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REGISTRANT'S NAME

Corporacion Financiera

*CURRENT ADDRESS

del Valle S.A. (Colombia)

CFV Building

Calle 20, Nos. 4-47, Piso 23

**FORMER NAME

Cali, Colombia

PROCESSED

**NEW ADDRESS

AUG 22 2005

J. TORRES
FRANCH

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CORPORATE PROFILE

Corporación Financiera del Valle was founded as a financial services organization in 1961 and operates two main business lines in corporate and investment banking. CFV undertakes equity investments as well as stakes in Colombian companies. CFV also provides medium- and long-term loans to the nation's corporate and public sectors. The Company's investments are in a variety of industries, including cement, hotels, agricultural business, chemicals, utilities, telecommunications and technology. Corporación Financiera del Valle was the first company in Colombia to list ADRs in the international markets.

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Colombian Economic Overview

An economic slowdown in Colombia characterized the year, although ground has been regained since the severe recession in 1999. GDP growth for 2001 was 1.5%, which meant that national compliance with the International Monetary Fund Agreement of Performance had to be renegotiated. While inflation at 7.7% remained well below the 8% goal, Central Bank policies of lower interest rates and high liquidity were not sufficient to stimulate consumption and investment in Colombia for the year, but should have a greater impact in 2002.

During the slowdown, Colombia's financial sector has undergone a cycle of stagnation in the credit channel. Lower costs for funds have been offset by higher risk models, which determine few organizations to be credit worthy, and the perception that a full recovery will take longer than expected. In other words, negative anticipation has prevented the success of a credit mechanism that can contribute to more robust economic activity.

Fallout from the September 11 attack on the United States jolted the Colombian stock market. Lower prices for petroleum and coffee in world markets affected two of the nation's major export products. At issue, as well, is the fact that increased domestic petroleum exploration is necessary to offset declining oil production. The latter is also affected by internal security in a country where progress in peace negotiations with local guerillas is a significant engine of economic performance.

Advances have been made on correcting structural imbalances in the economy. Most important of these, foreign investment and increased domestic savings, have progressed very slowly.

In December the World Bank approved a US\$ 400 million Structural Fiscal Adjustment Loan to support financial reform. This money will help the Colombian government to rationalize fiscal transfers to local governments, to increase efficiency in delivering public health services, to curb pension-related liabilities, to reorganize public expenditures and to improve public debt management. The country has undertaken a comprehensive economic reform program to strengthen the government's fiscal position. From this loan, the first US\$ 160 million was issued in December 2001, a second US\$ 180 million was scheduled for March 2002 and the remainder will be disbursed at a date to be determined. Placing Colombia's fiscal accounts on a sustainable path will contribute to macroeconomic stability that, in turn, will stimulate economic growth.

Financial Statement - Consolidated

(In millions of dollars)

	2001	2000	1999
Revenues	94.2	98.3	152.1
Operating Expenses	(77.0)	(74.1)	(117.6)
General Expenses	(15.6)	(15.7)	(17.6)
Provision for Credit Losses	(12.8)	(24.2)	(30.5)
Net Income	(9.5)	(14.5)	0.2
Net Loans	373.9	403.3	489.1
Investment Portfolio	383.2	231.5	241.2
Assets	903.4	855.8	970.2
Liabilities	733.6	669.9	739.1
Shareholders' Equity	169.8	185.9	231.1
To translate Colombian pesos into U.S. dollars:	2,306.90	2,186.21	1,872.12

Letter to Shareholders

"The Colombian economy has not been able to recover historic growth rates and this year the GDP will be below the growth rate of 2000."

*CFV Financial and Macroeconomic Report
October-December 2001*



ALEJANDRO ZACCOUR U.
President

Dear Shareholders,

In 2001, Corporación Financiera del Valle (CFV) marked a fortieth anniversary, celebrating four decades of service, innovation and leadership in Colombia's capital markets. The year also brought greater economic activity domestically, a welcome change from the severe recession experienced in 1999 and 2000.

In Colombia, CFV has been a special agent in promoting increased savings rates and channeling these resources to productive sectors through commercial loans or by becoming shareholders in promising new businesses. We have been recognized as one of the chief internal capital market engines, a principal investment institution and an innovator of product development.

The rate of capital market development in Colombia, however, is still rudimentary. While the surge in pension funds from new investment institutions has provided stimulation to the local capital market, the task of financial corporations is fundamentally to develop tools that permit mobility of these resources and to optimize profits from those models. With this mandate, CFV has built a strong reputation in Colombia. Over forty years we have been positioned as a leader in capital market development and in the creation of new businesses.

By channeling savings into the capitalization of strong businesses, CFV has 92% of our portfolio invested in the commercial sector in 2001. Besides direct participation as a shareholder, the Company has spearheaded development of more than forty businesses in the last forty years.

CFV Results 2001

Financial statements in 2001 were greatly affected by provision rates placed against net gains realized, which rose to Ps. 35,023 million, and elimination of the adjustment for inflation, a significant reduction of more than Ps. 9,000 million. These factors contributed to a loss of Ps. 21,956 million, considerably below deficit figures for 2000. With provisions covering the portfolio -- provisions against potential defaults -- the rate is 223%, extremely superior to the rest of the financial sector. We emphasize that this orthodox financial practice supports CFV's financial solidity, ranking us as the seventh largest institution in Colombia's financial sector and demonstrating a far higher solvency rate than the 9% minimum required by law.

As macroeconomic indicators continue to promote stability, we expect to see further growth in the upcoming year. That a recovery is underway is good news for the financial sector. The domestic financial system accumulated losses of 2.5 billion pesos in 1999 and 1.5 billion in 2000. To a degree, consolidation led to profitability in 2001. Principal threats at present are the ongoing conflicts with guerillas, a lack of increased credit in the industrial sector and the high rate of unemployment. A principal objective for both the government and the financial sector in 2002 must be to improve the Colombian environment for foreign investment which, in turn, will help to stimulate local investment and consumption.

"By year's end, however, we think it likely that the national government's external financing needs will increase, since the shortfall goal of the Aggregate Public Sector has increased from 2.8% to 3.3% of GDP."

*CFV Financial and Macroeconomic Report
October-December 2001*

National Economic Context

Colombia's lower interest rates in 2001 were accompanied by lower inflation. While inflation was at 8.8% in 2000, this figure was lowered to 7.7% for the current year, below the 8% forecast made by the Central Bank (Banco de la República).

To stimulate change, the market experimented with a lower nominal devaluation to raise the exchange rate in 2001 to 2,290 pesos to the dollar, which brought about a nominal depreciation of only 3% for the year. The lower devaluation rate chiefly explains expectations of public sector capitalization by some market agents. Financing the public sector deficit through foreign debt by way of the Petroleum Stabilization Fund (Fondo de Estabilización Petrolera) led to expectations of a greater supply of dollars in the market and precipitated a revaluation during the fourth quarter.

Financial Sector

After three years in which the financial sector reported losses, profitability finally returned in 2001. Principal risk indicators continued to improve over rates in previous years.

In spite of economic recuperation, the financial system's credit portfolio continued to be flat. Throughout 2001, the total financial system's loan portfolio fell 3% in nominal terms, which represented a drop in real terms of more than 10%. Over the last three years, the credit portfolio has lost more than 30% in real terms. This effect still persists, in spite of incentives for reduced interest rates diligently set by both the government and the financial sector. Today, interest rates have reached an historic low. In real terms, the average 90-day CD rate (DTF) was at 3.59 percentage points above inflation at the end of 2001, far lower than in December 1999, when the DTF reached 6.0 percentage points.

SERVICE

Since the inception of CFV in 1961, we have aimed to provide the finest array of financial products and services to clients. A key to delivering this commitment is the fine research provided by specialists in CFV's Investment Banking division. Up-to-date, forward focused information gives us an edge in assessing market situations and responding in a manner that benefits clients. As is the case with all successful businesses, gains are made through teamwork and the integrated actions of all CFV divisions and affiliates.

Corporate Banking

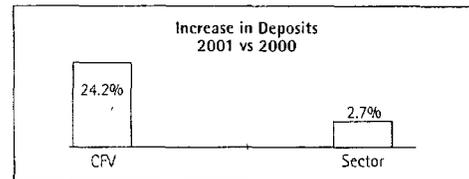
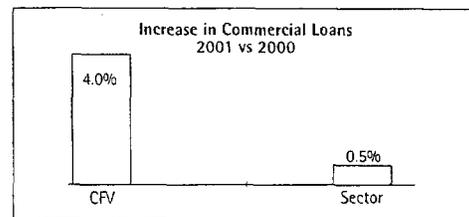
Efforts made by the corporate team increased the loan portfolio by 4%, as compared to 2000, while overall sector growth was only 0.5%. Our gain brought CFV's participation in the sector to 3.4%.

This strength is due to CFV's solid risk indicators, portfolio quality (potential defaults as a small measure of the overall portfolio) that reached 2.8% above the system average of 9.7% and coverage (provisions against potential defaults) at around 223% as compared to the 74.7% system average.

In a celebration of Bancoldex's (Banco de Comercio Exterior de Colombia S.A.) tenth anniversary, CFV was recognized as one of the six major financial intermediaries -- both domestic and foreign -- for invaluable contributions to development of the external commercial channel. First place was conferred on CFV among the group of major corporations cited for outstanding financial management.

We continued to consolidate CFV services with those of our affiliates and to offer new products.

As a result, the volume of deposits grew 24.2% by year end 2001, as compared to the 2.7% increase reported by the financial sector overall. CFV figures were also enhanced by the fact that we opened a new office in Manizales in October. Client service was improved with transactional capability via the Internet through CFV's home page at www.corfivalle.com



"Throughout 2001, however, the annual contraction rate of the financial system's loan portfolio -- which reached 8% in nominal terms at the beginning of the year -- has been shrinking. The contraction is primarily explained by a drop in mortgage receivables, while consumption and trade receivables already show positive growth rates."

*CFV Financial and Macroeconomic Report
October-December 2001*

Investment Portfolio

CFV maintained a strategy of rotating investments in the industrial sector, while keeping our focus on the specific areas of infrastructure, services and technology:

- In February 2001, we acquired an additional 9% stake in Proyectos de Infraestructura S.A. (PISA). PISA is the entity that constructs toll roads in Colombia. PISA also negotiated to gain a 50.5% share of a toll road concession at one of the Bogotá exits, with daily traffic of approximately 10,000 vehicles.
- In December, we launched an investment with International Business Communities (IBC), part of the Carvajal Group, to provide technology and Internet services. CFV's investment brought a 37% stake in IBC.
- CFV increased ownership in Lloreda S.A., resulting from a financial restructuring under Law 550, and grew from a 34.4% to a 53.83% stake, which makes us the principal shareholder. Also participating in this transaction were more than ten other financial institutions and various private investors. The process strengthens Lloreda's debt equity, which is important to capitalization creditors and to restructuring conditions that are more favorable to business.
- At mid-year CFV increased ownership of Productos Derivados de la Sal (Prodesal), producer of chlorine and soda, from 34% to 94.6%, due to consolidation within the Prodesal organization.

During 2001, dividends on investments rose beyond these numbers in 2000, due to better results in our investment portfolio and consolidation of CFV's position at PISA and Prodesal.

Treasury

Excellent performance led to growth of our portfolio of more than 100%, totaling approximately Ps. 320,000 million. As a result of hard work and expertise, CFV's Treasury professionals also accomplished the following:

- CFV was named as one of only eleven market makers for the TES market in Colombia, as well as for derivatives and government bonds.
- Transaction volume increases, due to a larger base of more active clients, were Ps. 20,949 million higher than in 2000. This 38% increase makes CFV the leader in foreign currency and derivative transactions.

To support growth in the Treasury division, the Company invested to acquire new software that enables faster, more efficient transactions.

"Perspectives are a cause of low credit demand and risk is the cause of the low credit offer levels."

*CFV Financial and Macroeconomic Report
October-December 2001*

Investment Bank

CFV's Investment Bank continues to provide regular economic reports on Colombia to the national and international financial communities. Besides being of great value to analysts, these publications gain recognition for CFV as being an expert on Colombian markets.

During 2001, the Investment Bank participated in the most important financial restructurings in the nation, with transactions that totaled Ps. 428,000 million. Funds were distributed in more than thirty projects in the areas of capital market, mergers and acquisitions, corporate finance and

situations in which we acted as advisory. Among these achievements were:

- Financial structuring and award of the concession to rehabilitate, operate and maintain the Zipaquirá-Bucaramanga highway in Palenque were completed. This is the first domestic concession to be pursued through a third generation and the only one initiated at this level in the last three years. CFV helped the government to structure all business aspects of the Zipaquirá-Bucaramanga project.
- CFV placed bonds for Promigas E.S.P. with a first tranche of Ps. 100,000 million at the lowest interest rate for a ten-year term bond in the history of Colombia's capital market.
- We structured and placed bonds for the insurance entity ALFA Compañía de Seguros (ALFA) in the amount of Ps. 100,000 million. This was the insurance sector's first bond placement in the last four years. ALFA was the first insurer to go to the capital market for debt.
- CFV structured and placed PISA's first bond issue, totaling Ps. 20,000 million.
- Investment Bank professionals structured and placed a sophisticated syndicated loan for Cartones América S.A. (CAME) among four banks. The loan was denominated in both pesos (Ps. 25,175 million) and U.S. dollars (US\$ 3.4 million), over a five-year term with a grace period of eighteen months. The loan was designed to optimize CAME's financial structure.
- We structured and placed bonds amounting to Ps. 38,000 million for the TIBITOC water treatment plant. The success of this placement assures the cost of completing the plant's rehabilitation process.
- For ISAGEN, one of Colombia's most important electricity generators, CFV completed a strategic

financial analysis of the company and a comprehensive five-year plan to address cash-flow needs. Our investment bankers also presented a proposal to act as advisory to ISAGEN in future public share offerings.

