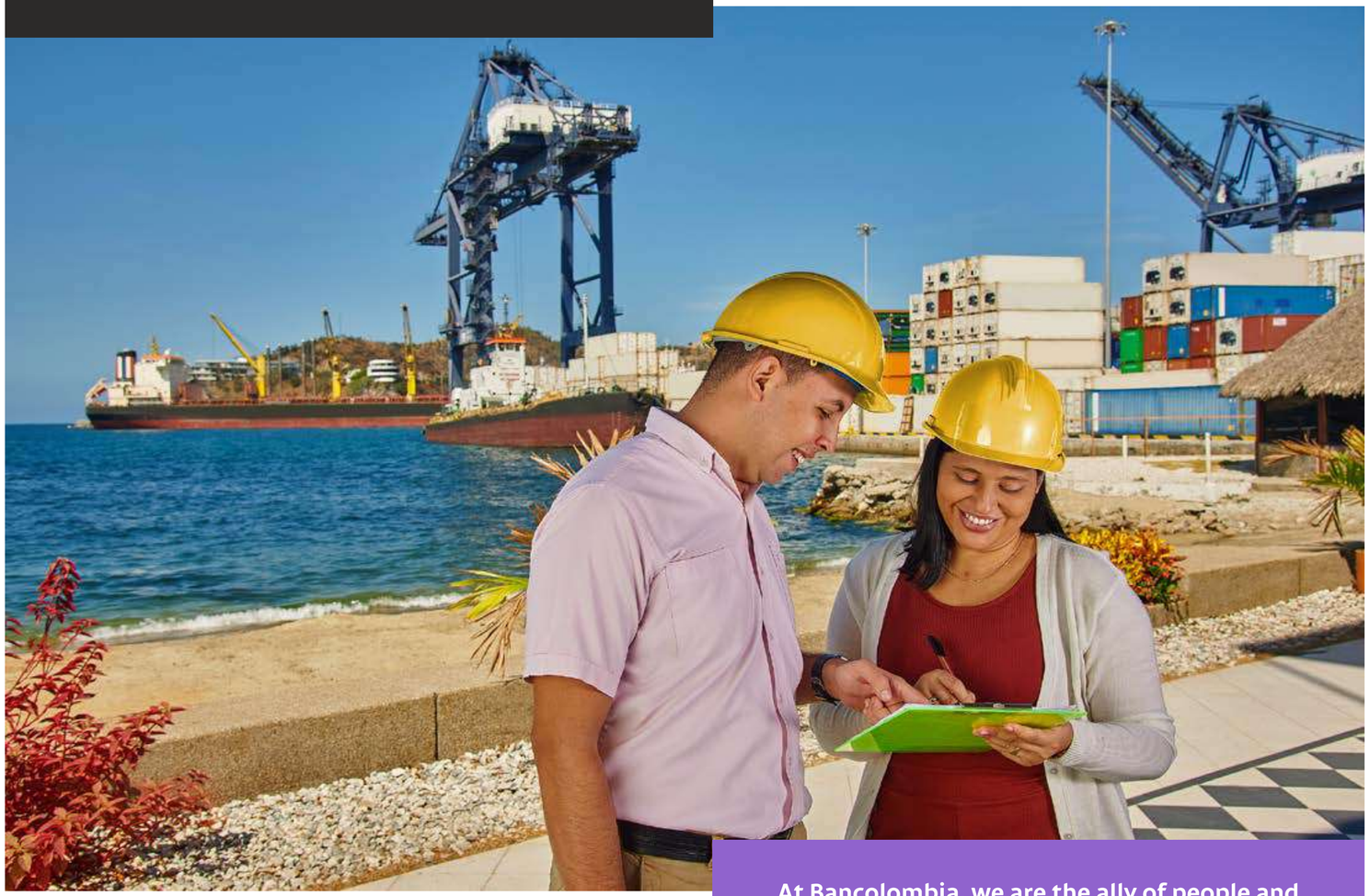
The first project that they financed with Banistmo was a hospital. Due to energy shocks, it had an annual expenditure of 40 thousand dollars on equipment repair. Additionally, the monthly electricity billing expense was about 10 thousand. “With the installation of 500 panels, there were exponential savings. The operating rooms were not affected when the power went out”.

“When I sat down with the people from Banistmo to see financing options for this project, they helped me a lot. We almost created a product between leasing and credit. We were an alliance. Now it is working perfectly. They already have the purpose of doubling the size of the plant, and well, we also hope to do it with the Bank”.

Cindy and Ian realized that Seca Energy needed a new boost to grow and make their process more manageable during the pandemic. It was there that they turned to the financial institution. In fact, Cindy's company was one of the more than 300 that received credit thanks to issuing the first gender social bond issued by Banistmo to support female entrepreneurship in Panamá.
They acquired all the supplies and materials on-site with the funding. “With the pandemic, we realized that the availability of parts is not a big deal. When they offered us a container, we had to take advantage of it since the brand we handle is being monopolized by the United States”.

Today, Seca Energy has 15 employees. It seeks to recruit more women to install roofing systems, and Seca Energy expects to reach other countries. Among its milestones is constructing its first solar park with 2,500 panels. Now, they have the challenge of doubling it.

Reactivation Allies



At Bancolombia, we are the ally of people and companies. By understanding their reality, we offer them different support measures.

A bank that understands its clients

After the difficulties generated by the pandemic, economic reactivation is what best describes what 2021 was like for Colombia, Panamá, Guatemala, and El Salvador. In Bancolombia, under our purpose of promoting sustainable economic development to make well-being a top priority for all, we have been people and companies' allies in their project development and through grim outlooks. We understand their state of affairs and offer them different support measures.

We launched the Debtor Assistance Program (PAD, by its abbreviation in Spanish) in Colombia for Individuals, SMEs, businesses, freelancers, companies, and corporations that needed to redefine and facilitate the management of their obligations. With this program, customers could pay lower installments and continue to meet their commitments while addressing other difficulties they encountered. This program was in force until August 31, 2021. More than 1.1 million loans were granted, totaling more than COP 20 trillion in loans.

After the PAD ended, we continued to offer alternatives for debtors since not all clients were back on track at the same pace. Thus, around 236,000 clients (including individuals, SMEs, and companies) who continued to struggle after the pandemic were given various options for their loans between September and December. These loans amount to COP 2.7 trillion.

We also disbursed COP 3.9 trillion in leasing to renew or expand production and marketing capacity. Leaseback transactions for COP 510,107 billion were offered to provide liquidity to customers who already had assets paid for with their resources.

On the other hand, Banistmo granted grace periods, loan restructurings, quota reductions with term extensions, refinancing, and debt consolidation for individual and corporate clients.

We were a faithful ally to suppliers

We cut payment terms to less than 30 days for our suppliers. We prioritized suppliers that needed greater liquidity due to their size and the possibility of financial leverage. At the end of 2021, payments were made for COP 1.87 trillion. This benefited 10,833 suppliers and their families.

We were the Colombian government's platform to deliver subsidies.

We continue to accompany the National Government to deliver subsidies for vulnerable households in all corners of the country through our channels. We also provided subsidies to companies that were affected by the pandemic. In 2021 we distributed COP 2.12 trillion in Solidarity Income to 880,539 people and COP 772,649 billion in the Formal Employment Support Program (PAEF, by its Spanish Acronym) to 44,625 beneficiary companies contributing to protecting 1,939,393 jobs.

S Well-being with vaccines

We also supported the Vaccination Plan in Colombia, assisting the National Government with resources to buy vaccines. We joined the Businessmen for Vaccination program to positively impact the health and well-being of our employees and suppliers. We donated 22,000 doses of the Sinovac vaccine to complement the Government's needs.

We have disbursed COP 36.9 trillion in loans with environmental, social, and corporate governance (ESG) criteria to support a sustainable recovery that generates benefits beyond the strictly economic issue.

Thus, we address the current situation and work with a long-term vision. We believe that meeting the United Nations Sustainable Development Goals requires a decisive impulse from the financial sector. We understand that the are interdependent, that impacting one of them will have repercussions on the others. Hence, we have identified seven SGDs that we can approach from our strategy:

Fostering financial inclusion

1

No Poverty

We bring financial services to the less favored sectors to generate financial well-being and improve their quality of life through our financial inclusion initiatives.

4

Quality Education

We educate our clients, employees, and the community. We generate support strategies to help them make better financial decisions.

We provide education loans so that more people can access quality education.

Our foundation grants higher education scholarships to rural young people from vulnerable populations. We want them to fulfill their dreams to get training and become professionals, the transforming forces of their territories.

5

Gender Equality

We continue the "I Believe It" (Me la Creo) strategy, working for gender equality by covering employees, suppliers, investors, customers, and the community.

We have further formalized and structured our diversity, equity, and inclusion strategy, integrating under the same focus the Bancolombia Diversa (Diverse Bancolombia) project (gender identity and sexual orientation) and updating our governance model.

Strengthening the competitiveness of the country's productive fabric

8

Decent Work and Economic Growth

We finance SMEs and entrepreneurs. We accompany them in their growth journey to increase their productivity and job creation to impact the country's economy positively.

We are committed to agriculture and rurality with a value proposition that drives the growth of this sector of the economy.

We generate quality employment directly and indirectly through our value chain.

9

Industry, Innovation and Infrastructure

We contribute to the technological transformation of our industries. Thus, supporting them in becoming more productive and efficient.

We promote sustainable industrialization through our sustainable credit line, assisting companies committed to increasing a positive impact on the environment and society.

We support major infrastructure works to build a better country.

Building more sustainable cities and communities

11

Sustainable Cities and Communities

We support access to housing through innovative solutions that go beyond financing.

We promote sustainable mobility from financial and non-financial solutions aligned with market trends.

13

Climate Action

Climate change is at the heart of our strategy. We have adopted a net-zero emissions strategy. We accompany our clients to reduce their impact through a comprehensive financial and non-financial product offer.

In 2021, we reached 12.4% of our ambition to mobilize at least COP 500 billion in Colombia through financial services by 2030. This amount represents twice the organization's total assets. It will be invested in different topics such as agriculture strengthening, SMEs, business technological reconversion, low-carbon mobility, housing access, economic decarbonization, financial inclusion, and female entrepreneurship. By 2021, we made disbursements for COP 36.9 billion.

These disbursements were distributed according to the related goal as follows:

› **Strengthen the competitiveness of the country's productive fabric:** COP 19.04 billion
› **Build more sustainable cities and communities:** COP 11.3 billion.
› **Promote financial inclusion:** COP 6.5 billion

Focusing on the decarbonization of the Colombian economy, we made disbursements in 2021 for COP 4.6 billion in construction projects, sustainable mobility and livestock, renewable energy, and energy efficiency.

In 2021 we established the business goals in all our geographies. In this sense, we set the plan in Banistmo for USD 17,342 million, Bancoagrícola for USD 18,126.40 million, and BAM for USD 12,906 million to be mobilized by 2030.

Detailed information on our business ambitions aligned with the Sustainable Development Goals

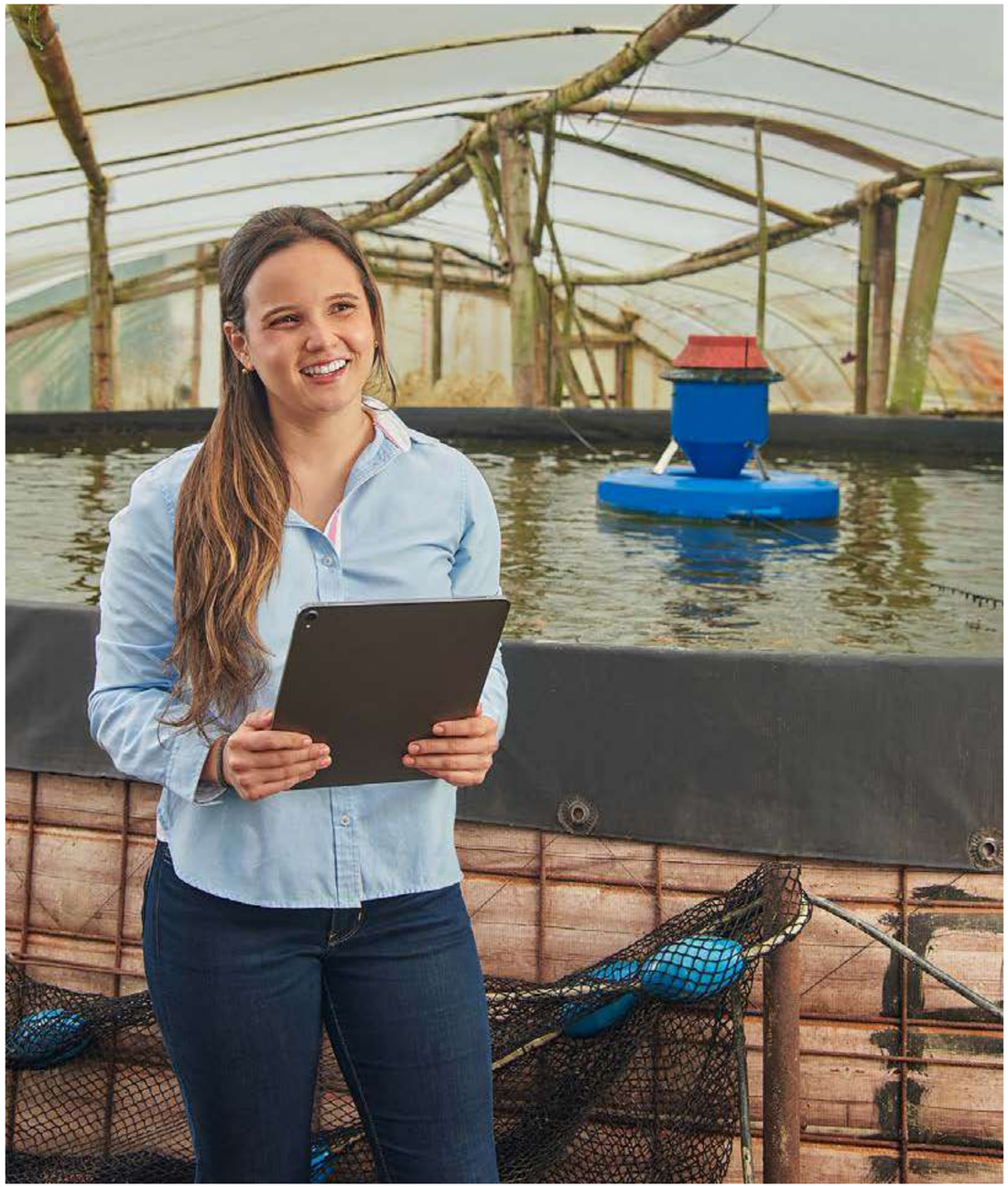
can be found here

Value Added to Society (VAS)

We seek to place well-being at the center of our decisions. Therefore, we strive to transcend our management reporting and measure the value that our operations, products, and services generate for society. Thus, we have adapted the VAS (Value Added to Society) methodology. Hence, we perform a monetary valuation of the impacts we generate on the economy, people, and the environment.

To learn more about the VAS at Bancolombia and the measurements we have implemented,

please click here



Strengthening Countries' Productive Fabric

Supporting the productive apparatus of countries in their various needs is essential to ensure that the benefits of economic recovery reach more people. Companies are crucial to materializing new economic development and sustainable growth possibilities and can positively impact the environment and society.

We are the financial ally of more than 1,64 million independent workers, 514,019 SMEs, 11,583 companies, and 11,024 corporations. We work with them every day to promote growth and well-being in our countries. In 2021 alone, we disbursed COP 63.5 trillion to them. These resources have been allocated to major initiatives that drive growth, generate jobs, and bring innovation to the country.

At Bancolombia, we support great initiatives that drive growth, create jobs, and bring innovation to the country so that together we can work for a better present and build a future for all.

We are Committed to Agriculture

For development to be sustainable, agriculture is a fundamental piece due to its relevance for food security to generate economic possibilities that reduce socioeconomic gaps and bring well-being to all people.

For this reason, we have focused on identifying the realities of the different production chains in this sector and their economic cycles to support them with other services and solutions. An increasing number of agricultural clients see us as their financial ally. We have more than 223,776 clients, 45,200 are SME clients, and 11,648 are corporate clients. In 2021, they received loans with disbursements for COP 3.9 trillion.

We provide several alternatives as part of this offer tailored to economic sectors.

These include the “AgroYa” revolving credit, which meets the working capital needs of businesses with payment periods adapted to their business cycles. We offer Rural Microcredit for small and medium-sized agricultural producers.

The 'Agro for all' (Agro para todas) action area supports women-led businesses. We have disbursed more than COP 280,000 billion to help 1,395 women and virtual training courses on their finances.

Through a thorough analysis of our clients, the sector to which they belong, and their production cycles, we can extend our financial and non-financial services to the entire agricultural production chain, particularly to those clients who do not have a robust formalization process.

Thus, we have accompanied 188 clients from different communities. We have approved quotas for more than COP 31.5 billion for 1,250 participants in various chains in several country regions (Atlántico/ Bolívar/ Magdalena/ Guajira/ Sucre/ Antioquia and Huila). We disbursed 5,000 billion with an average ticket of COP28.8 billion.

Moreover, we promote transformation, commercialization, and agricultural production through the Agrofácil and Finagro Lines. These offer better rates and terms, support the structuring of the project, and are tailored to the productive cycles of the customers. In 2021, we increased disbursements under Finagro conditions by 46% to COP 5.9 trillion.

E Sustainable Business Management GRI FS8

Our support for the sustainable development of the agricultural, agro-industrial, and rural sectors also seeks to achieve regenerative systems that, beyond mitigating their environmental impacts, contribute positively to climate change mitigation and the restoration of ecosystem services that support the economy.

Sustainable Agriculture

It is a line of financing with the benefits of the sustainable line for productive assets of customers who access Finagro financing because their economic activity is directly related to the agricultural and agro-industrial sectors. In turn, the projects generate a positive environmental impact. In 2021 we approved operations for COP 459,726 billion and disbursed COP 178,171 billion.

Sustainable Livestock

Through this line, we finance environmentally friendly livestock systems, promoting more productive systems and respecting forest areas and bodies of water. Through this line, we have provided loans for more than COP 11,916 billion to farmers seeking to invest in projects that positively impact the environment.

The Fundación Bancolombia has been an essential mechanism to execute initiatives aimed at the sustainable development of rural areas by strengthening businesses and projects, developing talent, and mobilizing resources and allies.

In 2020 we set and included sustainable livestock projects as applicable projects under Agro Sostenible.

The following practical activities are included:

- Tree planting (scattered trees in pastures, hedges, intensive silvopastoral systems).
- Implementation of forage banks and inputs for silage from trees with high protein contents (does not apply to the establishment of monocultures grass).
- Fences associated with modification of pasture rotation to increase stocking rates (conventional or electric fences with renewable energy or connected to the electric grid).
- Livestock aqueducts (pumps, piping, tanks, reservoirs, drinking troughs, and other system elements.)
- Pasture renewal (only in combination with activities 1, 2, or 4).
- Inputs required for system implementation (only in combination with activities 1, 2, or 4).
- Purchase of animals and livestock infrastructure for up to 50% of the loan value when sustainable investments are made in activities 1 to 4 for the remaining 50%.

In 2021, we financed 11 projects worth COP 11,916 billion. We expect this will result in the implementation of sustainable practices on 16,000 hectares and the planting of 38,000 new trees in livestock systems.

Beyond our financial activity, Fundación Grupo Bancolombia has been a critical instrument for executing different initiatives to foster rural areas' sustainable development. Thus, strengthening and accelerating businesses and projects that contribute to the competitiveness and well-being of the territories. To develop exceptional talent that can access and generate opportunities, mobilizing resources and partnering with Grupo Bancolombia to increase the scope of our strategies.

With En-Campo, we contribute to the countryside's development by strengthening innovative ventures in agribusiness, nature tourism, biotechnology, education, services, infrastructure, and other sectors. They directly impact the quality of life of rural areas' families. Since 2019, 65 businesses have been strengthened, benefiting more than 1,522 producers and rural families.

With our Agricapital ally, we developed a financing model with better conditions aimed primarily at young people and rural women. We have supported them in strengthening their businesses with comprehensive counseling. In 2021, 62 producers entered the program out of 79 (19 of them are women), a segment that we did not accompany before due to the requirement of formalities and policies.

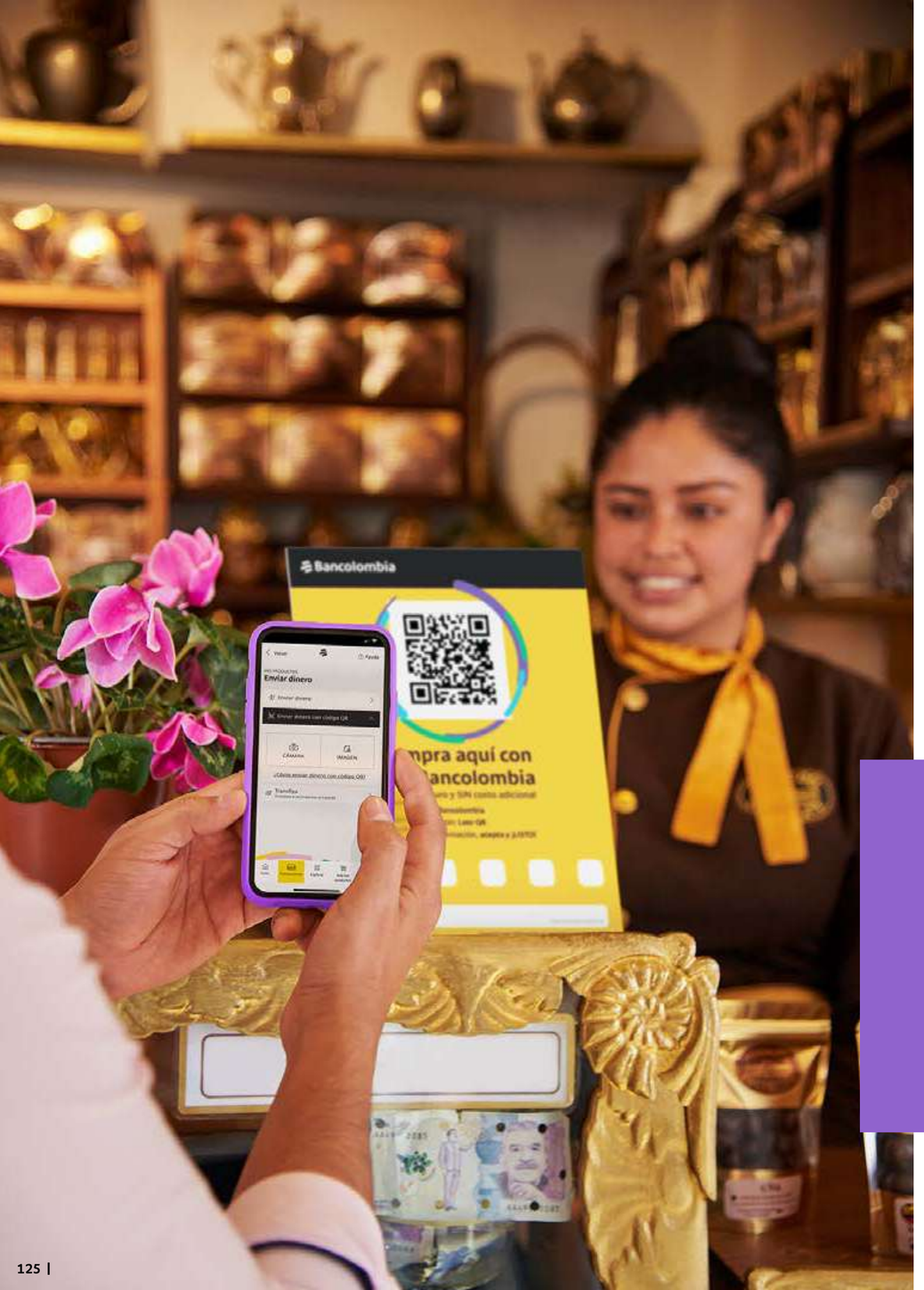
In their organic certification process, we also accompanied small cocoa producers in Turbo, Apartadó, and Chigorodó in Colombia. Thus, they can now access high-value markets and increase the quality and productivity of their crops. We have impacted 120 producers, 5 associations, and 420 hectares are certified.

S We support access to and continuation in higher education for young people from rural areas through our Becas Fundación Bancolombia (Scholarships Bancolombia Foundation). We accompany them in their productive insertion process through complementary training, counseling, and mentoring with Grupo Bancolombia volunteers. In 2021, we added 221 new scholarship recipients to include more than 1,900 young people in the program, with a labor market insertion rate of 60%.

We dedicated

1,128

volunteering hours for the In-Campo, In-Pactamos, business consulting, Cátedras Bancolombia, and Incubar Mentors programs.



S SMEs, a Source of Opportunities

In Colombia, SMEs represent 40% of the GDP and generate 8 out of 10 jobs. SMEs are essential for strengthening the productive fabric and creating more development opportunities for our countries. Therefore, in Grupo Bancolombia, we support them in their different stages of life with financial and non-financial alternatives according to their needs.

We accompany more than 514,000 SMEs with an offer that meets their business cycles and transactional needs. Aside from transactional channels, we also offer the essential tools (such as Plink and the alliance with BlueCaribu) to increase their sales and get to know their customers better.

In 2021 alone, we allocated COP 9.4 trillion to strengthen SMEs. We automatically issued 42,700 credit quotas for COP 4.8 trillion for SMEs as part of this initiative. They can use these resources whenever they need them. It is simple, and there is no need for credit analysis or additional procedures.

As part of the support to help businesses grow, Bancolombia's SMEs and client companies have a service to strengthen the management of their companies with marketing, process, and financial diagnostics. Also, personalized consulting for the definition and execution of action plans. We allied with Universidad CES of Medellin and its School of Administrative and Economic Sciences to accompany the entire process through a business management model that includes financial and business decision simulation tools, mentoring, and intervention actions. This alliance began with 18 clients (11 of which were 100% sponsored by the bank, and 7 of them were 50% sponsored by the bank).

Meanwhile, small businesses in Bogotá, users of Cívico Negocios, have access to many of our solutions (such as credits for business growth, acceptance of different payment methods, QR codes, Wompi as a payment gateway, financial education focused on small businesses, among others) to build a complete digital ecosystem. Nequi is proof of it. We have reached 68,000 businesses in the capital with direct and indirect credit services, including independent businesses, stores, delicatessen stores, hairdressers, etc.

S Impact Investing

Intending to contribute to economic reactivation, transforming industries sustainably and inclusively, accelerating social development, and protecting the environment at the same time, during 2021, we strengthened our impact investing strategy to accompany organizations that, through their actions, are generating positive effects on society with financial and non-financial resources.

This strategy is aligned with the objectives we have set as an organization to strengthen the productive fabric, build sustainable cities and communities, and promote education and financial inclusion. Thus, achieving our purpose and contributing to connecting actors and sectors that promote territorial development strategies.

Our investment Portfolio:

Agricapital:

For the past five years, at Bancolombia, we decided to become an agricultural bank and support the country's productive sector. Tied to our purpose of promoting sustainable economic development to make well-being a priority for all. We decided to invest in Agricapital to learn more about this sector and support it in an expert and optimal way. Agricapital is an entity committed to bringing intelligent capital to producers and investors in the agricultural industry. Thus, generating commercial guarantees and support for the construction of the social fabric, where education and formalization are integrated. In this way, we complement our agricultural strategy by adapting our financial portfolio to the productive cycle of the different subsectors.

In 2021, with the support of Fundación Bancolombia, we invested COP 1,500 billion in this financing model, achieving:

- 79 Agro Partners.
- Leverage COP 462 billion by the Rabo Foundation (Rabobank) to increase the scope and impact of the program.
- Provide technical advice and financial education to communities through the (Cuenta sin Cuento) program.
- Invest and develop technology that will allow the national expansion of its operation.

Cívico:

It is an organization that seeks to strengthen small businesses, initially in Bogotá. Eventually, its goal is to expand to other regions, helping them enter the digital world, access credit, accept digital means of payment, sell online, and get trained to enter the digital and financial world.

In 20201, because of Civico's potential to contribute to economic reactivation, we have invested USD 2 million in Equity and USD 3 million in Venture Debt in this initiative and integrated the financial and non-financial offerings of its portfolio to complement the mission of leveraging small businesses. Thus, we magnify our impact on the country's economic development while promoting SMEs' digital and financial inclusion. Our milestones:

- 30,000 new small businesses digitized and 13,000 trained Micro SMEs.
- New program development to include 12,000 stores digitally and financially in Bogotá with IDB lab resources.
- Structure an alliance with Nequi to support business and increase small businesses' financial inclusion.
- Integrate new means of payment for businesses such as QR Code, Wompi and Bancolombia, and Nequi buttons.

Impact Investing Fundación Bancolombia

Aside from the above and to make the Colombian countryside a profitable and prosperous territory, an engine of sustainable development for our country, from Fundación Bancolombia, we encourage our own and third-party investment in businesses and projects that contribute to closing the existing gaps between the countryside and the city. Therefore, strengthening enterprises in the early development stages (scalable, sustainable, and innovative) by injecting financial and non-financial resources to increase their actions' impact and become sustainable over time.

Our investment target sectors are agribusiness, nature tourism, education, and infrastructure. Each business and its stage of development, investment: Impact investment (where impact and capital preservation are the priority) and impact investing (where impact and market profitability are sought) with mechanisms such as equity, hybrids, and tailor-made debt with interest rates indexed to social performance.

Foundation Bancolombia Investment Portfolio

Heincke is an organic panela (organic natural cane sugar) trader and a B Corp, ranging themselves as the leading exporter of high-quality certified panela in Colombia. Its business model is based on a solid connection with panela producers to promote quality, certifications, and traceability. Thanks to its markets (Europe, Canada, and the U.S.), the Company can transfer a price premium to the producer. Quality and its B philosophy have earned large contracts with Spanish retailers, growing at more than 2X annual growth rates.

Awake.travel is a Colombian nature tourism marketplace that connects conscious travelers with local hosts. The startup is a B company with a model that integrates hosts in its value chain, giving them tools to develop their offers and programs to build capacities in tourism services, seeking to improve the quality and flow of reservations/consumption per tourist.

ALIVE is a private equity fund management spin-off of Acumen, a nonprofit impact investment fund manager with more than 17 years of experience investing in social enterprises serving low-income communities in developing countries in sub-Saharan Africa, South Asia, Latin America, and the United States. Its goal is to demonstrate that small amounts of philanthropic capital combined with considerable business acumen can result in thriving enterprises serving many vulnerable people. ALIVE invests in innovative and early growth-stage companies focused on impacting Latin America, targeting Colombia and Peru. These companies have high market potential, a profitable business model, and require capital for growth. ALIVE invests in agribusiness, education, energy access, and gender strategy companies.

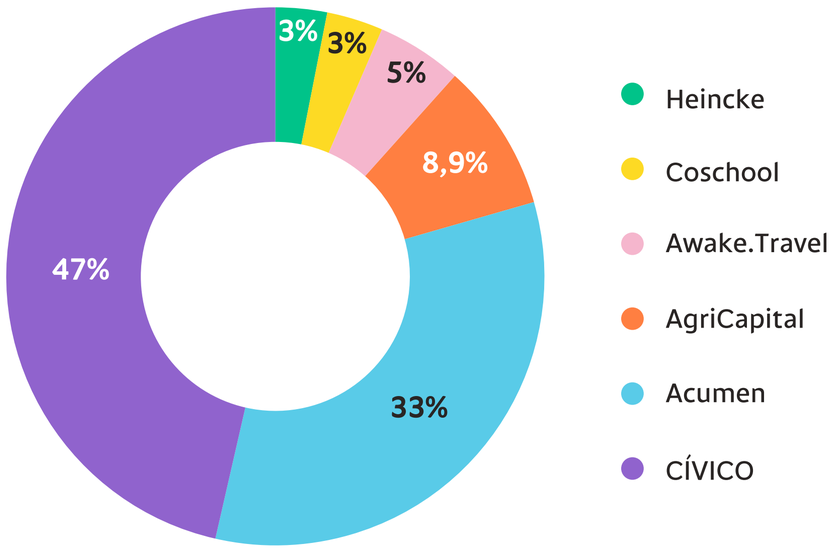
Coschool is a for-profit social enterprise based in Colombia that focuses on creating and implementing experiential learning programs to improve youth's social and emotional learning (SEL).

Siembraviva is a B company whose purpose is to connect small producers with sophisticated markets to dignify their work through the payment of a fair price, guaranteed market access, and the transfer of knowledge of organic and sustainable agriculture. In this endeavor, it has 3 marketing channels for fresh and 4th range products: HORECA Network and E-Commerce of siembraviva.com.

Through an open call, **EN-CAMPO** is a platform that identifies, strengthens, and accelerates business projects that promote the transfer of social, environmental, and economic value, positively impacting rural families, especially their monetary income. Companies that reach the final stages receive customized financing and become part of our impact portfolio.

