Box 4: Foreign Reserves and Banco de la República’s Profts - Report of the Board of Directors to the Congress of Colombia, July 2026

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Pursuant to Article 5 of Law 31 of 1992, the Board of Directors of Banco de la República (the Central Bank of Colombia) submits a report to the Honorable Congress of Colombia, informing about the performance of the economy and its outlook. This report is submitted twice a year, in March and July, within ten business days following the start date of the sessions of the Congress.

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Every year, *Banco de la República (Banrep)* generates profits that, by law, must be transferred to the government, after deducting the capital reserves established by law. In 2026, Banrep transferred approximately COP 13.9 t in profts to the National Government, generated from its operations in 2025. As shown in Graph B4.1, this level of profts is the highest on record and exceeds the high levels reached in 2023 and 2024.

Foreign reserves constitute Banrep’s main asset and were one of the key determinants of its financial results in 2025. In a year in which the Bank’s profits reached an all-time high, the net income from the managements of foreign reserves amounted to COP 11.9 t, that is, COP 2.5 t more than a year earlier. Thus, of the total profits generated by Banrep in 2025, 86% resulted from the management of foreign reserves during the past year. This result was mainly explained by three factors: high interest income, valuation gains of fixed-income portfolios, and a diversified and prudent investment strategy.

Foreign reserves are managed based on the criteria of safety, liquidity, and return. Therefore, a significant proportion of the portfolio is invested in high credit quality fixed-income instruments, mainly issued by governments and entities in advanced economies. Within this conservative framework, returns come primarily from the interest paid on securities and changes in their market prices.

Fuente: https://www.banrep.gov.co/en/publications-research/report-board-directors-congress/box4-july-2026