Besides valuable information provided in economic reports, the Investment Bank oversees financial market analysis materials available on CFV's Web site. The information is a permanent reference for clients and complements integrated financial material made available by CFV. With publications on economic research, professionals with CFV's Investment Banking have become leaders in shaping opinion through the medium of specialized communications. Monographs have been published, along with articles in *La República*, and individuals have served as resources for reporters at Bloomberg and Reuters. Company experts also designed a "CFV Index of Public Debt" that is published regularly in *Portafolio*, a member of the *El Tiempo* media conglomerate.

As an important representative of CFV's outreach efforts, the Investment Bank has been active in the Andean region, establishing links and contacts that will lead to additional international assignments in 2002. CFV has served in 2001 as advisory to Colombian companies with interests in Bolivia and Perú.

Administration

CFV always looks for ways to improve efficiency and the Company's adept response to the marketplace. Toward this end, we hired London Consulting to help develop a plan to realize increased synergies with CFV affiliates. Among our goals are to unify back office services, along with functions in the technology, operations, financial control, purchasing, legal and human resources areas. We began this process in mid-

1999. When London Consulting came on board in 2000, we were given very high marks for progress to date. London Consulting has provided CFV with a scorecard to measure the performance of each area and to assist with implementing further methodology in 2002.

The Company continues to monitor operational costs, and we have reduced these by 4.81% in real terms since December 2000. The index of administrative efficiency fell from 1.64% in December 2000 to 1.57% at the end of 2001.

To complement standards about intellectual property rights, CFV maintains licensing agreements for all software used. We have established internal policies and procedures, as well, to protect the continuation of existing installations.

As an ongoing business in Colombia, we ascribe to all legal and policy decisions that govern our business in the financial sector, maintaining all due diligence disclosures and applicable procedures under law.

Affiliates

Leasing del Valle S.A. C.F.C. is the CFV affiliate that demonstrated the most positive pattern of business development during 2001, netting Ps. 2,200 million, a gain over the Ps. 728 million figure posted for December 2000. Results were due to a 40% increase in leasing activity, and the rise in portfolio quality reduced arrears payments from 4.03% to 2.47%. Equity rose to Ps. 26,172 million and the solvency indicator at 26% was well above the 9% required by law.

Fiduciaria del Valle reported a profit for 2001 in the amount of Ps. 2,835 million, a 100% increase over the previous year. Gains were due to income from mutual funds and from the administration's asset management and fiduciary trusts.

Commissions and honoraria produced Ps. 5,416 million in income, an 18% gain over 2000. Consolidation of operational expenditures led to an additional 31% gain in profit margins. Most outstanding were increased deposits in the company's Value Plus Fund (Fondo Común Ordinario Valor Plus), which reached more than Ps. 200,000 million, at the end of 2001. Activity and the volume of assets under management increased the value of Fiduciaria del Valle to Ps. 1.6 billion, ranking the company among Colombia's top fiduciary institutions.

Cofivalle Finance (Bahamas) Limited ended the year with profits of US\$ 156,177, representing an increase in portfolio output and in placing loans for commercial ventures in the export sector. Among the most important achievements was establishing a physical presence with Banco Central de las Bahamas. This was accomplished by contracting services through the Winterbotham Trust Company Ltd. as the local representative that maintains constant online information. The relationship enables fulfillment of financial regulations, control of money laundering and greater client recognition.

INNOVATION

CFV is anchored by a business philosophy that pursues new strategies and methodologies, applies tests and evaluations, and implements the best from our findings. Early on in the Company's history, we determined that the interests of clients were best served by closer ties to the international financial community. Consequently, we were the first Colombian company to offer GDRs and ADRs in markets in Europe and the United States.

In the last decade, we focused on infrastructure projects as the backbone of the CFV Investment Portfolio. Electricity, water treatment and highway

projects have not only been areas of profitability, but also opportunities to create jobs and improve conditions for all Colombians. We are widely recognized for our experience and expertise in this sector.

Internet technology has changed the way in which the world does business, making communications faster and more far reaching than could have been imagined twenty years ago. From the outset we studied new potential benefits to CFV's clients. What we have implemented on the Company's Web site is more than a repository of information and updated financial news. Users can access accounts, make a variety of financial transactions and use the simulator function to calculate further possibilities.

To offer clients excellent service and to facilitate efficient and secure transactions, CFV and our affiliates have implemented an information system that places the Company in the vanguard of technology. Throughout the year we have worked at unifying both hardware and software platforms at each of our financial businesses, so that customers can access all products through a single site.

In 2001 we installed a transactional Web page where clients and affiliates can consult online to determine operational movements, to modify basic data, to extract information from a variety of products and to initiate or change investments, all in a secure environment. Interactive capabilities also allow an individual to generate stock certificates, apply for loans or financial orders, track account statements and review third-party information. Via the CFV system, one can receive information about investment maturity and operational balances through e-mail reports.

We have instigated application of software (Renta Fija and Divisas) to administer the money table portfolio in both pesos and foreign currency. A program for human resources was purchased and installed to function on the same NT platform as the Oracle database.

CFV's Web site has developed one of the leading sources of economic information on Colombia, ranked as number two by the e-zine Primerapagina.com for economic data on the nation's financial sector.

Although the fiscal situation has deteriorated through lower tax income, the national government must in 2002 offer more opportunities for the private sector to access a larger part of financial sector funds.

*CFV Financial and Macroeconomic Report
October-December 2001*

LEADERSHIP

At the institutional level we have been at the forefront of pursuing excellence and transparency in the marketplace, while adapting to change and nurturing growth. CFV has also produced a generation of individual leaders who have served in both government and private sector enterprises.

In commemoration of our fortieth anniversary, we have strengthened our ability to lead in the area of corporate social responsibility. Cofivalle Foundation has a new mandate to assist the less fortunate and to support improved educational opportunities in Colombia.

For the coming year, we believe that Colombia's financial authorities must concentrate efforts to improve economic growth, to reduce unemployment rates and to strengthen national productivity.

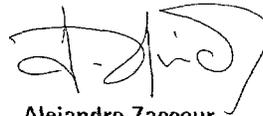
Low interest rates are a key to economic recovery, investment and stable macroeconomic indicators. Under these provisions, fiscal adjustments must be monitored and legal reforms approved to help the country regain financial stability, so that public debt is not a barrier to economic development.

Goals for 2002

- CFV will continue to offer a complete portfolio of products and services to clients in conjunction with our affiliates. We place particular emphasis on extending the loan portfolio and private banking activity, while offering easy and highly personalized client assistance.
- CFV will implement further recommendations from London Consulting, to maintain cost effective procedures and to make the most efficient use of resources to achieve more profitable margins. Administrative efforts will continue to integrate back office services through the implementation of technology.
- The Treasury will maintain and extend our position as a market maker in Colombia and continue to be a leader in derivatives.
- The Investment Portfolio will look for new opportunities by adding national capital and foreign investors, while consolidating CFV's participation in the infrastructure, services and technology sectors.
- The Investment Bank will expand efforts to serve clients throughout Latin America and to help companies reach capital markets in Colombia.

I extend thanks to all CFV shareholders, employees and constituents for continued support. Particular appreciation is expressed to Mauricio Mejia Pardo for his past dedication to the Company's best interests, along with sincere wishes for success in his new position as chief executive officer of Prodesal.

Respectfully submitted,



Alejandro Zaccour,
President

"Besides the introduction of new bonds into the market, good conditions for the placement of public indebtedness bonds allowed the national government to carry out an important portion of the internal financing plan throughout the quarter."

*CFV Quarterly Report of Macroeconomic
and Financial Perspectives
October-November 2001*

SERVICE

CFV at a Glance

(Figures as of December 31, 2001)

BUSINESS DIVISIONS	PRODUCTS AND SERVICES	FINANCIALS
Corporate Banking	Provides loans to corporate and Government clients; finances trade; issues CDs and Bonds.	US\$ 373.9 million Loan Portfolio Net
Treasury and Financial Trading	Broker/dealer in fixed income instruments; trades in FX and derivatives market.	US\$ 12.689.8 million Transactions
Investment Banking	Raises equity and debt capital in local and international markets; provides advisory, particularly for privatization of infrastructure; works on M&A transactions; conducts research.	US\$ 185.5 million Volume of Transactions
Equity Portfolio	Manages diversified portfolio of listed and unlisted securities, seeking both capital appreciation and dividend revenue. Gains earned through rotation of the portfolio are reinvested.	US\$ 293.5 million Mark to Market
SUBSIDIARIES		
Leasing del Valle S.A.	Leases equipment to companies and provides consumer loans.	US\$ 50.8 million Assets
Fiduciaria del Valle S.A.	Asset manager and fiduciary trust for three funds and acts as fiduciary for infrastructure projects in Colombia.	US\$ 839 million Asset Mgt.
Corfivalle Finance (Bahamas) Ltd.	Provides offshore financing and crossborder leasing.	US\$ 29.03 million Assets
C. I. Valle Trade S.A.	Executes export-import transactions and provides structured financing.	US\$ 35.1 Revenue

CFV Shareholder Ownership

(Figures as of December 31, 2001)

SHAREHOLDER	PERCENTAGE	SHARES
Aval Group	25.70%	14,575,967
Banco de Bogotá		
Banco Popular		
Banco de Occidente		
Corporación Financiera de los Andes		
Private Group	12.08%	6,848,184
Coffee Growers Group	10.76%	6,101,652
Caicedo Group	7.97%	4,521,141
Providencia Group	7.24%	4,107,174
International Finance Corporation of The World Bank	5.25%	2,976,235
Industrial Bank of Japan	3.47%	1,970,888
Cementos del Valle S.A.	3.22%	1,828,601
Industrial Development Institute (IFI)	3.19%	1,811,539
Andean Development Corporation	3.12%	1,767,564
Others	18.00%	10,216,408

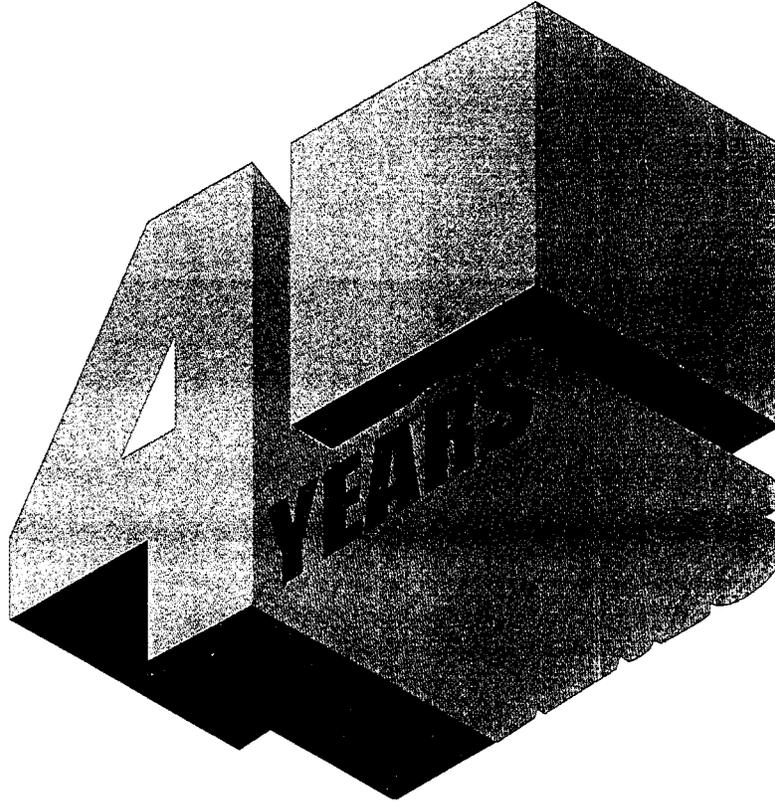
One hundred and fifty shareholders who, for the most part, represent financial institutions and institutional investors.

Of CFV's 66,024,347 shares, 85.92% are Common and 14.08% are Preferred.

Investment Portfolio

Infrastructure	Central Hidroeléctrica de Betania S.A. E.S.P. (Betania) EMGESA Promigas S.A. TIBITOC Water Treatment Plant Cementos Diamante S.A. Proyectos de Infraestructura S.A. (PISA Toll Road)
Hotels	Hotel Intercontinental Cali Hoteles Estelar de Colombia S.A.
Chemicals	Productos Derivados de la Sal S.A. (Podosal) Coloidales S.A.
Agribusiness	Compañía Agropecuaria e Industrial Pajonales S.A. (CAIPA)
Soaps & Edible Oil	Lloreda, S.A.
Technology	Futbolred.com Caliescali.com

EXPLANATION



Efficient sales and reinforcement of internal demand are expected in upcoming quarters to attain a sustained growth figure approaching the historical level of 10% per year. This is the required minimum to reduce the company's debt and to improve financial statements.

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Cofivalle Foundation

CFV has provided leadership in the area of corporate social responsibility, assisting with quality of life and health issues in Colombia since 1961. For three decades our emphasis was providing financial assistance for institutions to support Colombian culture, to provide economic stimulation, to create jobs and to protect the environment. In 1991, we formalized CFV's social efforts by establishing the Cofivalle Foundation.

Our overall aim in philanthropy is to invest in the people of Colombia. To celebrate the Company's fortieth anniversary we are realigning our emphasis to stress education.

CFV's focus on education is very pragmatic. Today, the international arena has become a global village where competitive skills are essential. A strong and productive future for our country depends on the quality of the workforce that is growing up at present. Young women and men must be able to meet world standards in education in order to interact successfully with peers from other countries.

The Foundation supports education on two fronts. The first aim is basics. Twenty out of every 100 children in Colombia don't get the "Three Rs": Reading, wRiting and aRithmetic. Since 1999 approximately 150,000 school children have been displaced due to guerilla tactics in rural areas. These youngsters must catch up with their own age group and need some special assistance in achieving this goal. We sponsor programs for these students, many of whom are twelve years of age, but remain in second grade. CFV collaborates with Corpoeducación at three schools in Buenaventura, one in Cali and one in Jamundí to facilitate basic education.