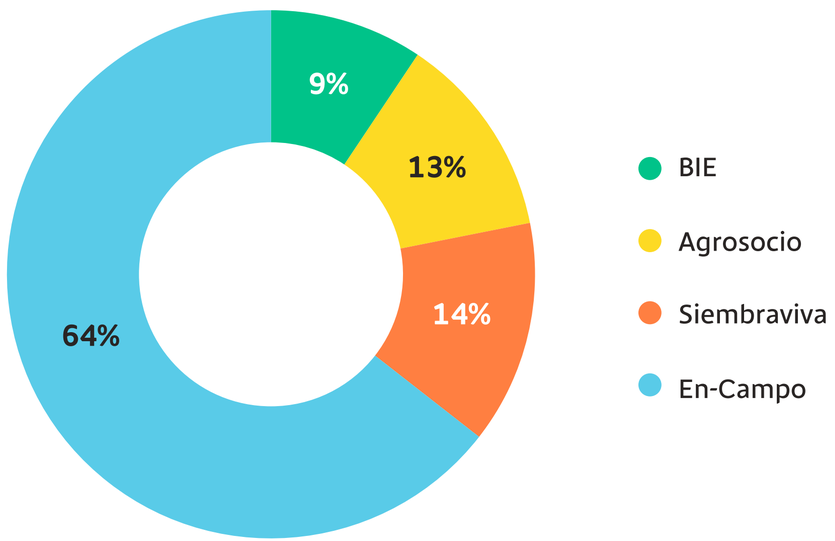
Detailed Portfolio by Type of Investment:
(amount allocated)

Direct Investment



Total Investment: COP 16,803 million

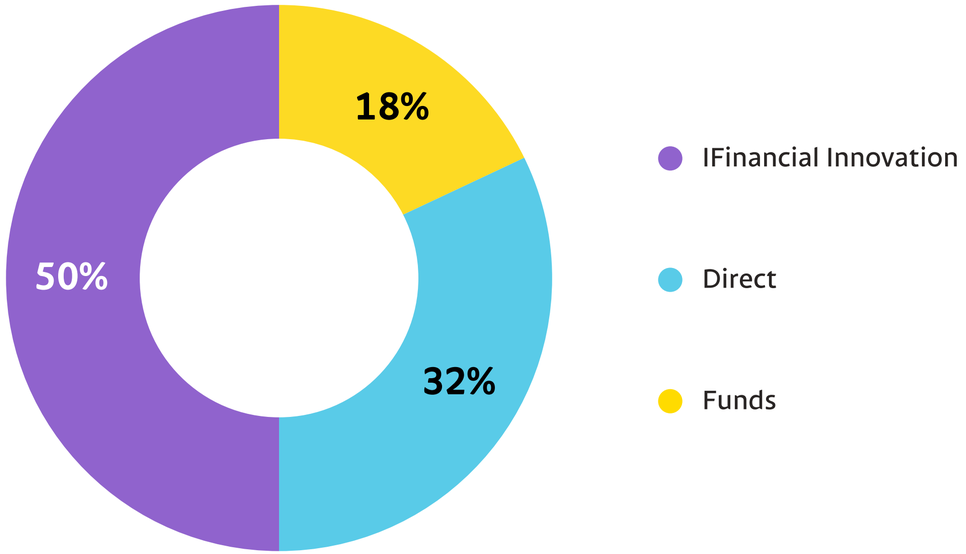
Debt Investment



Total Debt: COP 3,199 million

Investment	Date	Committed Amount (Figures in millions)	Type	Impact	Sector	Investor
Siembraviva	Dec-18	$437.5	Debt	45	Agroindustry	Foundation
AgriCapital	Jan-20	$ 1,500.0	Shareholdings	1,700	Agroindustry	Bank
Awake.Travel	May-20	$ 863.0	Preferred stock or convertible debt	3,000	Tourism	Foundation
Heincke	Oct-20	$ 520.0	Optionally convertible debentures	3,600	Agroindustry	Foundation
CÍVICO	Oct-21	$ 7,800.0	Convertible bond	14,000	Fintech, Marketplace	Bank
Coschool	Dec-21	$ 570.0	Convertible bond	2,504	Education	Foundation
Acumen	Aug-18	$ 5,550.0	Fund: Capital	5,000,000	Education Energy Agroindustry	Foundation
Agrosocio	Jan-20	$ 400.0	Fund	79	Agriculture	Foundation
En-Campo	May-20	$2,061.9	Fund: Concessional debt partially relief	1,711	Agroindustry Nature Tourism Education	Foundation
BIE	May-21	$ 300.0	Social Impact Bond	612	Education	Foundation
Total		$ 20,002.4		**5,027,251**		

Participation by Type of Investment
(Amount allocated by Dec 2021)



En-Campo Investment Portfolio via Financing

Entrepreneurship	Investment Year	Department	Product/Service	Amount committed	Refundable disbursed amount	Non-refundable amount disbursed
Paramo Snacks	2020	Cundinamarca	Healthy snacks	$ 300.40	$ 234.80	$ 65.60
Naturleche	2020	Boyacá	Milk and milk products	$ 190.10	$ 210.00	
Urbania	2020	Antioquia	Specialty coffees	$ 100.00	$ 100.00	$48.60
Apiarios	2021	Sucre	Honey and honey products	$ 222.00	$ 115.00	
In-ova	2021	Antioquia	Agritech	$ 180.00	$76.30	$7.50
Icsef/La propia	2021	Cundinamarca	Education women/jams, spicy fruit blends, and artisanal salty sauces	$ 236.00	$ 75.00	$ 60.00
Liwi	2021	Guainía	Inírida Flower	$ 133.00	$ 50.00	$7.40
Molienda Real	2021	Caldas Antioquia Vaupés	Pulverized organic panela, byproducts, and chili peppers	$ 300.00	$ 119.00	$ 27.00
Chamorro	2021	Putumayo Meta Cundinamarca	Cosmetic and food products derived from Amazonian products	$ 300.00	$86.80	$ 33.20
Campesino Coffee	2021	Antioquia	Coffee	$ 100.30		
Total				**$ 2,061.90**	**$1,066.90**	**$ 249.30**

Sustainable Finance GRI FS8

With sustainable financing, we commit to incorporating environmental, social, and corporate governance (ESG) variables in our ¬clients' offers in all areas. Thus, we support them in making sustainable investments such as technological transformation, projects that generate environmental benefits, and resource optimization (less water, energy, fuel consumption, or less waste).

Between 2014 and 2021, we have approved COP 12.31 trillion in sustainable financing and have disbursed COP 6.4 trillion.

To learn more about our sustainable financing model, visit the Sustainable Finance

tab here

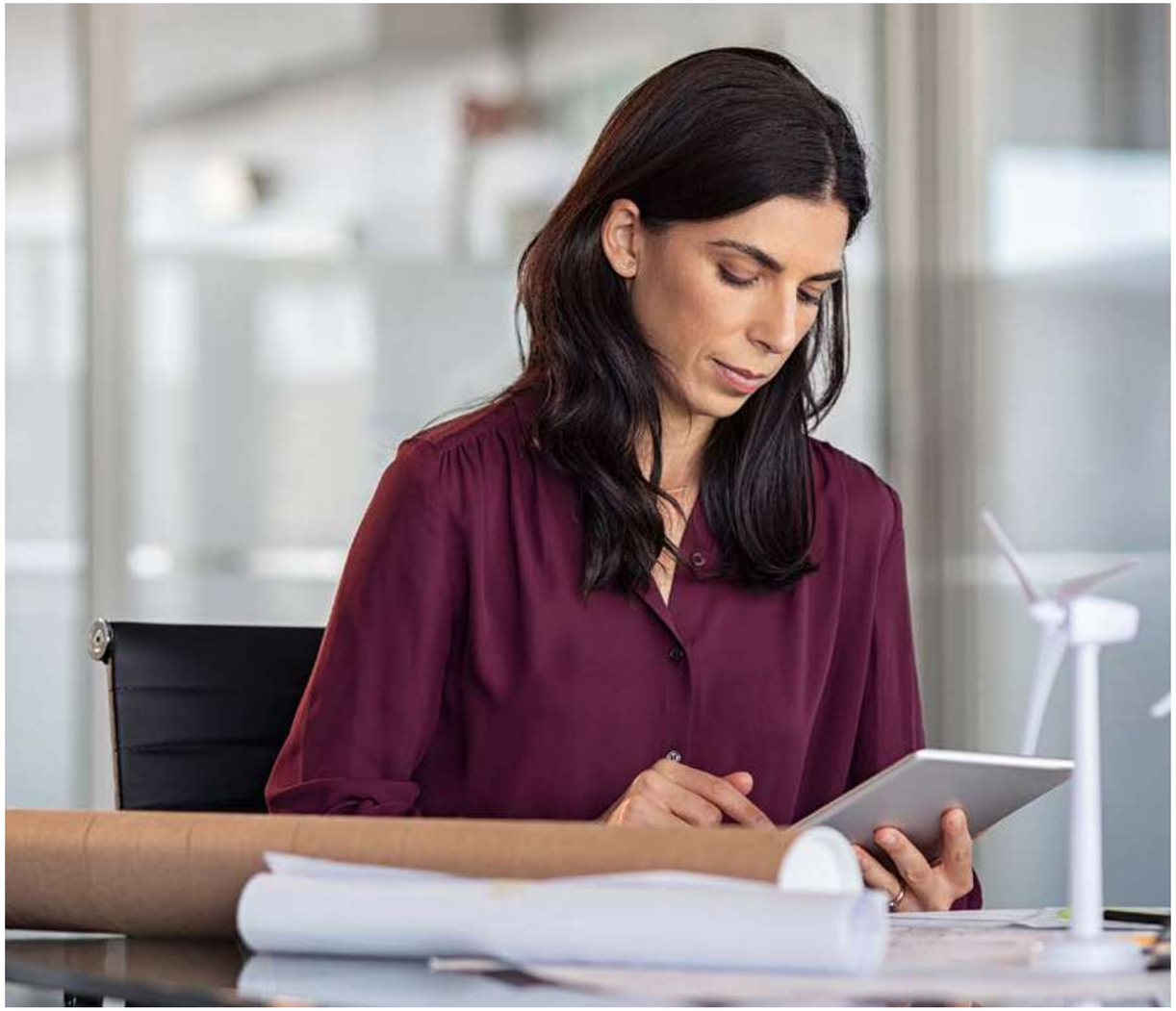
E Bancolombia Sustainable Line

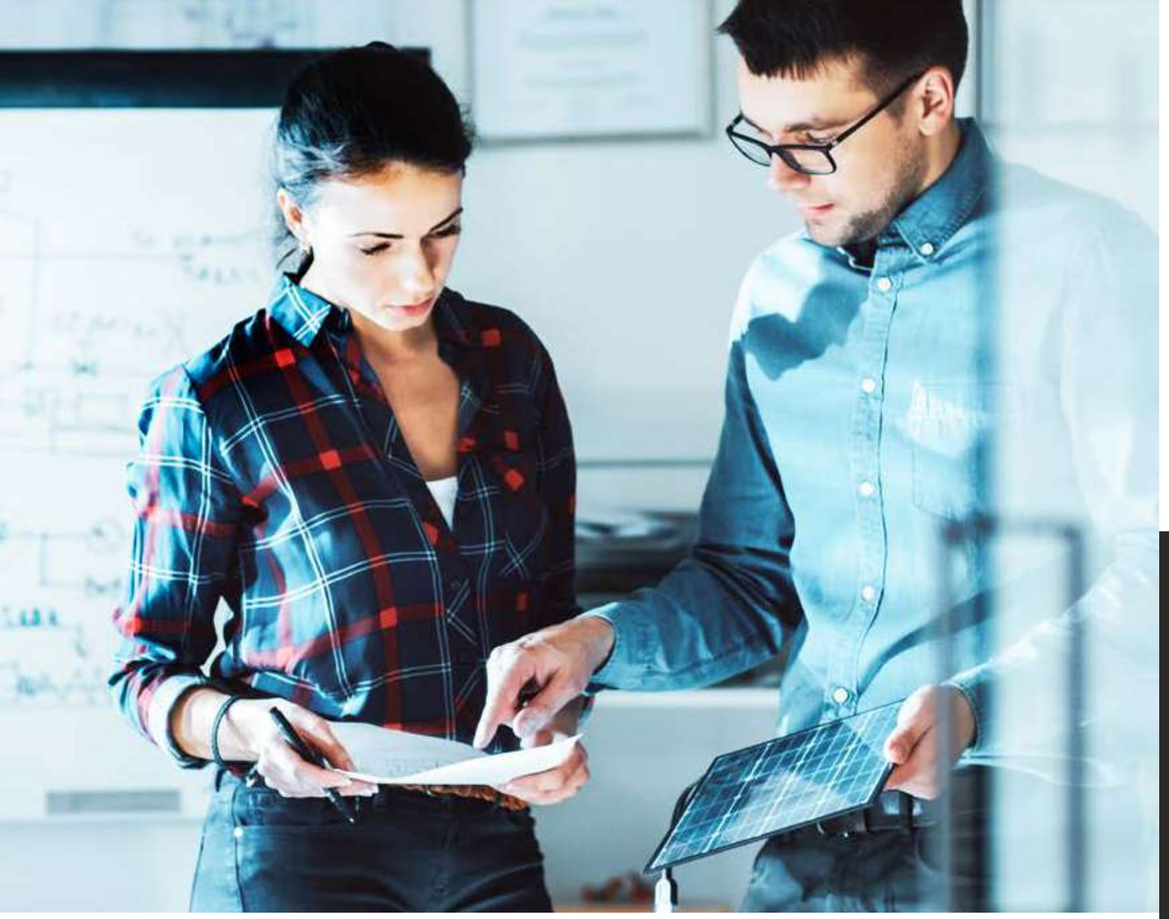
This is a unique line of financing that supports our customers through rate benefits and specialized technical support for the development of projects that promote the use of clean technologies, renewable energies, application of the circular economy, efficient use of energy, clean fuels, and reduction of waste, emissions, and discharges, among others.

In 2021 we made disbursements for COP 3.6 billion.

We Contribute to the Country's Environmental Goal by Financing Through the Sustainable Line:

Savings	Quantity	Unit
Electrical energy saved	4,845,282	MWh/year
Renewable energy generation (PCH – Photovoltaic)	33,180	MWh/year
Power generation from biological and agro-industrial waste	2,233	MWh/year
Water saved	882,605	m^3/year
Treated water	9,107,823	m^3/year
Recirculated water	1,535,832	m^3/year
CO_2 emissions avoided	160,345	Ton CO_2/year
Waste Recycled	33,881	Ton/year
Waste avoided	823,683	Ton/year
Sustainable built area	2,701,207	m^2





In 2021, we expanded the scope of our Sustainable Line to include our High Impact Entrepreneur (HIE) clients. They have a relevant contribution to achieving the SDG goals by developing their social purpose. Here, we completed placements for COP 4,897 billion.

Likewise, through this line, we finance initiatives of certified B companies to recognize their good social, environmental, and economic performance and the positive impacts that their projects contribute. Last year, we impacted 7 B companies, with placements amounting to COP 63,640 billion, earmarked for working capital and the development of unique projects

In addition, we have specific programs for the Government segment, which has allowed us to directly impact the development plans of municipalities and territorial entities, encouraging the development of public works that consider sustainability criteria. Through this initiative, we have achieved:

We have a connection with the 70 most relevant municipalities to know and understand their development plans and connect them with the line for their financing. We closed the year with sustainable disbursements of COP 91,347 million, representing 17% of total placements in this segment, which amounted to COP 518,915 million.

Today, we have a Portfolio Wallet Share of 36%, making us leaders in the financial sector. However, to remain a market leader, it is essential to promote different conversations closely aligned with new ways of developing works in the municipalities from a sustainable point of view and with better rates.

E

We have launched a line of credit tied to sustainability indicators for companies transitioning to a low-carbon economy, incorporating sustainability into their strategy, and seeking to achieve better standards on this issue. They will access an improvement in the loan's interest rate as long as they demonstrate compliance with environmental, social, and/or corporate governance objectives established at the beginning of the operation.

This credit applies to companies that monitor ESG indicators daily. This is for companies willing to set challenging goals relevant to their sector, aligned with international standards, and verifiable by an expert third party. The goals are measured periodically to verify compliance with the work plan, reducing the rate.

More than COP 1.8 billion have been disbursed in 6 operations since its launch in April 2021, contributing to the growth of the portfolio balance in the long term and the development of our market share. With the transactions executed to date, our clients will:

- Stop emitting 9.4 million tons of greenhouse gases, equivalent to planting more than 1 million trees, equal to a forest 23.5 times the size of the urban area of Bogota.
- Increase the percentage of female representation in leadership positions by empowering 16 new women leaders and another 80 in STEM positions.
- Avoid the consumption of 2.1 million cubic meters of water, equivalent to 620 Olympic-size swimming pools.
- Commit to circular economy actions such as collecting 11,000 tons of used cooking oil to reincorporate it into the production chain, which would avoid the contamination of more than 480 thousand m3 of water.
- Plant 5 million trees.
- Train more than 894 thousand people in the responsible and creative use of the Internet.

Circular Economy

We have worked on promoting a circular economy through independent actions, mainly in financing and direct impact reduction. Intending to enhance our efforts in this area, in 2021, we defined our circular economy strategy based on our corporate purpose.

We promote the circular economy as a sustainable economic model, being leaders in offering circular solutions for our customers, mainly SMEs, companies, and corporates, in the agribusiness, manufacturing, and trade sectors, through the following strategic areas:

- Financing and investment.
- Transition support.
- Consolidation of new business models.
- Circular economy within Bancolombia.

By 2022, we have set a financing goal for circular economy projects of COP 200 billion through our sustainable line.

In addition to these products, there are other special equity credit lines and rediscount lines (valid for particular periods and subject to the availability of resources) that also reflect investments in efficiency and environmental benefits:

		2021	2020
Equity	Sustainable Line (Leasing-Bank and sustainable housing)	COP 3,554,820,708,576	COP 1,000,371,566,053
	Leasing	COP 53,869,874,511	COP 58,550,125,154
	Sufi Third-party channels (Electric mobility)	COP 4,324,873,942	COP3,798,441,532
Local Development Banking	Rediscount (Bancóldex, Findeter, Finagro) Bank and Leasing	COP 432,938,394*	COP 1,897,257,605,330
Total		**COP 3,613,448,395,423**	**COP 2,959,977,738,069**

* Due to the COVID 19- health crisis, loans through equity were closed, mainly medium- and long-term loans in 2020. This led to increased rediscounting lines, which changed in 2021 with the resumption of equity for financing and significantly reduced rediscounting lines.

In 2021, we began a process to renew the contract with CAF, which includes resources that can be used with the CAF line to finance in dollars for clients that implement sustainable assets.

From 2016 to date, USD 10.8 million have been placed, distributed in 6 cleaner production projects, 5 energy efficiency and cleaner production projects, and 2 renewable energy projects. With these energy efficiencies and renewable energy projects, 1,956 TonCO2 were avoided. No disbursements were made through this line during 2021.

Building Sustainable Cities and Communities

The financial sector has a vital role in building sustainable cities and communities. It supports companies transitioning to a low-carbon economy and supporting initiatives that improve people's life quality and care of the environment.

S

Access to decent housing is fundamental to people's life quality and the construction of sustainable cities and communities. We have supported 278,254 clients in their dream of owning a home. Last year alone, we disbursed COP 5.98 trillion, representing an increase of 60.83% compared to 2020, and we reached a portfolio balance of COP 20.96 trillion.

In Colombia, we achieved the carbon neutral objectives since 2020 thanks to our energy efficiency strategies, the consumption of renewable energy in 100% of our facilities, and the purchase of energy holding Renewable Energy Certificates (REC).

Our Tu360 Inmobiliario platform connects people with the information they need when purchasing a home. We have received close to 6.2 million visits and generated 35,630 financial leads. This has led to more than COP 43,716 billion in disbursements.

In addition, understanding that consumption habits have changed and that many people prefer to pay to use goods instead of acquiring them, we have partnered with CCLA to offer housing leasing solutions. We are already working with a property in Bogota with 127 housing units. We also intend to develop leasing solutions for companies with properties such as distribution centers and commercial premises.

In the Government segment, total disbursements were made for COP 1.1 trillion. This includes infrastructure projects for the cities with relevant impacts on the development of Colombia's large municipalities.

Sustainable Construction (Sustainable Business Management GRI FS8)

Financing and promoting sustainable construction are essential for developing sustainable cities and communities (SDG 11). Thus, we continue to advise our construction clients through an expert firm to guide them in selecting the appropriate certification for their projects and achieving the accreditation that certifies them as Sustainable Construction: EDGE, LEED, CASA Colombia, or HQE.

These consultancies are provided at no cost to our clients and are offered in Colombia and the Central American countries. A total of 209 projects have been approved in Colombia since the Sustainable Construction line began operating in 2017 for about COP 4.6 trillion, of which 73 were approved in 2021 for about COP 2.1 trillion. In the same year, about COP 775 trillion was disbursed.

Likewise, when an individual customer in Colombia acquires a home through a mortgage loan or housing leasing in a sustainable project financed by Bancolombia, they are granted a benefit in the loan rate for the first 7 years of 65 basis points below the rate granted. In 2021, 964 clients benefited from this with disbursements of COP 106,000 billion, equivalent to an increase of 60% over the previous year.

The projects we have financed and supported in Colombia represent more than 10 million square meters certified, 3,000 tons of CO_2 saved from being emitted into the atmosphere, and an average savings of around 5,000 megawatts of energy saved and more than 100,000 cubic meters of water saved.

In 2021 we expanded the scope of our financing benefits with our Sustainable Line for Sustainable Individual Builders (construction of own homes adhering to sustainability criteria) and sustainable renovations.

At BAM, we have the first line of credit focused on construction with sustainability standards. We have financed approximately Q112 million for projects with LEED Silver, EDGE, and CASA Guatemala certifications.

In Bancoagrícola, we have provided technical and commercial support to 2 client companies with housing projects in sustainable construction and industrial plants. In addition, we have participated in technical and strategic knowledge transfer spaces organized by leading institutions such as the El Salvador Green Building Council (ESGBC), the Council of Mayors and Planning Office of the Metropolitan Area of San Salvador (COAMSS/OPAMSS), and the Salvadoran Institute of Construction (ISC, by its acronym in Spanish), to present sustainable and financial solutions to the country's construction ecosystem.

E Promoting the Use of Renewable Energies (Sustainable Business Management GRI FS8)

At Bancolombia, we are contributing to transitioning to a cleaner energy matrix, supporting the use of different sources and initiatives for more efficient consumption.

In September 2021, we closed the first solar project in Medellín through the leasing product. This project will allow our client Azimut, a company that provides energy consulting and services, to operate the installation and sell electricity.

We also carried out the first large-scale solar energy operation with financial leasing under a project finance structure for COP 52.3 billion to support the construction and operation of the Planeta Rica Solar Park in Córdoba.

Through the Leasing Rent and Use strategic unit, we have considered the needs of our clients regarding different trends in the energy market, especially in terms of energy self-generation.

As a result, we realized that the leasing product for solar solutions is the most efficient and profitable alternative for customers to access at a competitive price and with the expert support of Grupo Bancolombia. This product complements our value proposition, allows us to impact the fulfillment of the SDGs, and places us in the financial market as pioneers of these solutions.

Thus, we support the consolidation of energy transition through the financing of different Non-Conventional Renewable Energy (NCRE) projects. We closed 6 projects with mandates for COP 600,000 billion, contributing to the energy matrix462 MW of new installed capacity in NCRE. Thus, we seek to be the leading bank in financing these projects. We will continue to support this energy transition in the short, medium, and long term to contribute to achieving the decarbonization goals set in Colombia.

Banistmo assumed the commitment to reducing energy consumption and using clean energies. As part of this, 50% of the energy consumption of its operation comes from renewable sources, purchasing Renewable Energy Certificates.

This information includes financing under sustainable lines and rediscount lines in Colombia:

Technologies	Funding Amount	Power (Mw)	Annual Generation (Mwh)	Avoided Emissions ($TonCO_2$)
Photovoltaic and small hydroelectric power plants	COP 193,081,359,253	165.7	192,470	39,138

E Sustainable Mobility

We encourage sustainable mobility. For example, through Renting, we have financed 1,766 clean fuel vehicles that avoid the emission of 40,307 tons of CO2, while through leasing, COP 1.28 trillion was placed in decarbonization and technological reconversion initiatives.

We supported Bavaria in the renewal of 500 trucks in a 10-year process to incorporate more efficient mobility technologies that are less polluting to the environment.

In 2021 we financed 235 businesses to acquire hybrid and electric vehicles. 151 have already been disbursed for a total of COP 48,538,051,844.

We developed two new products to promote sustainable mobility, the sustainable financing line and the sustainable line for short-term working capital. With the first one, importers of sustainable assets such as electric and hybrid vehicles will access financing in dollars and rate benefits to make such imports. Thus, encouraging the supply of these types of assets in the country.

With the second product, we expect to support dealers who make recurring purchases of sustainable vehicles in the short term, offering them a credit for working capital with a rate benefit. Therefore, recognizing their contribution to sustainable mobility. We could finance 6 projects with an amount of COP 13,196,208,270.

Bam offers Autoplan Sostenible, the first specialized credit for vehicles focused on sustainable, hybrid, and electric mobility. This has generated more than 260,000 transactions with an average of USD 316.32.

SUFI

SUFI updated the sustainable mobility offer to include all brands and vehicle sourcing channels. Likewise, a special rate offer was consolidated for financing amounts over COP 80 million in hybrid and electric vehicles.

In 2021, SUFI launched financial plans with differential conditions for financing hybrid and electric vehicles, such as the ECO and the Sustainable Plan (Plan Sostenible).

Additionally, a customized financial offer was created with allies such as BMW, Mini, and Ford so that customers find differential promotions. Thus, generating value for both the partner and the end customer.

More than COP 179,000 billion in sustainable vehicle financing was mobilized through the SUFI channel throughout the year. COP 615 million corresponded to motorcycles, COP 175,000 billion to hybrid vehicles, and COP 3,700 million to last-mile vehicles (electric and traditional bicycles).

Muverang

By the end of 2021, with Muverang, our commitment to transform the way the world moves, more than 850 electric vehicles were put on the road in 5 cities in the country (Bogotá, Bucaramanga, Cali, Cartagena, and Medellín). In business contracts, we assisted 26 companies that put nearly 700 electric vehicles on the road to facilitate trips required by their operations or by their employees. On the other hand, under an innovative scheme of a monthly subscription to an electric vehicle for individuals, we reached 1,400 subscriptions, serving 600 new customers, and approaching our ambition to democratize electric mobility in the country. On the other hand, under the innovative scheme of a monthly subscription to an electric vehicle for individuals, we reached 1,400 subscriptions, serving 600 new customers, and approaching our business ambition to democratize electric mobility in the country.

As for the digital services offered by Muverang, we reached 6 companies with cab modules (for private travel) and sustainable mobility (to share a vehicle with other users on the same route). These services promote more efficient, sustainable, and shared mobility. More than 1,600 users made nearly 36,000 trips with both solutions. In addition, we opened two additional channels for requesting these services. These are now available on the NEQUI and SURA applications.

Carbon Neutrality

In 2021, together with Grupo Bancolombia and the Ministry of Environment and Sustainable Development, Renting Colombia and its subsidiary Transportempo began the process towards carbon neutrality by signing the Carbon Neutrality Voluntary Agreement. As part of the process, the companies presented the Greenhouse Gas Emissions Management Plan 2024. The Ministry recognized them as outstanding companies in the process, and they accepted the challenge of becoming carbon neutral scopes 1 and 2, avoiding 36,386 tons of scope 3 emissions by 2022.

Scope 3 avoided emissions results 2021

Month	Total Emissions Avoided
January	3,194
February	2,905
March	3,237
April	3,155
May	3,278
June	3,197
July	3,375
August	3,450
September	3,407
October	3,620
November	3,601
December	3,888
Total	**40,307**

Renting Colombia, in conjunction with the Transformation and Innovation Department, contributed to the sustainable mobility ecosystem with the following projects:

Electrolinera Sabaneta:

The first fast-charging station in Latin America emerged as an innovative solution for customers with electric vehicles and the means to charge their vehicles, charging a fee for the time the customer occupies the space of the charging unit. Thus, maximizing the use of electric vehicles while meeting logistical needs.

- In 2021, nearly 1,348 charging cycles occurred, for consumption of 154,500 kW, equivalent to 500,000 km of autonomy in zero-emission vehicles.

1000 Solutions:

This project set a milestone in developing sustainable products in Renting Colombia. Despite the contingency of vehicle availability globally, it has established business for more than 300 additional electric vehicles by the beginning of 2022. In other words, the company will place 2,000 different sustainable cars. 40% of the vehicles will be hybrids (between non-plug-in HEV and plug-in PHEV), 52% electric (EV), and the remainder on gas due to the absence of technologies in heavy and long distances vehicles. Everything is aligned with the plan to reach 2025 with an active electric fleet of more than 6,000 vehicles.

- Renting Colombia reported 1,382 active sustainable vehicles at the end of 2021, including 800 hybrids (gasoline-electric and diesel-electric), 147 natural gas vehicles, and 435 100% electric vehicles.

- Renting Colombia placed 756 electric vehicles between trucks, hybrids, and dedicated gas in 2021.

Promoting Mindful Leadership

We are committed to improving people's lives by constructing a prosperous economy, a healthy environment, and contributing to social wellbeing. We intend to contribute to the development of the territories where we operate through our strategy by engaging actors and sectors with an offer of products and services so that our customers and partners are increasingly sustainable and manage to impact their communities positively.

Once again, we were invited to participate in the Dow Jones Sustainability Index's evaluation. The DJSI has been in the market for more than 20 years, and we joined it in 2012. In 2021, we obtained a score of 87 out of 100, ranking fifth globally and first in emerging markets, and MILA, which ratifies us as the most sustainable bank globally and reaffirms our commitment to work for sustainability. We were also recognized with a silver medal in the ranking conducted by S&P Global for the 2021 Sustainability Yearbook, which highlights the companies with the best sustainability practices.

We adhered to the Responsible Banking Principles in September 2019. We fulfill our commitment to documenting our progress annually. You can review further details

at this link

E

We build our sustainability strategy on the best national and international standards. Therefore, we have a global agenda of protocols and voluntary adhesions that help us align with the best practices globally, generate commitments, and disclose results to our stakeholders and the international community.

GRI 102-12

- Business Ambition for 1.5
- CDP
- Climate Action 100+
- Glasglow Financial Alliance for Net Zero (GFANZ)
- Global Investors for Sustainable Development (GISD)
- Global Reporting Initiative (GRI)
- Dow Jones Sustainability Index
- Net Zero Banking Alliance (NZBA)
- Net Zero Asset Managers Initiative (NZAM)
- UN Women
- Partnership for Carbon Accounting Financials (PCAF)
- Principles of Responsible Banking
- Equator Principles
- Principles of Responsible Investment
- United Nations Environment Programme – Financial Initiative (UNEP FI)
- Green Protocol
- Science Based Targets Initiative (SBTi)
- Sustainability Accounting Standards Board (SASB)
- Task Force on Climate-Related Financial Disclosure (TCFD)

Details of our participation in these initiatives can be found

here

Sustainability Ratings

The world's main indexes constantly monitor the performance of companies in environmental, social, economic, and corporate governance terms. Grupo Bancolombia is included in many of these indexes. Thus, inspiring us to improve our sustainability practices:

Sustainability Index	2020	2021
Dow Jones Sustainability Index	Position 1 / 89 points	Position 5 /87 points
CDP	A-	B
MSCI ESG Research	A	A
Vigeo Eiris	50 robust	52 robust
PRI (investments)	Strategy and Governance: A Listed Equity Incorporation: B Listed Equity Active Ownership: C Fixed Income: B	Strategy and Governance: A Listed Equity Incorporation: B Listed Equity Active Ownership: C Fixed Income: B
Sustainalytics (ESG Risk rating)	25,4	19,4
IR Recognition	93.2%	95.6%

Committed to mitigating our environmental impact from our role as a bank, we develop different strategies that include:

Environmental Management System

Describes the framework, structures, principles, and guidelines for planning, organizing, executing, monitoring, controlling, and ensuring the continuous improvement of our environmental performance through the prevention, control, and minimization of the environmental impacts of our operations in all the territories where we operate while complying with current environmental regulations that apply to us as an organization.

We continue to focus on identifying opportunities for improvement and strengthening our actions. Hence, we continually improve the indicators of our mission axes in eco-efficiency, Analysis and Social Analysis (ARAS), sustainable business, and climate change strategy.

Breakdown by Type of Total Environmental Expenditure and Investment

Environmental Investments	Costs	Costs of prevention and treatment of waste, emissions, restoration, etc.	Costs
Investments in energy and water management systems, replacement of equipment, and facilities' adaptations	COP 5,280,995,705	Legal formalities and payment of environmental licenses from local authorities and agencies	COP 59,583,816
Investments in internal and sustainable business initiatives	COP 5,280,995,705	Certifications/Adherences to international protocols/Consultancies	COP 820,906,261
		Waste management	COP 938,364,808
		Costs of prevention and treatment of waste, emissions, remediation	COP 2,436,779,415
Total investments/Environmental expenditures		**COP 10,121,529,496**	

Compliance with Current Environmental Laws and Regulations as an Operational Framework for Bancolombia

Sustainability remained one of our top priorities in 2021, and compliance with current mandatory regulations and the commitments we have voluntarily acquired in protocols and voluntary adhesions.

Among the most relevant protocols that were managed in 2021 are:

- Resolution No. 283 of July 22. Coralina prohibits the entry, marketing, or use of plastic bags used for the disposal and transportation of objects and goods in commercial establishments, plates, straws, and plastic and/or polystyrene cups in the Archipelago Department of San Andres, Providencia, and Santa Catalina.
- Continue with the implementation of Resolution 1407 of 2018: we decreased the amount of packaging placed on the market by 14% concerning the previous year's baseline. With placement on the market of 295 tons of packaging, we must manage 20% by 2022, which we will do with the adhesion of the Repack Collective Plan. The target set by the regulations for 2021, corresponding to 10%, was fully met.
- We made annual reports to the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM, by its acronym in Spanish) environmental platforms for Hazardous Waste and PCBs (Polychlorinated Biphenyls).
- We kept our environmental and social legal matrix periodically updated.

We focus on identifying opportunities for improvement and strengths in our actions to continuously improving our mission's indicators in eco-efficiency, Environmental and Social Risk Analysis (ESRA), sustainable businesses, and climate change strategy.

Santa Elena Case

In 2021, we kept meeting the requirements of the environmental authority to restore this land, which was received as payment in kind in 1987. We want to use this case as a learning experience for the country's scientific and business communities to manage this sort of environmental liabilities.

For further information, see the Santa Elena case in Analysis of Environmental and Social Risks in Financing

in this link

$BanCO_2$

We continue to be the primary financial ally for the $BanCO_2$ program. This program is a payment scheme for environmental services. Nowadays, it protects 121,918.095 hectares of strategic ecosystems and has 5,537 farming families that benefit from receiving payment through our Ahorro a la Mano platform in Colombia. Beneficiaries of this program do not get charged management fees and can make up to 2 free monthly withdrawals.

Since its inception and through the $BanCO_2$ program, close to COP 43,697 million have been paid. As of 2021, 23 environmental authorities have implemented this program.

Climate Change GRI 201-2

At Bancolombia, climate change poses new risks and opportunities with strategic and financial implications for our businesses, customers, and other stakeholders. Therefore, we ratify our commitment to implement actions to mitigate and adapt to climate change's adverse effects through efforts articulated in our Climate Change Management Strategy.

