



Banco de la República's Financial Statements

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The International Financial Reporting Standards (IFRS), issued by a private and independent body, are based on the principles of the international accounting framework that has become the world standard for the production of homogeneous, comparable and transparent financial information.

In this respect, the need for *Banco de la República* (BR) to modernize the structure of its accounting within the international context of central banks, and the process of convergence towards international accounting standards in Colombia, derived from Law 1314/2009, led to the conclusion, following a joint study by the General Accounting Office of Colombia (CGN), the Office of the Financial Superintendent of Colombia (SFC) and the BR, that the International Financial Reporting Standards (IFRS) constitute the base accounting model or reference applicable to the Bank in those aspects that are not contrary to its special regime, as described in Law 31/1992 and in its bylaws.

Consequently, as per Resolution 037/2017 and its amendments, the Bank must apply the regulatory technical framework outlined in the attachment to National Decree 2420/2015 and its amendments, except in the following instances:

- If it is contrary to the Bank's special regime, as per Law 31/1992, and its bylaws issued through Decree 2520/1993 and amended by Decree 2386 of December 11, 2015, particularly with respect to: i) accounting treatment of the exchange adjustment for foreign reserves caused by fluctuations in the peso exchange rate for the currencies in which those reserves are represented (Article 62, Numeral 4 of the bylaws, as amended by Article 2 of Decree 2386/2015) and ii) the accounting treatment of issued metallic currency (Article 62, Literal b, Numeral 1 of the bylaws).
- Treatment of the loan portfolio and its detriment for which the Bank applies the special technical standards, interpretations and guidelines on accounting and financial information issued by the Office of the Financial Superintendent of Colombia.

Banco de la República publishes a complete set of financial statements every year. These statements are reviewed by its Auditor General and by an external auditing firm. It also publishes monthly reports on its financial position and overall performance, based on the information in its accounting records. These reports do not constitute interim financial statements. The report on effective monetary operations is published monthly. is published monthly.