Because of our understanding of the importance of technology in contemporary life, Cofivalle Foundation plans to participate in a computer distribution system. When we retire computer hardware from our businesses, machines can be refurbished and delivered to schools on a waiting list. We will also join the national effort to upgrade technology in the schools.

At the post-secondary level, we will partner with domestic colleges and universities who are recognized worldwide for quality instruction in financial and economic studies, areas that are linked to the Company's business interests. We are assessing programs in law, economics and engineering for students with outstanding capabilities at selected schools as potential recipients of funds from CFV.

CFV is known for the excellence of our people, and we are taking a leadership role in preparing the next generation to join our ranks and to match or to exceed the skills of global colleagues.

LEADERSHIP

Pajonales Organization

Small Businesses for Women

C.I. Cali

Textile Manufacturing Company

VallenPaz

Economic Stimulus Program in Hill Villages
of the Cauca Valley

Oscar Scarpetta Orejuela De Protección Infantil

Institute to Protect Orphaned
and Abandoned Children

Club Noel

Infant Hospital

Instituto Para Niños Ciegos y Sordos de Cali

Institute for Blind and Deaf Children

Cottolengo

Senior Citizens Home

Corporación Caminos

Substance Abuse Treatment Center

Fundar del Valle

Drug&alcohol Treatment Programs

Convento de San Joaquín

Community Welfare&Development

Fundación Coro de la Paz

Support for Youth&Senior Citizens

Fundación Solidaridad por Colombia

Community Development

"Education is intrinsic to everything we do to
support and extend economic growth, to
improve opportunities for local workers
and to enhance the quality of life in Colombia."

*Alexandro Zaocari, President
CFV*

Statutory Auditors' Report

To the Stockholders of
CORPORACION FINANCIERA DEL VALLE S.A.:

I have audited the balance sheet of CORPORACION FINANCIERA DEL VALLE S.A. as of December 31, 2001, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended. Those financial statements were prepared under the responsibility of the Company's Management, for which it must follow accounting instructions given by the Office of the Superintendent of Banking in Colombia. My responsibility is to express an opinion on these financial statements based on my audit thereof. The financial statements of CORPORACION FINANCIERA DEL VALLE S.A. as of December 31, 2000 were audited by another Statutory Auditor, whose report thereon dated February 1, 2001 contained no qualifications.

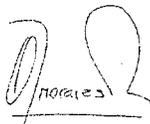
I conducted my audits in accordance with generally accepted auditing standards in Colombia, which include the use of procedures advised by account auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I consider that the audits conducted provide a reasonable base to express my opinion on the financial statements referred to above and to carry out my functions.

The appraisals of property and equipment, and trust rights, the provisions for foreclosed assets, and the provisions for guaranteed loan portfolio, have been posted based upon technical valuations carried out by independent expert appraisers. My opinion expressed herein, with respect to asset appraisals and provisions is based upon the valuations of those expert appraisers.

As explained in Note 3, to the financial statements, pursuant to instructions given by the Office of the Superintendent of Banking in Colombia, starting on January 1, 2001 the recognition of inflation adjustments was eliminated for accounting purposes. Likewise, as explained in Note 3, through the issuance of External Circular letter 46 of October 16, 2001, the Office of the Superintendent of Banking changed the accounting policy related to the provisions for foreclosed assets. These changes affect the comparability of the financial statements as a whole.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CORPORACION FINANCIERA DEL VALLE S.A. as of December 31, 2001, and the results of its operations, the changes in its stockholders' equity, and its cash flows for the year then ended, in conformity with accounting instructions and practices dictated by the Office of the Superintendent of Banking, which except as mentioned in the previous paragraph, were applied on a consistent basis.

Further, based upon my functions as statutory auditor and the scope of my audit mentioned above, in my opinion: a) Company books are kept according to legal norms and the accounting technique; b) the operations recorded in the accounting books of the Company and Management acts are adjusted to the by-laws and Stockholders' Meeting's and Board of Directors' decisions; c) the correspondence, account vouchers, and Company's minute books and Company's partners' registry book are duly kept and preserved, d) the portfolio assessment and rating, yield accrual, provision recording, guarantees and disclosure in the notes to the financial statements, internal control and availability of the financial information, have been made according to the criteria and procedures established in Circular letter 100 of 1995 issued by the Office of the Superintendent of Banking in Colombia; e) the accounting information of the management's report matches that of the financial statements; f) the information contained in the declarations of self-liquidation of contributions to the Integral Social Security System, in particular, that relative to the affiliates, and that corresponding to their base revenues, has been taken from the accounting records and supports, and the Company is not delinquent with respect to contributions to the System; and g) the Company has followed adequate internal control, and preservation and custody measures of its goods and of those of third parties under its possession. My recommendations on internal controls have been communicated in separate reports addressed to Management.



OSCAR DARIO MORALES R.
Statutory Auditor
Professional Card No. 3822-T

ARTHUR
ANDERSEN

Calli, Colombia,
February 4, 2002

Corporación Financiera del Valle S.A. Balance Sheets

(Amounts stated in thousands of Colombian pesos)

	NOTES	As of December 31,	
		2001	2000
Assets			
Cash and Equivalents	4	32,304,201	28,112,388
Interbank Funds Sold and Resale Agreements	5	21,223,104	62,438,043
Investments			
Variable Yield	6	627,095,536	350,570,596
Fixed Yield	7	320,149,766	168,169,089
		947,245,302	518,739,685
Less - Provision for Investment Protection	8	63,355,823	12,712,617
		883,889,479	506,027,068
Loan Portfolio			
Current		894,252,682	928,356,373
Past Due up to 12 months		18,224,198	8,956,443
Past Due in excess of 12 months		7,583,396	10,243,277
	9	920,060,276	947,556,093
Less - Provision for Loan Portfolio	10	57,523,805	65,926,170
		862,536,371	881,629,923
Accounts Receivable, net	11	32,460,268	143,570,373
Term and Forward Contracts	12	3,530,806	(2,149,127)
Realizable Goods and Foreclosed Assets, Net	13	47,122,194	47,840,832
Property and Equipment, net	14	8,540,422	11,545,628
Other Assets, Net	15	77,679,335	84,451,074
Asset Appraisal, Net	16	114,692,207	107,478,993
Total Assets		2,083,978,387	1,870,945,195
Contingent and Memorandum Accounts	26	7,642,079,087	7,276,997,344

The accompanying notes are an integral part of these Financial Statements

Corporación Financiera del Valle S.A.

Balance Sheets

(Amounts stated in thousands of Colombian pesos)

	NOTES	As of December 31	
		2001	2000
Liabilities and Stockholders' Equity			
Deposits and Call Moneys	17	715,933,102	538,030,051
Interbank Funds Purchased and Repurchase Agreements	18	125,392,255	17,285,128
Outstanding Bankers' Acceptances		877,356	1,275,093
Bank loans and Other Financial Obligations	19	774,421,482	760,128,206
Accounts Payable	20	32,210,694	93,232,620
Outstanding Investment Securities	21	9,994,000	40,442,400
Other Liabilities	23	33,511,538	14,170,634
Total Liabilities		1,692,340,427	1,464,564,132
Stockholders' Equity			
Subscribed and Paid-in Capital	24	660,243	660,243
Retained Earnings (Accumulated Deficit)			
Appropriated	25	217,205,059	248,952,935
Non-Appropriated (Deficit)			(31,747,876)
Non-Appropriated (Deficit)		(21,955,317)	
Surplus from:			
Equity Reappraisal		81,036,768	81,036,768
Assets Appraisals, net		114,692,207	107,478,993
Total Stockholders' Equity		391,637,960	406,381,063
Total Liabilities and Stockholders' Equity		2,083,978,387	1,870,945,195
Contingent and Memorandum Accounts	26	7,642,079,087	7,276,997,344

The accompanying notes are an integral part of these Financial Statements.

Corporación Financiera del Valle S.A. Changes in Shareholders' Equity

(Amounts expressed in millions of Colombian pesos)

For the years ended December 2001 y 2000

	Authorized	Capital to be Subscribed	Subscribed and paid-in	Reserves	Other Reserves	Additional Paid-in Capital	Prior Year's Income	Net Income	Appraisal Surplus	Equity Reappraisal	Total Equity
BALANCE AS OF DECEMBER 31, 1999	<u>800,000</u>	<u>141,046</u>	<u>658,954</u>	<u>41,809,447</u>	<u>87,449,094</u>	<u>187,294,736</u>	<u>(69,578,376)</u>	<u>360,966</u>	<u>120,821,043</u>	<u>63,921,909</u>	<u>432,737,773</u>
Capitalization of Equity Reappraisal authorized by the General Stockholders' Meeting		(1,289)	1,289			1,617,068	69,578,376	(360,966)		(2,618,357)	(1,000,000)
Appropriation of General Stockholders' Meeting Net loss						(69,217,410)		(31,747,876)	(13,342,050)	19,733,216	(31,747,876)
Reappraisal surplus						119,694,394		(31,747,876)	107,478,993	81,036,768	406,381,063
BALANCE AS OF DECEMBER 31, 2000	<u>800,000</u>	<u>139,757</u>	<u>660,243</u>	<u>41,809,447</u>	<u>87,449,094</u>	<u>119,694,394</u>		<u>31,747,876</u>	<u>7,213,214</u>	<u>81,036,768</u>	<u>(21,956,317)</u>
Authorization of the General Stockholders' Meeting to Write off Losses						(31,747,876)		(21,956,317)			7,213,214
Net loss											
Reappraisal surplus						87,946,518		(21,956,317)	114,692,207	81,036,768	391,637,960
BALANCE AS OF DECEMBER 31, 2001	<u>800,000</u>	<u>139,757</u>	<u>660,243</u>	<u>41,809,447</u>	<u>87,449,094</u>	<u>87,946,518</u>		<u>(21,956,317)</u>	<u>114,692,207</u>	<u>81,036,768</u>	<u>391,637,960</u>

The accompanying notes are an integral part of these Financial Statements.

Corporación Financiera del Valle S.A.

Statements of Income

(Amounts stated in thousands of Colombian pesos)

	NOTES	For the year ended as of December 31,	
		2001	2000
Revenues			
Interest			
Loan Portfolio		117,809,937	127,787,497
Interbank Funds Sold and Resale Agreements, and Other		6,078,190	16,836,790
Valuation of Investments, Net		41,829,966	27,535,202
Valuation of derivatives, Net		12,151,369	(1,037,491)
Dividends		26,124,984	9,588,902
Exchange difference, Net		3,512,754	9,717,556
Commissions		9,896,663	11,738,243
		<u>217,403,863</u>	<u>202,166,699</u>
Expenses			
Interest:			
Fixed-term deposit certificates		81,992,265	73,280,795
Bank credits and other financial obligations		79,875,606	76,630,753
Outstanding bonds		3,300,949	6,126,404
Interbank funds purchased and repurchase agreements			
Savings deposits and other		6,861,651	1,868,459
Commissions		5,623,236	2,525,037
		<u>177,653,707</u>	<u>160,431,448</u>
Net Revenues		<u>39,750,156</u>	<u>41,735,251</u>
Provision for loan portfolio, Net		(15,407)	26,589,988
Provision for accounts receivable, Net		2,650,043	6,826,041
Provision for investments, Net		52,129,048	10,140,847
Provision for foreclosed assets and trust rights, Net		(25,211,091)	9,355,269
		<u>29,552,593</u>	<u>52,912,145</u>
Net income (loss) after provisions for loan portfolio accounts receivable and investments		<u>10,197,563</u>	<u>(11,176,894)</u>
Profit on sale of investments		12,101,025	12,828,097
Other revenues	27	1,891,757	1,602,698
Personnel expenses		16,586,256	16,493,020
Administrative and other expenses	28	24,039,076	22,312,186
Monetary correction, revenues (expense)	29		8,921,349
Loss before income tax provision		(16,414,987)	(26,629,956)
Income tax provision	22	5,541,330	5,117,920
Net loss		<u>(21,956,317)</u>	<u>(31,747,876)</u>
Net loss per share (in Colombian pesos)		<u>(332,55)</u>	<u>(481,49)</u>

The accompanying notes are an integral part of these Financial Statements.

Corporación Financiera del Valle S.A.

Statements of Cash Flow

(Amounts stated in thousands of Colombian pesos)

For the years ended as of December 31.

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss of the period	(21,956,317)	(31,747,876)
Adjustment to reconcile the net (loss) of the year with the net cash provided from operating activities		
Recovery of provision for loan portfolio, net	(15,407)	26,589,988
Provision of accounts receivable, net	2,650,043	6,826,041
Provision of investments, net	52,129,048	10,140,847
Provision for Fixed Assets		18,685
Recovery of Provision of other assets and foreclosed assets, net	(25,211,091)	14,474,581
Depreciation	1,038,118	1,266,538
Monetary correction of non-monetary assets and equity		(8,921,349)
Net income depurated	8,634,394	18,647,455
Decrease (Increase) in accounts receivable	108,460,061	(81,513,572)
Decrease (Increase) in other assets	35,315,426	(8,820,117)
(Decrease) Increase in accounts payable	(61,021,926)	57,638,151
Increase in other liabilities	19,340,905	4,991,953
Net cash provided from (used in) operating activities	110,728,860	(9,056,130)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in loan portfolio	19,108,959	7,480,979
Decrease of interbank funds sold and resale agreements	41,214,939	57,982,563
Purchase of property and equipment and foreclosed assets	(2,162,488)	(2,880,295)
Purchase of investments	(7,493,436,831)	(6,404,275,338)
Sale of investments	7,057,765,441	6,343,076,058
Sale of property and equipment and foreclosed assets	1,515,616	4,378,168
Net cash (Used in) provided from investing activities	(375,994,364)	5,762,135
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in deposits and call moneys	177,903,051	18,046,719
Decrease (Increase) in interbank funds purchased and repurchase agreements	108,107,127	(48,473,709)
Increase in bank loans and financial acceptances	13,895,539	44,292,140
(Decrease) Increase in outstanding investment securities	(30,448,400)	4,422,600
Decrease in subscribe and paid-in capital and additional paid-in capital		(1,000,000)
Net cash provided from financing activities	269,457,317	17,287,750
Increase in cash and equivalents	4,191,813	13,993,755
Cash and equivalents at beginning of period	28,112,388	14,118,633
Cash and equivalents at year end	32,304,201	28,112,388

The accompanying notes are an integral part of these Financial Statements.