For our full report on climate disclosure,

please click here

In terms of climate change, 2021 was a very active year for financial institutions, given the relevance of the COP 26 and the different joint work initiatives developed to advance towards the goal of being zero net emissions in financing. Accordingly, Bancolombia entered into the following initiatives in 2021:

Net-Zero Banking Alliance (NZBA) this alliance is promoted by the United Nations Environment Programme Finance Initiative (UNEP FI) and co-launched by the Financial Services Task Force (FSTF). NZBA brings together an initial group of 43 of the world's leading banks focusing on meeting the banking sector's ambition collaboratively, rigorously, and transparently to align its climate commitments with the Paris Agreement targets. By the end of 2021, the initiative enrolled around 400 financial institutions.

Glasgow Financial Alliance for Net- Zero (GFANZ) is a global coalition of leading financial institutions committed to accelerating economic decarbonization, bringing together around 450 financial institutions in 40 countries responsible for approximately USD 90 trillion assets.

For the second consecutive year, we are reporting our climate change management and performance per the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD). The TCFD is organized around four core pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

TCFD Recommendations on Climate Change

In 2019 we entered into the TCFD commitments to address the call for financial entities to build a more resilient financial system through the implementation and disclosure of the management of issues related to climate change.

Since 2014 we have reported climate performance through the CDP (Carbon Disclosure Project). Under the said standard, in 2021, we ratified our commitment to disclosure, transparency, and management of risks and opportunities related to climate change. We were rated in Band B, above the average for financial institutions.

To learn more,

Click here

Implementation status of TCFD recommendations

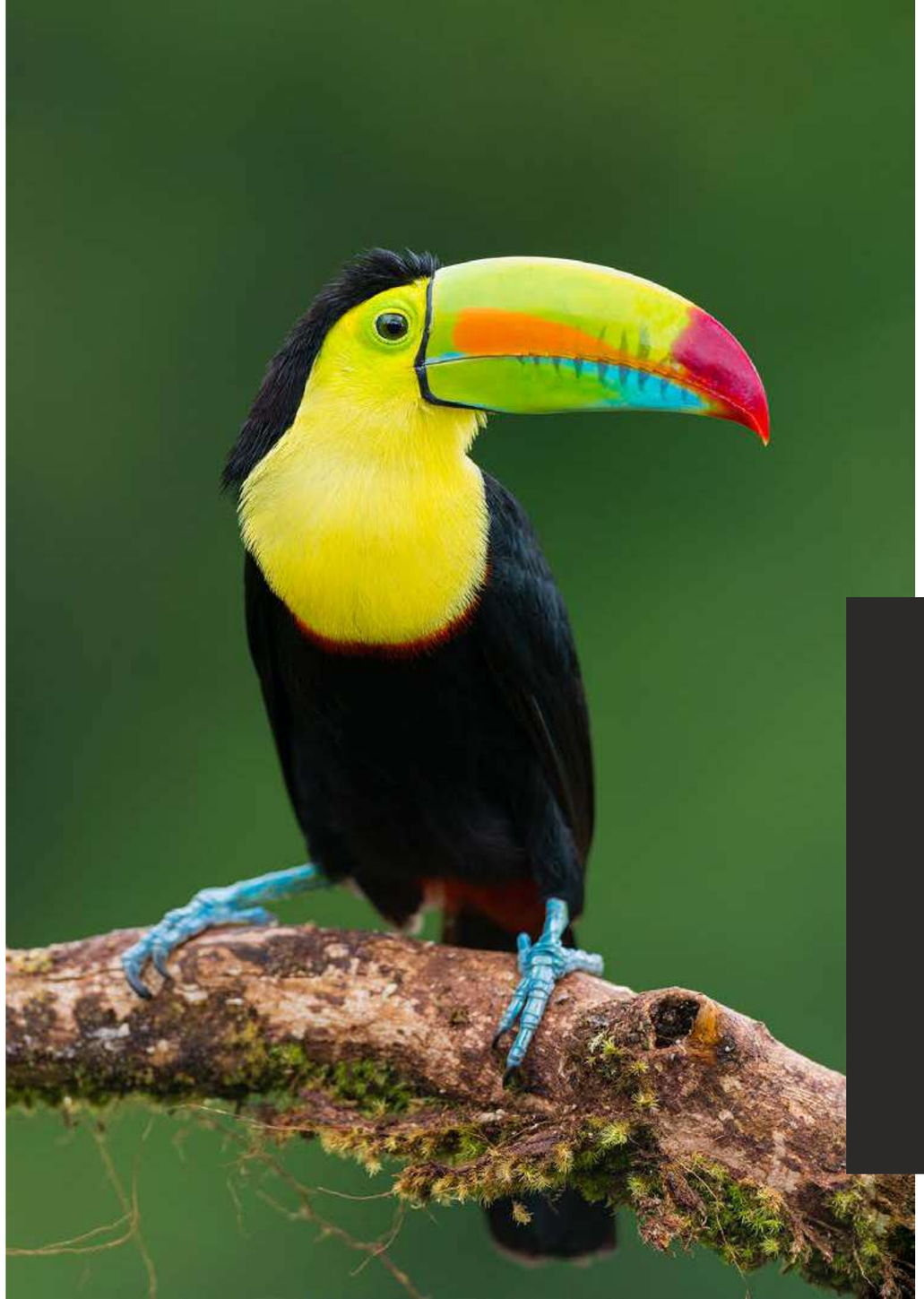
Core Pillar	Implementation Status
Governance	Adopting the TCFD recommendations is a critical strategic initiative overseen by Bancolombia's Chairman's Steering Committee. The Chairman's Steering Committee, acting as the Sustainability Committee, exercises governance on all ESG issues of Grupo Bancolombia, including climate change. Bancolombia's Board of Directors is the consultative body through the Corporate Governance and Corporate Risk Committees.
Strategy	We have included climate change as part of the transformation process we require for our customers to achieve a low-carbon economy in our corporate purpose in the strategic pillar of Sustainable Cities and Communities, specifically under the decarbonization indicator. With a business ambition of $40bn by 2030, we seek to reduce climate impacts by financing renewable energy, sustainable mobility, sustainable construction, and technological transformation. In 2021, disbursements of $4.6bn were made with implications for CO2 emissions reduction of 160,345 TonCO2. We also launched the credit tied to sustainable performance. Thus, we can support our clients transitioning to a low-carbon economy, incorporate sustainability into their strategy and achieve better standards in their sustainability indicators. Since its launch in April 2021, more than COP 1,8 trillion has been disbursed for 6 operations. This product has encouraged our clients to set environmental and social impact goals to make well-being a top priority for all. Hence, our clients will stop emitting 9.4 million tons of greenhouse gases through this program. Risk analysis is being implemented for our loan and investments portfolio. In 2021, we conducted the first financial emissions analysis using the Partnership for Carbon Accounting Financials (PCAF) methodology. Thus, we have performed a hotspot analysis of our loan portfolio and identified the main sectors in terms of greenhouse gas emissions impact. For more information, please click here We have made progress in implementing the new methodology published by the Science-Based Target Initiative (SBTi) for financial entities. This tool provides guidelines for establishing science-based targets concerning financing for a 1.5°C scenario.
Risk Management	Bancolombia considers climate risk a material risk. Therefore, this risk is included in the company's corporate risk dashboard. We incorporate and analyze two types of risks within this risk, physical and transition risks. In 2021, we evaluated physical risks using a methodology developed by the risk methodologies team. This valuation was performed in credit, market, and operational risk. Additionally, we implemented a risk policy for sensitive industries to climate change. Through this policy, we have identified the most impacting sectors in terms of greenhouse gas emissions and what are the exposure risks of these sectors. It also identifies actions to support customers transitioning to a low-carbon economy.
Metrics and Targets	In 2020, we redesigned our science-based target for scopes 1 and 2, aligned with a 1.5°C scenario. We are committed to reducing our direct emissions by 73% in 2024 versus 2019. We aim to achieve carbon neutrality in the countries where we operate by 2030. We defined this goal using a science-based methodology (SBTi - Science Base Target Initiative). We reduced CO2 emissions from our direct operations by 11% in 2021. Concerning Scope 3 emissions, financial entities are committed to defining targets for category 15 (financed emissions). We completed our first quantification exercise in 2021. This information is the basis for the definition of the financed emissions targets. We are currently making progress on the targets per the SBTi standard for financial institutions.

E Biodiversity

We have incorporated Biodiversity-related issues into our decision-making process since 2008 in Bancolombia as a member of the Equator Principles. This includes the Environmental and Social Risk Assessment established in our ARAS Policy regarding projects and credits for activities that impact biodiversity. Likewise, our Controversial Issues Policy defines activities that will not be financed due to their high impact on marine and terrestrial ecosystems and the conditions for financing and investment in economic sectors with a high environmental and social impact.

We are strengthening our biodiversity strategy as of 2021. The first step is measuring and managing our impact on forests. We are participating in the CDP Forest pilot, reporting the risks and opportunities that financing the sectors prioritized by the initiative represents for our strategy (oil palm, timber, soybeans, livestock, and rubber). Also, we will present the first analysis of our portfolio to identify the impacts on forests with the support of the CDP.

Similarly, Bancolombia and 30 other financial institutions worldwide, in the framework of the COP26, have committed with the international community to actively address deforestation by 2025 through outreach, engagement, and the establishment of policies toward the oil palm, soybean, livestock, and leather industries to support the transition of the agricultural sector towards sustainable practice as we understand that forest plays a critical role in biodiversity and climate change.



At Bancolombia, we have included Biodiversity topics into our decision-making process since 2008.

Financial inclusion

Fostering financial inclusion requires prioritizing the economic well-being of our clients. Thus, we created a Financial Well-Being Indicator in 2021. Through this indicator, we direct our efforts to financial education, inclusion, and financial advice to improve the economic well-being of our clients, employees, and communities.

In 2021, 41.8% of our clients achieved high financial well-being, exceeding the expected growth.

Financial Well-Being Indicator		
2019	2020	2021
37.7%	40.4%	41.8%

In 2021,

41.8%

of our clients achieved high financial well-being, exceeding the expected growth.

We know that access to financial services is necessary for people's inclusion. In Colombia, 89% of adults have at least one financial product. We are working so that they can access the benefits that banking access brings apart from being account holders.

S We are reaching more people with credit. We recorded a 172% growth in microcredit granting in 2021, with more than COP 285,400 billion in disbursements. This is key for entrepreneurs and micro-entrepreneurs who need working capital for their activities.

We developed the Credito de Confianza (Trust Credit) for contingency workers who have no credit history so they can meet their needs and develop new risk models. Thus, we get to know them and provide them with better options. In 2021 we granted 163 low-cost loans for COP 32,6 billion.

In El Salvador, we expanded our presence with financial correspondents. Our objective is to install 200 points per year until 2023. By doing so, we reach people who cannot find a branch in their immediate surroundings. Through these correspondents, they can conduct their financial transactions in a shorter period. We also drive the economy of the communities through the link generated between businesses and customers.

At Banistmo, we launched the Express Account. This simplified process takes only 5 minutes to open an Express Account in a wholly digital operation on the website and the app. This only requires an identification document. It offers customers benefits such as the Mastercard Debit card with fraud insurance, access to Banistmo's ATM network, and all digital channels for balance inquiries, transfers, service payments, and recharges.

S A la Mano Bancolombia

After a 28% growth compared to 2020, we closed 2021 with nearly 6 million customers. For 27% of them, this is their first experience in the financial sector. This is a mechanism so more people can access financial services quickly and easily. With a fully digital account, they can operate their account from their cell phone and with a handling fee-free of charge.

In addition, they can access low-cost loans with just one click. In 2021, A la mano reached more than 211,000 customers with almost COP 260,000 billion disbursements. These resources went to people who did not have access to formal credit and resorted to alternatives such as family loans or even loan sharks.

For instance, cab drivers have already adopted Bancolombia's A la mano account. There are already more than 25,000 users of the application, and we are working with 22 cab companies on banking and education to use the QR code in the collection of taxi fares, which reduces cash usage.

Access to Accounts and Credits - Inclusion Products	
Bancolombia a la Mano	
Number of Accounts Bancolombia a la Mano	5,925,223
Amount of Savings in Bancolombia a la Mano	COP 656,501,333,791
Amount of Savings in Bancolombia a la Mano (average / year)	COP 471,559,709,886
Number of Credits Granted in Bancolombia a la Mano	211,769
Number of Credits Granted in Bancolombia a la Mano	COP 257,156,632,963
Sufi	
Number of Credits Granted in Sufi	91,473
Number of Credits Granted in Sufi	COP 2,531,217,149,431
Nequi	
Number of users in Nequi	10 million
Amount of Savings in Nequi	COP 1,408,868,837,507
Amount of Credits Granted with Nequi	COP 47,094,588,824

Nequi

This is yet another option we offer to encourage access to and use of financial services in a close, daily, flexible, and secure way. More than 10 million users (6.7 million were linked in 2021) use the application, which offers daily services without additional charges, such as money transfers, savings pockets, Armario, and Nequi Card, withdrawals at Bancolombia ATMs, and a network of correspondent banks.

After five years, we decided that Nequi will evolve independently. It will become a fully digital financing company and continue to be part of Grupo Bancolombia.

S Gender equity: a competitive advantage

We understand the role that women play in the country's productive activity and the generation of well-being. Therefore, in Bancolombia, they find a critical financial ally to support them in their initiatives according to the moment of life in which they are and their expectations. We offer them different alternatives.

Women received COP 6.2 trillion in credits that became a boost for their personal and family projects and their productive initiatives. Thus, helping them improve their life quality and that of their environment. We have developed different lines with a gender focus so they can access financial resources.

In Bancolombia, women find a critical financial ally to support them in their initiatives according to the moment of life in which they are and their expectations.

We launched an ordinary portfolio credit line for women in September, offering more favorable interest rate conditions than a conventional commercial loan. This was added to other alternatives with a gender focus, including Línea Sostenible de Género, Línea Mujer Bancóldex, Agro para Todas, and Microcrédito para Todas. We disbursed COP 351,424 billion in 2021 through these lines.

Banistmo financed 311 SMEs led by women through the USD 50 million obtained in the first gender social bond issuance in Latin America. Financing was mainly directed toward the agribusiness, commerce, and services sectors. These sectors are critical to economic reactivation in Panama.

Bancoagrícola disbursed 869 loans for USD 22 million in El Salvador under the Pyme Mujer and Crédito Mujer Futuro lines. This seeks to support women who lead businesses with productive loans differentiated in terms of price and time. This also includes financial education and mentoring.

Through training, mentoring, and business strengthening to achieve business sustainability, we supported 100 entrepreneur women with the "Emprender Mujer" program, in alliance with Proantioquia, Argos, Sura, and Comfama.

We formally established our alliance with Corporación Colombia Internacional (CCI), adhering to the goal of impacting 500,000 rural women by 2030 through access to education, business strengthening, and access to financial and non-financial services of Grupo Bancolombia.

Financial Education

We have a strategy to help people and businesses develop competencies so that they can make informed and conscious decisions throughout each stage of their economic life cycle. The main objective is to improve financial well-being through science, technology, and innovation.

Colombia	
Investment in financial education programs	COP 10,567,127,818
Number of people who benefited from financial education programs	6,161,782
Number of interactions in massive financial education campaigns	142,435,306
Number of participants in financial education talks or webinars	85,104

We have different initiatives to reach all corners of the country with financial education.

In 2021, the School Bus (Bus Escuela) visited 148 municipalities. It hosted 13,998 visitors who learned about their money management, banking services, and available opportunities with access to financial services.

With the “Cuentas sin cuento” program, we reached 27 departments, impacting 3,037 rural families. They now have tools to help them make better decisions, optimize their income, and achieve their goals.

Moreover, the Elévate program, which focused on businesses and contingent workers to improve their financial knowledge and application to their productive initiatives, benefited 1,830 firms.

Furthermore, 730,000 people are already using Día a Día, A Bancolombia App's functionality. There, they can see how they manage their money. They can understand and control their finances and categorize income and expenses.

Central America			
	Panamá	Guatemala	El Salvador
Number of initiatives	6	6	5
Investment	USD 33,400	USD 500,501	USD 216,092
Scope	2,345 people	17.8 million interactions	23.3 million interactions

Our Corporate Responsibility Goes Beyond Borders

Transcending in people's lives and working for the transformation of the communities where we operate were the pillars supporting our operations at Bancoagrícola in El Salvador, Banistmo in Panama, and BAM in Guatemala.

El Salvador

Donations and Disbursements of Banco Agrícola's Leading Social Programs (January to December 31, 2021)

Line	Program	Beneficiaries	Total Investment (Dollars $)
Life Quality	FESA "Lindo del Fútbol" 2021	**24,005**	USD 293,836.00
	Tu Bienestar Financiero	**2,732,336 average range in Radio and TV. For social networks, the average reach for the year was 5,140,123**	USD 290,693.00
	Banco de la TELETÓN support to Asociación Teletón Pro-Rehabilitación - FUNTER 2021	**8,000**	USD 80,000.00
Consolidated Total	**3 Programs**		**USD 664,529.00**

Some of Bancoagrícola's sustainable initiatives in 2021 were:

- Disbursements associated with the corporate purpose during 2021 reached USD 149.41 billion.
- Accompanying Bancoagrícola's client companies in consulting, financing, and executing clean energy projects and preparing energy diagnostics and environmental performance. This is aimed at business clients interested in incorporating continuous improvement practices in their company's operation. Our offer is based on two types of expert consulting, Level 2 Energy Audits and Environmental Performance Diagnostics (DDA, by its acronym in Spanish). So far, 15 energy audits and 5 Environmental Performance Diagnoses have been assigned, benefiting a group of 20 clients belonging to the Corporate and SME segments.
- Sustainability Training: We conducted two specialized training seasons. The first one is in Sustainable Business and the other in Environmental and Social Risk Analysis (ESRA). We trained 80 employees, so they implement actions aligned with our purpose.
- Banca Mujer. The "ES Líder" platform and the "Mujer Futuro" loan were created to reinforce the financial and non-financial support that Bancoagrícola offers to SMEs and enterprises led by women. In 2021, 1,130 loans were provided for USD 32,8 billion.
- IFC support facilitated a workshop for 58 employees on lessons learned in financial and non-financial products and services from commercial banks in Latin America.

Panamá

Line	Program	Beneficiaries	Total Investment 2021
Quality of Life	United Way Born Learning Program (Early Childhood)	1,900	USD 38,540.30
	Panama Banking Association (Financial Education)	300	USD 10,000.00
	Financial Education and Entrepreneurship Programs for Children, Youth, and Women (Junior Achievement Panama)	2,316	USD 30,014.00
	Social-Emotional Learning Program (ProiDEha, by its acronym in Spanish)	2,080	USD 9,500.00
	Community School Program, Glasswing Foundation (Comprehensive Care, Educational Quality, and Infrastructure)	1,472	USD 54,522.50
	Total	**8,068**	**USD 142,576.80**
Environment	Tortuguías Foundation Sea Turtle Conservation Program	500	USD 40,000.00
	Environmental Conservation Program Fundación Natura	410	USD 49,400.00
	Total	**500**	**USD 40,000.00**
Culture	Raising public and educational awareness about the value of the Panama Viejo Historical Monumental Complex	39,325	USD 75,000.00
	Total	**39,325**	**USD 75,000.00**
Consolidated Total		**47,893**	**USD 257,576.80**

Guatemala

Line	Program	Beneficiaries	Total Investment 2021
Education	School-Ready Program	451	USD 32,479.74

In 2021, Banistmo developed the following sustainable business initiatives:

- Banikids in Panamá consist of more than 9,370 savings accounts with more than USD 12,7 million in balances. It also includes a platform that parents can use to encourage savings habits in their children, so they learn how to manage their money correctly.
- We engaged in educational and awareness-raising activities on the importance of sea turtles through the Sea Turtle Conservation Program in alliance with Fundación Tortuguias in the coastal communities of Playa Punta Chame and Cambutal, where over 390,000 sea turtle hatchlings have been released into the sea so far.
- Tarjeta Natura. 2,739 active credit cards. In alliance with Fundación Natura, we continued to implement environmental cleanup actions, reforestation of more than 15 hectares, and environmental education in the seven communities of the Panamá Canal watershed, benefiting more than 2,000 people in these communities.
- Through our Leasing product and our Corporate Banking, we financed more than USD 10,4 billion in projects focused on renewable energies, cleaner production, and mobility that contribute to people's well-being.

Chapter

05

Achieving Customers' Brand Loyalty and Preference

We are a customer-focused organization. We stand out by providing reliable, approachable, timely, and user-friendly experiences for our customers. We are committed to earning your loyalty. Thus, we are improving the experience we offer you by strengthening our digital portfolio and providing you with more and better alternatives for the movement of your money.

Resilience Flowers

Orlando Ramírez has spent much of his life working in the floriculture field. Every year, he generates about five million white and red roses from its two farms in Cajicá, Cundinamarca. These are primarily exported to the United States, England, and Spain.

Orlando explains that "Valentine's Day is the day of love in the countries we export flowers to. This represents 60% of our annual sales, followed by Mother's Day with 20% and the other 20% corresponding to the remainder of the production,"

Nevertheless, the pandemic hit. That was a heavy blow for its business. “We had to discard a million roses because customers canceled their orders, and florists shut down.” Orlando could not help but think about the nearly 113 people directly working for him at the time. They are the backbone of his business. He couldn't imagine stripping away the livelihoods of their families.

The first bank that Orlando went to was Bancolombia. He already had several financial products with the bank. He was informed about the payroll plans that were being granted. He signed up and obtained credits for six months. "It was a relief. Our main concern was the payroll, and we got it covered. So, we focused on creating plans and overcoming the situation. Although we had to implement other strategies, we did not have to lay off any employees. We had to approve early vacation, leaves, and schedule rotation. However, we did not have not to reduce salaries. We paid on the exact day and did not have any layoffs."

“On Mother's Day 2020, we lost 100% of our rose production due to the pandemic, almost a million flowers representing 20% of our annual sales. However, through Bancolombia's support, we survived and kept all our jobs.”

In July 2020, after the first months of the pandemic, Orlando resumed rose production and soon recovered his business momentum. "The pandemic increased floriculture, not in acres, but consumption. People started to spend more time at home, and all they wanted was flowers. After the pandemic, many people kept that habit, which made our lives more pleasant."

The flower industry generates around 150,000 direct jobs in Colombia. This industry has faced several crises that require renewing and creating new strategies to compete in the international market. "In all fairness, the flower industry has experienced many crises. Undoubtedly, one of the toughest was the pandemic. Nonetheless, this is a very resilient, open-to-change industry. In the end, this industry relies on the foreign market. We depend on what those consumers demand, so we must be open to change. I received support from the bank and several farmers because we were also informed about the different assistance available for the sector."

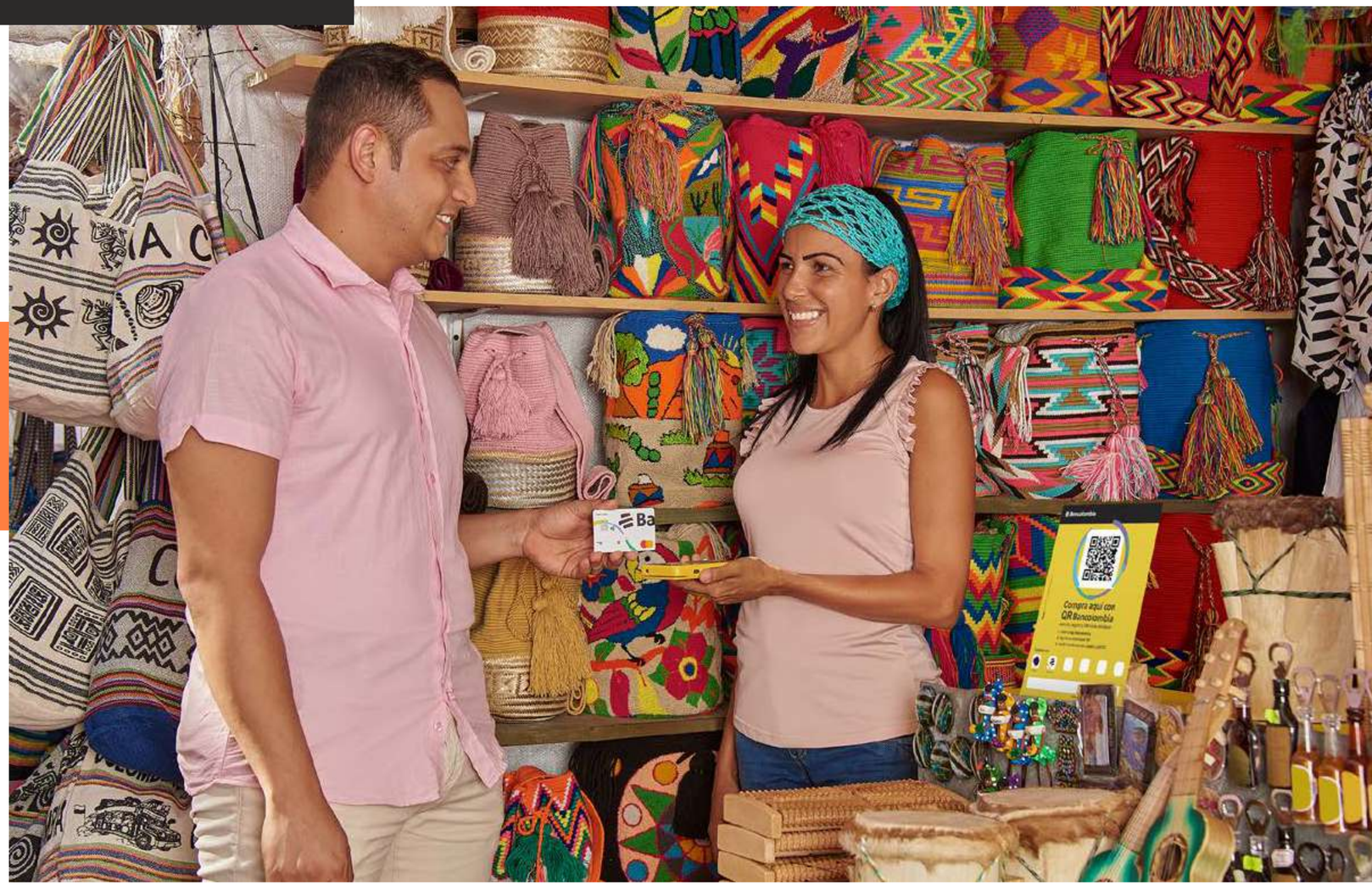
We Facilitate the Use of Money

We process 48% of total transactions, 47% of monetary transactions, and 32% of the money circulating in the Colombian financial sector. More than 76,000 companies process the payroll of 2.7 million workers through the bank.

Thus, we have a great responsibility to give our users different traditional and digital channels alternatives to use their money whenever and however they see fit.

We have a network of more than 6,000 ATMs and more than 28,000 banking correspondents in the four countries in which we operate.

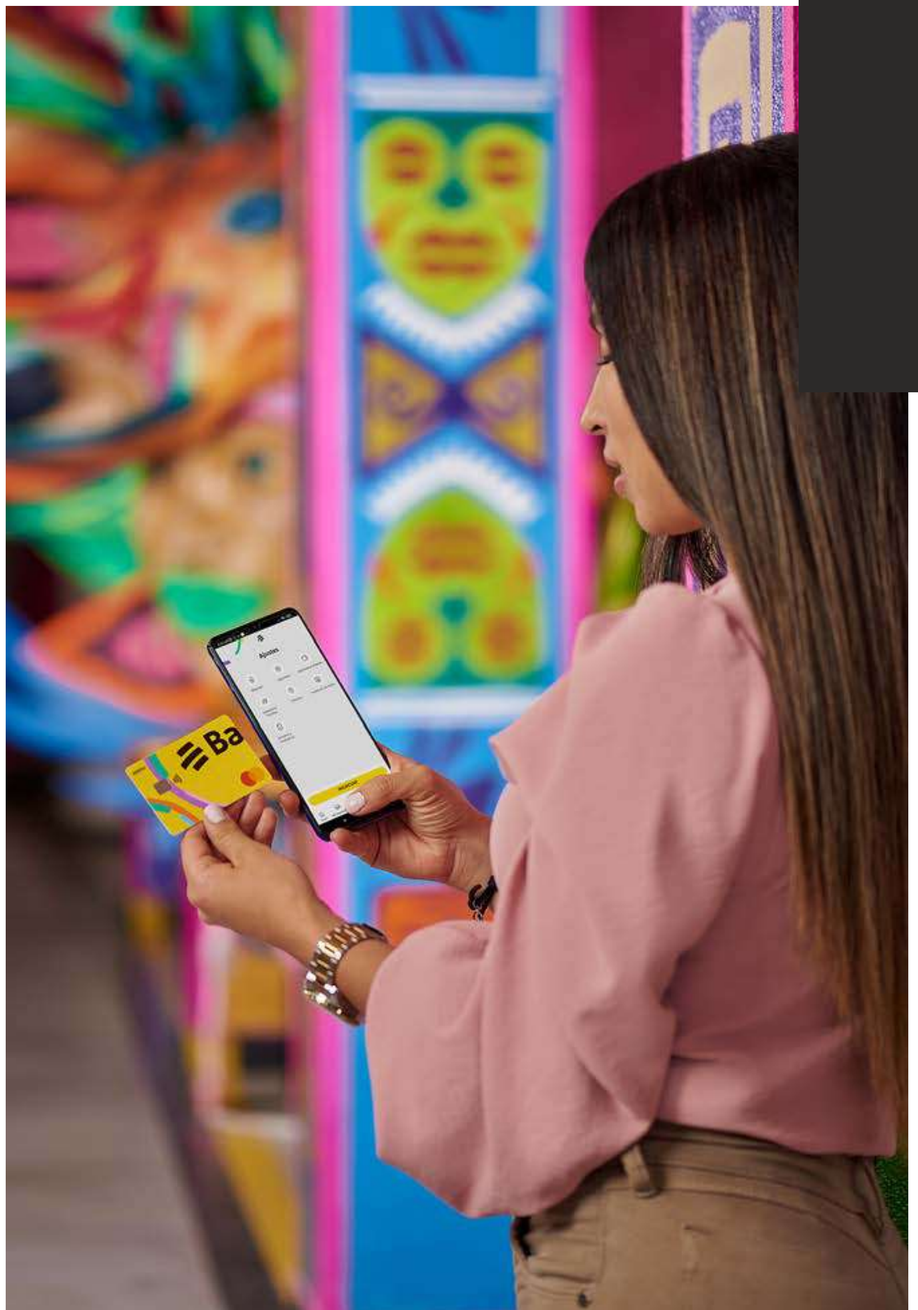
We are creating new possibilities to bring financial services closer to more people. Today, we have 560 mobile correspondents, including homemakers, catalog sellers, cab drivers, village leaders, and home-based businesses. In 2021, we carried out more than 144,000 transactions and mobilized more than COP 28,300 billion.



For individuals

Our channels offer different transaction alternatives, including insurance purchases from our partners. Insurance is available in all our ATMs to protect the money withdrawn against violent robbery at the withdrawal time and up to 2 hours later. At the end of 2021, almost 3 million insurance policies were sold in this channel. Add Customers can also find accident insurance through a policy with an average premium bonus of COP 10,000, granting them a daily indemnity for hospitalization in correspondent banks. In 2021, more than 23,000 insurance policies were sold through this channel. 620 of our branches (using traditional channels in terms of relationship with our customers) are evolving to be more than distribution points. We deliver an outstanding experience to our customers through these centers for customer relationships. The branches will be part of a self-service and correspondent banking system. There, we will appoint expert advisors with more time to understand our customers in a contextual and personalized way, enhancing the relationship, building customer loyalty, and encouraging them to move towards digital channels and self-management.

This reflects changes in the habits of our users. They seek the immediacy and convenience of digital channels. Today, 85% of Bancolombia's transactions occur through this channel, reaching almost 9 million active customers per month using digital channels by the end of 2021, bringing the digital adoption rate to 74.88%. With an annual increase of 32.4%, 8,269 billion transactions were made through this channel.



Through the Bancolombia App, almost 6 million people make 56% of the bank's transactions. The App also integrates a complete range of non-financial services such as Tu360, Muverang, and the Aliados portfolio. Other functionalities include improvements in menu navigation through the App and the customer experience for transferring money through Transfiya and Nequi Accounts.

In 2021, we added new options to our contactless payment portfolios, such as Garmin, Fitbit, and Apple Pay, and new contactless transaction functionalities with NFC technology from the Billetera Móvil Bancolombia. As of December 2021, more than 87,000 transactions, equivalent to COP 6,402 billion, were accumulated. Third-party wallets (Garmin, Fitbit, and Apple Pay) recorded more than 846 thousand transactions, equivalent to COP 67,818 billion.

To continue delivering digital solutions, we developed mechanisms to open traditional savings accounts and AFCs digitally so that customers can complete the activation and card application process without attending our branches. Through this channel, 313,707 accounts were opened in 2021, equivalent to 23.8% of the total number of accounts opened through the year.

In addition, we increased the limits for sending international money transfers from USD 5,000 per day to USD 10,000 per day with no limit on the number of transactions to improve customers' experience making international transfers through the Sucursal Virtual Personas (People's Virtual Branch).

For Businesses

We have incorporated different alternatives so businesses, contingent workers, and companies can accept payments and move their money more conveniently.