Corporación Financiera del Valle S.A.

Notes to the Financial Statements

As of December 31, 2001 and 2000

(Amounts are stated in thousands of Colombian pesos, except for exchange rates, dividends and per share values.)

(This document is a translation of the report originally issued in Spanish.)

1. REPORTING ENTITY

Corporación Financiera del Valle S.A. (CFV, the Company or Corporation) is a private financial institution, organized as a joint stock corporation, established according to Colombian laws on November 27, 1961, through Public Deed No 5710. The term of the Corporation expires on June 30, 2010, and can be extended through an ordinary resolution of the General Stockholders' Meeting. Modification through Public Deed No 3143 dated September 26, 2001, adopted specific measures for improved company management.

The corporate purpose of CFV is exclusively within the framework of operations authorized by law for financial entities and consists mainly of mobilization of resources and assignment of capital to: a) promote creation, organization, reorganization, merger, transformation and expansion of any type of manufacturing, agricultural, livestock, mining and hotel company, among others; b) subscribe and hold shares or partnerships in those companies where allowed by law; c) foster, sponsor and promote participation of local and foreign private capital without surpassing the maximum limits established by law; d) issue bonds guaranteed by general collateral and by specific collateral; e) acquire and negotiate all types of transferable securities issued by companies from diverse economic sectors; f) receive local or foreign currency funds under deposit and, in general, undertake operations authorized by law for such companies.

The main corporate domicile of the Company is the city of Cali. CFV operates through four agencies and nine offices in different cities of Colombia, with a staff of 386. In addition, CFV has the following affiliates and financial subsidiaries: Leasing del Valle S.A.; Compañía de Financiamiento Comercial; Cofivalle Finance (Bahamas) Ltd., an offshore financial enterprise; Fiduciaria del Valle S.A. and thirteen affiliates in the private sector.

2. PRINCIPAL ACCOUNTING POLICIES AND PRACTICES

CFV's financial statements have been prepared according to instructions and accounting practices established by the Colombian Office of the Superintendent of Banking (the Superintendency), and in those parts not provided for therein, according to generally accepted accounting principles established in Decree 2649 of 1993. Certain accounting principles, applied by the company that conform to generally accepted accounting principles in Colombia, may not conform to generally accepted accounting principles in other countries. The Corporation's main accounting policies and practices are summarized below:

a) Accounting System

The accounting system used by the Corporation is the accrual basis. According to this system, both revenues and expenses are recorded when accrued, regardless of whether they have been actually collected or paid in cash. Revenues, costs and expenses are recorded on an accrual basis, except for provisions of Circular Letter 070 of 2000, issued by the Superintendency, related to income from interests that do not accrue on commercial portfolio older than three months, when credits are rated in the deficient risk category C or a higher-risk category. Interests do not accrue on a consumption portfolio older than three months or rated in the doubtful-collection D or other higher-risk category. When collected, this interest is credited to revenues. Interests and commissions received in advance are recorded as deferred income.

b) Translation of Foreign Currency Transactions and Balances

Foreign currency transactions and balances are translated into Colombian pesos at applicable market exchange rates certified by the Superintendency. The market representative exchange rate certified by the Superintendency for the United States dollar in terms of Colombian pesos was Ps. 2,306.90 and Ps. 2,186.21 per US\$1, as of December 31, 2001 and 2000, respectively. At the closing of each transaction, foreign currency balances are adjusted at the market representative exchange rate and the difference is reflected on the respective asset, liability and income statement account of the year.

c) Cash and Equivalents

CFV's high-liquidity resources -- such as cash, Central Bank deposits, deposits in banks -- are recorded in local and foreign currency and in other local and foreign financial institutions.

Balances uncovered in bank current accounts become liabilities in favor of the respective banking institution and are reflected in the "bank current account-uncovered balance" liability account.

Value of checks written by the Company, not yet collected six months after writing, is reclassified into the "written and uncollected checks" liability account.

According to instructions given by the Superintendency, to cover for eventual losses generated by items pending clarification in bank reconciliations, all financial entities must make a provision for items that should have been in reconciliation for more than thirty days.

d) Interbank Funds Sold and Resale Agreements – Interbank Funds Purchased and Repurchase Agreements

The above items include: (a) placements that the Corporation makes in other banking institutions using excess liquidity during a maximum thirty-day term and (b) placements received by CFV from other financial institutions under the same circumstances. Yields from interbank funds sold or purchased are credited or charged to operations as they accrue. Placements made under the guarantee resale agreement as "investment resale agreements or traded receivables" are recorded in assets, when CFV is the creditor, and in liabilities, under the caption "investment repurchase agreements or traded receivables," when the Corporation is the debtor. The difference between value initially given or received and value finally received or given is recorded as revenue or expense, as applicable, taking into account accrual norms.

e) Investments

CFV assesses, classifies and records investments as provided in Chapter I of External Circular Letter 100 of 1995 issued by the Superintendency. These provisions establish the following classifications of all investments: negotiable, non-negotiable, up-to-maturity and permanent, according to the characteristics of each security.

f) Loan portfolio, Provisions for Loan portfolio and Accounts Receivable

Loans are recorded based on nominal value and, together with other balance sheet items that refer to credit operations, are classified according to bank regulations as commercial, consumption and housing (mortgage). All loans not classified as housing (mortgage), with the initial amount not exceeding 300 minimum legal monthly wages, are classified as consumption loans. The rediscounted loans, denominated in foreign currency and those not classified as housing, are classified as commercial loans and, regardless of the amount, should have a mortgage guarantee. Provisions recorded are charged to operations in case there are doubts about recoverability of the loans and interests, according to methodology established by the Superintendency and whenever the procedure is specifically required.

Superintendency regulations require the Corporation to make a complete evaluation of commercial loans at least every year during the months of May and November, as well as a monthly update on new loans, restructured loans and others. Provisions resulting from those evaluations must be recorded at the June and December closings, for May and November evaluations, respectively.

According to regulations, loans must be rated per risk levels: A-Normal, B-Acceptable, C-Deficient, D-Difficult Collection and E-Uncollectible. Ratings are established by considering such factors as payment capacity of the debtor, based on year-old financial statements, debt service history and information from risk data centers. Housing loans and consumption loans are rated on a monthly basis according to the same risk levels as indicated above, taking into account the past due time of the balances. Provisions are recorded in the month when evaluations are completed.

Once the portfolio of receivables is rated, the following provisions for credit protection are constituted:

- One percent (1%) of loans not covered with admissible guarantee, the interests and other costs thereof rated as B (Acceptable).
- Twenty percent (20%) of consumption loans not covered with admissible guarantee, the interests and other costs thereof rated as C (Deficient), along with commercial and housing (mortgage) loans rated as C (Deficient) that are not covered with admissible guarantee. One hundred percent (100%) of the interest and other components of commercial and housing (mortgage) loans rated as C (Deficient).
- Fifty percent (50%) of commercial, consumption and housing (mortgage) loans not covered with admissible guarantee, rated as D and one hundred percent (100%) of the interest and other costs of the same consumption loans rated as D (Difficult Collection).
- One hundred percent (100%) of loans not covered by admissible guarantee rated as E (Uncollectible). Whenever there is an admissible guarantee other than a mortgage, after commercial and consumption loans are twelve months past due, and after loans with a mortgage guarantee are more than eighteen months past due, guarantees are taken at fifty percent (50%) of value. Whenever there are mortgage guarantees, and after the loans are 24, 30 and 36 months past due, guarantees are taken at 30%, 15% and 0% of value, respectively.
- Loans from clients admitted to proceedings of a deed of arrangement are immediately rated as E (Uncollectible) and are subject to provisions for this category. Once a payment agreement is constructed, loans may be reclassified as D (Difficult Collection). Within the subsequent year provisions can be reduced to fifty percent (50%).

Upon compliance with Superintendency requirements, reclassifications to lower-risk categories can be made.

CFV must constitute a general provision equivalent to one percent (1%) of total gross receivables. This provision is constituted monthly during thirty-six months from August 1999 for commercial and consumption receivables and from July 2000, for housing receivables.

Additional provisions generated by application of the risk coefficient, ordered through the Superintendency's External Circular Letter 039 of 1999, must be maintained unless the coverage index for commercial, consumption and housing receivables is greater than or equal to 85%, 85% and 40%, respectively.

In 2000, the Superintendency issued External Circular Letter 070, which modified norms to evaluate and rate portfolio receivables

according to the dragging process, included when any credit of a certain debtor is rated in category B. Additionally, this norm modified methodology to calculate the additional provision and granted a term extension and modification of percentages for determination of value and coverage of admissible guarantees.

Loans to clients with financial difficulties that were restructured by the Corporation can keep or improve ratings, depending, inter alia, on: a) satisfactory results from a financial study that demonstrates the capacity to make payments on a timely basis, b) constitution of guarantees, and c) completion of equity strengthening actions by the debtor. A restructured loan may only be re-rated into a lower-risk category whenever grace periods lower than or equal to six months are agreed to for interest payments. In such cases, when the debtor is rated in category A (Normal), provisions can only be reversed after the first two payments have been made on time. Once a rating is assigned to the restructured debtor, he may only improve his rating again after having paid two installments in a timely manner.

g) Goods Received in Payment of Obligations (Foreclosed Assets)

The value of goods received by CFV in payment of unpaid balances is recorded against the debt. Goods received in payment (foreclosed assets) as immovable assets are received based on a technically determined commercial appraisal. Movable goods, shares and participation are assessed on market value.

The initial record determines value in the judicial agreement or award. If the foreclosed asset is not salable, the cost increases by expenses incurred toward that purpose. If a balance exists in favor of the debtor -- a higher value of goods received than the obligation's amount -- the difference is recorded as an account payable. If the value of foreclosed assets does not cover the entire obligation, a provision equivalent to the difference is constituted.

After External Circular Letter 046 of October 16, 2001, became effective, individual provisions have to be constituted on all goods received in lieu of payment. Provisions are equivalent to the maximum loss expected in a subsequent sale of the foreclosed asset. Starting on June 30, 2002, provisions equivalent to forty percent (40%) of the commercial value must be maintained for immovable goods not classified as housing, and thirty percent (30%) when referring to housing. The calculation is as follows:

For goods not classified as housing

$$\frac{40\% \text{ of Commercial Value} - \text{Provision Observed}}{\text{Number of months remaining until June 30, 2002.}}$$

For goods designated as housing

$$\frac{30\% \text{ of Commercial Value} - \text{Provision Observed}}{\text{Number of months remaining until June 30, 2002.}}$$

Immovable goods classified as housing and those not designated as housing must be updated according to the provisions of Chapter III of the Basic Accounting and Financial Circular Letter. If the updated value is greater than the book value, the difference is recorded as appraisal (valuation) surplus.

When updated value is lower than book value, the difference will first affect the valuation surplus of the foreclosed asset until exhaustion. Subsequently, the income statement is affected on a "market risk provision" basis.

Before External Circular Letters 032 and 046 of 2001 became effective, provisions were regulated by External Circular letter 070 of October 2000, as follows:

- 1) If an immovable asset and the commercial value at the moment of foreclosure was greater than or equal to the unpaid balance of the non-provisioned debt, eighty percent (80%) of the value had to be provisioned within eighteen months, starting in the seventh month after an acceptance in lieu of payment was formalized. Such provision had to be made in eighteen equal monthly installments.

If the commercial value of an immovable asset was not enough to cover the unpaid balance of the non-provisioned debt, the difference had to be immediately carried to the entity's income statement, and eighty percent (80%) of the value had to be provisioned within the following eighteen months, starting in the seventh month after the acceptance in lieu of payment was formalized. Such provision will be made in eighteen equal monthly installments.

- 2) For an immovable asset designated as housing, when the commercial value at the moment of presentation in lieu of payment was greater than or equal to the unpaid balance of the non-provisioned debt, seventy percent (70%) of value had to be provisioned within the thirty months, starting in the seventh month after a payment agreement was formalized. Such provision had to be made in thirty equal monthly installments.

When the commercial value of the foreclosed asset classified as housing was not enough to cover the unpaid balance of the non-provisioned debt, the difference had to be carried immediately to the entity's income statement. Seventy percent (70%) of the immovable asset value was provisioned within the following thirty months, starting in the seventh month after the acceptance in lieu of payment was formalized. Such provision had to be made in thirty equal monthly installments.

- 3) When a movable foreclosed asset had a commercial value that was greater than or equal to the unpaid balance of the non-provisioned debt, one hundred percent (100%) of that value had to be provisioned within twenty-four months, starting on the date of the asset's acceptance in lieu of payment, in equal monthly installments.

When the commercial value of the movable asset was not enough to cover the unpaid balance of the non-provisioned debt, the difference had to be immediately carried to the entity's income statement. All (100%) of the movable asset value was provisioned within the following twenty-four (24) months, starting on the date of acceptance in lieu of payment in equal monthly installments. Authorization by the Superintendency to transfer foreclosed assets did not extend the term to constitute provisions or to reverse those already provided.

- 4) Provisions for foreclosed assets before July 1, 1999, were made as follows:

During the first two years from the date of presentation in lieu of payment, foreclosed assets could be kept in the balance sheet according to value as posted on June 30, 1999, without constituting provisions. Once this term expired, these assets were provisioned over the following two years in monthly installments until eighty percent (80%) of value was reached, in the case of immovable goods, or one hundred percent (100%) in the case of movable goods.

Goods for which the Superintendency granted permission to sell were provisioned within the term specified at twenty-five percent (25%) of value. Within the following year, such foreclosed asset were provisioned up to eighty percent (80%) of value, in the case of immovables, or one hundred percent (100%) for movable goods.

Goods provisioned at seventy-five percent (75%) of value as of June 30, 2000, must have a provision equivalent to eighty percent (80%) of value, for immovable assets, or one hundred percent (100%) for movable goods.

h) Banker's Acceptances

Banker's acceptances are securities issued by financial institutions to be paid to beneficiaries within a term not to exceed 360 days. Such securities may only be generated for goods, export or import transactions or purchase/sale of movable assets inside the country. At the moment the acceptance is issued, the Corporation records value simultaneously in Assets and Liabilities. Values recorded as Assets are assessed for credit risk according to the general procedures of Loan Portfolio Assessment.

i) Fixed Term and Forward Agreements

Valuation and Recording of Derivatives

The Board of Directors is responsible for the establishment and approval of policies, objectives and procedures for management of risks that are inherent to operations with derivatives and issues the criteria for implementation.

According to Chapter XVIII of External Circular Letter 100 of 1995, the Corporation provides the valuation and recording of derivatives.

j) Property, Equipment and Depreciation

Properties and equipment are recorded at cost and from January 1, 1992, to December 31, 2000, were adjusted for inflation on a monthly basis. Sale and retirement of such assets are discharged at the respective net adjusted book value. Differences between the sales price and net adjusted book value is carried in operations. Depreciation of property and equipment is calculated on the adjusted cost of inflation, using the straight-line depreciation method based on useful lives at the following annual rates: five percent (5%) for buildings (horizontal property offices); ten percent (10%) for furniture, fixtures, and office equipment; and twenty percent (20%) for vehicles and computer equipment.

Disbursements for improvements to increase efficiency or extend the useful life of assets, as well as incorporations realized, are capitalized and adjusted for inflation. Disbursements made to maintain and repair for preservation are recorded as expenses in the period when produced.

k) Other Assets, Net

The caption mainly represents monetary items like interest accrued on financing and advances, interest in legal tender (local currency), insurance and prepaid leases that are amortized as accrued. This also includes such items as implements and stationery, which are amortized according to actual consumption.

Included as well are rights generated from the celebration of mercantile trust agreements that give trustor or beneficiary the possibility of exercising such rights in accordance to the charter or law. Trust rights were adjusted for inflation until December 31, 2000, according to the asset transferred. Depending on asset type, goods are subject to rules for evaluation and constitution of provisions, as well as legal limits.

l) Asset Appraisal (Appraisal Decrease), Net

Appraisals (appraisal decreases) of certain assets, which increase or decrease stockholders' equity are determined by: a) excess from commercial appraisals established by independent appraisers over the net book adjusted value of properties; b) for non-negotiable, variable-yield investments, this is the difference between current market value and the last value recorded. When the latter value is lower than market value, the difference is recorded in appraisal surplus; when the contrary occurs, the reduction first affects the surplus of that investment until exhaustion and from that moment on affects the income statement on a provision basis; and c) from October 1, 1998, on, and for permanent investments, if the market value is greater than the cost for which the investment is recorded, the difference is recorded as appraisal surplus. Otherwise, the difference will first affect the appraisal surplus of the respective investment until exhaustion and, thereafter, the difference is recorded as an appraisal decrease of the respective investment within the entity's

equity. Market value of low-marketability, non-negotiable or permanent investments is determined on intrinsic value calculated by using financial statements up to twelve months old. Market value of high-marketability, permanent investments is based on the average price listing in stock exchanges during the last ten days, taking into account certain parameters established by the Superintendency.

m) Deferred Income

Deferred income mainly corresponds to interest and commissions received in advance from clients for Loan Portfolio operations. This interest is amortized to operations based on accrual.

n) Labor Liabilities (Obligations)

Labor liabilities (obligations) are recorded on a monthly basis and are adjusted at the end of each year based on legal provisions and labor agreements in force.

o) Retirement Pensions

The Social Security Institute (ISS) and other entities authorized by law, since 1994, receive contributions from CFV and employees, to assume the majority of retirement pension liability of those employees. Pension liability directly assumed by the Corporation and corresponding to old personnel is recorded based on actuarial estimates. CFV acquired pension liability for Compañía Agropecuaria e Industrial Pajonales S.A. on January 1, 1992. The actuarial study used to establish reserve value corresponding to the year 2001 did not take into consideration changes introduced by Decree 2783 of December 20, 2001. The latter was due to the Superintendency's decision with respect to prior approval, before the aforementioned decree became effective. The actuary will take these changes into account for the year 2002.

p) Income Tax

Income tax expense is based on taxable income or presumptive (minimum taxable) income, whichever is greater. Corresponding tax rates are applied on the latter amount. CFV currently pays taxes determined by presumptive income calculated over net taxable equity.

q) Premium in Placement of Shares (Additional Paid-in Capital)

Premium in the placement of shares (additional paid-in capital) is credited to the legal reserve, as part of retained earnings.

r) Contingent and Memorandum Accounts

The following items are recorded as contingent accounts: amounts of loans granted but not disbursed; endorsements and guarantees granted; call (purchase) options and put (sale) options of Colombian pesos, foreign currency and other contingent liabilities; papers and securities received and sent for collection; goods and securities received as collateral; goods and securities received and given under custody; written-off assets; past due uncollected interest on Loan Portfolio and Consumption Receivables; as well as those corresponding

to credits rated in different categories, written-off assets and other securities. Memorandum accounts also include differences between fiscal values of assets, liabilities and equity, and inflation adjustments of book balances and the fiscal value of assets and equity.

s) Statements of Cash Flows

As provided by Article 120 of Decree 2649, CFV prepares statements of cash flows using the indirect method, which reconciles the year's net profit (or loss) and net cash from operating activities.

t) Net Income (Loss) per Share

Net income (loss) per share is calculated by dividing the net income (loss) of the year by the weighted annual average of subscribed and paid-in outstanding shares.

u) Statement of Changes in Financial Position

Issuance of External Circular Letter 067 of December 28, 2001, by the Superintendency eliminated requirements for financial institutions to include a statement of changes in financial position within basic financial statements.

v) Consolidation

According to legal provisions, the accompanying financial statements do not consolidate assets, liabilities, equity and results of subordinated companies in which the Company has equity participation in excess of fifty percent (50%) of the subscribed and paid-in capital. These general-purpose financial statements are presented to the General Stockholders' Meeting and are used as a basis to distribute dividends and other appropriations. Yet CFV is required by law to present additional consolidated financial statements to the General Stockholders' Meeting for approval.

3. CHANGES IN ACCOUNTING POLICIES

Inflation Adjustments

For accounting purposes, through External Circular Letter 014 of April 17, 2001, the Superintendency eliminated integral inflation adjustments from January 1, 2001, for financial sector entities. These adjustments are only applicable for fiscal purposes.

Following provisions of Decree 2649 of 1993, CFV recorded effects of inflation on non-monetary items of the Balance Sheet until December 31, 2000. Adjustments were made based on the tax year's (PAAG) adjustment percentage published by the National Administrative Department of Statistics (DANE). For 2000, this percentage was eight point seventy-seven percent (8.77%). The balancing entry of adjustments made was recorded in the "Monetary Correction" account, which summarized effects on operations.

Methodology used to make the integral inflation adjustments is summarized below:

- Non-monetary assets and liabilities, except inventories and appraisal (valuation), were adjusted starting in the month following acquisition or accrual.
- The balancing entry of inflation adjustment of assets in a non-productive stage was recorded in the "deferred monetary correction -- credit" account, which was amortized against the "monetary correction" account in the same proportion in which such assets were amortized.
- While assets in a non-productive stage existed, an inflation adjustment of the equity proportional part is carried to the "deferred monetary correction - charge" balance sheet account.
- Equity was updated using the same procedure of non-monetary assets, except for valuation (appraisals) and net income of the period, which were not adjusted for inflation.

If inflation adjustments had been applied during the year 2001, a net monetary income correction of Ps. 10,817,112, would have occurred as follows:

Adjustment of non-monetary assets	
Investments, net	13,524,342
Goods received in payment of obligations, net (foreclosed assets)	3,217,259
Property and equipment, net	1,612,163
Other assets, net	8,693,542
Stockholders' equity adjustment	<u>(16,230,194)</u>
Net monetary correction income that would have been recorded	<u>10,817,112</u>

Goods Received in Lieu of Payment (Foreclosed Assets)

As indicated in Note 2, through External Circular letters 032 and 046 of July and October 2001, respectively, the Superintendency modified norms for the constitution of provisions on goods received in lieu of payment (foreclosed assets), to include the participation of Trust (Fiduciary) Rights that should have been received in payment for portfolio of receivables. For CFV this represented a provision recovery of Ps. 5,532,333.

4. CASH AND EQUIVALENTS

CFV's available resources are high-liquidity resources. The only resources subject to restriction are deposits made in the Central Bank. According to Resolution 028 of 1998, and 19 and 22 of 1999, issued by the Board of Directors of the Central Bank, all financial entities must constitute deposits in the Central Bank on a cash reserve (frozen deposits) basis as protection for each deposit or requirement, as per percentages established in those resolutions.

	<u>2001</u>	<u>2000</u>
Legal Tender		
Checks		284,886
Deposits in the Central Bank	12,748,876	9,612,094
Deposits in other Local Banks	12,549,055	11,904,818
Deposits in Savings and Loans Corporations	<u>585,674</u>	<u>3,345,622</u>
	<u>25,883,605</u>	<u>25,147,420</u>
Foreign Currency		
Cash	19,316	21,465
Central Bank	81,619	12,133
Remittances in Transit		254,591
Foreign Correspondents	<u>6,319,661</u>	<u>2,676,779</u>
	<u>6,420,596</u>	<u>2,964,968</u>
	<u>32,304,201</u>	<u>28,112,388</u>

There are no additional restrictions to the use of the cash and equivalents.

Bank reconciliations as of December 31, 2001, include items aging in excess of thirty days pending write-off, whose changed status will have no significant impact on CFV's operation results.

5. INTERBANK FUNDS SOLD AND RESALE AGREEMENTS

	<u>2001</u>	<u>2000</u>
Receivables Resale Agreements	17,071,060	51,944,235
Interbank Funds Sold	4,152,044	10,493,808
	<u>21,223,104</u>	<u>62,438,043</u>

These funds are used to take advantage of excess liquidity and are agreed to a term not to exceed thirty days. Rates used in these operations ranged between eighteen point forty-four percent (18.44%) and eight point forty-four percent (8.44%) during the year 2001, and between ninety point twelve percent (19.12%) and six percent (6.00%) during 2000.

In case of non-compliance, the Corporation is backed up with ownership transfer of the securities traded. During the exercises corresponding to years 2001 and 2000 there were no breaches.

7. FIXED-YIELD INVESTMENTS

	Interest Rate (%)	2001	Interest Rate (%)	2000
IN LEGAL TENDER (LOCAL CURRENCY)				
Treasury Securities (Títulos de Tesorería TES)	9.12-15.86	82,637,955	8.51-19.84	32,376,824
Titulos de Desarrollo Agropecuario Class A	7.46-13.21	6,380,349	13.40-13.87	4,360,302
Titulos de Desarrollo Agropecuario Class B	9.27-13.59	11,836,264	10.53-13.85	7,710,620
Fixed-Term Certificates of Deposit	10.91-15.21	3,120,552	13.23-22.58	7,989,550
Mortgage Securities			16.90-19.73	480,026
Other Securities	1.52-14.16	12,470,138		3,826,800
Company Bonds	11.61-20.18	60,317,207	15.98-22.28	41,560,428
Securitization	14.52-20.35	18,198,656	8.00-17.14	12,749,069
IN FOREIGN CURRENCY				
Bonds Colombia	8.74	9,876,167		
Bonds Decree 2004	6.98-8.09	4,156,942	5.18-10.97	6,811,687
Bonds Decree 2005	7.81-8.16	16,636,796	5.10-10.62	6,046,051
Bonds Decree 2007	7.37	7,075,587	5.07-6.71	5,359,228
Bonds Decree 2008	10.91	43,602		
Bond District Capital	9.75	6,945,946		
Treasury Securities (Títulos de Tesorería TES)	4.91-9.37	44,006,233	5.13-9.37	8,637,185
Securities issued abroad	5.46-17.63	36,447,372	5.20-12.13	30,261,319
		<u>320,149,766</u>		<u>168,169,089</u>

In 2001 and 2000, the above investments were rated as an A solvency risk, except for the Emcali bonds, which are rated C and provisioned at Ps. 6,920,000.

As per Resolutions 77 of 1990, and 29 of 1991 issued by the Monetary Board and 28 of 1992, 6, 11 and 13 of 1996 and 3 of 2000 issued by the Board of Directors of the Central Bank, credit establishments must make mandatory investments in securities issued by the Fondo para el Financiamiento del Sector Agropecuario (FINAGRO). Likewise, according to Article 45 of Law 546, all credit establishments are subject and obliged to invest in Debt Reducing Securities (TRD) in the percentage established therein and according to the procedure described for that purpose by the Banking Superintendency in External Circular Letter 053 of 2000.