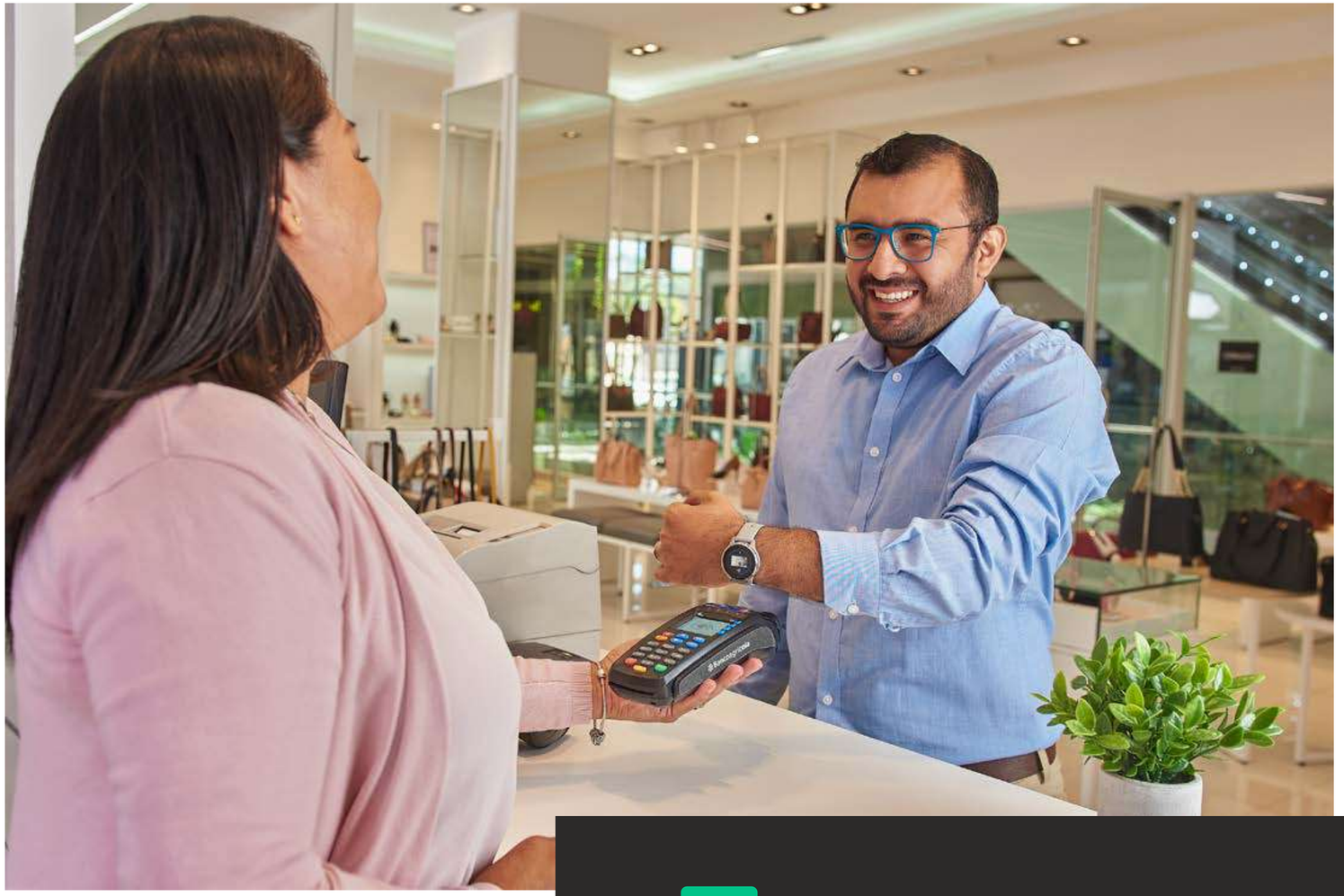
More than one million merchants use the QR code, an option to send and receive money or buy and sell through transfers in an easy, secure, and cost-free way. We have 260,000 merchants in force in acquiring.

Wompi, where we already have more than 28,000 registered merchants, is our gateway that allows online processing payments from social networks and QR codes, making it easy for businesses and entrepreneurs to receive money without using a website.

With plans starting at COP 0 that adapt to their needs, we support Colombian businesses with Botón Bancolombia so they can make online transfers without intermediaries. 1,847 companies were active at the end of December. Last year, the leading telecommunications operators in the country adopted Botón Bancolombia. This generated 9,3 million transactions during 2021 and more than COP 1.6 trillion in resources mobilized.

Through the Sucursal Virtual Pymes, these companies can easily and quickly make payments to suppliers and their payrolls. Enrollment is done immediately and digitally, without leaving your house. Since August 2021, 4,198 payroll payments from 188 companies and suppliers have been successfully processed, with COP 4,474 billion.

We promoted the Sucursal Virtual Empresas (Virtual Business Branch) as an alternative channel to facilitate foreign currency purchase and sale transactions. Adoption of this tool reached 67% in SMEs, companies, and corporations.



Our El Salvador customers can also make payments through Fitbit, and Garmin watches. Transactions for some USD20 million were made through both payment methods.

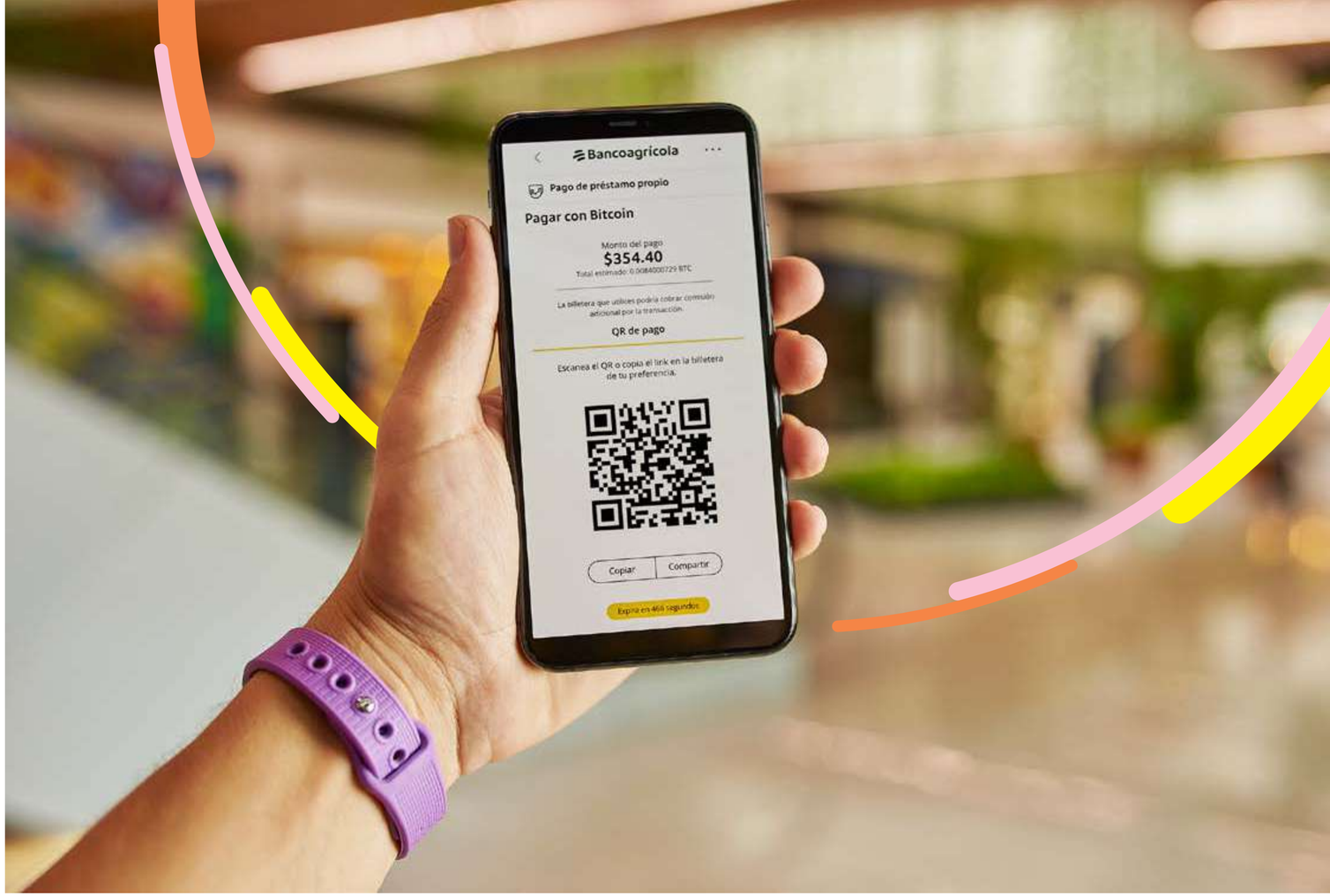
Solutions in Central America

Digital adoption in Banistmo increased 16% in 2021 and reached 38.3%, thanks to the development of digital channels such as the App, Banca en Línea (Online Banking), and Nequi. In addition, there are more than 3,500 points with the QR code activated. In addition to this, we renewed Banca en Línea Empresas (Corporate Online Banking) to support the financial management of companies, giving them direct access to their financial products and making transactions with the highest security standards.

At Bancoagrícola, we launched the Billetera Móvil (Mobile Wallet). Customers can make payments from the mobile application with their credit and debit cards quickly and securely. Customers do not have to use their plastic cards or cash. You don't even have to access the Internet. Over USD 46 million in transactions have been made through this channel. Our El Salvador customers can also make payments through Fitbit, and Garmin watches. Transactions for some USD20 million were made through both payment methods.

In El Salvador, we enabled Transfer 365 as a quickly, securely, and free-of-charge service. It allows bank transactions through Banca Móvil, e-Banca Personas, and e-banca Empresarial with extended opening hours. Invoicing through this service exceeds USD 1,400 million. New payment alternatives have been massified in this country. In 2021, more than 158,000 transactions for USD 11,3 million were made through Wompi, while QR transactions exceeded 115,000, with a turnover exceeding USD 4 million.

After El Salvador accepted bitcoin as a legal currency, at Bancoagrícola, we have developed solutions that let people access the alternatives they prefer. As part of this, we accept bitcoin to pay cards and loans. We also enabled Wompi to include cryptocurrency in the forms of payment received by businesses without integrating with wallets or Exchange companies. At the end of 2021, 4,935 bitcoin transactions had been made through Wompi for an equivalent of USD 146,000.

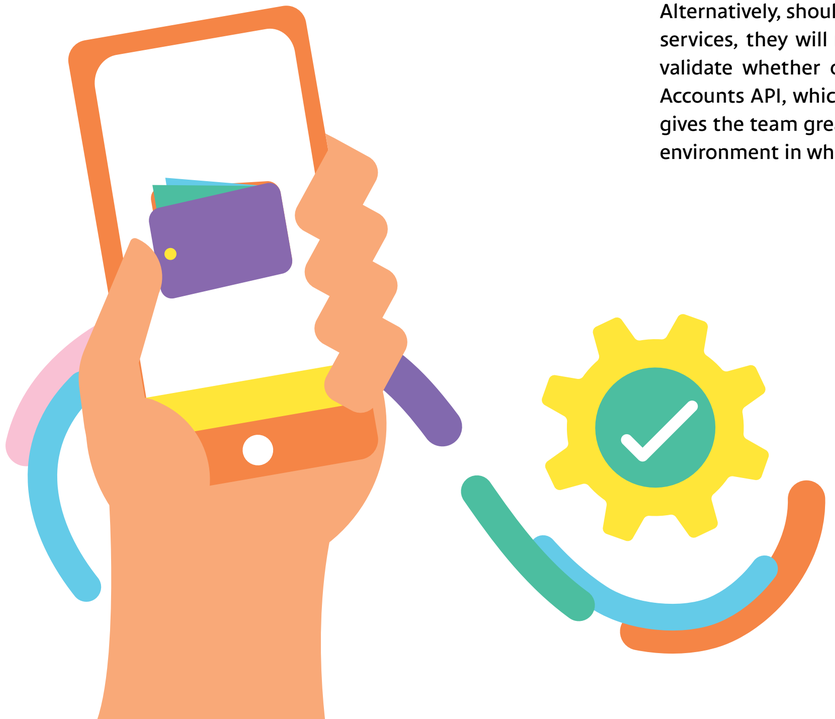


After El Salvador accepted bitcoin as a legal currency, at Bancoagrícola, we have developed solutions that let people access the alternatives they prefer.

Indeed, in Bancolombia, we started the pilot transactions with Gemini to purchase and sell crypto assets in the Arenera of the Financial Superintendence. Thus, a means for learning more about the behavior of people who invest in this type of asset. Also, to operate correctly between banks and exchanges.

We expect to link some of our clients through different phases. They are selected according to risk and digitality indicators until we reach 5,000 by the end of 2022, the maximum enabled by the regulator. These clients will trade cryptocurrencies directly with Gemini and use their savings or checking accounts and our digital channels for the process. We are currently in the initial phase. Thus far, 654 people are participating (cut-off date January 2022).

At Bancoagrícola, we designed a credit card without membership. Customers can purchase all they want without formalities and charges involved in membership. Almost 6,000 cards have been issued, and transactions have been made for USD 1.3 million.

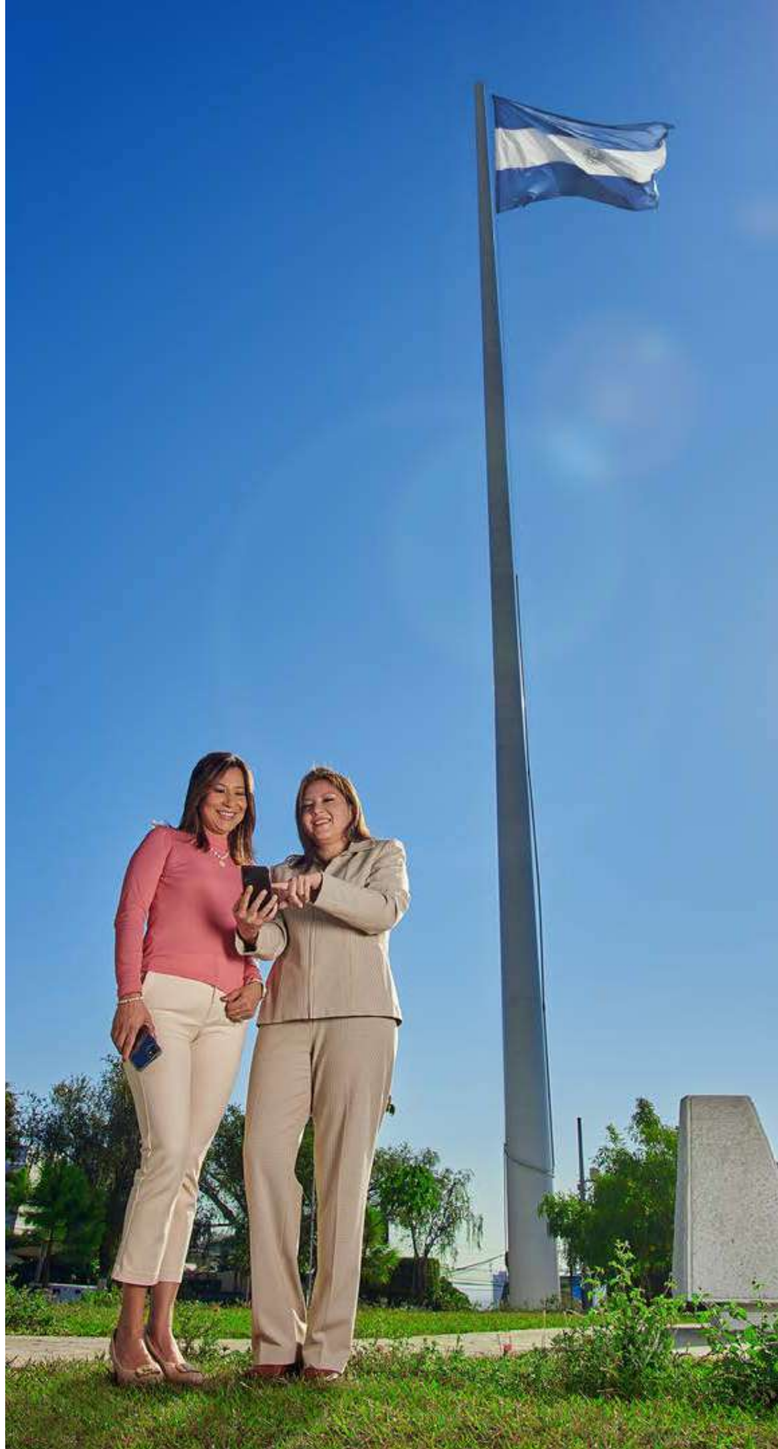


We are enabling technological capabilities for the construction of APIs to continue supporting the transformation and innovation of the business. In the APIs, different IT architects, business analysts, and developers who need to develop a new technological solution can learn about all the necessary documentation, the mechanisms required to use them, and the environments needed to test these APIs.

APIs facilitate digital innovation transformation of businesses, as they are readily available for re-use and accessibility, facilitating the reuse of business capabilities. They also facilitate the integration of third parties with the organization, such as startups and fintech, which will access the bank's capabilities in a more standardized and simple way. Thus, promoting the development of strategies such as Open Banking and the exposure of banking services to third parties (Banking as a Service).

For example, if a third party wants a transfer service between Bancolombia accounts in their online sales, they do not have to develop it from scratch. Still, they can use the Bancolombia Button API, in which all the necessary features to use it and the requirements for them to use it in their web portal (External API) have already been outlined.

Alternatively, should any of our teams decide to improve any of our financial services, they will not need to worry about developing a system that can validate whether or not a customer can receive a loan but can use the Accounts API, which already has a standardized solution for this need. This gives the team greater agility and focuses on designing new services or the environment in which they work.



Solutions that Facilitate Improved Customer Experience

Our goal is to become part of our customers' daily lives. We offer them comprehensive solutions that meet their needs given the circumstances around them, personal projects, and the productive activity they develop. For this reason, we have created an offer and a service model for each segment.

1 For our almost 6 million customers who are beginning their experience in the financial sector, we offer solutions that support them in their daily lives with an easy experience and financial education. The goal is to make our products and services available to them so they can use them to their benefit and start building their credit history.

2 For individuals who already have financial experience, our goal is to get to know them better to support them with comprehensive solutions for their consumption, housing, mobility, education, and wealth-building needs, among many others. Providing them with digital tools for self-management.

3 We are designing comprehensive service and offer for our more than 1.8 million independent clients. We acknowledge the uniqueness of the activity through which they generate their income. Thus, we facilitate access to financing solutions to meet their work needs and help them achieve their goals.

4 We have a model tailored for SMEs, companies, and corporations in the corporate world. We offer specialized services beyond banking based on their business cycles and needs.

Some of the solutions we presented in 2021 to improve the customer experience were:

Seeking to facilitate money management for our customers, as of October 1, we eliminated the fee differentiation between local and national consignments. The first 50 deposits made by our customers per month are free of charge, regardless of the city from which they are made, through multifunctional ATMs, physical branches, or correspondent banking.

The increase in customers and transactions brings a greater volume of requirements. Thus, we have adopted intelligent alliances, robots, and process assistants to expand our installed capacity to handle questions, complaints, and claims effectively. As a result, service times were reduced from 14 to 4 days. We achieved 96% compliance with our customer promise. In addition, we anticipate our customers' needs and concerns, identifying the root causes that generate the requirements to improve the experience.

Consequently, the number of incoming QCCs decreased by 17% compared to the previous year. To facilitate handling requests related to the linking and management of new developments of our construction clients, we provided a digital solution for direct communication between the salesrooms and our Trust Business Services Management. Hence, reducing time and improving the experience. Thus, our clients are already using the "Sales Room Link". This has become a distinctive element for selecting Fiduciaria Bancolombia.

Likewise, by connecting the Construction and People segments, we further the home buying process for our customers. We implemented a pilot program for the salesroom to evaluate clients interested in the projects financed by the bank so that approvals can be made in five minutes. Thus, supporting our construction clients in the financial closing of their projects and reducing the operability of sales representatives by filling out only 15 fields for the execution of an application.

In addition, we set a milestone with the first digital deed in Medellín. We can integrate the different actors (buyer, seller, lawyer, notary, and trustee), making the process simple, brief, and there is no need for traveling since the deed is generated digitally and does not require attendance for the signing of documents, payment of notary fees, rent and registration.

Consequently, we offer a fully digital and self-manageable channel where our clients can monitor the status of their mortgage or leasing application.

In another context, when customers experience fraud situations, it is vital to provide support to understand the problem and resolve it on a case-by-case basis. For this reason, several actions were taken to improve customer service processes, offering agile and timely solutions. Creating a new hotline for fraud cases, the redefinition of more concrete and more precise scripts, and adjustments in customer information entry reduce service times and deliver an online solution for 97% of the cases.

We created a technological solution to provide immediate guided advice to legal concerns presented by commercial and requirements teams to deliver balances without probate proceedings. With this solution, we have automated 85% of the queries from the branches to the legal team, benefiting more than 17,500 customers and their families in just 11 months. This tool has been the starting point for transforming Grupo Bancolombia's legal services.

With the portal of embargoes and disbursements, we automated 65% of the legal documents received, reducing the operational risk of COP 5,000 billion and increasing the speed by 85%. Additionally, we achieved a 96.81% timeliness in applying disbursements, thanks to automation through RPA, helping customers normalize their deposit accounts.

Colombians abroad also play a fundamental role in economic reactivation. We have improved the experience in the savings account opening process, reducing costs, reducing the number of documents required from 6 to 4, and reducing response times. Today, more Colombians abroad have an account with Bancolombia. We started opening 347 accounts on average per month in 2020 to 693 accounts in 2021 with the new process, representing an increase of 50.07%.

Another significant milestone that our clients value is that we went significantly reduced the time to open an account from approximately 30 days to 5 days. In addition, we have supported them in their projects to own real estate in Colombia as an investment or for their family. In 2021, we granted them COP 382,210 billion in mortgage loans, 88% more than in 2020.

Alternatives Beyond the Financial

We know that the way to interact with our customers is based on comprehensively understanding their needs and not only on the financial component.

At Bancolombia, we continue to evolve constantly to respond to consumers' expectations who seek to satisfy their needs in a fast, personalized, and informed manner, using digital channels available for them and seeing financial services as a means and not an end in their purposes.

We know that the way to interact with our customers is based on comprehensively understanding their needs and not only on the financial component. People need housing, move around, and solve everyday issues. Banking products and services are just a part of that list.

Therefore, we have chosen ecosystems as the path through which we evolve our value proposition. Thus, we put our analytical and customer knowledge capabilities at the service of our customers. We join with partners from other industries to orchestrate comprehensive solutions, responding to the needs of our customers according to their context and stage in life.

In Colombia, we have prioritized four ecosystems:

Everyday Ecosystem

We want to become relevant to the daily needs of our customers. We want to offer them solutions to help them make better savings, investment, and consumption decisions through our different channels, products, and services.

With Día a Día, the functionality of the Bancolombia App, we have enabled more than 730,000 customers to visualize and understand better how they manage their money (including cash). To categorize income and expenses, control their finances, and better work their goals. In 2022, we will continue to evolve to support our customers in achieving what financial well-being means to them.

With Tributi, a fully legal platform our customers can use to file their income tax returns online, with the security of personal and financial information, and with a guarantee, we continue to grow. In 2021, more than 63,000 customers fulfilled their tax responsibilities during tax season.

And with Tu360Compras, the marketplace where people can buy online a wide variety of products at a competitive price and with different financing alternatives from Bancolombia. Since its launch in December 2021, we have mobilized more than COP 1,400 billion from more than 3,000 products in categories such as technology, appliances, and home. In 2022, we expect to continue growing with the offer of fashion products, entertainment, travel, and more.

Habitat Ecosystem

In this ecosystem, we support them before, during, and after decisions associated with access to housing. We connect housing supply and demand. We leverage on a digital platform for customers and non-customers.

With Tu360Inmobiliario, the platform with which we are transforming the value proposition for our individual and our Construction clients in the different stages of their business, we have provided more than 2,000 families with access to a home of their own or for investment. Tu360Inmobiliario is the fourth real estate portal by several monthly sessions in Colombia, with more than 570,000 sessions on average in the last 6 months, only behind portals with more than 4 years of existence. We connect Constructors with more than 15,000 potential buyers through this portal, granting loans for approximately COP 125,000 billion.

Ecosystems are the path to develop our value proposition and offer comprehensive solutions that address the needs of our customers according to their context and stage of life.

Mobility Ecosystem

As in habitat, Tu360 Movilidad aims to bring car, motorcycle, bicycle, and scooter dealers closer to the bank's customers and non-customers. Tu360 Movilidad wants to support them before, during, and after mobility decisions. It connects supply and demand to access intelligent and sustainable mobility through a comprehensive value proposition for customers and non-customers.

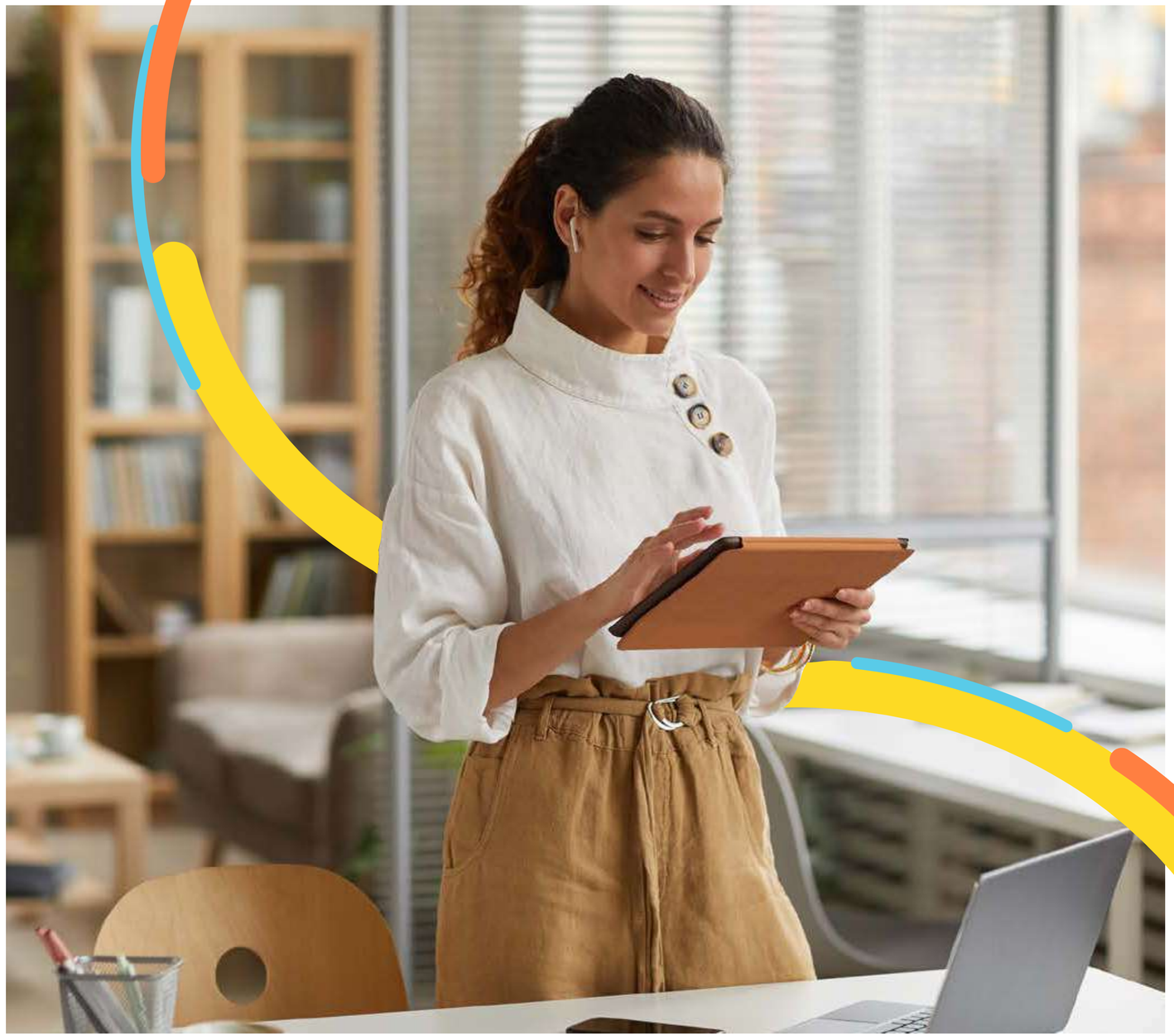
In 2021 with this proposal, we achieved credits for more than COP 37,000 billion, 1,031 total disbursements. 834 loans have gone to cars and vans and 197 for motorcycles, including and promoting the offer of environmentally friendly vehicles within the portfolio. In 2022, customers can buy used vehicles.

Continuing with mobility solutions, Renting Colombia has partnered with Grupo Éxito to offer leasing and sale of used vehicles. We operate in 10 stores in the main cities of the country. We have sold 173 used vehicles. We have placed 3,924 Localiza (Short term) for COP 151 billion and 558 vehicles in the long-term in Renting for COP 2,050 billion. Likewise, we offer financing and a vehicle rental model for individuals in 39 dealerships.

Business Ecosystem

We connect companies for their expansion, growth, and diversification with the Tu360Negocios platform. In 2021, more than 6,700 customers in more than 270 municipalities in the country were registered on the platform, generating more than 500 connections between them, and expanding this proposal to business and even corporate customers. Thus, creating a network of knowledge and access to our financial and non-financial services.

Tu 360 is a platform that connects supply and demand for real estate solutions, mobility, consumer goods and services for companies.



A New Way of Banking

In 2022, we want to continue to evolve as a universal bank, adapting more to our customers' needs, responding quickly, and enriching our value proposition. For this reason, from the ecosystem model, we will focus on Banking as a Service (BaaS), an evolution in our work, to enable more and more technology-based entrepreneurs, SMEs, and large companies in the transformation of their value proposition, integrating financial services in their channels under the Bancolombia brand or under their brand, to provide their customer base with digital experiences in a faster, easier, and more efficient way.

Our customers will receive payment, deposit, and credit services integrated into their portals and mobile applications to develop and enhance their business models through Bancolombia's new capacity.

Promoting our Client's Business Sustainability

We developed Sustainability as a Service (SCS, by its acronym in Spanish). We strengthen customer loyalty, materialize new business opportunities, and contribute to the transformation of the business sector towards the incorporation of better sustainability practices through strategy.

We co-created solutions to address sustainability challenges with 15 corporate clients, representing a commercial size of COP 1,2 trillion. Among these projects are creating the company's sustainability model, business models with an impact on sustainability, developing specific strategies for their clients, and strategies and alliances identified in sustainability. As a result, we helped materialize opportunities such as Closing a business deal for COP 12,000 billion with Leonisa, bank loans and leasing around USD 28 million with Enka. We have become the first option in quotations and sustainable line business for Compañía de Empaques.

G Business Alliance – G12

Our role as economic agents and social actors in Colombia is clear. We firmly believe that we significantly impact society, the environment, and the economy through our businesses when we act ethically, responsibly, and sustainably. We account for this in a public and transparent way.

Grupo Éxito, Bavaria, Movistar, ISA, Postobon, Enel, Ecopetrol, Terpel, Grupo Sura, Grupo Nutresa, Grupo Argos, and Grupo Bancolombia generate value for more than 45 million customers and users, 203,000 employees, 126,000 suppliers, 374. We understand more than ever how interconnected we are, how vulnerable we are, and the importance of working together. This is why we joined forces more than a year ago to work together in our commitment to the Sustainable Development of Colombia, seeking to move toward a more prosperous economy to meet the goals of the 2030 Agenda and the commitments of the Paris Agreement.

We endorse the following indicators as minimum and common indicators that account for the impact we generate. We will report them on an annual basis. We invite the entire private sector to advance in reporting these indicators.

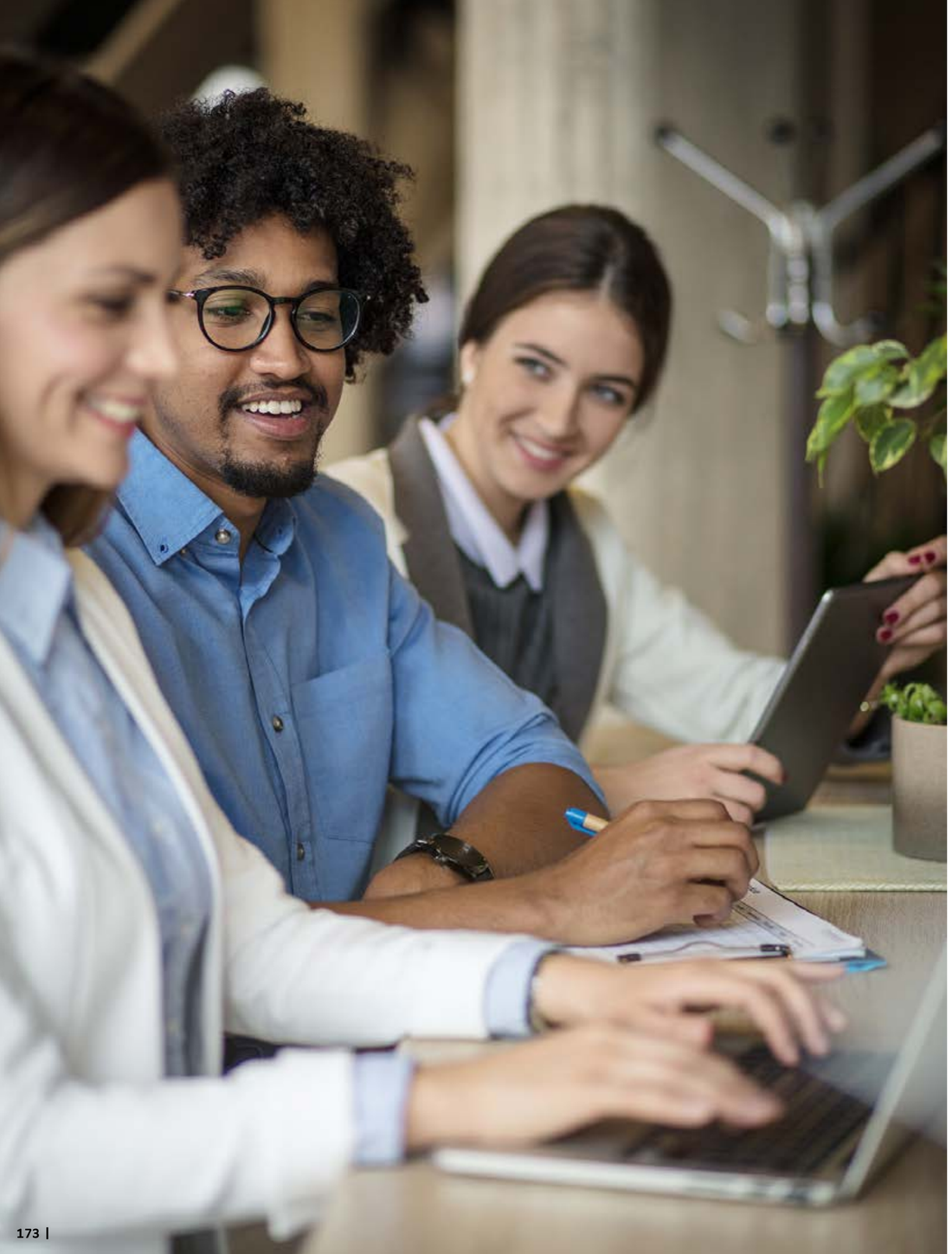
Selected indicators are self-established, and others are considered from the GRI Standards (Global Reporting Initiative) in Colombia. They were audited by an independent third party.

Item 1 Environment

Indicator	Standard	2021 Answer
Direct (Scope 1) GHG emissions (Fuel)	GRI Standard 305-1	409 Ton CO2e
Energy indirect (Scope 2) GHG emissions. (Energy)	GRI Standard 305-2	0 Ton CO2e
Other indirect (Scope 3) GHG emission (Paper, travel, and supplies)	GRI Standard 305-3	769.96 Ton CO2e

Topic 2 Employees

Indicator	2021-year Answer
GRI 102-8 Total number of employees	29.955 employees
GRI 404-1 Average training hours per year per employee by gender	35 hours/employee
Average hours of training for male employees	35 hours/employee
Average training hours for female employees	33 hours/employee



Topic 2 Employees

GRI 405-2 Female to male ratio of basic salary and remuneration.

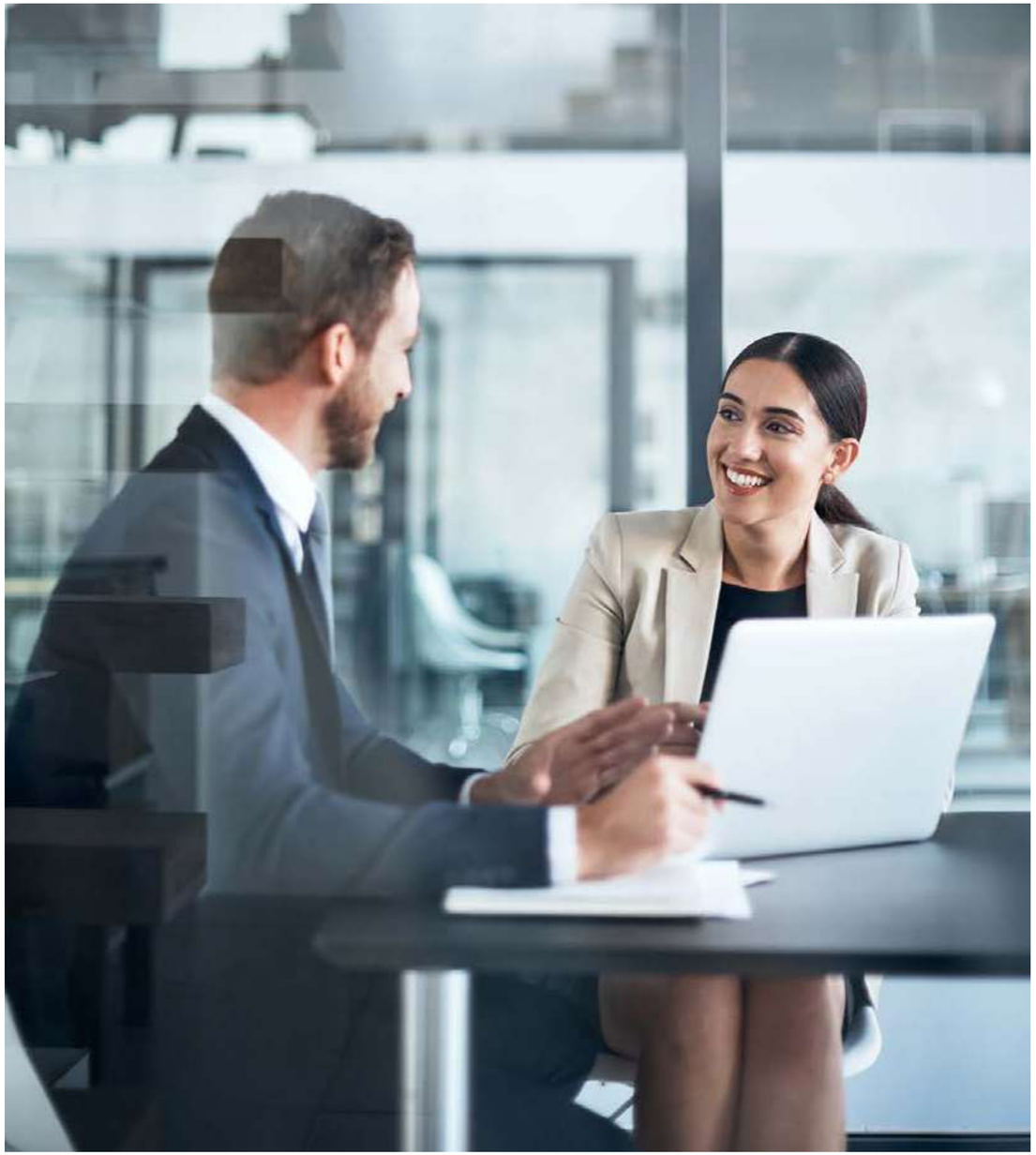
Bancolombia – Colombia 2021 (Figures in COP)

Hierarchical Level	Gender	Percentage population	Average monthly salary	% below men
Strategic Media	Female	34%	COP 19,145,226	1.8%
	Male	66%	COP 19,500,872	
Tactical	Female	53%	COP 9,364,015	2.8%
	Male	47%	COP 9,635,976	
Professional Operational	Female	56%	COP 4,438,286	1.6%
	Male	44%	COP 4,512,580	
Operational	Female	68%	COP 2,750,574	0.7%
	Male	32%	COP 2,771,044	

Topic 3 Suppliers	
Indicator	**2021-year Answer**
GRI 414-1 Number of suppliers evaluated under sustainability criteria	118 suppliers

Item 4 Shareholders	
Indicator	**2021-year Answer**
Women's participation on the board	2 women. https://www.grupobancolombia.com/corporativo/gobierno-corporativo/junta-directiva-alta-gerencia

Topic 5 Clients	
Indicator	**2021-year Answer**
GRI FS7 Monetary value of products and services designed to provide a specific social benefit for each line of business broken down by its purpose.	See table of GRI indicators response FS7 indicator.



Bancolombia

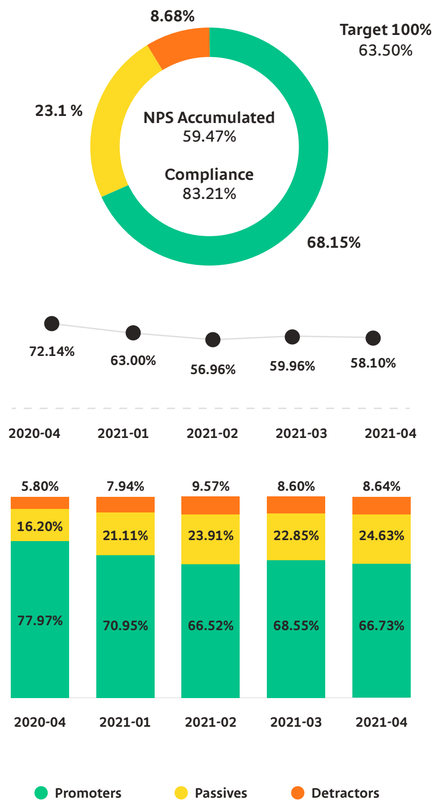
Relational NPS Accumulated Colombia: 73.57%

2020: 74.68% - 1.49%

2021 - IIIQ: 72.91% +0.9%

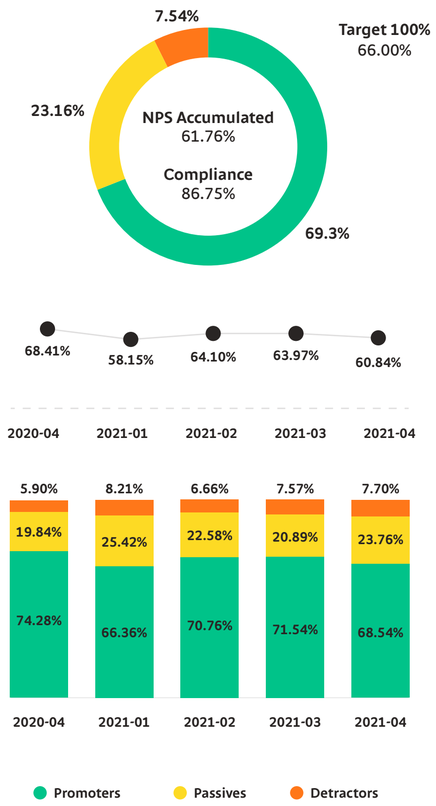
People

Focus Segment: Preferential + Plus



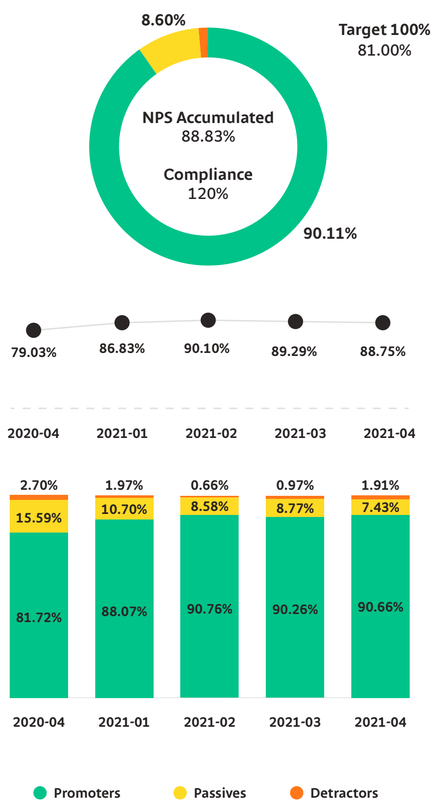
SMEs

Focus Segment: Plus + Large + Medium



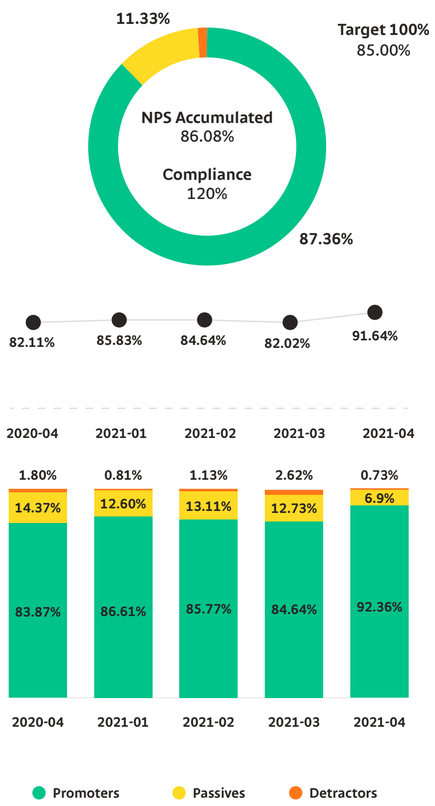
Companies

2021 Transactional Study



Corporate

2021 Transactional Study



Grupo Bancolombia

2021 Relational NPS Grupo Bancolombia

NPS
T.C % company size

Bancolombia

	NPS	T.C
People	59.47	32%
SMEs	61.76	20%
Companies	88.83	7%
Corporate	86.08	42%

72.96 70%

7% 64.33

Bancoagrícola

T.C	NPS	
66%	57.70	VPP
34%	76.98	VEG

Grupo Bancolombia

NPS: 65.32

Banistmo

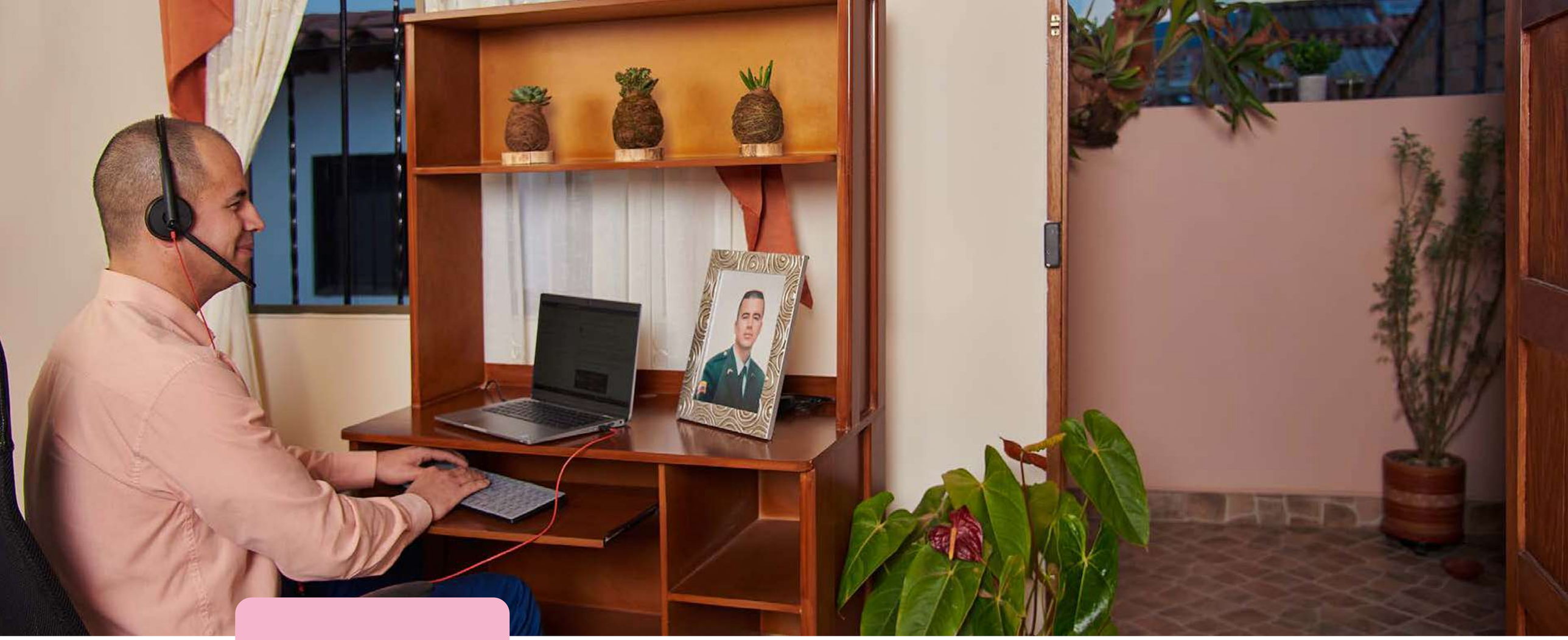
	NPS	T.C
VPP	18.52	64%
VEG	32.23	36%

23.45 15%

7% 78.04

Bam

T.C	NPS	
49%	77.74	VPP
51%	78.33	VEG



Chapter

06

S Building Culture and Talent to Foster Competitiveness

We have a team of more than 30,000 employees in four countries. They get up every day to work as part of a solid culture driven by ethics and integrity. Our employees focus on customer loyalty, preference, and sustainable growth, always seeking to achieve extraordinary performance.

Opportunities for All

Joining Grupo Bancolombia's Legal Department as coordinator of the Central Region has been another achievement in Oliverio Antonio Álvarez Arroyave's long list of dreams.

In 2004, he was a victim of an anti-personnel mine when he was a member of the Colombian National Police Mobile Carabinier Squadrons (EMCAR, abbreviated in Spanish). As a result, his vision. His left leg was amputated. At that moment, at the age of 25, he set out to continue with his life and find a purpose. He says: “My family’s support was the reason to move forward. I realized that life goes on. After that moment, I began to look for alternatives to continue being useful to society and my loved ones. That is when I came across the option of becoming a professional.”

In 2011, Oliverio began studying law at Universidad de Medellín after a lengthy rehabilitation process. He did not stop when he graduated. He specialized in Real Estate Law and Urban Management.

Oliverio had sent his resume to one of Bancolombia's calls for applications through a Universidad de Los Andes program, where contacts were made with executives, businesspeople, entrepreneurs, and many people. “I went through the selection process just like everyone else. My dream was to practice my profession and expand my knowledge through practice. Bancolombia was the entity that gave me that opportunity without excluding me because of my disabilities. I have grown professionally and personally in these months I've been there.”

> **“I am practicing two of my passions here, learning and helping others. When I advise clients and Bancolombia grants a housing loan to a client, we are helping fulfill dreams. That is special to me. I feel that I am contributing to society.”**

His adaptation process in the organization has been excellent. He has complied with his functions. Within a matter of months, Oliverio has become fully independent. The Bank provided him with a computer and the installation of Jaws software. He can access the Teams tool, through which he receives requests and provides advice. He has the support of his colleagues when he needs it. “I am practicing two of my passions here, learning and helping others. When I advise clients and Bancolombia grants a housing loan to a client, we are helping fulfill dreams. That is special to me. I feel that I am contributing to society.”

As a result, this new opportunity has changed Oliverio’s life and his environment, his family, and those who support him at every stage of his life. He considers himself a resilient person and hopes to be an example for people who have a disability and still do not believe in what they can achieve. “I am one of the many testimonies that people with disabilities can participate in the labor market. Nowadays, the issue of inclusion demonstrates this through business groups and employers who have allowed us to support them in managing their companies.” Bancolombia today has a labor inclusion policy that seeks to promote the welfare of all people and contribute to building a better future in which everyone has the same opportunities because we are convinced that every human being makes a difference.

Hybrid Work, the New Reality

As a result of the changes in the world of work after the pandemic, combined with our experience of several years applying flexible work schemes, Grupo Bancolombia has declared TrabajoB as our new work version. Through it, we promote hybrid work in an organizational context. We attract and develop the best talent through flexibility, trust, and well-being.

At the end of 2021, more than 7,000 administrative employees throughout the country (54%) returned to the administrative headquarters under the hybrid work modality and the characteristics of the flexible work scheme of which the person is a part. By the first quarter of 2022, we expect to complete the return stage and hope that more than 6,600 employees will join the TrabajoB experience.

We also believe that workspace diversity strengthens relationships and drives extraordinary results. Thus, we have a workspace reservation system called BWork. Now, our offices will be open spaces. When we are there, we can locate in different spots of the organization according to the activities we need to perform. So, we seek to promote diversity, collaboration, and integration of individuals and teams.

With this statement, we continue with the massification of flexible work schemes, which adapt to the needs of employees and the market. We contribute to the balance between work and personal life. We contribute to constructing more sustainable cities. At the end of 2021, 6,509 employees enrolled in flexible work schemes like teleworking in its four modalities (supplementary, autonomous, commercial, and administrative mobile) and flexiwork.

MovimientoB

By the end of 2020, we embarked on a new path. We have evolved from values to traits. We proudly declared the behaviors that set apart the 30,000 employees of Grupo Bancolombia. We know that the organization's talent will contribute to materializing our purpose and strategy. MovimientoB embodies our essence. It is what describes us as an organization. It is what fuels our culture.

With MovimientoB, we seek the necessary contexts so that integrity, human beings, clients, sustainable growth, dynamism, and extraordinary performance are the employees' traits in our organization. MovimientoB is also about behaviors that we do not tolerate as an organization as they drive us away from our purpose.

Up to now, 21,188 people have participated in MovimientoB workshops (70.6% from Grupo Bancolombia). Thus, being inspired and connecting with the traits that set us apart from others. Additionally, 18,170 employees have visited the MovimientoB website and its contents.

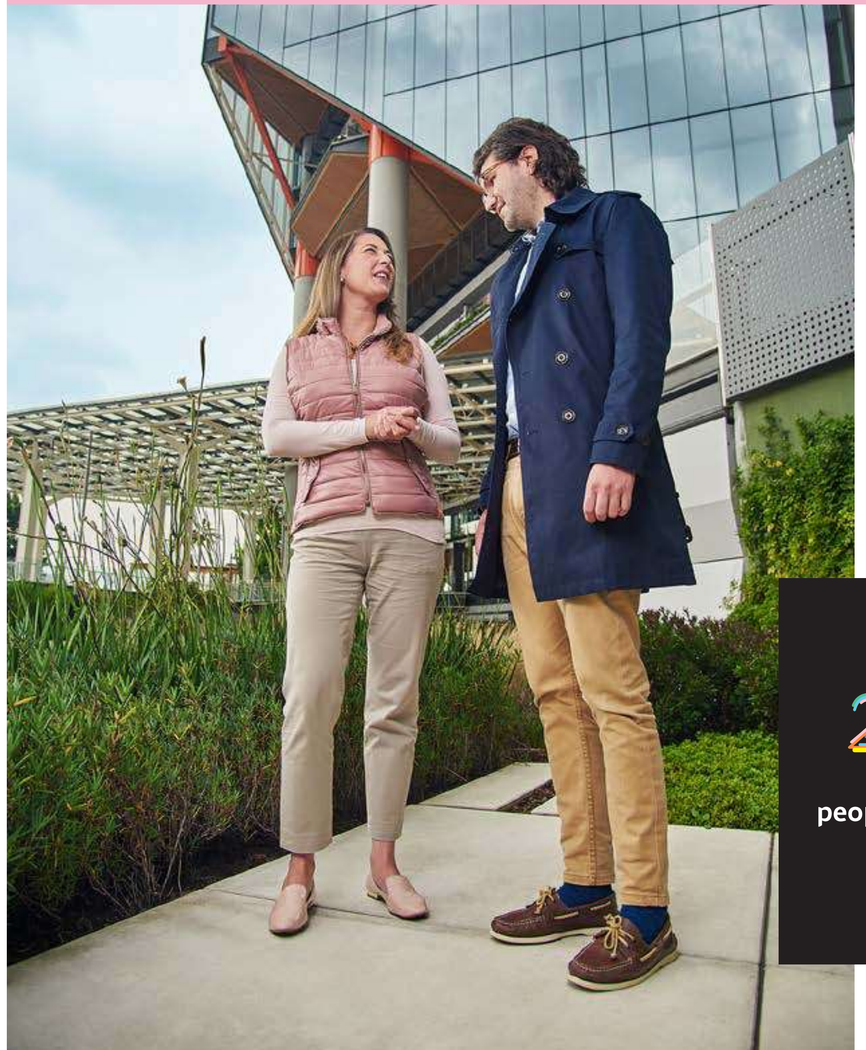
Today, the Human Management processes are fully aligned with MovimientoB and LíderB (performance management, selection, career path, compensation, training schools, Leadership Institute, training, and Induction).

Along with this statement, we also express our leaders' responsibilities because we know that they are the ones who set the culture in motion and accompany others in their development journey to achieve the strategy and purpose. For Grupo Bancolombia, a LíderB (B Leader) is a leader committed to the organization's purpose, strategy, and culture to obtain extraordinary results and build the future while facilitating the development of people in collaboration and well-being environments.

This strategy provides our leaders with the necessary tools to strengthen and adapt to their responsibilities. Therefore, in 2021, we trained more than 3,400 leaders in the Leadership Institute (Instituto de Liderazgo). To achieve statement adoption, we had 1,367 leaders in the #YosoyLíderB (#I'maBLeader) conversations. With 12 leaders sharing their leadership experiences and 12,609 attendees, we have developed the Leaders that Inspire initiative, the most innovative space of MovimientoB's anniversary week.

As a cultural mobilization strategy with leaders as spokespersons, we consolidated MinutosB as an initiative for leaders to accompany the development of their teams with crucial information about our culture and adoption of expected behaviors. 35 deliveries were made (20 more than planned) to almost 3,000 leaders and, through them, to 23,000 employees.

In addition, to make LíderB a leadership style in Grupo Bancolombia, we created the Open Leadership Portfolio, which seeks to develop leadership as an organizational and future capacity. This portfolio has more than 40 programs that employees can use for self-learning.



Up to now,

21,188

people have participated in MovimientoB workshops.

Banca en Movimiento (Motion Banking)

Banca en Movimiento (BEM) is the initiative that will help Bancolombia respond to a context that demands more empathy for its customers by understanding their needs and adapting to changes in the environment. With BEM, we have transformed the way we work. We have aligned people, structure, processes, and technology to the bank's strategy so is more efficient and delivers exceptional experiences to customers and society promptly.

In 2021, the organizational structure was changed. We have created agile teams where day-to-day work is joined with transformation to bring value flows to life. Prioritization, budgeting, and talent processes such as selection, performance management, and career plans were adjusted. The way teams (responsible for generating business solutions) interact was also modified. This process included the accompaniment and training of more than 5,300 employees with agile knowledge to move forward with this evolution. 22,000 employees were impacted by communications and events that strengthened our organization's cultural traits and behaviors.

Along with this evolution, we began with the Commercial Network Renewal, a model that revitalizes and refreshes Bancolombia's physical network and its commercial dynamics. It is an accelerating project to fulfill our purpose, provide superior customer experiences, materialize the strategy, and drive the organization's cultural transformation. Through MovimientoB and LíderB, we adopt and express new behaviors that will help us refocus the delivery of financial and non-financial solutions. Thus, promoting sustainable economic development to make well-being a top priority for all. Aside from it, reflecting customer-centric decisions, implementing greater dynamism, and strengthening extraordinary performance as fundamentals, being our forces drivers of integrity, human beings, and sustainable growth.

As of this date, 60% of the Branch Network has been impacted by massification, reaching 4,303 employees in the system and 667 in independent offices. The project has been highly accepted by employees and has improved in waiting times of 30 minutes in counseling compared to the offices that have not been impacted.

Merco recognized Bancolombia as the company with the best reputation in the country and the best for attracting talent.

Employer Brand that Attracts, Retains, and Develops Talent

In a rapidly evolving labor market, organizations must take steps to attract, retain, and develop talent the organization requires to achieve its strategy and face the current and future challenges of the environment in which they operate.

As a matter of fact, there are profiles characterized by their high technical knowledge and experience. These profiles are also highly demanded in the labor market, particularly in technology, design, cybersecurity, analytics, and artificial intelligence. For this reason, starting from people's lifestyles, we are working in Bancolombia to create actions to build long-term loyalty, focusing on career growth, benefits, and labor flexibility.

Within the employer brand strategy, we have different specialized events to get closer to the communities, continue positioning ourselves as employers and find the talent required by the organization.

Through this strategy, we hold events such as Bancolombia Tech, Codigotón, and Ciberhackatón that have impacted more than 3,000 people during 2021. Moreover, TalentoB is our talent incubator program for identifying young people with high potential who test their knowledge to solve global trends and current challenges in the financial industry. In 2021 we worked with 37 students who have contributed their expertise in 35 challenges.

In addition, seeking to have a first approach to the working world, we enabled the Open House, a virtual event for young people in the country to learn how they can practice their profession in a financial institution and envision themselves in the labor market. In 2021, we held 13 talks focused on the significant trends in the organization, in which 2,400 students, teachers, and professionals participated. In addition, we achieved a 238% increase in the number of applications for available internship vacancies.

In Panamá, Banistmo participated in the Alliance for Youth Agreement to increase the employability and entrepreneurship of this population group. Therefore, contributing to the construction of initiatives in this regard and providing internship spaces.

We are working on creating an employee experience focused on career growth, benefits, and work flexibility.

Promoting Ethical Culture

Ethics is the core of who we are at Bancolombia, and integrity is one of our defining cultural traits. Thus, we promote an ethical culture within the organization and support responsible business with policy frameworks consistent with our principles. “Demuestro mi Voz interior” (My Inner Voice) is a constant campaign to raise awareness among employees about being honest. As part of this, we update and disseminate the evolution of the Code of Ethics and Conduct and train 46 areas of the organization on compliance issues.

Ethics is our business practice.

G Equity, Diversity, and Inclusion

Every human being makes a difference.

Therefore, we seek to promote their well-being and contribute to constructing a better future where all people have the same opportunities. Along with this objective, we stress that there is no room for labels. On the contrary, this is the time for people to live from different interpretations and realities with respect and empathy.

Therefore, in Grupo Bancolombia, we provide work environments where equity, diversity, and inclusion (EDI) are practiced, challenging stereotypes and contributing to our attitudes, behaviors, and daily decisions. As a sign of this commitment, we declare the Equity, Diversity, and Inclusion Policy. The different areas in the organization are responsible for reviewing the processes they lead and adjusting them to ensure that we promote equal opportunities for all people based on this policy.

In this process, we also seek to raise awareness among our relationship groups to operate consistently with current circumstances. Therefore, we undertook a training and awareness process to highlight and acknowledge the contexts of our organization and society through 17 webinars and voluntary virtual workshops. With 2,500 attendees participated. We also launched two mandatory virtual courses #JuntosPorLaEquidad (#TogetherforEquity) (impacting 17,363 employees) and #HistoriasQueSuman (#StoriesthatmakeaDifference) (reaching 19,618 employees).

Additionally, we have committed to promoting an environment free of violence and discrimination, both inside and outside the organization. We are convinced of the critical role of creating favorable contexts for all employees' personal and professional development. For this reason, we created the Línea Contigo (We are Here for You Line), a channel for psychological care and counseling specialized in diversity, violence, discrimination, and mental health. By 2021, 530 users were accompanied, and 678 cases were attended.

We have renovated our administrative headquarters in Bogota to adapt to the new ways of working with spaces that adapt to this reality. This includes nine floors in the north tower of the Complejo Empresarial Atrio, which also received the Sala de Arte de Bancolombia (Bancolombia Art Room), and seven floors of the FIC9211 building. 1,225 people were relocated, and 1,290 workstations were adapted, including transit stations and multiple formal and informal collaborative spaces.

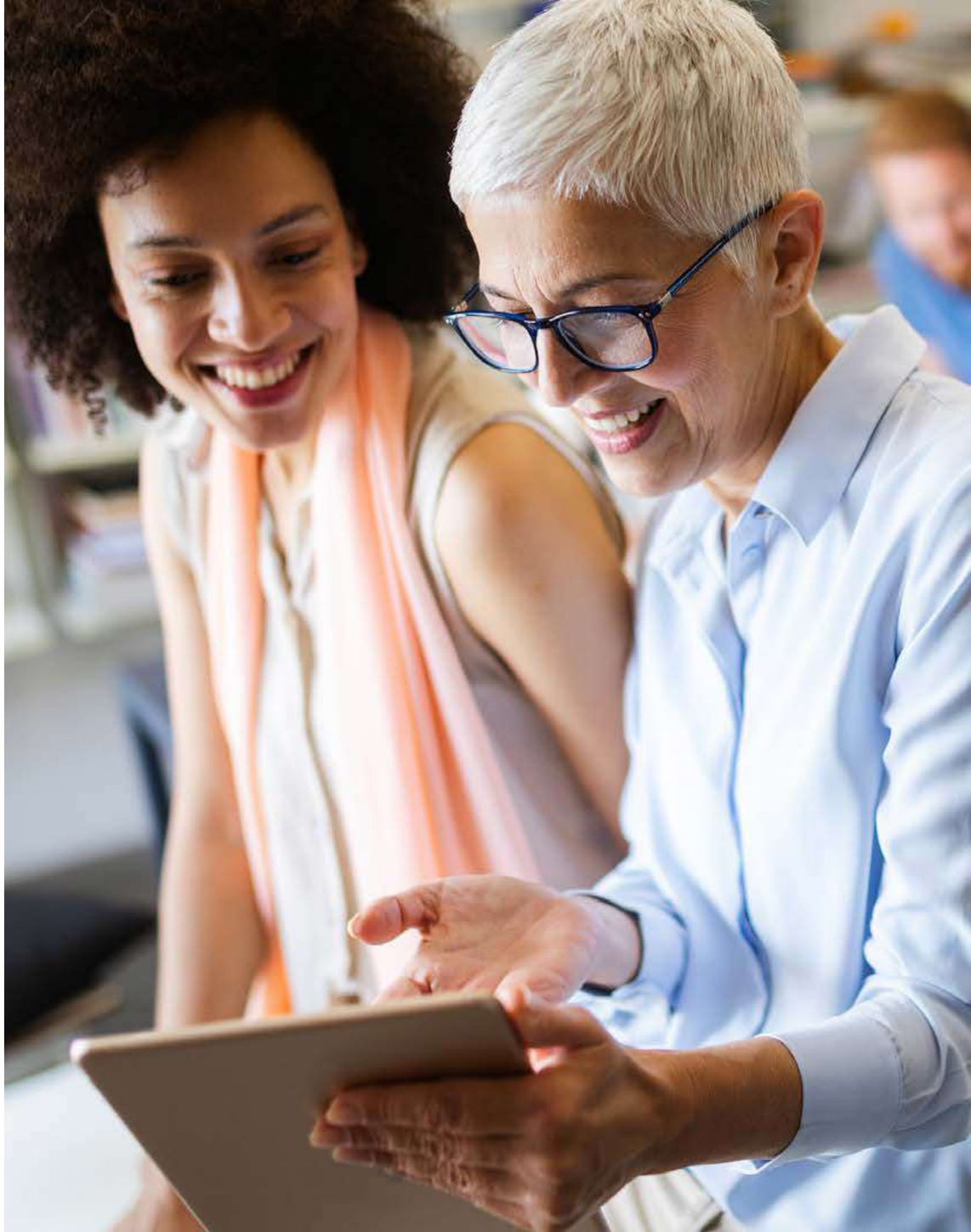
Training in Key Topics

As risk management should be a fundamental part of the culture of organizations, we have developed different cybersecurity and information security campaigns for our different relationship groups. The objective is that customers, employees of all levels and areas, and suppliers, among others, have tools to identify the cyber risks to which we are exposed and know how to manage them.

To encourage dynamism in our employees, we have created the Orleans Innovation Club, open to everyone, regardless of age or position, to connect people, decentralize innovation, and share knowledge and tools to solve everyday problems differently. We have 1,406 people who belong to the club in Colombia, Panamá, El Salvador, and Guatemala, employees of Grupo Bancolombia and Protección.

We know that our leaders are fundamental for the transformation of our organization. For this reason, through the LIFE training process, 688 leaders of Grupo Bancolombia (376 in Colombia and 292 in the subsidiaries) could consolidate their knowledge around Exponential Organizations, Emerging Future, Systemic Thinking, and Leaders for the Future training.