8. PROVISIONS FOR INVESTMENT PROTECTION

As of December 31, CFV evaluated all investments in accordance with provisions issued by the Superintendency with respect to solvency risk and provisioned those rated as C, D and E, "investments of a greater-than-normal risk":

	Rating	Provision	
		2001	2000
VARIABLE YIELD			
By Solvency Risk			
Deficient	C	52,127,000	171,781
Difficult Recovery	D	878,538	1,929,557
Unrecoverable	E	53,724	81,122
By Market Risk		3,376,561	3,610,157
Total Variable Yield Provisions		<u>56,435,823</u>	<u>5,792,617</u>
FIXED YIELD			
By Solvency Risk			
Deficient	C	6,920,000	6,920,000
Total Provisions		<u>63,355,823</u>	<u>12,712,617</u>

9. LOAN PORTFOLIO AND BANKERS' ACCEPTANCES

As of December 31, the balance of Loan Portfolio included the following:

	<u>2001</u>	<u>2000</u>
Clients	918,682,920	853,539,645
Shareholders and Managers	<u>500,000</u>	<u>92,741,355</u>
	919,182,920	946,281,000
Bankers' Acceptances	<u>877,356</u>	<u>1,275,093</u>
	<u>920,060,276</u>	<u>947,556,093</u>

According to age, Loan Portfolio was classified as follows:

	<u>2001</u>	<u>2000</u>
Admissible Collateral Commercial and Consumption Portfolio		
Current	528,390,321	533,529,690
Past due up to 12 months	17,810,178	8,528,699
Past due more than 12 months	3,396,059	2,252,682
Past due more than 24 months	<u>4,122,602</u>	<u>2,690,675</u>
	553,719,160	547,001,746
Other Collateral - Commercial and Consumption Portfolio		
Current	364,792,380	393,299,794
Past due up to 12 months	397,303	378,466
Past due more than 12 months		<u>5,283,091</u>
	<u>365,189,683</u>	<u>398,961,351</u>
Mortgage Portfolio for Housing		
Current	192,625	251,795
Past due up to 12 months	16,716	49,279
Past due more than 12 months	<u>64,736</u>	<u>16,829</u>
	<u>274,077</u>	<u>317,903</u>
Bankers' Acceptances	<u>877,356</u>	<u>1,275,093</u>
	<u>920,060,276</u>	<u>947,556,093</u>

CFV's loan portfolio includes loans granted with funds coming from credit limits, special credit lines, external loans, credit lines contracted with international organizations, as well as from financial funds managed by the Central Bank.

Below is the rating and classification of loan portfolio according to provisions of External Circular Letter 100 of 1995 and modifications contemplated in External Circular letter 070 of 2000, issued by the Superintendency. Bankers' acceptances during the year 2001 did not show breaches or reclassifications to acceptances after term.

Following is a detailed breakdown of Loan Portfolio by zones, rating and economic sectors:

LOAN PORTFOLIO PER ZONE AND RATING

Zone	2001					Participation
	Capital	A & B	C	D	E	
Valle	501,504,852	430,629,432	1,680,130	64,973,262	4,222,028	54.56%
Bogotá	229,845,268	218,511,174	2,988,509	1,324,003	7,021,582	25.01%
Medellín	102,517,783	93,151,717	7,832,688	1,533,379	0	11.15%
Barranquilla	85,315,017	81,136,319	1,741,317	1,946,875	490,506	9.29%
	<u>919,182,920</u>	<u>823,428,641</u>	<u>14,242,644</u>	<u>69,777,519</u>	<u>11,734,115</u>	<u>100.00%</u>

LOAN PORTFOLIO PER ZONE AND RATING

2000

Zone	Capital	A & B	C	D	E	Participation
Valle	567,377,804	422,469,388	63,495,553	71,477,787	9,935,095	59.96%
Bogotá	218,304,012	193,985,227	7,937,314	6,963,815	9,417,656	23.07%
Medellin	97,066,624	86,854,514	9,416,064	631,500	164,546	10.26%
Barranquilla	63,532,517	57,115,510	3,091,317	2,834,228	491,461	6.71%
	946,280,956	760,424,620	83,940,248	81,907,329	20,008,759	100.00%

BREAKDOWN OF LOAN PORTFOLIO BY ECONOMIC SECTOR

Portfolio by Sector and Rating - Year 2001

Sector	A & B	C	D	E	Concentration
Agriculture, Hunting, Fishing	9,885,886	1,406,977	579,628	4,787,494	1.81%
Food and Beverages	155,142,051		70,000	490,506	16.94%
Rubber, Plastics, Oil, Gas and Energy	120,384,881				13.10%
Construction	46,776,961		21,463,776		7.42%
Service Entities	84,514,860		43,278,432		13.90%
Financial, Insurance, Immovable Goods	54,841,039		1,324,003		6.11%
Hotels and Tourism	10,603,396	1,669,186			1.34%
Wood	6,465,236			1,536,893	0.87%
Other	70,284,160	10,944	48,266	1,403,536	7.81%
Paper, Cardboard, and Editorials	62,664,717		1,340,497	2,572,261	7.24%
Chemical	95,195,466		415,822	943,425	10.50%
Iron and Steel Industry, other metals	24,703,366	17,864			2.69%
Textile, leather, and other workmanship	13,799,547	11,137,673	1,257,096		2.85%
Transportation and Telecommunications	68,167,075				7.42%
	823,428,642	14,242,644	69,777,519	11,734,115	100.00%

Portfolio by Sector and Rating - Year 2000

Sector	A & B	C	D	E	Concentration
Agriculture, fishing	19,219,401		1,570,989	3,194,833	2.53%
Food & Beverages	84,815,498	26,758,601	500,000	490,461	11.90%
Sugar	90,577,988	1,238,855	579,628		9.76%
Rubber, Plastics, Oil, Gas, and Energy	30,417,268	1,126,700		5,283,091	3.89%
Trade	12,324,221	163,868			1.32%
Construction	6,883,747		26,670,184		3.55%
Service entities	69,035,957	3,235,577	19,651,936		9.71%
Financial	81,735,559		6,558,630		9.33%
Financial, Insurance, Immovable Goods	13,500,000				1.43%
Hotel Administration & Tourism	12,509,546				1.32%
Others	100,154,610	39,744,969	108,933	6,237,002	15.45%
Paper, Carboard & Editorials	66,538,904	1,340,497		1,932,849	7.38%
Chemical	74,556,898			152,757	7.90%
Iron and steel industry, other metals	25,491,745	17,864	25,596,418		5.40%
Cellular Telephony	20,000,000				2.11%
Textile, leather and other workmanship	11,174,923	10,313,317	631,500	2,717,765	2.62%
Air transportation	600,000				0.06%
Transportation & Telecommunications	40,888,354		39,112		4.33%
	760,424,620	83,940,248	81,907,329	20,008,759	100.00%

December 31, 2001

Commercial					Provision		
	Capital	Interest	Other Concepts	Admissible Collateral	Capital	Interest	Other Concepts
A - Normal	676,590,981	19,043,365	12,495,099	565,675,194	7,490,566	154,322	2,419,196
B - Acceptable	145,031,239	5,800,730	29,560	194,690,454	5,959,719	105,221	296
C - Deficient	14,231,700	54,036	5,537	11,350,469	2,654,469	29,273	5,537
D - Difficult	71,374,655	1,407,820	64,374	74,660,057	30,505,376	1,278,230	64,374
E - Uncollectible	11,564,710	265,105	15,604	5,691,743	10,749,208	265,290	15,604
Subtotal	<u>918,793,285</u>	<u>26,571,055</u>	<u>12,610,173</u>	<u>852,068,343</u>	<u>57,359,339</u>	<u>1,832,336</u>	<u>2,505,006</u>

Consumption	Capital	Interest	Other Concepts	Admissible Collateral	Capital	Interest	Other Concepts
A - Normal	37,019	105		73,100			
B - Acceptable	11,113	155		13,000	20	2	
C - Deficient	1,620			8,800			
D - Difficult	476	13		6,300		13	
E - Uncollectible	65,331	9,847		60,115	61,338	9,865	
Subtotal	<u>115,559</u>	<u>10,120</u>		<u>161,315</u>	<u>61,359</u>	<u>9,880</u>	

Mortgage	Capital	Interest	Other Concepts	Admissible Collateral	Capital	Interest	Other Concepts
A - Normal	137,337	511		343,218			
B - Acceptable	1,500			12,000			
C - Deficient	9,324			30,574			
D - Difficult	21,842	739		36,940	717	699	40
E - Uncollectible	104,074	9,876		160,955	61,236	9,876	
Subtotal	<u>274,077</u>	<u>11,125</u>		<u>583,687</u>	<u>61,953</u>	<u>10,575</u>	<u>40</u>

Total Collateral 852,813,345

Restructured Credits					Provision		
	Capital	Interest	Other Concepts	Admissible Collateral	Capital	Interest	Other Concepts
A - Normal	74,279,594	11,770,299	8,470	104,249,245			
B - Acceptable	93,653,031	3,615,222	23,400	148,158,755	1,436,260	83,565	234
C - Deficient	12,562,514	53,868		8,101,289	2,534,200	29,105	
D - Difficult	73,869,347	1,297,349	94,569	57,081,907	22,215,654	1,391,918	94,569
E - Uncollectible	2,427,913	2,056	15,604	911,291	2,397,491	17,660	15,604
Subtotal	<u>256,792,399</u>	<u>16,738,794</u>	<u>142,043</u>	<u>318,502,486</u>	<u>28,583,604</u>	<u>1,522,247</u>	<u>110,407</u>

Credits with Informal Agreements, Out-of-Deed of Arrangement and under Proceedings of Contest.

Commercial					Provision		
	Capital	Interest	Other Concepts	Admissible Collateral	Capital	Interest	Other Concepts
D - Difficult	475	202			250		
E - Uncollect	5,702	630		1,578,677	5,702		
Subtotal	<u>6,177</u>	<u>832</u>		<u>1,578,677</u>	<u>5,952</u>		

December 31, 2000

Commercial				Provision			
	Capital	Interest	Other Concepts	Admissible Collateral	Capital	Interest	Other Concepts
A - Normal	516,929,329	7,987,409	71,381,717	919,928,962	4,379,328		627,157
B - Acceptable	243,254,540	13,950,923	126,565	282,234,198	7,065,015	347,305	20,232
C - Deficient	83,926,867	2,151,684	26,942	82,655,928	23,693,271	2,151,684	26,942
D - Difficult	81,876,413	1,412,538	140,552	115,913,242	13,881,125	1,412,538	140,552
E - Uncollectible	19,855,269	46,187	9,926,830	14,695,965	16,755,010	46,187	9,926,830
Subtotal	<u>945,842,418</u>	<u>25,548,741</u>	<u>81,602,606</u>	<u>1,415,428,295</u>	<u>65,773,749</u>	<u>3,957,714</u>	<u>10,741,713</u>
Consumption							
A - Normal	48,018	156		103,600	3,038		
B - Acceptable	4,086	55		14,000		1	
C - Deficient							
D - Difficult	3,446	144		6,500	290	144	
E - Uncollectible	65,129	9,800		72,147	61,338	9,800	
Subtotal	<u>120,679</u>	<u>10,155</u>		<u>196,247</u>	<u>64,666</u>	<u>9,945</u>	
Mortgage							
A - Normal	171,468	698		452,974	38,217		
B - Acceptable	17,179	242		55,574	111	124	
C - Deficient	13,381			19,000	211		
D - Difficult	27,470	694		66,608	1,204	694	
E - Uncollectible	88,405	12,064		113,795	48,012	12,064	
Subtotal	<u>317,903</u>	<u>13,698</u>		<u>707,951</u>	<u>87,755</u>	<u>12,882</u>	
	<u>946,281,000</u>	<u>25,572,594</u>	<u>81,602,606</u>	<u>1,416,332,493</u>	<u>65,926,170</u>	<u>3,980,541</u>	<u>10,741,713</u>

Adjustments for inflation of collateral 115,192,434
 Total Collateral 1,531,524,927

Restructured Credits

Commercial				Provision			
	Capital	Interest	Other Concepts	admissible Collateral	Capital	Interest	Other Concepts
A - Normal	34,846,740	938,466	2,084	20,059,632			
B - Acceptable	162,903,362	12,605,466	125,891	194,162,306	6,322,572	282,184	18,682
C - Deficient	82,524,144	2,148,472	26,942	82,556,328	23,581,154	2,148,472	26,942
D - Difficult	26,096,418	1,139,883	85,311	42,500,000	492,636	1,139,883	85,311
E - Uncollectible	3,372,817	42,207	30,357	6,704,601	773,005	42,207	30,357
Subtotal	<u>309,743,481</u>	<u>16,874,494</u>	<u>270,585</u>	<u>345,982,867</u>	<u>31,169,367</u>	<u>3,612,746</u>	<u>161,292</u>

Credits with Informal Agreements, Out-of-Deed of Arrangement and under Proceedings of Contest.

Commercial				Provision			
	Capital	Interest	Other Concepts	admissible Collateral	Capital	Interest	Other Concepts
D - Difficult	500,000				250,000		
E - Uncollectible	10,405,523		32	1,190,912	10,405,523		32
Subtotal	<u>10,905,523</u>		<u>32</u>	<u>1,190,912</u>	<u>10,655,523</u>		<u>32</u>

Individual and Global Risk Coefficients

	2001	2000
Individual		
Commercial receivables (portfolio)	5.53%	8.47%
Consumption receivables (portfolio)	5.82%	8.73%
Housing receivables (portfolio) (mortgage)	8.21%	6.14%
Global	5.54%	8.47%

Collection Operation

Between November 30 and December 29, 1999, after approval by the Superintendency, CFV undertook a collection operation. This consists of the medium- or long-term sale of nonproductive assets (receivables, foreclosed assets, etc.) to an entity (legal person), in some cases formed by the same partners or people economically related to the institution.

The Corporation sold receivables for a total amount of Ps. 23,816,056, to Compañía Invervalle S.A., a company in which CFV holds a ninety-four point nine percent (94.9%) ownership. Selling conditions contemplated a Ps. 6,141,086 cash payment and a ten-year credit totaling Ps. 17,674,970, capital amortizations in three equal installments to start in the seventh year at an interest rate equal to the Consumer Price Index (CPI), adding one percentage point every two years, beginning in the third year.

There was neither provision recovery nor profit in the sale of portfolio receivables. The sales price was established at book value. This transaction generated revenues in the year 2000 corresponding to accrual of interest on the loan granted, totaling Ps. 1,443,663 in 2001 and Ps. 1,664,011 in 2000.

During 2001 and 2000, the Compañía Invervalle S.A. made interest payments amounting to Ps. 948,207 and Ps. 1,536,224, respectively, as well as advanced payments to capital of Ps. 430,000 and Ps. 1,112,875, respectively. The Compañía Inversiones del Valle S.A. loan is rated risk category B (Acceptable).