In addition, we offer creative and innovative thinking courses. More than 1,400 Bancolombia employees have already participated, where they strengthen systemic thinking and explore different tools for innovation and creativity.



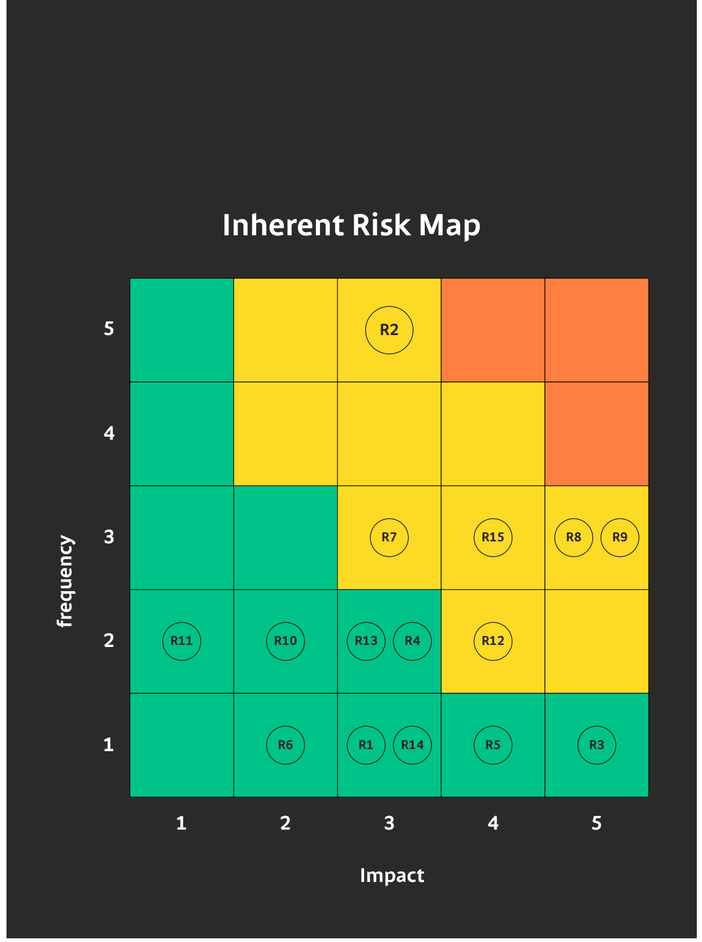
G Human Rights "Promote, Respect, and Remedy" GRI 412-1

As an organization, we can positively contribute to promoting and respecting Human Rights. We do it by anticipating, designing, implementing, and evaluating critical operations, processes and relationships. Since 2013, human rights management has been based on compliance with the Human Rights Policy, in which promoting, respecting, and remedying are the primary focuses of our actions. We implemented the methodology proposed in John Ruggie's Guiding Principles on Business and Human Rights of the United Nations and the new guidelines of international protocols such as the Equator Principles and the Global Compact about human rights.

Our methodology covers relationship groups such as employees, customers, suppliers, contractors, and communities of influence of the Bancolombia Group.

Due Diligence

In 2021 we completed 100% of the operations in Colombia, achieving the following results: In the inherent risk phase, we had 60% of the risks in low and 40% in medium-tolerable risks.



In 2021, we obtained residual risk phase results for the first time, where 100% of the risks were classified at low levels with controls and monitoring by the impact and frequency generated.

As part of the continuous improvement of the Human Rights risk assessment system, an update to the relevant risks for the organization to include and expand new topics developed in recent years was proposed. This will be conducted between 2021 and 2022.

To guarantee communication processes and compliance with Human Rights in our financing processes, we incorporated contractual conditions within the environmental clauses that safeguard and protect Human Rights within the finance operations. These conditions are outlined in evaluations focusing on Human Rights performed in 2021 and are detailed in the item Environmental and social risk analysis in financing.

Restricted Projects for Financing due to a potential breach of human rights

Impact HHRR arising from the financing of projects with a higher vulnerability risk. Due diligence is used to analyze them using the Environmental and Social Risk assessment. In 2021, the assessment was applied to 112 operations. One was classified with Conditional Favorability due to potentially violating human rights.

Number of projects conceptualized with Conditional Favorability due to the possibility of Human Rights violations

Violated HHRR	Hotel Construction
Community Rights	1
Total	1

Human Rights and Our Employees

Integrity is our primary guide for decision-making and ethical behavior in the organization. Therefore, for the employees of the Bancolombia Group, we have implemented various mechanisms and means of contact that seek to protect their human rights, providing appropriate environments that ensure due diligence in this matter.

Implemented Mechanisms:

Ethics Committee:

Comprised of the organization's senior executives, such as corporate vice presidents and managers of the Human Relations area, who are permanently trained in ethical issues to strengthen trust and credibility.

This committee is responsible for providing guidelines and programs on ethics, monitoring the performance of whistleblower mechanisms, receiving reports on the organization's evolution, and making recommendations to improve the performance of transparency and integrity.

Ethics Hotline:

This is the most recognized mechanism by the relationship groups. This is where centralizers and qualified investigators ensure that reported cases are investigated and resolved under strict parameters of neutrality and confidentiality.

Labor Coexistence Committee:

Per current legislation and the Colombian National Constitution, this team must be composed of freely elected team member representatives, with a periodicity of 2 years and 2 representatives of the companies. Its primary purpose is to hear and resolve workplace harassment cases while maintaining confidentiality and impartiality.

As a result of the management of these mechanisms and means of action regarding human rights for employees, the organization has defined that, in case of findings, action plans and follow-up should be implemented.

In 2021, as in previous years, the complaints received through these mechanisms were validated. These channels are generating more confidence among our relationship groups as effective mechanisms.

Incidents of discrimination and corrective actions adopted. GRI 406-1

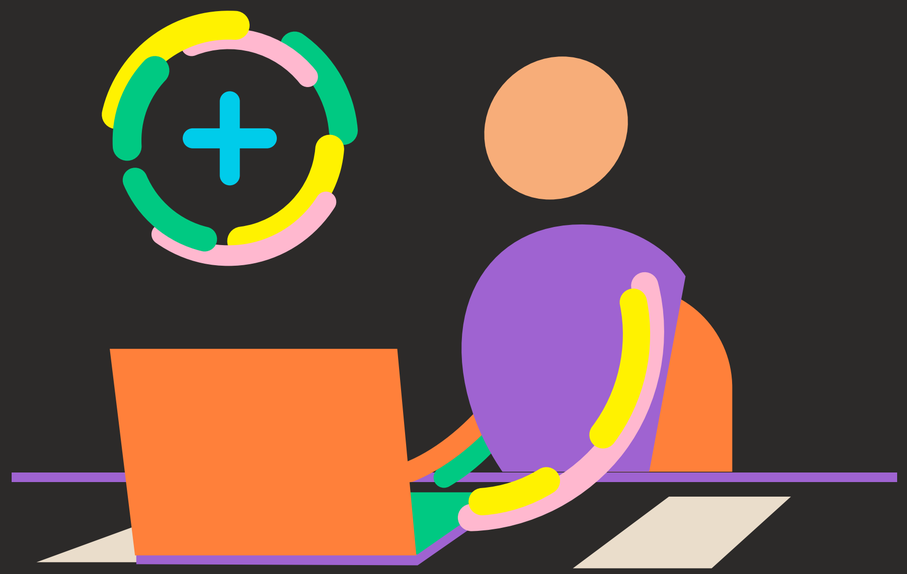
Complaints made about discriminatory conduct or that could threaten/violate human rights	2019	2020	2021
Total number of cases submitted through formal channels	291	411	520
Number of cases received as substantiated	291	411	520
Cases in which conduct that could threaten HHRR was proven	37	74	135
Cases in which conduct that could threaten HHRR was not proven	96	166	223
Cases that remain under investigation	16	34	46
Cases that had an action plan	75	153	170
Cases in which conduct that directly violated human rights by Grupo Bancolombia was proven	0	0	0
Cases in which workplace harassment behaviors were proven	0	0	0
Cases of conduct that violated HHRR by a related third party that have been remediated	0	2	1
Number of discrimination incidents	0	0	0

We have different mechanisms for our stakeholders to report human rights violations, discriminatory behavior, and other improper acts or conflicts of interest. Should findings or opportunities for improvement be found, the organization implements action plans.

The Ethics Hotline is the most mechanism by our stakeholders. Employees also use the coexistence committee, constituted per Colombian and Panamanian standards, to investigate workplace harassment complaints.

In 2021, there was one (1) case where related third parties violated human rights. Remediation measures were immediately implemented.

All cases are investigated under strict parameters of neutrality and confidentiality.



Promote, respect and remedy

Human Rights in the Supply Chain

In our model of integral development of suppliers and strategic partners, the integration of human rights has always had a priority role in management. Therefore, since 2009 we have worked to improve their performance continuously. To meet this objective, we initially defined the inclusion of a sustainability clause in all contracts with suppliers and contractors, which includes a commitment to respect human rights.

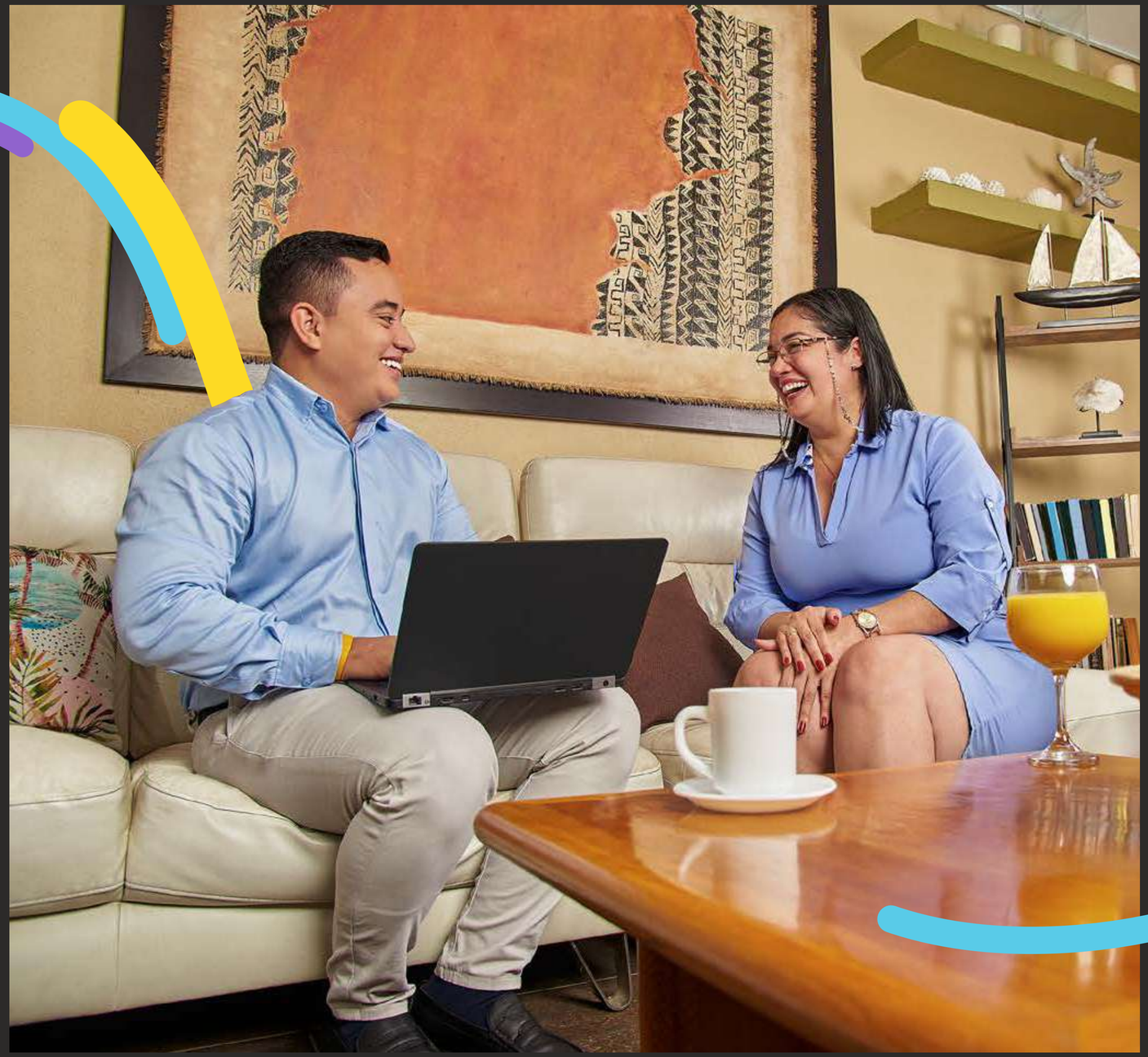
We also have the Code of Ethics, the ethics hotline for suppliers and strategic partners. They can report any violation of human rights, unethical or illegal practices, or other infractions that Grupo Bancolombia does not condone.

Since 2016 we improved the measurement model of suppliers and strategic partners against their sustainable performance, using the "Measure What Matters" tool of Sistema B. In 2021, 118 suppliers were evaluated with this tool, allowing them to know their economic, social, and environmental impact, including Human Rights criteria.

To learn more,

click here

In all our contracts with suppliers and contractors, we include a sustainability clause to fulfill our commitment to respect human rights.



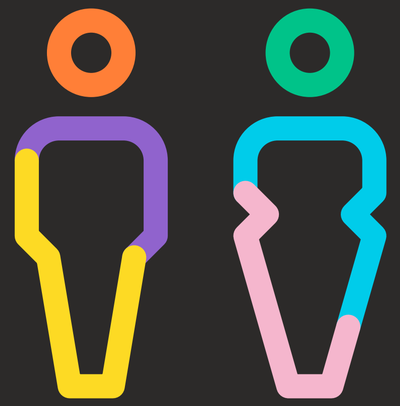
Relationship with employees

Talent Management

a. Distribution of employees by company and countries

Bancolombia, National and Foreign Subsidiaries	
Country	**Nº Employees**
Bancolombia (Colombia)	21,556
Bancolombia Panamá	141
Banco Agrícola (El Salvador)	2,765
Banistmo (Panamá)	2,202
Bancolombia Puerto Rico	13
BAM (Guatemala)	3,278
Other Grupo Bancolombia Companies	
Other Grupo Bancolombia Companies: *Includes data from Renting Colombia, Transportempo S.A.S and Valores Simesa	1,292
Other Non-direct Contracts	
External-Service Contract	27,480
Practitioners/Trainees Includes all countries in Bancolombia Puerto Rico, Bancolombia Panamá, Banistmo, BAM number is zero.	837
Total Direct Employees	**29,955**

b. Demography GRI 405-1



We acknowledge demographic diversity and generational changes, seeking greater flexibility in all the organization's development processes, gender inclusion, knowledge, and different skills.

Indicator		2020		2021	
		Number	%	Number	%
Gender	Women	18,162	61%	18,170	61%
	Men	11,379	39%	11,785	39%
Age	Employees under 30 years of age	8,820	30%	8,646	29%
	Employees between 30 - 50 years of age	18,309	62%	18,910	63%
	Employees over 50 years of age	2,412	8%	2,399	8%
Service	Employees with less than 3 years of seniority	5,403	18%	6,641	22%
	Employees with 3-10 years of seniority	12,549	42%	10,683	36%
	Employees with more than 10 years of seniority	11,589	39%	12,631	42%
Diversity	Number and % of female managers (of the total number of managers)	2,561	57%	2,586	56%
	Number of women at junior level (head, coordinator, leader, assistant manager, supervisor)	968	62%	1,013	60%
	Number and % of women in senior management (directors and higher levels)	101	37%	103	38%
	Number and % of commercial women (Revenue Generators)	1,400	62%	1,530	62%
	Number and % of STEAM women (Employees in engineering, analytical, technology, developer, physicist, scientist, etc.)	1,694	45%	2,120	40%
	Number of minority employees (differently abled, ethnic, afro-descendants, etc.)	257	0.87%	372	1.2%

*Data includes domestic Bank and Subsidiaries, Banistmo, Bancolombia Panamá, Bancolombia Puerto Rico, Banco Agrícola and BAM.

c. Rate of new employees GRI 401-1

Indicator	2020		2021	
	Cases	% / rate	Cases	% / rate
Total Revenue	1,679	6%	3,487	12%
Women's income	856	51%	1,642	47%
Men's Income	823	49%	1,845	53%
Income Employees under 30 years of age	1,194	71%	2,435	70%
Income Employees between 30 - 50 years of age	471	28%	1,023	29%
Income Employees over 50 years of age	14	1%	29	1%
Bancolombia Revenue	810	4%	1,698	8%
Banistmo Revenue	181	8%	333	15%
Income Bancolombia Panamá	9	6%	7	5%
Income Bancolombia Puerto Rico	1	7%	0	0%
Income Banco Agrícola	143	5%	379	14%
BAM Revenue	535	18%	1,070	33%

*Data includes domestic Bank and Subsidiaries, Banistmo, Bancolombia Panamá, Bancolombia Puerto Rico, Banco Agrícola and BAM.

d. Turnover for employee resignations GRI 401-1

Indicator	2020		2021	
	Cases	% Turnover	Cases	% Turnover
Total Resignations	2,134	7%	3,031	10%
Women's resignations	1,187	56%	1,615	53%
Men's resignations	947	44%	1,416	47%
Resignation Employees under 30 years of age	888	42%	1,214	40%
Resignation Employees between 30 - 50 years of age	967	45%	1,416	47%
Resignation Employees over 50 years of age	279	13%	401	13%
Voluntary resignation	823	39%	1,507	50%
Termination without cause (dismissal)	368	17%	293	10%
Termination by mutual agreement	538	25%	665	22%
Termination for cause	-	-	401	13%
Retirement/pension retirement	-	-	49	2%
Probationary period dismissal	-	-	25	1%
Death termination	-	-	33	1%
Contract termination	-	-	52	2%
Retirements-disability retirement	-	-	0	0%
Withdrawals for other reasons	-	-	6	0.2%
Bancolombia Resignations	1,072	5%	1,554	7%
Banistmo Resignations	312	15%	275	12%
Bancolombia Panama Resignations	8	6%	7	5%
Retreats Puerto Rico	2	14%	1	8%
Banco Agrícola Resignations	225	8%	394	14%
BAM Resignations	515	17%	800	24%

(-) These data were not included because measurement under these criteria was not performed in 2020.

Employee retirement turnover GRI 401-1

Indicator	2020		2021	
	Cases	% Turnover	Cases	% Turnover
Voluntary resignation	823	3%	1,507	5.0%
Termination without cause (dismissal)	368	1%	293	1.0%
Termination by mutual agreement	538	2%	665	2.2%
Termination for cause	-	-	401	1.3%
Retirement/pension retirement	-	-	49	0.2%
Probationary period dismissal	-	-	25	0.1%
Death termination	-	-	33	0.1%
Contract termination	-	-	52	0.2%
Voluntary resignation	-	-	0	0.0%

* Data includes domestic Bank and Subsidiaries, Banistmo, Bancolombia Panamá, Bancolombia Puerto Rico, Banco Agrícola and BAM
(-) These data were not included because measurement under these criteria was not performed in 2020.

e. Grupo Bancolombia promotions GRI 401-1

Indicator	2021		2021	
	Cases	Promotion rate	Cases	Promotion rate
Total Promotions	1,932	7%	3,684	12%
Women's promotions	1,049	54%	2,012	55%
Men's promotions	883	46%	1,672	45%

* Data includes domestic Bank and Subsidiaries, Banistmo, Bancolombia Panamá, Bancolombia Puerto Rico, Banco Agrícola and BAM

f. Salary remuneration by gender and age ranges GRI 405-2

*This information does not include senior management

Bancolombia – Colombia 2021 (Figures in COP)

Hierarchical Level	Gender	Population percentage	Average monthly salary	% Below men
Strategic Media	Female	34%	COP 19,145,226	1.8%
	Male	66%	COP 19,500,872	
Tactical	Female	53%	COP 9,364,015	2.8%
	Male	47%	COP 9,635,976	
Professional operational	Female	56%	COP 4,438,286	1.6%
	Male	44%	COP 4,512,580	
Operational	Female	68%	COP 2,750,574	0.7%
	Male	32%	COP 2,771,044	

Banistmo 2021 (Figures in USD)

Hierarchical Level	Gender	Population percentage	Average monthly salary	% Below men
Strategic Media	Female	47%	USD 10,977	24%
	Male	53%	USD 14,354	
Tactical	Female	59%	USD 4,804	12%
	Male	41%	USD 5,462	
Professional operational	Female	56%	USD 1,999	9%
	Male	44%	USD 2,208	
Operational	Female	75%	USD 904	3%
	Male	25%	USD 932	

f. Salary remuneration by gender and age ranges GRI 405-2

Bancolombia Panamá 2021 (Figures in USD)

Hierarchical Level	Gender	Population percentage	Average monthly salary	% Below men
Strategic Media	Female	0%	USD 0	0%
	Male	0%	USD 0	
Tactical	Female	67%	USD 5,575	40%
	Male	33%	USD 9,301	
Professional operational	Female	67%	USD 2,147	-2%
	Male	33%	USD 2,096	
Operational	Female	73%	USD 1,079	3%
	Male	27%	USD 1,115	

Banco Agrícola 2021 (Figures in USD)

Hierarchical Level	Gender	Population percentage	Average monthly salary	% Below men
Strategic Media	Female	37%	USD 8,221	17%
	Male	63%	USD 9,897	
Tactical	Female	53%	USD 3,175	7%
	Male	47%	USD 3,428	
Professional operational	Female	53%	USD 1,240	6%
	Male	47%	USD 1,313	
Operational	Female	59%	USD 534	-1%
	Male	41%	USD 530	

Bancolombia Puerto Rico 2021 (Figures in USD)

Hierarchical Level	Gender	Population percentage	Average monthly salary	% Below men
Strategic Media	Female	0%	USD 0	0%
	Male	0%	USD 0	
Tactical	Female	50%	USD 8,650	-53%
	Male	50%	USD 5,671	
Professional operational	Female	50%	USD 3,306	-15%
	Male	50%	USD 2,870	
Operational	Female	67%	USD 3,041	-32%
	Male	33%	USD 2,300	

BAM 2021 (Figures in USD)

Hierarchical Level	Gender	Population percentage	Average monthly salary	% Below men
Strategic Media	Female	46%	USD 13,023	-6%
	Male	54%	USD 12,262	
Tactical	Female	42%	USD 5,118	-8%
	Male	58%	USD 4,747	
Professional operational	Female	42%	USD 1,245	-10%
	Male	58%	USD 1,379	
Operational	Female	57%	USD 474	4%
	Male	43%	USD 495	

Gender Pay Gap Analysis:

Salary Payment		
Median Women	**Median Men**	**GAP**
COP 3,073,017	COP 3,435,630	11.80%
Average Women	**Average Men**	**GAP**
COP 4,023,554	COP 4,732,430	17.62%

Bonds		
Median Women	**Median Men**	**GAP**
COP 3,064,454	COP 3,147,353	2.71%
Average Women	**Average Men**	**GAP**
COP 5,224,632	COP 6,247,823	19.58%

g. Talent training GRI 404-1

Indicator	2021
Leaders trained in the Instituto de Liderazgo (Leadership Institute) program*	4938 chiefs, 97% of the total chiefs.
JNew trained chiefs*	358 chiefs, 71% of new chiefs.
Total training hours	**1,083,966**
Average training hours per employee	35 hours/employee
Average Virtual Training Hours per employee	33 hours/employee
Average face-to-face training hours per employee	4 hours/employee
Average training hours per employee Men	35 hours/employee
Average training hours per employee Women	28 hours/employee

Indicator	2021
Average training hours per employee chiefs	57
Average training hours per non- chiefs employee	32
Average investment in training per person*	USD 164.7
Fellows	23 employees

*Data includes domestic Bank and Subsidiaries, Banistmo, Bancolombia Panamá, Bancolombia Puerto Rico, Banco Agrícola and BAM.

Compliance training courses

Anti-corruption

Objective:
To provide knowledge about Anti-Corruption key elements to all Bancolombia Group employees and enable them to perform their roles and make conscious decisions adequately.

Contents:
- What is corruption?
- What is internal corruption?
- What is external corruption?
-How can we prevent the risk of corruption from materializing?

Anti-corruption training compliance

Employees	Approved	In progress	Total	Compliance %
Bam	2450	187	2637	**92,9%**
Bancoagrícola	2285	32	2317	**98,6%**
Bancolombia Panamá	116	0	116	**100,0%**
Bancolombia Puerto Rico	11	0	11	**100,0%**
Banistmo	1583	66	1649	**96,0%**
Bancolombia	16906	377	17283	**97,8%**
Total	**23351**	**662**	**24013**	**97,2%**

Managers	Approved	Pending	Total	Compliance %
Bam	623	26	649	**96,0%**
Bancoagrícola	416	1	417	**99,8%**
Bancolombia Panamá	26	0	26	**100,0%**
Bancolombia Puerto Rico	2	0	2	**100,0%**
Banistmo	355	14	369	**96,2%**
Bancolombia	2476	29	2505	**98,8%**
Total	**3898**	**70**	**3968**	**98,2%**

Anti-fraud

Objective:
To provide knowledge about Anti-Fraud key elements to all Bancolombia Group employees and enable them to perform their roles and make conscious decisions adequately.

Contents:
- What is fraud?
- Common types of fraud
- Ethics Hotline
- How does our organization protect itself from fraud?

Anti-fraud training compliance

Employees	Approved	In progress	Total	Compliance %
Bam	2461	176	2637	**93,3%**
Bancoagrícola	2286	31	2317	**98,7%**
Bancolombia Panamá	116	0	116	**100,0%**
Bancolombia Puerto Rico	11	0	11	**100,0%**
Banistmo	1583	66	1649	**96,0%**
Bancolombia	16921	362	17283	**97,9%**
Total	**23378**	**635**	**24013**	**97,4%**

Managers	Approved	Pending	Total	Compliance %
Bam	625	24	649	**96,3%**
Bancoagrícola	416	1	417	**99,8%**
Bancolombia Panamá	26	0	26	**100,0%**
Bancolombia Puerto Rico	2	0	2	**100,0%**
Banistmo	355	14	369	**96,2%**
Bancolombia	2476	29	2505	**98,8%**
Total	**3900**	**68**	**3968**	**98,3%**

Compliance training courses

Cybersecurity

Objective:
To provide knowledge about Cybersecurity key elements to all Bancolombia Group employees and enable them to perform their roles and make conscious decisions adequately.

Contents:
- Cybersecurity
- Cyber attacks
- Secure user and password management
- Corporate security policies

Cybersecurity training compliance

Employees	Approved	In progress	Total	Compliance %
Bam	2478	159	2637	**94,0%**
Bancoagrícola	2289	28	2317	**98,8%**
Bancolombia Panamá	116	0	116	**100,0%**
Bancolombia Puerto Rico	11	0	11	**100,0%**
Banistmo	1583	66	1649	**96,0%**
Bancolombia	16961	322	17283	**98,1%**
Total	**23438**	**575**	**24013**	**97,6%**

Managers	Approved	Pending	Total	Compliance %
Bam	629	20	649	**96,9%**
Bancoagrícola	416	1	417	**99,8%**
Bancolombia Panamá	26	0	26	**100,0%**
Bancolombia Puerto Rico	2	0	2	**100,0%**
Banistmo	355	14	369	**96,2%**
Bancolombia	2481	24	2505	**99,0%**
Total	**3909**	**59**	**3968**	**98,5%**

Code of Ethics

Objective:
To provide information on the content and application of the Code of Ethics and Conduct. It encourages the experience of our Organizational culture materialized in the practice of our corporate values.

Compliance with code of ethics training

Employees	Approved	In progress	Total	Compliance %
Bam	2500	137	2637	**94,8%**
Bancoagrícola	2295	22	2317	**99,1%**
Bancolombia Panamá	116	0	116	**100,0%**
Bancolombia Puerto Rico	11	0	11	**100,0%**
Banistmo	1583	66	1649	**96,0%**
Bancolombia	17054	229	17283	**98,7%**
Total	**23559**	**454**	**24013**	**98,1%**

Managers	Approved	Pending	Total	Compliance %
Bam	634	15	649	**97,7%**
Bancoagrícola	416	1	417	**99,8%**
Bancolombia Panamá	26	0	26	**100,0%**
Bancolombia Puerto Rico	2	0	2	**100,0%**
Banistmo	355	14	369	**96,2%**
Bancolombia	2485	20	2505	**99,2%**
Total	**3918**	**50**	**3968**	**98,7%**

Compliance training courses

SARLAFT

Objective:
To provide knowledge to all Bancolombia Group employees about the Anti-Money Laundering and Counter Terrorism Financing Risk Management System (SARLAFT) key elements and enable them to perform their roles and make conscious decisions adequately.

Contents:
- Money laundering
- Financing of terrorism
- Red flags
- Check list

Anti-money laundering and counter terrorism financing risk management system (SARLAFT) training compliance

Employees	Approved	In progress	Total	Compliance %
Bam	2434	203	2637	**92,3%**
Bancoagrícola	2278	39	2317	**98,3%**
Bancolombia Panamá	116	0	116	**100,0%**
Bancolombia Puerto Rico	11	0	11	**100,0%**
Banistmo	1623	26	1649	**98,4%**
Bancolombia	16862	421	17283	**97,6%**
Total	**23324**	**689**	**24013**	**97,1%**

Managers	Approved	Pending	Total	Compliance %
Bam	621	28	649	**95,7%**
Bancoagrícola	416	1	417	**99,8%**
Bancolombia Panamá	26	0	26	**100,0%**
Bancolombia Puerto Rico	2	0	2	**100,0%**
Banistmo	355	14	369	**96,2%**
Bancolombia	2473	32	2505	**98,7%**
Total	**3893**	**75**	**3968**	**98,1%**

SARO

Objective:
To provide knowledge to all Bancolombia Group employees about the key elements of the Operational Risk Management System (SARO) and enable them to perform their roles and make conscious decisions adequately.

Contents:
- What is Operational Risk?
- Classification of Operational Risks.
-Elements, causes, and controls of Operational Risks.
- What do we do at Grupo Bancolombia to manage operational risks?
- Business Continuity.

Compliance with formacion SARO

Employees	Approved	In progress	Total	Compliance %
Bam	2427	210	2637	**92,0%**
Bancoagrícola	2282	35	2317	**98,5%**
Bancolombia Panamá	116	0	116	**100,0%**
Bancolombia Puerto Rico	11	0	11	**100,0%**
Banistmo	1583	66	1649	**96,0%**
Bancolombia	16862	421	17283	**97,6%**
Total	**23281**	**732**	**24013**	**97,0%**

Managers	Approved	Pending	Total	Compliance %
Bam	621	28	649	**95,7%**
Bancoagrícola	416	1	417	**99,8%**
Bancolombia Panamá	26	0	26	**100,0%**
Bancolombia Puerto Rico	2	0	2	**100,0%**
Banistmo	355	14	369	**96,2%**
Bancolombia	2473	32	2505	**98,7%**
Total	**3893**	**75**	**3968**	**98,1%**

Compliance training courses

Information Security

Objective:
To provide knowledge on Information Security key elements to all Bancolombia Group employees and enable them to perform their roles and make conscious decisions adequately.

Contents:
-Information Security
- Physical and logical security
- People safety
- Security of the physical facilities and the environment

Information security training compliance

Employees	Approved	In progress	Total	Compliance %
Bam	2473	164	2637	**93,8%**
Bancoagrícola	2287	30	2317	**98,7%**
Bancolombia Panamá	116	0	116	**100,0%**
Bancolombia Puerto Rico	11	0	11	**100,0%**
Banistmo	1583	66	1649	**96,0%**
Bancolombia	16951	332	17283	**98,1%**
Total	**23421**	**592**	**24013**	**97,5%**

Managers	Approved	Pending	Total	Compliance %
Bam	628	21	649	**96,8%**
Bancoagrícola	416	1	417	**99,8%**
Bancolombia Panamá	26	0	26	**100,0%**
Bancolombia Puerto Rico	2	0	2	**100,0%**
Banistmo	355	14	369	**96,2%**
Bancolombia	2478	27	2505	**98,9%**
Total	**3905**	**63**	**3968**	**98,4%**

Sustainability

Objective:
To provide information on Grupo Bancolombia's purpose and its relationship with the Sustainable Development Goals to generate well-being for all daily.

Sustainability Training Compliance

Employees	Approved	In progress	Total	Compliance %
Bam	2478	159	2637	**94,0%**
Bancoagrícola	2291	26	2317	**98,9%**
Bancolombia Panamá	116	0	116	**100,0%**
Bancolombia Puerto Rico	11	0	11	**100,0%**
Banistmo	1583	66	1649	**96,0%**
Bancolombia	17012	271	17283	**98,4%**
Total	**23491**	**522**	**24013**	**97,8%**

Managers	Approved	Pending	Total	Compliance %
Bam	630	19	649	**97,1%**
Bancoagrícola	416	1	417	**99,8%**
Bancolombia Panamá	26	0	26	**100,0%**
Bancolombia Puerto Rico	2	0	2	**100,0%**
Banistmo	355	14	369	**96,2%**
Bancolombia	2482	23	2505	**99,1%**
Total	**3911**	**57**	**3968**	**98,6%**

Compliance training courses

SOX

Objective:
To provide knowledge about the Sarbanes-Oxley Act of 2002 to all Bancolombia Group employees and enable them to perform their roles and make conscious decisions adequately.

Contents:
- What is the Sarbanes-Oxley Act of 2002?
- Internal control system
- COSO framework
- Lines of defense

Training compliance Sarbanes-Oxley (SOX) Act

Employees	Approved	In progress	Total	Compliance %
Bam	2434	203	2637	**92,3%**
Bancoagrícola	2286	31	2317	**98,7%**
Bancolombia Panamá	116	0	116	**100,0%**
Bancolombia Puerto Rico	11	0	11	**100,0%**
Banistmo	1583	66	1649	**96,0%**
Bancolombia	2482	23	2505	**99,1%**
Total	**8912**	**323**	**9235**	**96,5%**

Managers	Approved	Pending	Total	Compliance %
Bam	621	28	649	**95,7%**
Bancoagrícola	416	1	417	**99,8%**
Bancolombia Panamá	26	0	26	**100,0%**
Bancolombia Puerto Rico	2	0	2	**100,0%**
Banistmo	355	14	369	**96,2%**
Total	1420	**43**	**1463**	**97,1%**

Meeting Employees

Objective:
To provide the leaders of Grupo Bancolombia with tools to fulfill their responsibility of knowing and helping their team members and effectively support them in their development and report any risk alerts on time.

Meeting Employees Training Compliance

Managers	Approved	Pending	Total	Compliance %
Bam	616	33	649	**94,9%**
Bancoagrícola	415	2	417	**99,5%**
Bancolombia Panamá	26	0	26	**100,0%**
Bancolombia Puerto Rico	2	0	2	**100,0%**
Banistmo	355	14	369	**96,2%**
Bancolombia	2473	32	2505	**98,7%**
Total	**3887**	**81**	**3968**	**98,0%**

Compliance training courses

SAC

Objective:
To provide knowledge about the Financial Consumer Service System (SAC) application to all Bancolombia Group employees and enable them to perform their roles and make conscious decisions adequately.

Contents:
- What is SAC?
- What are the types of requirements included?
- Stages for meeting requirements.
- Channels to submit requirements.

Compliance with SAC - virtual course

Employees	Approved	In progress	Total	Compliance %
Bancolombia	16997	286	17283	**98,3%**
Total	**16997**	**286**	**17283**	**98,3%**

Managers	Approved	Pending	Total	Compliance %
Bancolombia	2481	24	2505	**99,0%**
Total	**2481**	**24**	**2505**	**99,0%**

Historias que suman

Objective:
Grupo Bancolombia's purpose is "to promote sustainable economic development to achieve the well-being of ALL." Everyone is part of the group, and no one is left out. This virtual course raises awareness about the importance of difference and diversity, their connection with our culture, and ways to promote them with empathy.

"Historias que suman" course training compliance

Employees	Approved	In progress	Total	Compliance %
Bancolombia	16814	469	17283	**97.3%**
Total	**16814**	**469**	**17283**	**97.3%**

Managers	Approved	Pending	Total	Compliance %
Bancolombia	2473	32	2505	**98.7%**
Total	**2473**	**32**	**2505**	**98.7%**

Personal Data Protection

Objective:
To provide knowledge about Data Protection Law to all Bancolombia Group employees and enable them to perform their roles and make conscious decisions adequately.

Contents:
- What is personal data protection?
- What are the types of data?
- What are revocations?
-How should data be treated in Grupo Bancolombia
- What happens if we do not comply with the current regulations?

Compliance with data protection virtual course

Employees	Approved	In progress	Total	Compliance %
Bancolombia	16943	340	17283	**98,0%**
Total	**16943**	**340**	**17283**	**98,0%**

Managers	Approved	Pending	Total	Compliance %
Bancolombia	2479	26	2505	**99,0%**
Total	**2479**	**26**	**2505**	**99,0%**

h. Performance evaluation GRI 404-3

The target group of employees to be evaluated was 29449.

Indicator	2020		2021	
	Number	%	Number	%
Employees with performance appraisal*	27,921	98%	27,767	97%
Women with performance appraisal*	17,198	97%	16,891	97%
Men with performance appraisal*	10,723	98%	10,876	98%
Performance-rated chiefs**	4,330	98%	4,372	98%

*Data includes domestic Bank and Subsidiaries, Banistmo, Bancolombia Panamá, Bancolombia Puerto Rico, Banco Agrícola and BAM.
*Downward performance evaluation
**Bottom-up performance evaluation

i. Quality of life GRI 401-2

Bancolombia and Domestic Subsidiaries	
Investment in Quality-of-Life Programs	COP 14,668,040,842.00
N° of Quality-of-Life activities developed	25,194
N° of wellness activities developed	553
N° of employee health activities developed	24,208
N° of activities developed for human security	2,510
Number of employees and their families participating in Quality-of-Life programs	149,533

Banistmo	
Investment in Quality-of-Life Programs	USD 241,462.00
N° of Quality-of-Life activities developed	325
N° of wellness activities developed	63
N° of employee health activities developed	93
N° of activities developed for human security	169
Number of employees and their families participating in Quality-of-Life programs	47,381

Bancolombia Panamá	
Investment in Quality-of-Life Programs	USD 182,979
N° of Quality-of-Life activities developed	286
N° of wellness activities developed	63
N° of employee health activities developed	183
N° of activities developed for human security	40
Number of employees and their families participating in Quality-of-Life programs	22,181

Banco Agrícola (El Salvador)	
Investment in Quality-of-Life Programs	USD 186,324.00
N° of Quality-of-Life activities developed	2,242
N° of wellness activities developed	83
N° of employee health activities developed	1,995
N° of activities developed for human security	164
Number of employees and their families participating in Quality-of-Life programs	12,673

Bancolombia Puerto Rico	
Investment in Quality-of-Life Programs	USD 2,968.26
N° of Quality-of-Life activities developed	27
N° of wellness activities developed	21
N° of employee health activities developed	2
N° of activities developed for human security	4
Number of employees and their families participating in Quality-of-Life programs	354

BAM (Guatemala)	
Investment in Quality-of-Life Programs	USD 347,487
N° of Quality-of-Life activities developed	1,414
N° of wellness activities developed	236
N° of employee health activities developed	61
N° of activities developed for human security	1,117
Number of employees and their families participating in Quality-of-Life programs	22,350

j. Absenteeism figures (% time lost)

Common Illnesses	2018	2019	2020	2021
Bancolombia (Colombia)	1.99%	1.74%	1.43%	1.81%
Banistmo	0.12%	1.08%	0.78%	0.97%
Banco Agrícola	1.3%	1.5%	1.21%	2.1%
Bancolombia Panamá	1.06%	1.42%	0.61%	0.37%
Bancolombia Puerto Rico	1.33%	0.58%	0.48%	0.11%
BAM	0.31%	0.63%	0.22%	0.54%
Suppliers	-	-	1.86%	1.81%
Occupational Disease and Occupation Accident				
Bancolombia (Colombia)	0.03%	0.04%	0.01%	0.02%
Banistmo	0.0%	0.1%	0.22%	0.0%
Banco Agrícola	0.04%	0.07%	0.05%	0.08%
Bancolombia Panamá	0.00%	0.62%	0.52%	0.0%
Bancolombia Puerto Rico	0.00%	0.00%	0%	0.0%
BAM	0.26%	0.29%	0.27%	0.24%
Suppliers	-	-	0.02%	0.02%
Maternity/Paternity Leave				
Bancolombia (Colombia)	1.02%	0.96%	0.80%	0.87%
Banistmo	0.19%	0.93%	2.41%	2.44%
Banco Agrícola	1.05%	0.90%	1.07%	0.79%
Bancolombia Panamá	0.83%	0.58%	1.33%	0.57%
Bancolombia Puerto Rico	0.00%	0.00%	0%	0.0%
BAM	0.86%	0.61%	0.76%	0.91%
Suppliers	-	-	0.24%	0.18%
Other permissions				
Bancolombia (Colombia)	0.81%	0.8%	0.6%	0.65%
Banistmo	0.03%	0.00%	0%	0.0%
Banco Agrícola	0.0%	0.00%	0.15%	0.06%
Bancolombia Panamá	0.08%	0.06%	0.11%	0.0%
Bancolombia Puerto Rico	0.0%	0.00%	0%	0.0%
BAM	0.0%	0.00%	0.02%	0.35%
Suppliers	-	-	-	-

k. Employee loans GRI 401-2

Bancolombia and Domestic Subsidiaries (Figures in COP)				
Loans disbursed	2020		2021	
	Values	# Credits	Values	# Credits
Disbursed loan amounts	COP 277,945,379,100	5,654	COP 439,915,945,707	7,577
Education loans	COP 1,634,179,679	150	COP 1,236,150,457	167
Home loans	COP 198,483,44,517	1,532	COP 316,594,638,307	1,869
Other	COP 77,827,756,903	3,972	COP 122,085,153,943	5,541

Banistmo (Figures in USD) 2021		
Disbursed Loans	Amount	# Loans
Disbursed loan amounts	USD 23,606,856.94	884
Education loans	USD 0	0
Home loan	USD 11,752,784.77	91
Other	USD 11,854,072.17	793

BAM (dollar Figures) 2021		
Disbursed Loans	Amount	# Loans
Disbursed loan amounts	USD 9,730,739	1,041
Education loans	USD 12,437	8
Home loans	USD 1,817,110	204
Other	USD 7,901,192	829

Banco Agrícola (Figures in USD) 2021		
Disbursed Loans	Amount	# Loans
Disbursed loan amounts	USD 16,768,581.73	1,491
Education loans	USD 30,259.65	2
Home loans	USD 6,702,399.95	91
Other	USD 10,035,922.13	1,398

I. Employee insurance GRI 401-2

Bancolombia Colombia 2021 (Figures COP)

	Organizational investment	Employee contributions	Employees benefited	Family members benefited
Investment / Organizational Contribution	COP 42,965,413,036	COP 45,863,215,153	22,259	13,900
Health	COP 34,412,936,202	COP32,602,282,237	11,824	12,998
Group life (employer)	COP 3,341,472,106	-	22,374	0
Personal accidents (employer)	COP 755,802,962	-	22,374	0
Other	COP4,455,201,766	COP 13,260,932,916	9,424	0

Banistmo (Figures in USD)

	Organizational investment	Employee contributions	Employees benefited	Family members benefited
Investment / Organizational Contribution	USD 3,159,380.76	USD 344,663.48	2,177	1,599
Health	USD 2,859,297.27	USD 344,663.48	2,177	1,599
Group life (employer)	USD 300,083.49	USD 0	2,177	0
Others	USD 0	USD0	0	0

Banco Agrícola (Figures in USD)

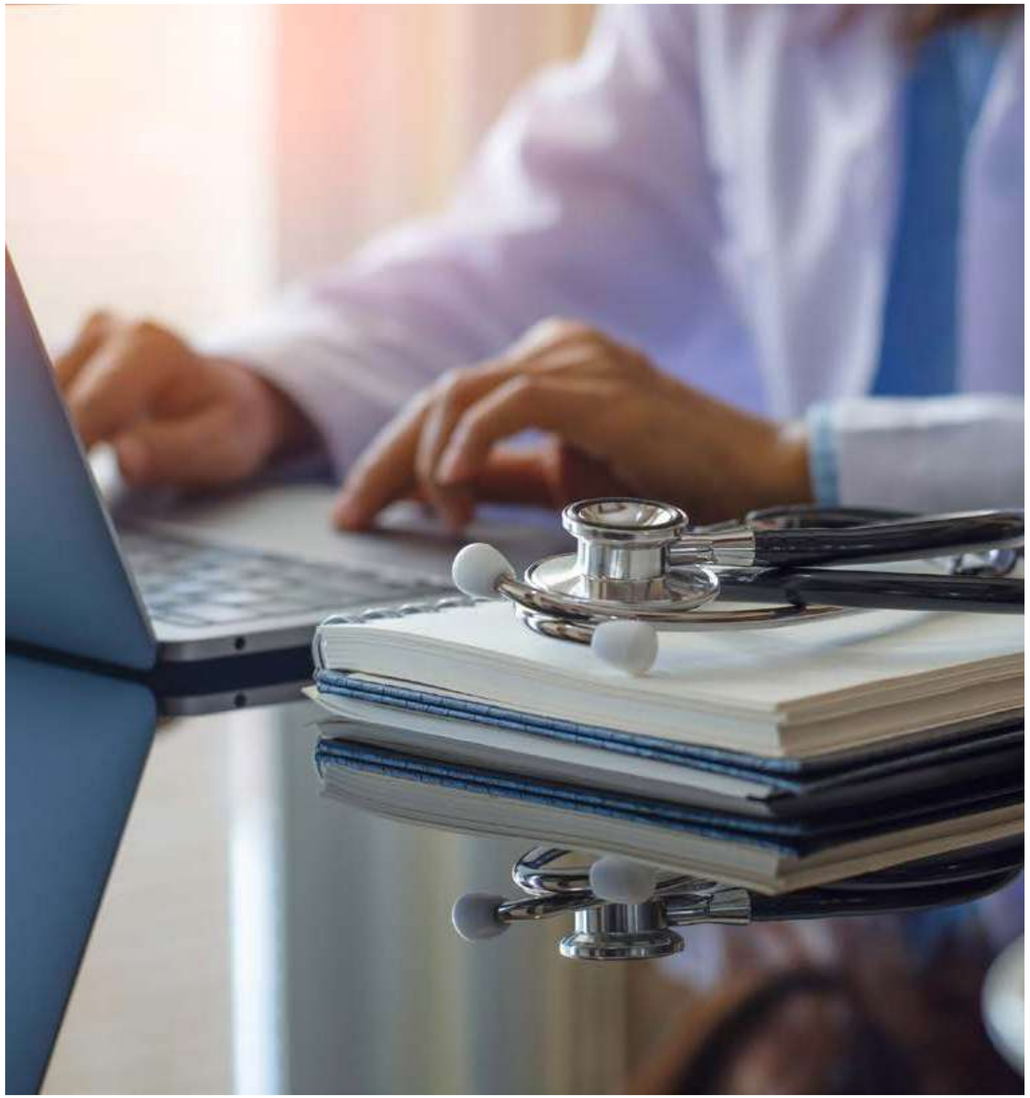
	Organizational investment	Employee contributions	Employees benefited	Family members benefited
Investment / Organizational Contribution	USD 2,776,969.74	USD 0	2,793	3,347
Health	USD 2,305,453.78	USD 0	2,793	3,347
Group life (employer)	USD 434,175.07	USD 0	2,796	0
Others	USD 37,340.89	USD 0	414	0

I.Employee insurance GRI 401-2

Bancolombia Panamá (Figures in USD)				
	Organizational investment	Employee contributions	Employees benefited	Family members benefited
Investment / Organizational Contribution	USD 271,346	USD 14,545	141	143
Health	USD 237,958	USD 14,545	141	143
Group life (employer)	USD 33,388	USD 0	141	0
Others	USD 0	USD 0	0	0

Bancolombia Puerto Rico (Figures in USD)				
	Organizational investment	Employee contributions	Employees benefited	Family members benefited
Investment / Organizational Contribution	USD 54,583.12	USD 5,482.08	12	4
Health	USD 52,612.95	USD 5,482.08	13	4
Group life (employer)	USD 985,33	USD 0	13	0
Others	USD 0	USD 0	0	0

BAM (Figures in USD)				
	Organizational investment	Employee contributions	Employees benefited	Family members benefited
Investment / Organizational Contribution	USD 1,038,115.0	USD 462,532.1	3,226	864
Health	USD 858,988.1	USD 462,532.1	1,875	864
Group life (employer)	USD 179,126.8	USD 0	3,226	0
Others	USD 0	USD 0	0	0



m. Organizational savings programs GRI 401-2

Bancolombia Colombia 2021 (Figures in COP)	
Investment / Organizational Contribution	COP 9,305,285,817
Employee contribution	COP 18,608,997,863
Total, savings	COP 27,914,283,680
Employees benefited	12,401

Banistmo 2021 (Figures in USD)	
Investment / Organizational Contribution	USD 729,345.94
Employee contribution	USD 866,762.22
Total savings	USD 1,596,108.16
Employees benefited	1,187

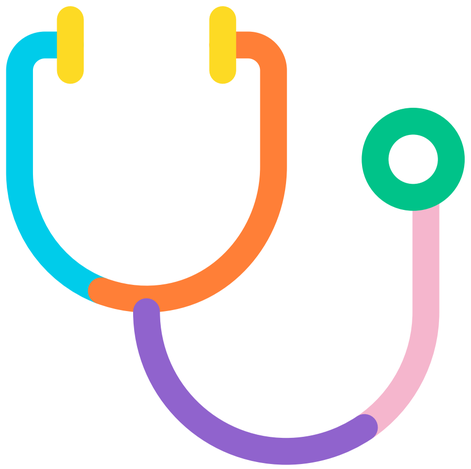
n. Work-related injuries GRI 403-9

Indicator	Answer 2021
a. For all employees:	
i. Number of deaths resulting from an occupational accident injury.	0
i. Rate of deaths resulting from an occupational accident injury.	0
ii. Number of occupational accident injuries with major consequences (not including deaths).	1
ii. Rate of workplace accident injuries with major consequences (not including deaths).	0.004
iii. Number of recordable workplace accident injuries.	197
iii. Rate of recordable workplace accident injuries.	0.736
iv. Main types of occupational injuries.	52,28% Bump, bruise 10,15% Wound 8,63% Sprains strain
v. Number of hours worked.	53,558,400
b. For all workers who are not employees but whose jobs or workplaces are controlled by the organization:	
i. Number of deaths resulting from an occupational accident injury.	0
i. Rate of deaths resulting from an occupational accident injury.	0
ii. Number of occupational accident injuries with major consequences (not including deaths).	2
ii. Rate of workplace accident injuries with major consequences (not including deaths).	0.007
iii. Number of recordable workplace accident injuries.	73
iii. Rate of recordable workplace accident injuries.	0.2
iv. Main types of occupational injuries.	53,42% Bump bruise 10.96% Wound 19.18% Strain and sprain
v. Number of hours worked.	48,714,912

n. Work-related injuries GRI 403-9

Indicator	Answer 2021
c. Occupational hazards that present a risk of occupational accident injury with significant consequences, stating:	
i. How these hazards are determined.	Through the investigation of each event conducted with the Joint Committee on Safety and Health at Work (COPASST, Spanish abbreviation) via the Health Care Management System (Sigesa, Spanish abbreviation) tool, the actions and the matrix of risks and hazards of the company are recorded.
ii. Which of these hazards have caused or contributed to injuries due to occupational accidents with major consequences during the reporting period.	Behavior by showing a lack of full attention in the execution of the task and not noticing contact with a hot surface
iii. Measures taken or planned to eliminate such hazards and minimize risks through the control hierarchy.	Hazard elimination, the source is relocated to another location not accessible to the injured employee. Administrative control: The source was signaled, and due to the position's activities, it does not come into contact with the coffee maker, and awareness was raised
d. Measures taken or planned to eliminate other occupational hazards and minimize risks through the control hierarchy.	Administrative controls: participation in projects, safety inspections, education, and socialization of safety standards
e. Whether rates have been calculated per 200,000 or per 1,000,000 hours worked.	200,000
f. Whether any workers have been excluded from this Content, including the type of worker and the reason for exclusion.	100% in Colombia
g. Any contextual information necessary to understand how the data has been collected and any standards, methodologies, or assumptions used.	Collecting data from the employees' report to the bank and the consultations account with the Professional risk (ARL, Spanish abbreviation) in the Sigesa application, the information of the presumed labor accidents is registered, and there the steps of Report to the ARL, Investigation, Qualification, Follow-up to the event, with this information the different actions of prevention and control of risks are generated. Also, monitoring the health of the people affected. And suppliers make the report through Sigesa on all events of occupational accidents.

n. Occupational diseases and illnesses GRI 403-10



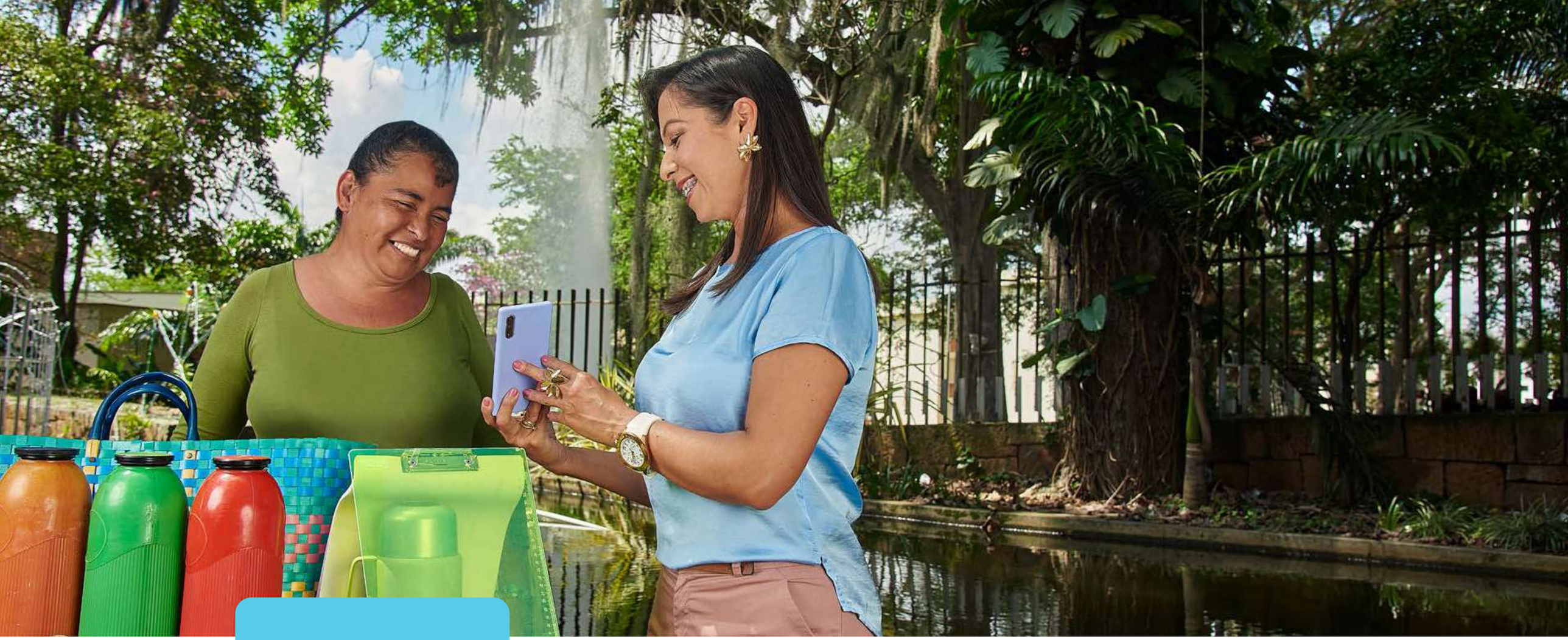
Indicator	Answer 2021
a. For all employees:	
i. Number of fatalities resulting from an occupational ailment or illness.	0
ii. Number of cases of recordable occupational ailments and diseases.	8
iii. Main types of occupational ailments and diseases.	25% COVID 75% Osteomuscular

Indicator	Answer 2021
b. For all workers who are not employees but whose jobs or workplaces are controlled by the organization:	
i. Number of deaths resulting from an occupational disease or illness.	0
ii. Number of cases of recordable occupational diseases and illnesses.	0
iii. Main types of occupational diseases and illnesses.	NA
c. Occupational hazards that present a risk of occupational disease or illness, indicating:	NA
i. How these hazards are determined.	Epidemiological Fences Job Studies, Research, and the Risks and Hazards Matrix
ii. Which of these hazards have caused or contributed to occupational illnesses and diseases during the reporting period.	Biomechanical, forced postures, and repetitive movements Contagion to Covid with possible exposure in the work environmentl
iii. Measures taken or planned to eliminate such hazards and minimize risks through the control hierarchy.	Engineering Controls. Biomechanical Factor: Counting machines, remodeling of workstations, participation in the design of workstations and projects. Biological Factor: Barriers to minimizing contact with customers and exposure to viruses, cleaning, and disinfection systems. Administrative Controls. Biomechanical Factor: Active breaks, reduction of working hours, return to work according to a health condition, training, and occupational medical evaluations with an emphasis on ergonomics. Biological factor: Health monitoring, training, and education.
d. If any worker has been excluded from this Content, including the type of worker and the reason for the exclusion.	Applies to Colombia.
e. Any contextual information necessary to understand how the data have been collected and any standards, methodologies, or assumptions used.	The reporting of qualified occupational diseases starts from the social security entities. An occupational disease is defined after analyzing the documents that support their origin by the social security entities or the qualifying entities. The organization follows up with the employee and makes the causal analysis to define the preventive measures contributing to the prevention and occurrence of new events.

To learn more...

Please visit the following link for more details on the figures presented in the previous report. You will find policy guidelines, demographics, benefits, employee metrics, among other relevant topics:

Find out more



Chapter

07

GRI Standard and allignment with the SDGs

GRI indicators, allignment of the Strategic Pillars with the SDGs, SASB and UN Global Compact.
Third party independent review of Grupo Bancolombia's 2021 Integrated Report.

General Standard
GRI 2021

General Aspects of the Report	Page/Response	Omissions and Comments	SDGs Sustainable Development Goals	SASB	Global Compact	External Verification
Strategy						
102-14. Statement from the company's highest decision-maker on the relevance of sustainability for the organization.	Letter from the CEO _Purpose Bancolombia_ Generating sustainable economic development to achieve the well-being of all, pp. 7-9		Through our purpose, we have committed ourselves to SDG1, SDG4, SDG5, SDG8, SDG9, SDG11, and SDG13.			
102-15. Description of the major impacts, risks, and opportunities.	Letter from the CEO, pp. 7-9			Systemic risk management Indicator FN-CB-550a.2 Note 31, p. 31		
Company Profile						
102-1. Name of the company	Bancolombia Banco Comercial.					
102-2. Activities, trademarks, products, and services.	Report scope, pp. 4 and 10-11	Pension funds and other shareholders with a stake of more than 5 % are private organizations.				
102-3. Headquarters location.	Avenida Los Industriales, Carrera 48 # 26-85, Medellin-Colombia. Headquarters.					
102-4. Location of operations.	Report scope, pp. 4 and 10-11					
102-5. Nature of ownership and legal form.	Chapter: consolidated and separate financial statements.					
102-6. Served markets (including geographic breakdown, sectors it serves, and types of clients).	Bancolombia Banco Comercial Pp.5 and 25 -41					
102-7. Company size.	Bancolombia Banco Comercial Pp.5 and 25 -41					
102-8. Information about employees and other workers.	Building Culture and Talent to Foster Competitiveness, pp. 172 y 192					✓
102-41. Report on the percentage of employees covered by a collective agreement.	By 2021, the collective agreement benefited 11,572 employees, which corresponds to 54 % of employees in operating positions in Bancolombia, regardless of whether they are union members or not.					

General Aspects of the Report	Page/Response	Omissions and Comments	SDGs Sustainable Development Goals	SASB	Global Compact	External Verification
Company Profile						
102-9. Supply chain.	4. Well-being for all, Pp. 112 and 6. Developing culture and talent toward the new normal, p. 189					
102-10. Significant changes in the company and its supply chain.						
102-11. A description of how the company has adopted a precautionary approach or principle.	3. Growing while maintaining our financial strength, p. 25				Principle 10	
102-12. External initiatives: social, environmental, and economic principles or programs externally developed, as well as any other initiatives that the company subscribes to or supports.	Report development 2021, p. 2. We promote conscious leadership, p. 144		Goal 17		Principles 1 - 9	
102-13. Membership in associations.	Report development 2021, p. 2. We promote conscious leadership, p. 144		Goal 17			
Practices for the preparation of reports and material issues						
102-45. Organizations included in the consolidated financial statements.	8. Consolidated and separate financial statements.					
102-46. Definition of the contents of the report and the scope of the issue.	1. About us. Dialog with our relationship groups, p. 17					
102-47. List of material topics.	1. About us. Dialog with our relationship groups, p. 17					
102-48. Restatement of information: description of the effect that restating information from previous memories can have.	This report's information was stated the same way as in previous years; therefore, it is subject to comparison and traceability.					
102-49. Changes in reporting.						
Relationship groups						
102-40. List of relationship groups.	Management report, p. 17 See section Dialog with our relationship groups on the website https://www.bancolombia.com//wps/portal/about-us/corporate-information/sustainability/model					
102-42. Identification and selection of relationship groups.						
102-43. Approach for the participation of relationship groups.						
102-44. Reporting the interest groups and issues identified as relevant.						

General Aspects of the Report	Page/Response	Omissions and Comments	SDGs Sustainable Development Goals	SASB	Global Compact	External Verification
Report profile						
102-50. Period covered by the information included in the report.	From January 1, 2021, to December 31, 2021					
102-51. Date of the last report.	2021					
102-52. Reporting cycle (Annual-Biannual).	Annual					
102-53. Where to address questions about the report.	You can contact us at comunica@bancolombia.com.co					
102-54. Statement of report-making following GRI Standards.	This report has been prepared following GRI Standards (Essentials).					
102-55. GRI Content Index.	It is developed using the methodology under the GRI Standard version.					
102-56. External verification of the report.	See certification by Deloitte in the report.					
Corporate Governance						
102-18. The governance structure of the company, including the committees of the highest governing body.	3. Corporate Governance Report, p. 47					
102-19. Reporting the process for delegating authority for economic, environmental, and social issues from senior management to senior executives and other employees.	The Sustainability Division carries out sustainability issues under the Corporate Vice-Presidency for Innovation and Sustainability. About us, p. 12 Steering committee, p. 16 See section Dialog with our relationship groups on the website https://www.bancolombia.com//wps/portal/about-us/corporate-information/sustainability/model					
102-20. Responsibility at the executive level for economic, environmental, and social issues, and whether this position reports directly to senior management.						
102-21. Consultation with relationship groups on economic, environmental, and social issues.						
102-22. Reporting the composition of senior management and its committees: - Executives and non-executives - Independent contractors - Duration of the term of office - Gender - Members of minorities - Competencies related to economic, social, and environmental issues.	3. Corporate Governance Report, pp. 47-51					
102-23. President of the highest governing body.	3. Corporate Governance Report, p. 52					
102-24. Reporting the nomination and selection process of senior management members and their committees Consider in the selection process how: - Diversity is regarded - Autonomy is regarded - Experience in economic, social, and environmental issues is regarded - Shareholders are involved.	3. Corporate Governance Report, p. 47-56 For more information, see Director Independence Accreditation https://www.grupobancolombia.com/corporate/corporate-governance/board-of-directors-and-senior-management					

General Aspects of the Report	Page/Response	Omissions and Comments	SDGs Sustainable Development Goals	SASB	Global Compact	External Verification
Corporate Governance						
102-25. Procedures implemented to avoid conflicts of interest in the highest governing body.	3. Corporate Governance Report, pp. 47-57					
102-26. The role of the highest supervisory body in the selection of purpose, values, mission, strategies, policies.						
102-27. Reporting the measures taken to develop and strengthen the knowledge of the members of the highest governing body on economic, social, and environmental issues.						
102-29. Reporting the role of the highest governing body in identifying and managing economic, social, and environmental impacts, risks, and opportunities.						
102-30. Reporting the role of the highest governing body in reviewing the effectiveness of the risk management system for economic, social, and environmental issues.						
102-32. Reporting the highest committee or position responsible for reviewing and approving the sustainability report and ensuring that all material issues are covered.	The highest level of review of the report is the Board of Directors.					
102-33. Communication of critical processes.	The General Secretariat of the Bank, every month, consolidates the strategic issues to be presented to the Board of Directors. The President and his Basic Committee of Support validate these issues in advance.					
102-34. Reporting the nature and total number of critical issues that were reported to the highest governing body and the mechanisms used to analyze and resolve them.	The Board is informed of progress in the strategy defined for the company. Also, it has Support Committees for the following issues: Risks, Good Governance, Auditing, Designation, and Compensation, pp. 54-61 Critical issues reviewed in committee, pp. 54-55					
102-35. Reporting remuneration policies for the highest governing body and senior executives .	3. Corporate Governance Report, pp. 47-57 and on the website https://www.grupobancolombia.com/corporate/corporate-governance					
102-36. Reporting the process for determining remuneration Indicating whether there are consultants responsible for determining it						
102-37. Involvement of relationship groups in remuneration.	The shareholder relationship group is taken into account in the assembly.					
102-38. Reporting the annual remuneration rate of the highest position in the company in contrast to the median annual compensation rate of all employees.		Confidential information				
102-39. Reporting the percentage growth rate of the highest annual compensation of the highest position in the company compared to the median percentage growth of the annual compensation of all employees.	6.36 % for contracted employees and 4.80 % for employees in the statute of benefits					

Specific section

2021- GRI- Standard

Material Topics	Indicator	Page/Response	Omissions and comments	SDG Sustainable Development Goals	SASB	Global Compact	Third-party verification
We grow while we maintain our financial strength	**103-1.** Explanation of the material issue and its scope.	The Grupo Bancolombia has defined its purpose "We promote sustainable economic development to achieve the well-being for ALL." Our strategic goals contain four premises. One of them is growing while maintaining our financial strength. We are getting back to the path of growth and profitability as we accompany our clients.					
	103-2. Management approach for each material issue.	The management of each material issue can be found throughout the report on the pages mentioned. Likewise, the indicators constituting each material issue can be identified in the specific content section. 1. Growing while maintaining our financial strength, pp. 25-112.					
	103-3 Evaluation of the management approach.	The material issues are evaluated by identifying the GRI indicators and our own. There are indicators for each material issue, whose content can be seen in the specific content section, the report development 2021, and Deloitte's external audit certification.					
	102-16. Description of the organization's values, principles, standards, and norms of behavior as codes of conduct and ethics.	Letter from the CEO - Page, 7-9 A reputational journey, Reputation Page. 45. Internal Control System Report Pages 64 and 65.		Business Ethics. Indicator FN-CB-510a.1 Page 279 Current Legal Processes.		Anti-corruption principles.	✓
	102-17. Mechanisms for advice and concerns about ethics Description of internal and external mechanisms to report concerns about unethical or unlawful behavior and organizational integrity by reporting to senior executives, complaints, or ethics hotlines.	Located on the external website and the intranet or internal sites. Manuals and information are available. Management Report: Internal Control System Page 62 and Corporate Governance Report Page 47 External website: Instruction for the ethics hotline https://www.grupobancolombia.com/corporate/corporate-governance/code-ethics Report of non-compliance with codes of behavior and conduct. https://www.grupobancolombia.com/wcm/connect/f9809815-75de-45a1-b46a-500f18da5555/Cifras_1.4.7._2021_Dow_Jones-Ingles.pdf?MOD=AJPERES			Business Ethics. Indicator FN-CB-510a.2		✓
	207-1. Approach to tax.	Tax strategy. 3. Tax Policy_ Page 42 Website Tax Strategy https://www.bancolombia.com/wps/portal/about-us/corporate-information/sustainability/ethical-bank Tax Policy Website https://www.bancolombia.com/wps/wcm/connect/dd96b1de-85a3-4bc3-b28b-718fd0fdaea1/Politicas+fiscales+%28Eng%29.pdf?MOD=AJPERES&CVID=o479OyT Country by Country Report https://www.bancolombia.com/wps/wcm/connect/b5b51623-58c9-48e3-8287-622dbdce6a41/Country+by+country+2021.pdf?MOD=AJPERES&CVID=o479vWL					✓
	207-4 Country-by-country reporting.						✓
	B1. Codes of conduct: Systems/Procedures - Mechanisms adopted to implement codes of conduct effectively	The mechanisms to comply with the code of ethics were assessed. Training sessions, support for employees and suppliers, and complaints to the ethics hotline. Pages 62 Internal Control System Report Code of Ethics website: https://www.grupobancolombia.com/corporate/corporate-governance/code-ethics Complaints to the Ethics Hotline https://www.grupobancolombia.com/wcm/connect/f9809815-75de-45a1-b46a-500f18da5555/Cifras_1.4.7._2021_Dow_Jones-Ingles.pdf?MOD=AJPERES					✓