10. PROVISION FOR LOAN PORTFOLIO

Movement in the Provision for Loan Portfolio account during the year was as follows:

	2001	2000
Balance at beginning of year	65,926,170	41,625,924
Provision charged to expenses	29,716,761	36,126,826
Recovery of provisions (1)	(28,880,456)	(6,894,152)
Portfolio write-off	(9,238,570)	(4,932,428)
Balance at year end	<u>57,523,905</u>	<u>65,926,170</u>

(1) The figure corresponds to Ps. 19,870,000 for recovery of provision on Lloreda S.A.'s loan, the value of which was transferred as provision for investment protection, due to capitalization of financial claims CFV achieved in the restructuring process under Law 550 of economic intervention, as per client request.

11. ACCOUNTS RECEIVABLE, NET

	2001	2000
Interest and Commissions	28,161,504	26,734,904
Dividends and Participation	764,452	34,610
Payments of behalf of Clients (1)	655,128	68,196,286
Sale of Good and Services	2,625	
Returned Checks	3,705	4,405
Advances on Contracts (2)	774,527	49,261,889
Others in Foreign Currency (3)	6,379,137	11,510,794
Other Minor	2,461,395	2,549,740
	<u>39,202,473</u>	<u>158,292,628</u>
Less: Provision	6,742,205	14,722,255
	<u>32,460,268</u>	<u>143,570,373</u>

(1) As of January 2, 2001, Next Day operations corresponding to the sale of foreign currency were cancelled as follows: Carguill Ps. 22,267,500, Citibank Ps. 22,317,239 and Banco de Colombia Ps. 22,311,500. These operations were constituted at the closing of 2000, representing ninety-eight percent (98%) of the year's balance.

(2) CFV entered into a future capitalization advance contract between December 13, 1999 and December 28, 2000, which had to be legalized in advance as per Superintendency request. In compliance with and in substitution of the contract, Pesa S.A., an investor in Central Hidroeléctrica de Betania, issued bonds mandatorily convertible into shares, with maturity on December 31, 2002. CFV subscribed to a balance that amounts to Ps. 103,895,760 as of December 2001.

(3) Corresponds to past due securities not settled by the issuer. As of December 31, 2000, this sub-account included Ps. 7,979,667 with Grupo Acereros del Norte (GAN), a Mexican company that is under a debt restructuring process. GAN's parent company undertakes the purchase of all financial claims. As of December 31, 2000, this amount was fully provisioned and was written-off in the year 2001.

As of December 31, 2000, a charge of Ps. 1,836,416 to Carsa Panama corresponded to securities expired and not settled by the issuer, which accepted Law 550, the Economic Intervention Act. Starting in October, this amount was fully provisioned. This debt was written-off in 2001.

As of December 31, 2001 and 2000, this sub-account shows a balance receivable from E.D. Bombril amounting to Ps. 4,768,717 and Ps. 1,694,711 respectively. This case has two rulings by the Court of the Bahamas: one in favor and the other against the bondholders. A new ruling by the British court is expected, and the case was transferred due to the court's experience in such conflicts.

As of December 31, 2001, this sub-account also shows Ps. 311,488 of Interocean Investments Inc. and Ps. 1,130,360 assigned to Román Robayna, which are fully provisioned.

Details of the Accounts Receivable Provision account during the year were:

	2001	2000
Balance at beginning of year	14,722,255	8,055,027
Provision charged to expenses	4,526,535	10,934,937
Recovery of provisions	(1,811,193)	(4,051,752)
Accounts receivable write-off (1)	<u>(10,695,392)</u>	<u>(215,957)</u>
	<u>6,742,205</u>	<u>14,722,255</u>

(1) The amount of Accounts Receivable write-off is related to information in number three (3), above.

12. FIXED-TERM AND FORWARD CONTRACTS

	2001	2000
Rights of sale (to provide hedging)	642,884,822	296,484,774
Obligations of sale (to provide hedging)	(622,366,144)	(302,967,197)
Rights of purchase (to obtain hedging)	656,189,792	343,156,716
Obligations of purchase (to obtain hedging)	(671,861,351)	(338,525,718)
Swap rights	1,025,007,621	
Swap obligations	(1,024,395,594)	
Profits of Call on foreign currency	8,091	371,070
Profits of Puts on foreign currency	<u>(1,936,431)</u>	<u>(668,772)</u>
	<u>3,530,806</u>	<u>(2,149,127)</u>

List of Average Comparative Balances on Obligations, Rights, Profit, and Loss

	2001				2000			
	Sale	Variation %	Purchase	Variation %	Sale	Variation %	Purchase	Variation %
Rights								
For eign Currencies	521,235,332	103.00%	490,725,324	91.12%	256,768,699	71.03%	224,208,167	104.01%
Securities	<u>37,811,548</u>	75.37%	<u>118,746,112</u>	56.79%	<u>21,560,408</u>	28.03%	<u>75,737,033</u>	(21.59)%
	<u>559,046,880</u>	100.86%	<u>609,471,436</u>	103.19%	<u>278,329,107</u>	66.70%	<u>299,945,200</u>	45.26%
Obligations								
For eign Currencies	517,969,139	100.66%	493,217,353	121.37%	258,137,270	73.69%	222,800,897	84.99%
Securities	<u>35,571,695</u>	66.03%	<u>119,227,623</u>	57.07%	<u>21,424,567</u>	14.80%	<u>75,909,192</u>	(21.25)%
	<u>553,540,834</u>	98.00%	<u>612,444,976</u>	105.03%	<u>279,561,837</u>	67.12%	<u>298,710,089</u>	37.76%
	<u>Utility</u>		<u>Loss</u>		<u>Utility</u>		<u>Loss</u>	
Monthly average result	6,218,017	55.42%	5,205,403	27.35%	4,000,867	19.29%	4,087,325	56.90%

CPV has determined to cover risk from the exchange difference generated from the Company position: foreign currency assets less foreign currency liabilities. This enables hedging operations through the performance of forward contracts and operations with derivatives, when merited by the market situation. Minimum and maximum terms during the year ended December 31, 2001, varied between three and 489 days. In the year ended December 31, 2000, terms varied between three and 488 days. Corporate management has defined policies and has incorporated a manual of functions and procedures to carry out these operations, which allow moderate risk management.

13. REALIZABLE GOODS AND FORECLOSED ASSETS, NET

	2001	2000
Realizable Goods		
Immovable goods	9,369,864	4,341,554
Received in payment (foreclosed)		
Immovable goods	59,846,968	61,444,153
Movable goods	<u>2,349,096</u>	<u>5,167,691</u>
	62,196,064	66,611,844
Less Provision for protection of goods received in payment (foreclosed assets)	<u>(24,443,734)</u>	<u>(23,112,566)</u>
	<u>47,122,194</u>	<u>47,840,832</u>

Details of goods received as foreclosed assets make up the balance of this account:

CORPORACION FINANCIERA DEL VALLE S.A.
GOODS RECEIVED IN LIEU OF PAYMENT (FORECLOSED ASSETS)
DECEMBER 2001

Client	Description	Adjusted Cost	Accrued Provision	Share %	Assessment Value	Date Appraisal
Liscano Hermanos (See Note)	Inmueble donde funcionan las instalaciones - Cali	4,448,408,072	3,558,320,536	49.08%	1,423,517,451	Oct-01
Hilacol SA	Bodegas 5,6,7,8,9 Estac. A-B-C. Cra 50 #100-34 - Bogotá	5,711,268,584	4,210,299,596	47.40%	2,501,781,646	May-00
Textiles Durán Ltda - Duratex	Local Cra. 13 # 46-62 - Bogotá	119,386,305	69,837,105	100.00%	82,582,000	Jun-99
Textiles Durán Ltda - Duratex	Local Cra. 13 # 46-64/68 - Bogotá	294,372,040	197,803,840	100.00%	160,947,000	Jun-99
Fundación Valle del Lili	Edificios A & B Centro Comercial Petecuy (Garajes y Locales)	3,811,773,542	3,028,704,668	100.00%	997,329,100	Sep-00
Celulosa del Valle SA	Terreno La Laguna, Corregimiento El Carmelo	4,148,624,750	3,351,641,742	58.60%	1,049,800,770	Oct-01
Celulosa del Valle SA	Maquinaria - Equipo - Muebles y enseres	2,325,337,007	2,325,337,007	58.60%	2,982,010,506	Feb-00
Vedescol	Lots No. 1 & No. 2 Vía Guacarí - Buga - Margen Derecha - Guavitas	36,120,020	12,232,149	35.29%	39,913,119	Dec-99
Reforestadora Normandia Ltda.	Lot No. 4 Parcelación Colinas (Arroyohondo)			100.00%		May-00
Fundación Valle del Lili	Local 144 Centro Comercial Petecuy	302,052,112	223,192,912	100.00%	131,432,000	Sep-00
Fundación Valle del Lili	Mezanine Local 144	77,372,554	43,232,554	100.00%	56,900,000	Sep-00
Fundación Valle del Lili	Local 26 C.C. Petecuy	6,945,752	3,578,552	100.00%	5,612,000	Sep-00
Fundación Valle del Lili	Bodega 400	4,653,263	2,820,716	100.00%	2,931,600	Sep-00
Fundación Valle del Lili	Panqueadero 136	3,853,934	853,934	100.00%	5,000,000	Sep-00
Las Marianitas Ltda.	Lot en Yumbo	965,516,522	0	100.00%	2,113,566,846	Oct-01
Agropecuaria Calderón Merchán SA	Lots 33 & 36 de la Parcelación Bosques de Calima	85,735,050	60,016,224	100.00%	42,864,710	Dec-99
Lloreda SA	Inmueble La Americana Cra 18 y 10 Cl 47 y 52 Cali	3,084,263,980	1,547,336,460	100.00%	2,551,579,200	Dec-01
Lloreda SA	Inmueble Medellín	489,688,545	206,752,553	100.00%	415,742,500	Agr-01
Agropecuaria Calderón Merchán SA	7 Inmuebles en la Parcelación Bosques de Calima III Etapa	212,916,513	106,475,063	100.00%	158,996,780	Dec-99
Decorcerámica SA	Lot Bodega No. 6 - 1168.94 Mts2	267,484,351	105,843,694	100.00%	254,480,150	Oct-01
Decorcerámica SA	Lot Bodega No. 7 - 1169.22 Mts2	267,548,440	117,057,988	100.00%	221,838,000	Aug-00
Casa Color SA	Local No. 121	83,172,049	39,608,886	100.00%	29,442,000	Oct-01
Casa Color SA	Local No. 11	105,359,124	37,812,868	100.00%	53,280,000	Oct-01
Constructora Meléndez SA	Lot de terreno Manzana 62 Urb. El Carney, I Et. con área de 4.19495 Mts2	620,017,253	214,317,632	100.00%	566,318,250	Feb-99
Lloreda SA	Parcelación El Rancho, Cra. 114 (Av. Miramonte) Entre Cra 113A y Calle 9	2,949,893,129	958,761,853	100.00%	2,283,780,590	Oct-01
Viccaya Centro Comercial	Local Cra. 43A No. 16 Sur - 31 Panqueadero 1 (Medellín) Edificio Corfivalle	316,545,446	89,498,246	100.00%	378,412,000	Apr-99
Constructora Meléndez SA	Lot 1 San Joaquín II	18,602,548,193	885,303,010	100.00%	29,528,741,970	Dec-01
Desarrolladora Arboleda	Lot Interior #4 Agrp. Zona Franca de Bogotá Lote 35 Lote 13SKLM	4,148,568,046	1,029,498,633	100.00%	4,581,928,500	Jun-99
Francoper	Calle 54 No. 25-81 Restaurante 1-178 Edif. Galería Ciudadela Comercial	4,167,564,702	1,151,599,468	100.00%	4,025,022,000	Jul-99
Proyectos & Servicios de ING "PSI"	Lot de Terreno de forma irregular con un área de 909.60mts2 en Medellín	227,499,983	66,792,694	100.00%	282,772,000	Ago-99
Coructec	Casa Cra. 35a oeste no.3-30 b. San fernando	233,002,346	57,528,337	100.00%	264,000,000	Sep-99
T.K.F. Engineering & Trading	Lot en Yumbo 1334.8 mts2 Acopi Cra 38 #11-95	421,276,878	5,592,078	100.00%	692,808,000	Nov-99
T.K.F. Engineering & Trading	Lot en Yumbo 2100. mts2 Acopi Cra 37 #11-104	745,304,391	92,534,391	100.00%	1,087,950,000	Dec-99
Susaela Ediciones & Cia. Ltda	Bodega Cra 43A # 49B-15 Envigado (Antioquia)	445,095,512	135,340,969	60.60%	510,895,572	Mar-00
T.K.F. Engineering & Trading	Equipos	23,758,668	23,758,668	100.00%		
Hugo Restrepo & Cia. S. En C.	Local 101 Calle 65 #12.89 - Bogotá	148,163,750	11,445,455	100.00%	211,662,500	Sep-00
Hugo Restrepo & Cia. S. En C.	Casa cra 13 #B2 36-42 - Bogotá	465,654,287	35,971,179	100.00%	685,220,410	Sep-00
Hugo Restrepo & Cia. S. En C.	Ofic 601 cra 18 #88 17 - Bogotá	133,875,000	10,341,667	100.00%	191,250,000	Sep-00
Hugo Restrepo & Cia. S. En C.	Ofic 602 cra 18 #88 17 - Bogotá	133,875,000	10,341,667	100.00%	191,250,000	Sep-00
Hugo Restrepo & Cia. S. En C.	4 Garajes cra 18 #88 17 - Bogotá	18,200,000	1,405,825	100.00%	26,000,000	Sep-00
Hugo Restrepo & Cia. S. En C.	2 Depósitos cra 18 #88 17 - Bogotá	2,100,000	162,222	100.00%	3,000,000	Sep-00
CJ. Valle Trade SA	Locales 1-24-1-25; Garajes 661,789,750	1,397,000,000	331,866,838	100.00%	1,689,999,000	Dec-01
Alfredo Steckert & Hijos SA	Local Carrera 54 No. 70-15 Barranquilla	149,149,199	15,441,378	20.37%	132,771,660	Jun-00
TOTAL		62,196,064,290	24,386,261,300		62,616,228,811	

Currently, CFV's senior management is undertaking proceedings to realize these goods, with the expectation of realization within terms established by the Superintendency. With enforcement from External Circular Letter 046 of 2001, the Corporation made adjustments to provisions of that letter and estimated a value equivalent to forty percent (40%) of commercial value determined through an updated technical appraisal. All provisions should be adjusted to this decision in June 2002. CFV's Special Banking area is carrying out necessary proceedings to commercialize these goods. Financial costs to possess these goods, considered to be nonproductive assets, was estimated at Ps. 7,548,332 in 2001, and Ps. 7,953,598 in 2000.