Material Topics	Indicator	Page/Response	Omissions and comments	SDG Sustainable Development Goals	SASB	Global Compact	Third-party verification
We grow while we maintain our financial strength	**301.1** Materials used by weight or volume.	Materials by weight and volume - paper (Kg) Page 110				Environmental Principles	✓
	303-5 Water consumption.	Water consumption in the organization Page 108 Indicators 303-1, 303-3, 303-4, and 303-5		SDG #16			✓
	302.1 Energy consumption within the organization.	Energy consumption within the organization 106		SDG #7			✓
	302.3 Energy intensity.						✓
	302.4 Reduction of energy consumption.						✓
	305-1. Direct (Scope 1) GHG emissions.	Grupo Bancolombia Emissions Page 105 and 172		SDG#13			✓
	305-2. Energy indirect (Scope 2) GHG emissions.						✓
	305-3. Other indirect (Scope 3) GHG emission.						✓
	305-4. GHG emissions intensity.						✓
	305-5. Reduction of GHG emissions.						✓
	306-2. Waste by type and disposal method.	Total weight of waste by type and disposal method Page 109		SDG #10			✓
Achieve well-being for all	**103-1.** Explanation of the material issue and its scope.	The Grupo Bancolombia has defined its purpose "We promote sustainable economic development to achieve the well-being for ALL." Our strategic goals contain four premises. One of them is achieving well-being for all. To this end, we generate well-being by strengthening the competitiveness of companies —the country's production core. Also, we encourage financial inclusion so that more people and companies can join to contribute to the economic development of the countries where we are present.		The Sustainable Development Goals prioritized in achieving wellbeing for all have prioritized 7 SDGs Goal #1, #4,#5,#5,#8,#9, #11and #13			
	103-2. Management approach for each material issue.	The management of each material issue can be found throughout the report on the pages mentioned. Likewise, the indicators constituting each material issue can be identified in the specific content section. 2. Achieving well-being for all, pp. 113-157					
	103-3 Evaluation of the management approach.	The material issues are evaluated by identifying the GRI indicators and our own. There are indicators for each material issue, whose content can be seen in the specific content section, the report development 2021, and Deloitte's external audit certification.					
	201-2 Financial implications and other risks and opportunities due to climate change.	Build sustainable cities and communities Page 138		SDG #10		Environmental Principles.	✓
	B2. Climate commitment (Indicator that integrates disbursements related to businesses low in emissions and businesses that generate zero CO2 emissions).	Build sustainable cities and communities Pages 119, 124 y 136		SDG #13			✓

Material Topics	Indicator	Page/Response	Omissions and comments	SDG Sustainable Development Goals	SASB	Global Compact	Third-party verification
Achieve well-being for all	**413.1** Operations with local community engagement, impact assessments, and development programs.	Impact investment. Page 126 to 131. Contact us through the mail of the Fundación Bancolombia - fubancol@bancolombia.com.co and Sustainability -Sostenibilidad@bancolombia.com.co Our reality crosses borders Page 156		SDG #1,4,5 y 8			
	B3. Promote financial inclusion: Financial well-being for individuals.	Financial Inclusion Page 152 Financial Education Page 155		SDG #1,4 y 5	Generation of inclusion and financial capacity indicator FN-CB-240a.4		✓
	B4. Strengthen the competitiveness of the productive fabric in the country, build more sustainable cities and communities and promote sustainable inclusion: Purpose-driven businesses.	Strengthen the competitiveness of the country's productive fabric Pages 97 and 136		SDG #8 y 9			✓
	B5. Strengthen the competitiveness of the country's productive fabric: (Foundation) Línea en CAMPO.	Page 123 Fundación Bancolombia Management Report _Spanish https://www.grupobancolombia.com/fundacion/que-nos-diferencia/informe-de-gestion http://www.encampo.co/		SDG #17			
	GRI FS7. Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Bancolombia A la Mano Page 153. audited indicators: Monetary value of Bancolombia A la Mano Monetary value of Credito a la Mano					✓
	FS8. Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Sustainable Finances Page 132		SDG #12			
	GRI FS13. Access points in low-populated or economically disadvantaged areas by type.	We make easier the use of money Page 160 Total Correspondents Grupo Bancolombia over 28,000					✓
	GRI FS14. Initiatives to improve access to financial services for disadvantaged people.	Financial inclusion and financial education_ Pages 152- 155 The following indicators were audited: • Number of deposits Ahorro a la mano APP: 5,925,223 • Number of active deposits of Ahorro a la mano APP is 3,481,443. 59% of total accounts. • Average balance of Ahorro a la mano APP accounts closed $110,798 • TBalance of Ahorro a la mano APP accounts complete closure $656,501,333,790.946 • Number of Ahorro a la mano APP Affliations: 1,332,372 • Number of SIM affliations: 498,278		SDG #10			✓

Material Topics	Indicator	Page/Response	Omissions and comments	SDG Sustainable Development Goals	SASB	Global Compact	Third-party verification
Achieve the loyalty and preference from our customers	**103-1.** Explanation of the material issue and its scope.	The Grupo Bancolombia has defined its purpose "We promote sustainable economic development to achieve the well-being for ALL." Our strategic goals contain four premises. One of them is achieving loyalty and preference of our clients. We are a customer-centered organization and differentiate ourselves by providing reliable, close, timely, and easy experiences.					
	103-2. Management approach for each material issue.	The management of each material issue can be found throughout the report on the pages mentioned. Likewise, the indicators constituting each material issue can be identified in the specific content section. 3. Achieving loyalty and preference of our clients, pp. 158-175.					
	103-3 Evaluation of the management approach.	The material issues are evaluated by identifying the GRI indicators and our own. There are indicators for each material issue, whose content can be identified in the specific content section, the report development 2021, and Deloitte's external audit certification.					
	B6. Promoter Score Variation (in competitive scenarios) GRI 102-43 & 102-44.	Grupo Bancolombia NPS Page 176 Consolidated Corporate 65.32					✓
	B7. Digital sales.	Digital sales are all processes of contracting products performed by customers and non-customers that start, are formalized, or end through a digital channel. In 2021, recently incorporated digital sales were included, such as Ecosystems, Sufi and Investments. Digital penetration indicator for Colombia is 37.55%	Exclusive indicator for Colombia				✓
	B8. Business risks: Policies - Aspects covered by the company's procedures to finance or offer services to large-scale projects.	Environmental and social risk Analysis in financing (ESRA BANCOLOMBIA) Pages 101 to 103.			Incorporation of environmental, social, and governance factors in credit analysis. Iindicator FN-CB-410a.2	Principle 7 and Principle 1	✓
	B9. Effectiveness of the Board of Directors - Attendance and mandates of the board of directors - Board of Directors Performance Assessment - Election of the members of the board of directors	_Corporate Governance Chapter Attendance to Committees Page 51 _Corporate Governance Assessment Chapter Pages 51 -52 _ Corporate Governance Chapter. The election process performed in 2020 complied with the good corporate governance principles. (Candidates apply, and a list is published. Then, the good governance committee carries out an analysis of competence and evaluation of suitability. Page 51					✓
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	See the public information on the website Data Protection https://www.bancolombia.com/wps/portal/about-us/corporate-information/sustainability/ethical-bank			Data Security. Indicators FN-CB-230a.1 and FN-CB-230a.2 See information in 20F Form https://www.grupobancolombia.com/investor-relations/financial-information/20-f-form		✓

Material Topics	Indicator	Page/Response	Omissions and comments	SDG Sustainable Development Goals	SASB	Global Compact	Third-party verification
Develop the culture and talent for competitivenes	**103-1.** Explanation of the material issue and its scope.	The Grupo Bancolombia has defined its purpose "We promote sustainable economic development to achieve the well-being for ALL." Our strategic goals contain four premises. One of them is developing culture and talent for competitiveness. We recognize that our talent is one of our main competitive advantages, and that's why we look after your well-being and professional development. This way, we seek to attract and retain the best ones in the market.					
	103-2. Management approach for each material issue.	The management of each material issue can be found throughout the report on the pages mentioned. Likewise, the indicators constituting each material issue can be identified in the specific content section. 4. Developing culture and talent toward the new normal, pp. 176-211					
	103-3 Evaluation of the management approach.	The material issues are evaluated by identifying the GRI indicators and our own. There are indicators for each material issue, whose content can be identified in the specific content section, the report development 2021, and Deloitte's external audit certification.					
	401.1 New employee hires and employee turnover - Total number and rate of new employee hires - Total number and rate of employee turnover	Employee Relations-Talent Management. Pages 195-197		SDG #5 and 8		Labor Standards and Decent Work	✓
	401.2 Benefits provided to full-time employees that are not provided to temporary or part-time employees.	Employee Relations-Talent Management. Page 203, 205 to 208		SDG #3			✓
	403-1 Occupational health and safety management system.	2021 GRI 403 indicators Report https://www.bancolombia.com/wps/wcm/connect/e3da0507-0c42-4cd1-b26e-1d81fb548f24/INDICATORS+OF+ACCIDENTALITY+HEALTH+AND+WORK+ABSENCE+%28GRI+403%29.pdf?MOD=AJPERES&CVID=nCAwbYv Website Wellness, Health and Safe Work Spaces section. https://www.bancolombia.com/wps/portal/about-us/corporate-information/sustainability/inclusive-bank		SDG #3,#8			✓
	403-2 Absenteeism figures.	Relationship with employees. Page 147 2021 GRI 403 indicators Report https://www.bancolombia.com/wps/wcm/connect/e3da0507-0c42-4cd1-b26e-1d81fb548f24/INDICATORS+OF+ACCIDENTALITY+HEALTH+AND+WORK+ABSENCE+%28GRI+403%29.pdf?MOD=AJPERES&CVID=nCAwbYvMOD=AJPERES&CVID=nAOSvr3 Website Wellness, Health and Safe Work Spaces section. https://www.bancolombia.com/wps/portal/about-us/corporate-information/sustainability/inclusive-bank					✓
	403-3 Occupational health services.	Relationship with employees. Page 146 2021 GRI 403 indicators Report https://www.bancolombia.com/wps/wcm/connect/e3da0507-0c42-4cd1-b26e-1d81fb548f24/INDICATORS+OF+ACCIDENTALITY+HEALTH+AND+WORK+ABSENCE+%28GRI+403%29.pdf?MOD=AJPERES&CVID=nCAwbYv Website Wellness, Health and Safe Work Spaces section. https://www.bancolombia.com/wps/portal/about-us/corporate-information/sustainability/inclusive-bank					

Material Topics	Indicator	Page/Response	Omissions and comments	SDG Sustainable Development Goals	SASB	Global Compact	Third-party verification
Develop the culture and talent for competitivenes	**403-4.** Worker participation, consultation, and communication on occupational health and safety.	2021 GRI 403 indicators Report https://www.bancolombia.com/wps/wcm/connect/e3da0507-0c42-4cd1-b26e-1d81fb548f24/INDICATORS+OF+ACCIDENTALITY+HEALTH+AND+WORK+ABSENCE+%28GRI+403%29.pdf?MOD=AJPERES&CVID=nCAwbYv Website Wellness, Health and Safe Work Spaces section. https://www.bancolombia.com/wps/portal/about-us/corporate-information/sustainability/inclusive-bank		SDG #3,#8		Labor Standards and Decent Work Principles.	
	403-5. Worker training on occupational health and safety.						
	403-6. Promotion of worker health.						
	403-7. Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.						
	403-8. Workers covered by an occupational health and safety management system.						
	403-9. Work-related injuries.	Relationship with employees. Pages 209-210 Website, GRI 403 indicators report https://www.bancolombia.com/wps/wcm/connect/e3da0507-0c42-4cd1-b26e-1d81fb548f24/INDICATORS+OF+ACCIDENTALITY+HEALTH+AND+WORK+ABSENCE+%28GRI+403%29.pdf?MOD=AJPERES&CVID=nCAwbYv					✓
	403-10. Work-related ill health.	Relationship with employees. Page 211 Website, GRI 403 indicators report https://www.bancolombia.com/wps/wcm/connect/e3da0507-0c42-4cd1-b26e-1d81fb548f24/INDICATORS+OF+ACCIDENTALITY+HEALTH+AND+WORK+ABSENCE+%28GRI+403%29.pdf?MOD=AJPERES&CVID=nCAwbYv					✓
	404.1 Average hours of training per year per employee.	Talent training. Pages 172 y 201		SDG #4			✓
	404.3 Percentage of employees receiving regular performance and career development reviews.	Performance evaluation. Page 202		SDG#8			✓
	405-1 Diversity of governance bodies and employees.	Demography Page 193 women's participation on the board Page 174					✓
	405.2 Ratio of basic salary and remuneration of women to men.	Relationship with employees. Pages 140-141 and page 173	Senior management is excluded.	SDG #10 and 5			✓

Material Topics	Indicator	Page/Response	Omissions and comments	SDG Sustainable Development Goals	SASB	Global Compact	Third-party verification
Develop the culture and talent for competitivenes	**406.1** Incidents of discrimination and corrective actions taken.	Incidents of discrimination and corrective actions taken. Page 189		SDG #10 and 5		Human Rights Principles	✓
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	Align our labor practices with ODS and Due Diligence in Human Rights. See information in the following link. https://www.bancolombia.com/wps/wcm/connect/c8020472-c032-4e02-a959-a639941f377c/Aligment+of+labor+practices+with+ODS+and+Due+Diligence+in+human+rights.pdf?MOD=AJPERES&CVID=n.2TP28	Colombia There is only freedom of association in Colombia and El Salvador. Guatemala does not apply On the page, we will have to describe the risks analyzed				✓
	412-1. Operations that have been subject to human rights reviews or impact assessments.	Human Rights “Promote, respect, and remedy” Page 186					✓
	414-1: Number of suppliers evaluated under sustainability criteria.	Chapter 5 Page 174					✓
	B10-Retention of key talents.	Chapter 6. Page 182 For further details, visit Inclusive-Bank website. https://www.bancolombia.com/wps/portal/about-us/corporate-information/sustainability/inclusive-bank Tab Emotional Variables of Grupo Bancolombia/ Strategic Indicators					✓
	B11-Culture evolution indicator (MovimientoB Behaviors).	Chapter 6. Page 181 For further details, visit Inclusive-Bank website. https://www.bancolombia.com/wps/portal/about-us/corporate-information/sustainability/inclusive-bank Tab Emotional Variables of Grupo Bancolombia/ Strategic Indicators					✓
	B12. Employee wellbeing.	Chapter 6 Page 177 For further details, visit Inclusive-Bank website. https://www.bancolombia.com/wps/portal/about-us/corporate-information/sustainability/inclusive-bank Tab Emotional Variables of Grupo Bancolombia/ Strategic Indicators					✓

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INDEPENDENT ASSURANCE REPORT ON THE MANAGEMENT REPORT OF GRUPO BANCOLOMBIA

To the Management of Grupo Bancolombia

Report on the Management Report Statement

We have been engaged by Grupo Bancolombia to perform assurance procedures to provide limited assurance on the Management Report in accordance with the provisions of the criteria section of this report, for the year ending December 31st, 2021. This assurance engagement was performed by a multidisciplinary team that includes assurance professionals and sustainability specialists.

Criteria

The criteria used by Grupo Bancolombia to prepare the Management Report, which is subject of the limited assurance report, were established considering the terms and conditions set forth in the GRI Standards as well as the GRI Financial Services Sector Supplement and with the modified indicators that the Administration defined as a complement to what is established by GRI and additionally, indicators defined by the Administration as its own, which are detailed in Appendix A attached. In addition, the Company used the existing frameworks associated with the Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG) of the International Capital Markets Agency (ICMA) in its 2021 version, which are detailed in Annex B, for the reporting of information related to the post-issuance of the Green and Sustainable Bonds of Grupo Bancolombia.

Management's responsibility for the Management Report and the reported information post - issuance of its green and sustainable bonds.

Management is responsible for the preparation of the Management Report in accordance with the criteria established in the GRI Standards and with the modified indicators defined by Management as a complement to those established by GRI and additionally, indicators defined by Management as its own. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of a Management Report statement that is free from material misstatement, whether due to fraud or error.

The Management Report is subject to inherent uncertainty due to the use of non-financial information which is subject to higher inherent limitations than financial information, given the nature of the methods used to determine, calculate, sample, or estimate such information. In the preparation of the Management Report, Management makes qualitative interpretations about the relevance, materiality and accuracy of the information that are subject to assumptions and judgments.

Our independence and quality control

We have complied with the ethical and independence requirements of the Code of Professional Ethics of the Public Accountant issued by the International Ethics Standard Board for Accountants (IESBA), which is based on the principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Deloitte se refiere a Deloitte Touche Tohmatsu Limited, sociedad privada de responsabilidad limitada en el Reino Unido, a su red de firmas miembro y sus entidades relacionadas, cada una de ellas como una entidad legal única e independiente. Consulte www.deloitte.com para obtener más información sobre nuestra red global de firmas miembro.

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Our Firm applies the International Standard on Quality Control 1 (ISQC 1), and therefore maintains a comprehensive quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards and requirements of applicable laws and regulations.

Responsibility of independent assurance practitioner

Our responsibility is to express a limited assurance conclusion about the Management Report and the information reported post - issuance of Grupo Bancolombia's Green and Sustainable Bonds, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance work in accordance with to the existing frames of reference associated with the Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG), the "International Standard for Assurance Engagements, Other Than Audits or Reviews of Historical Financial Information" ISAE 3000 – Revised, issued by the International Auditing and Assurance Standards Board (IAASB). Such standard requires us to plan and conduct our work to obtain limited assurance as to whether the information in the Management Report is free of material error.

The procedures we conducted were based on our professional judgment and included inquiries, observation of the processes performed, inspection of documentation, analytical procedures, assessment of the adequacy of quantification methods and reporting policies, and agreement or reconciliation with the underlying records.

Given the circumstances of the engagement, we have performed the following procedures:

a. Through inquiries, we gained an understanding of Grupo Bancolombia's control environment and relevant information systems, but we did not evaluate the design of specific control activities or obtain evidence on their implementation, nor test their operational effectiveness.

b. Understanding of the processes and tools used to generate, aggregate and report non-financial information through inquiries with those responsible for related processes.

c. Substantive testing, based on a sample basis, of sustainability information identified by Grupo Bancolombia, to determine the indicators subject to limited assurance and verify that the data have been adequately measured, recorded, collected, and reported through:

- Inspection of policies and procedures established by the Company.
- Inspection of supporting documentation of internal and external sources.
- Recalculation.
- Comparison of the contents presented by Management with what is established in the criteria section of this report.

d. Information and samples were requested on the post-issuance of Grupo Bancolombia's Green and Sustainable Bonds and their alignment with the principles of the International Capital Markets an Association (ICMA) in its 2021 version:

- Use of Proceeds.
- Process for Project Evaluation and Selection.
- Management of Proceeds.
- Reporting (as of December 31, 2021).

The Appendix A to this report details the sustainability performance standards and indicators included in the scope of our work. The Appendix B details the resources of the issuances of the Green and Sustainable Bonds.

Our limited assurance engagement was performed only with respect to the sustainability performance disclosures included in the table above, for the year ended December 31st, 2021; and we have not performed any procedures with respect to previous years, projections and future targets, or any other items included in the Management Report for the year ended December 31st, 2021, and therefore we do not express a conclusion thereon.

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A limited assurance engagement involves evaluating the appropriateness, in the circumstances, of the Company's use of the criteria as a basis for the preparation of the sustainability information report; assessing the risks of material errors in sustainability reporting due to fraud or error; responding to risks assessed as necessary in the circumstances; and evaluating the overall presentation of sustainability information report information. The scope of limited assurance engagement is substantially less than reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, as well as procedures performed in response to the risks assessed. Therefore, we do not express a reasonable assurance conclusion as to whether the information in the Company's sustainability information report has been prepared in all material respects, in accordance with the criteria of the provisions of the criteria section of this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we have done, the procedures we have performed and the evidence we have obtained, nothing has come to our attention that would lead us to believe that the sustainability performance standards and indicators for the year ended December 31st, 2021, have not complied in all material respects, as established in the criteria section of this report.

Restriction of use

Our report is issued solely for the purpose set forth in the first paragraph and should not be used for any other purpose or distributed to other parties on its own. This report refers only to the matters mentioned in the preceding sections and to the sustainability information identified and does not extend to any other financial and non-financial information included in Grupo Bancolombia's Management Report for the year ended December 31st, 2021, nor to its financial statements, taken as a whole.

Jorge Enrique Múnera D.
Partner
Medellín, 31st of May 2022

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Appendix A

The following are the GRI Standards, Financial Services Sector Supplement, the GRI Standards with complementary guidelines established by Management and, additionally, indicators defined by Management as its own.

These evaluation criteria are an integral part of our independent limited assurance report on the Management Report of Grupo Bancolombia for the year ended December 31, 2021.

Grupo Bancolombia

GRI Standards	Description
GRI 102-8 (2016)	Information on employees and other workers.
GRI 102-16 (2016)	Values, principles, standards, and norms of behavior.
GRI 102-17 (2016)	Mechanisms for advice and concerns about ethics.
GRI 201-2 (2016)	Financial implications and other risks and opportunities due to climate change.
GRI 207-1 (2019)	Approach to tax.
GRI 207-4 (2019)	Country-by-country reporting.
GRI 301-1 (2016)	Materials used by weight or volume.
GRI 302-1 (2016)	Energy consumption within the organization.
GRI 302-3 (2016)	Energy intensity.
GRI 302-4 (2016)	Reduction of energy consumption.
GRI 305-1 (2016)	Direct (Scope 1) GHG emissions.
GRI 305-2 (2016)	Energy indirect (Scope 2) GHG emissions.

GRI Standards	Description
GRI 305-3 (2016)	Other indirect (Scope 3) GHG emissions.
GRI 305-4 (2016)	GHG emissions intensity.
GRI 305-5 (2016)	Reduction of GHG emissions.
GRI 306-2 (2016)	Waste by type and disposal method.
GRI 401-1 (2016)	New employee hires and employee turnover.
GRI 401-2 (2016)	Benefits provided to full-time employees that are not provided to temporary or part-time employees.
GRI 403-1 (2018)	Occupational health and safety management system.
GRI 403-2 (2018)	Hazard identification, risk assessment, and incident investigation.
GRI 403-9 (2018)	Work-related injuries.
GRI 403-10 (2018)	Work-related ill health.
GRI 404-1 (2016)	Average hours of training per year per employee.
GRI 404-3 (2016)	Percentage of employees receiving regular performance and career development reviews.
GRI 405-1 (2016)	Diversity of governance bodies and employees.
GRI 405-2 (2016)	Ratio of basic salary and remuneration of women to men.
GRI 406-1 (2016)	Incidents of discrimination and corrective actions taken.
GRI 407-1 (2016)	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.
GRI 412-1 (2016)	Operations that have been subject to human rights reviews or impact assessments.
GRI 418-1 (2016)	Substantiated complaints concerning breaches of customer privacy and losses of customer data.

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Financial Services Sector Supplement	Description
GRI FS7 (2016)	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.
GRI FS13 (2016)	Access points in low-populated or economically disadvantaged areas type.
GRI FS14 (2016)	Initiatives to improve access to financial services for disadvantage people.

Modified GRI Standards	Description
GRI 303-5 (2018)	Water consumption (in m3).

Own Indicators	Description
B1	Codes of Conduct: Systems/Procedures - Mechanisms adopted for the effective implementation of codes of conduct.
B2	Climate commitment.
B3	Promoting financial inclusion: Financial wellbeing of individual clients.
B4	Strengthen the competitiveness of the country's productive fabric, build more sustainable cities and communities, and promote sustainable inclusion: Business with purpose.
B6	Promoter Score Variation (in competitive scenarios)102-43 & 102-44.
B7	Digital sales.
B8	Business risks: Policies - Aspects covered by the company's procedures for financing or servicing large-scale projects.
B9	Board Effectiveness: Board Attendance and Mandates, Board Performance Evaluation, Board Member Election.
B10	Retention of key talent.
B11	Cultural evolution indicator.
B12	Employee wellbeing.

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Bancolombia (Colombia)

GRI Standards	Description
GRI 305-1 (2016)	Direct (Scope 1) GHG emissions.
GRI 305-2 (2016)	Energy indirect (Scope 2) GHG emissions.
GRI 305-3 (2016)	Other indirect (Scope 3) GHG emissions.
GRI 102-8 (2016)	Information on employees and other workers.
GRI 404-1 (2016)	Average hours of training per year per employee.
GRI 405-2 (2016)	Ratio of basic salary and remuneration of women to men.
GRI 414-1 (2016)	New suppliers that were screened using sustainability criteria.

Financial Services Sector Supplement	Description
GRI FS7 (2016)	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.

DJSI Indicator
Women's participation on the board.

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Appendix B

Limited assurance of Green Bonds

First bond issuance

We have reviewed that the resources of the first issue of $350,000 million Colombian pesos, which have a term of 7 years, were allocated 58% to projects related to renewable energy and 42% to sustainable construction projects.

The commitment with the bond purchasers is that the resources of the first bond are fully invested. As of December 31, 2021, the following are the projects where the resources are fully invested:

Category	Amount (COP)
Sustainable Construction	$ 154.013.337.040
Renewable Energy	$ 216.543.810.804

Second bond issuance

We have reviewed that the resources of the issuance for COP300 billion, which have a term between 3 and 5 years, were allocated 81% to projects linked to renewable energy and 19% to sustainable construction projects. In addition, the issuance complies with the Green Bond Management Approach defined by Grupo Bancolombia in 2018.

This approach states that the resources of the Green Bond must be invested in renewable energy and sustainable construction projects. Grupo Bancolombia is responsible for the investment process; our responsibility is to express an opinion on the use of resources based on our review.

The commitment with the Bond purchasers is that the resources are fully invested at the close of each year until the final term of the Green Bond. As of December 31, 2021, the following are the projects where the resources are fully invested:

Category	Amount (COP)
Sustainable Construction	$ 49.794.000.000
Renewable Energy	$ 211.856.537.364

Note: At the end of the year 2021, there are active resources of $146,694 million Colombian pesos.

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Limited assurance of Sustainable Bonds

First bond issuance

We have reviewed that the resources of the issuance for $657,000 million Colombian pesos with a term of 5 years, were allocated 69% to projects with a green focus (energy efficiency and sustainable construction) and 31% to social projects focused on low-income housing and social infrastructure. In addition, the issuance complies with the Sustainable Bond Management Approach defined by Grupo Bancolombia in 2019.

This approach states that the resources of the Sustainable Bond must be invested in environmental projects (renewable energy, energy efficiency, sustainable production, among others) and social projects (low-income housing, transportation, infrastructure, among others). Grupo Bancolombia is responsible for the investment process; our responsibility is to express an opinion on the use of resources based on our review.

The commitment with the Bond purchasers is that the resources are fully invested at the end of each year until the final term of the Sustainable Bond. As of December 31, 2021, the following are the projects where the resources are fully invested:

Category	Amount (COP)
Sustainable construction	$ 592.831.000.000
Energy Efficiency	$ 24.000.000.000
Social Infrastructure	$ 56.836.000.000
Social Housing	$ 173.414.000.000

Second bond issuance

We have reviewed that the proceeds of the issuance of $600 billion Colombian pesos with a term of 3.5 and 12 years, were allocated 70% to projects with a green focus (energy efficiency, circular economy, renewable energy, and sustainable construction) and 30% to social projects focused on women's empowerment, social infrastructure, and low-income housing. In addition, the issuance complies with the Sustainable Bond Management Approach defined by Grupo Bancolombia in 2022.

This approach states that the resources of the Sustainable Bond must be invested in environmental projects (renewable energies, energy efficiency, circular economy, among others) and social projects (women's empowerment, transportation, infrastructure, among others). Grupo Bancolombia is responsible for the investment process; our responsibility is to express an opinion on the use of resources based on our review.

The commitment with the Bond purchasers is that the resources are fully invested at the end of each year until the final term of the Sustainable Bond. As of December 31, 2021, the following are the projects where the resources are fully invested:

Category	Amount (COP)
Sustainable construction	$ 195.141.244.000
Circular Economy	$ 131.498.903.020
Energy Efficiency	$ 1.764.000.000
Renewable Energy	$ 113.621.192.000
Women Empowerment	$ 61.551.010.724,16
Social Infrastructure	$ 56.202.000.000
Social Housing	$ 63.859.000.000

For further details of information related to basic and specific indicators, and management models, please refer to our Corporate Website, in the following links:

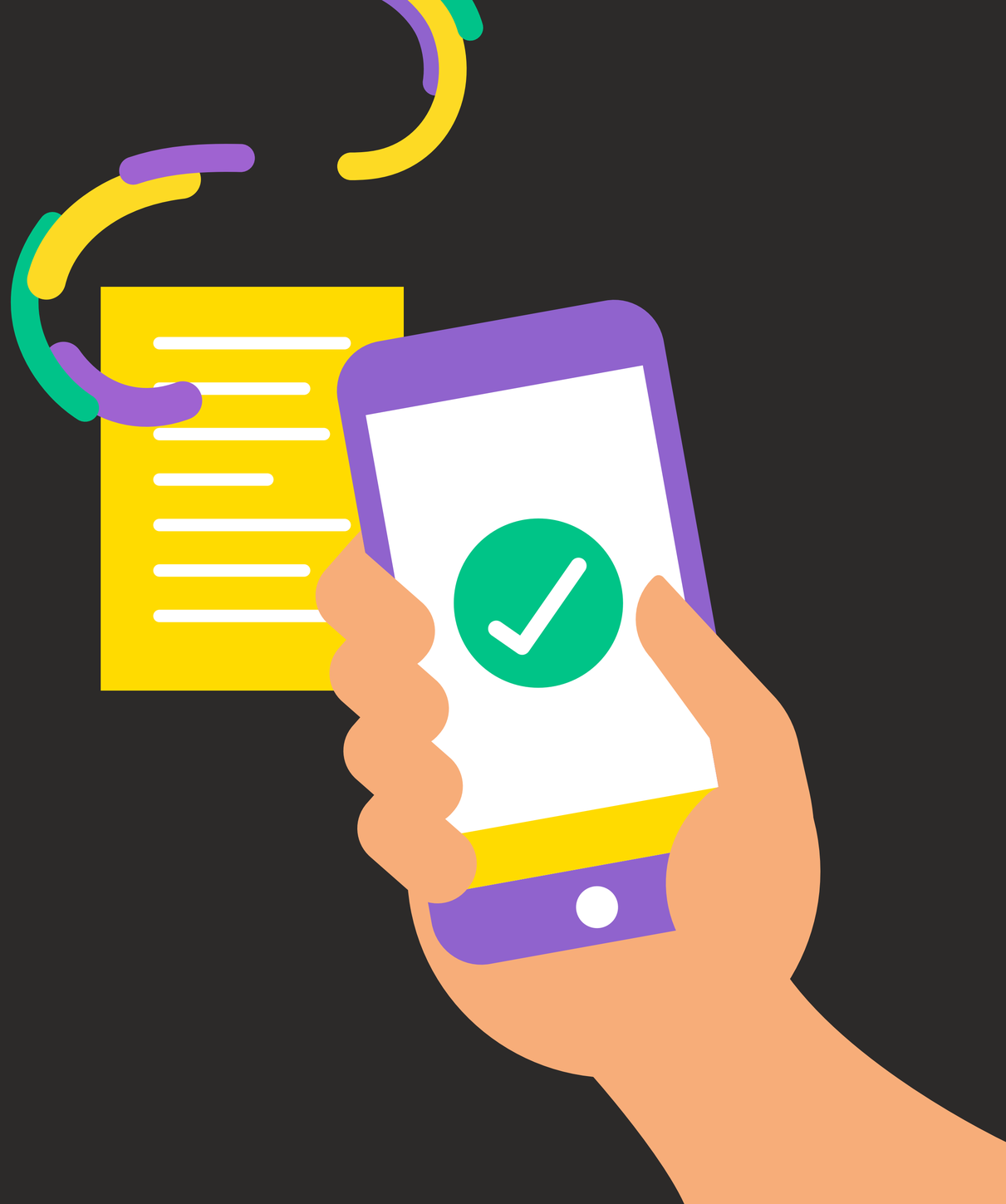
https://www.bancolombia.com/wps/portal/about-us/corporate-information/sustainability?_ga=2.89370909.787974150.1653311585-521887724.1637702645&_gac=1.19927114.1653055555.Cj0KCQjw-JyUBhCuARIsANUqQ_LQuvzzTjvIHz_Wld2tgcs6gFrRMOTGw4v71aSXIUbuUd4bXDDlvwUaAsHpEALw_wcB

https://www.grupobancolombia.com/corporate/corporate-governance/our-corporate-model

https://www.grupobancolombia.com/wps/portal/acerca-de/informacion-corporativa/proveedores

Financial results We have an integrated report available in Spanish which includes all financial information. Capter financial statement

https://www.grupobancolombia.com/wcm/connect/www.grupobancolombia.com15880/4c074fcd-a0df-4378-a490-c61e3aa85607/Informe+de+gestion+version+completa.pdf?MOD=AJPERES&CVID=n.wwWHD

For financial information in English, please refer to our 20F form

https://www.grupobancolombia.com/wcm/connect/www.grupobancolombia.com15880/d8b35cb3-2f60-4cfc-9b2b-af1c383029e2/Forma+20-F+Grupo+Bancolombia+26042022+VF.pdf?MOD=AJPERES&CVID=o2bK96Q