14. PROPERTY AND EQUIPMENT, NET

	2001	2000
Land	1,274,178	1,446,586
Offices under Horizontal Property	8,945,541	11,912,338
Furniture, Fixtures, Office Equipment, and Computer Equipment	9,672,050	13,622,507
Vehicles	211,952	186,805
	20,103,721	27,168,236
Accumulated Depreciation	(11,544,614)	(15,603,923)
Accumulated Provision	(18,685)	(18,685)
	<u>8,540,422</u>	<u>11,545,628</u>

During 2001, assets that are CFV's property for sale were transferred to the "realizable goods" account. The transfer value was Ps. 2,145,486. The Corporation's property and equipment are duly covered against all types of risks, depending on specific parameters, and for amounts that are sufficient to cover any loss contingency. Consequently, property and equipment are free of encumbrance. Asset assessments (valuation) compare to those of December 2000 and correspond to the following:

	<u>2001</u>	<u>2000</u>
Land and Offices under Horizontal Property	13,493,461	13,493,461
Furniture, Fixtures, Office Equipment and Computer Equipment	1,565,391	1,565,391
Vehicles	175,776	175,776
	<u>15,234,628</u>	<u>15,234,628</u>

Following is the result of appraisals (valuations):

	<u>2001</u>	<u>2000</u>
Land and Offices under Horizontal Property	6,446,624	6,773,903
Furniture, Fixtures, Office Equipment and Computer Equipment	128,483	128,483
Vehicles	46,443	46,443
	<u>6,621,550</u>	<u>6,948,829</u>
Appraisal (valuation) of assets transferred to realizable goods	1,753,461	673,244
	<u>8,375,011</u>	<u>7,622,073</u>

15. OTHER ASSETS, NET

	<u>2001</u>	<u>2000</u>
Credits to employees (1)	2,440,503	2,329,152
Favorable Tax Balances Advances and Withholding Taxes	87,059	
Trust Rights (2)	61,724,417	111,787,520
Prepaid Interest and Others (3)	2,616,529	3,219,651
Letters of Credit - Deferred Payment (4)	11,572,563	
Other	1,857,012	1,594,179
	<u>80,298,083</u>	<u>118,930,502</u>
Provision	(2,618,748)	(34,479,428)
	<u>77,679,335</u>	<u>84,451,074</u>

(1) Includes loans amounting to Ps. 1,262,790 (Ps. 1,580,498, in 2000) for housing for CFV's employees, supported with mortgage collateral. According to External Circular Letter No. 100, issued by the Superintendency, these loans were rated in category A.

(2) The most representative balances of the account correspond to:

	<u>2001</u>	<u>2000</u>
Trust for real estate development (a)	45,478,881	32,131,505
Trust of realizable goods and goods received in lieu of payment (foreclosed assets)	7,368,577	16,831,975
Investment management and sale trust (b)	8,522,498	62,469,579
Portfolio management trust	354,461	354,461
	<u>61,724,417</u>	<u>111,787,520</u>

a) The increase corresponds to trusts of realizable goods and goods received in lieu of payment that CFV has contributed for the development of real state projects.

(b) In 2001, an investment trust was constituted with the purchase of Prodesal S.A. shares from Smurfit Cartón de Colombia S.A. and cancelled the trust mandate that held Lloreda S.A. shares. The latter, due to the restructuring agreement signed under Law 550 of Economic Intervention that includes capitalization by CFV of all financial claims, are recorded as a permanent investment. By virtue of the stockholders' agreement in 2000, a decision to mandate a trust was established with a trust company. All Lloreda S.A. shares held by the Corporation and stockholding companies of Lloreda S.A. are affected, with the purpose of selling or obtaining participation from a strategic partner.

(3) Annual movement in the Interest and Others Paid in Advance account was:

	<u>2001</u>	<u>2000</u>
Balance at beginning of year	3,219,651	2,522,922
Charges of the period	17,884,419	17,147,911
Amortization during the period	18,487,541	16,451,182
Balance at year end	<u>2,616,529</u>	<u>3,219,651</u>

(4) These figures correspond to letters of credit granted to Carguill for up to one year for periodical maturity. Amortization occurs at the same time.

16. ASSET REAPPRAISAL (VALUATION), NET

	<u>2001</u>	<u>2000</u>
Investments		
Appraisals	107,846,792	101,359,719
Appraisal decrease of permanent investments	(1,529,596)	(1,502,799)
	<u>106,317,196</u>	<u>99,856,920</u>
Property and Equipment	8,375,011	7,622,073
	<u>114,692,207</u>	<u>107,478,993</u>

17. DEPOSITS AND CALL MONEYS

	2001	2000
Legal tender (local currency)		
Certificates with maturity lower than six months	379,846,704	346,559,064
Certificates with maturity between six months and less than one year	155,462,798	71,436,142
Certificates with maturity greater than or equal to one year	172,682,082	107,705,453
Savings accounts	421,026	12,166,166
Bank overdrafts	6,925,855	87,307
Other deposits	594,637	75,919
	<u>715,933,102</u>	<u>538,030,051</u>

Fixed-term deposit certificates in local currency earned annual interest rates in 2001 that ranged between six point twenty-five percent (6.25%) and fifteen point fifty-five percent (15.55%). In 2000, the figure ranged between eight point two percent (8.20%) and seventeen point twenty-five percent (17.25%). Maturity is between three months and less than one year; and is extendible at the depositor's choice.

18. INTERBANK FUNDS PURCHASED AND REPURCHASE AGREEMENTS

	2001	2000
Repurchase agreements of negotiated investments	108,144,708	7,912,708
Interbank funds purchased	17,247,547	9,372,420
	<u>125,392,255</u>	<u>17,285,128</u>

These funds are used to cover transitory liquidity needs. Annual rates ranged between six point eighty-one percent (6.81%) and fourteen point seventy-one percent (14.71%) in 2001, and between four point ninety-two percent (4.92%) and seventeen point ninety-three percent (17.93%) in 2000. Collateral that guarantees these obligations is represented in voluntary liquidity investments and loan portfolio.

19. BANK CREDITS AND OTHER FINANCIAL OBLIGATIONS

	Annual Interest Rate %	2001	Annual Interest Rate %	2000
LEGAL TENDER (LOCAL CURRENCY)				
Current				
Finagro (1)	7.78-13.17	34,406,806	8.55-20.77	39,320,411
Inter-American Development Bank (IDB) (2)	12.87-12.87	21,000		
Banco de Comercio Exterior (Bancoldex) (3)	6.35-13.93	72,506,363	10.06-14.07	50,285,054
Instituto de Fomento Industrial (IFI) (4)	5.60-16.12	19,594,152	14.97-16.55	12,343,505
		<u>126,528,321</u>		<u>101,948,970</u>
Non Current				
Finagro (1)	11.04-12.57	106,927,204	6.28-14.85	100,455,410
Inter-American Development Bank (IDB) (2)			17.19-17.19	42,000
Banco de Comercio Exterior (Bancoldex) (3)	9.93-14.26	151,819,805	7.98-15.89	91,004,445
Findeter (5)	12.51-13.94	61,351,221	14.31-15.39	46,813,805
Instituto de Fomento Industrial (IFI) (4)	5.78-17.38	31,733,400	7.36-19.05	52,941,595
		<u>351,831,630</u>		<u>291,257,255</u>
Total legal tender (local currency)		<u>478,359,951</u>		<u>393,206,225</u>
FOREIGN CURRENCY				
Current				
Bancoldex (3)	2.88-5.43	67,900,063	7.75-10.70	81,279,484
Financing through Acceptances and/or Advances	2.05-7.00	119,106,758	6.59-11.53	99,699,323
Instituto de Fomento Industrial (IFI) (4)			8.06-8.06	8,854,151
		<u>187,006,821</u>		<u>189,832,958</u>
Non-Current				
Bancoldex (3)	4.62-6.48	9,903,229	9.20-10.71	11,878,125
Financing through Acceptances and/or Advances	2.20-5.10	88,715,756	6.58-9.60	144,184,110
Findeter (5)			10.00-10.00	372,342
Instituto de Fomento Industrial (IFI) (4)	9.10-9.10	486,871	9.10-9.10	6,309,876
Inter-American Development Bank (IDB) (2)	3.76-4.65	2,484,469	7.97-9.38	3,924,156
International Bank for Reconstruction and Development (IBRF) (6)	3.03-5.09	7,464,385	7.97-9.30	10,420,414
		<u>109,054,710</u>		<u>177,089,023</u>
Total foreign currency		<u>296,061,531</u>		<u>366,921,981</u>
		<u>774,421,482</u>		<u>760,128,206</u>

The Colombian government has established programs to promote development of certain economic sectors, including inter alia, foreign trade, agriculture, livestock, tourism and other industries. These programs are managed by Central Bank and government authorities.

In developing those programs, CFV receives loan application from a client in a certain economic sector. The Corporation conducts a credit analysis of the potential client according to credit policies. If policies are met, the Company requests corresponding funds from the appropriate government entity. The government agency reviews the loan application to determine compliance with credit policies and may also carry out an independent client credit analysis. Once approved, the government entity disburses the funds. CFV, in turn, disburses funds to the client and assumes credit risks.

- (1) Loans granted by CFV through FINAGRO must be devoted to small and medium producers to finance working capital and acquisition of machinery or equipment that should be applied to the development of agricultural and livestock activities or projects. Such loans are re-discountable by eighty percent (80%) of value.
- (2) Loans granted by the Corporation through the IDB line must be used mainly to import machinery, equipment and materials that will be a part of the fixed assets of industrial, mining, agroindustrial, construction and tourism enterprises. Loans are re-discountable by seventy percent (70%) of value.
- (3) Loans granted by CFV through the BANCOLDEX line must fund working capital for individuals or legal entities devoted to create and/or commercialize goods for non-traditional export or to produce raw materials that are used in joint exports. Such loans can capitalize companies in the export sector that undertake fixed-investment projects. These loans are re-discountable by eighty percent (80%) and one hundred percent (100%) of value.
- (4) Resources granted through the IFI line may be devoted to fixed investments, working capital and/or entrepreneurial capitalization to import capital goods or to develop investment projects that contemplate fixed investments in local currency and/or working capital. These have a term of up to seven years and a flexible grace period according to exchange norms.
- (5) Loans granted by the Corporation through FINDETER must be devoted primarily to social investment of the municipalities and are re-discountable by sixty-five percent (65%) of value.
- (6) The IBRD line was opened to grant credits for economic development of privately controlled companies by means of loan covenants signed through the Central Bank. The credits are re-discountable for eighty, eighty-five or one hundred percent (80%, 85% or 100%) of value.

As of December 31, the maturity of long-term obligations per year is as follows:

	<u>2001</u>	<u>2000</u>
2001		291,781,927
2002	313,535,141	118,173,440
2003	164,952,531	163,515,986
2004	103,145,666	83,644,975
2005	47,695,254	103,011,878
2006 and after	145,092,890	
	<u>774,421,482</u>	<u>760,128,206</u>

These obligations are supported with personal collateral, corresponding to promissory notes of re-discounted loan portfolio granted to clients.

20. ACCOUNTS PAYABLE

	<u>2001</u>	<u>2000</u>
Interest on bank credits and other financial obligations	9,164,242	13,917,441
Interest on fixed-term deposit certificates	11,932,796	9,317,495
Outstanding investment securities	110,601	509,348
Labor Withholdings and Contributions	1,162,926	959,245
Interests from Interbank funds purchased and repurchase agreements	410,203	58,489
Other taxes	643,663	1,079,047
Promising purchasers (1)	7,015,256	7,929
Portfolio accounts payable		7,994
Other (2)	1,771,007	67,375,632
	<u>32,210,694</u>	<u>93,232,620</u>

(1) As of December 31, 2001, ninety-seven point eighteen percent (97.18%) of this figure corresponds to the credit purchase of Prodesal S.A. shares from Smurfit Cartón Colombia S.A. that amounts to Ps. 6,817,998 and matures in December 2002.

(2) On January 2, 2001, Next Day foreign currency sale operations were made for Carguill Inversiones Ltd amounting to Ps. 22,267,500, to Citibank for Ps. 22,317,239 and Banco de Colombia for Ps. 22,311,500. These operations are regulated in Article 4 of Resolution 4 of 1999, issued by the Board of Directors of the Central Bank, and were constituted at the closing of 2000.

21. OUTSTANDING INVESTMENT SECURITIES

Issuance	Authorized Amount	Amount Issued	Par Value	Balance as of 31-12-01	Balance as of 31-12-00
1996	100,000,000	100,000,000	100	10,000	463,400
1999	100,000,000	100,000,000	1,000	9,984,000	39,979,000
				<u>9,994,000</u>	<u>40,442,400</u>

Interest rates for these securities varies between DTF (Fixed-Term Deposit) and DTF + 6 in arrears or advanced. Maturity terms vary between three and five years.

22. INCOME TAX PROVISION

The nominal income tax rate applicable to CFV for 2001 and 2000 was thirty-five percent (35%). The charge to operations corresponding to income taxes was:

	2001	2000
Current	<u>5,541,330</u>	<u>5,117,920</u>

Below reconciliation is shown between taxable income and profit before income taxes, and determination of taxes corresponding to the years ended as of December 31:

	2001	2000
(Loss) before income taxes	(21,956,322)	(26,629,956)
Plus (less): Non-deductible provisions, net	25,478,844	16,323,799
Book and fiscal monetary correction		(2,427,028)
Donations	2,826,419	2,961,362
Variable-yield investment valuation, net	(19,699,660)	(16,043,538)
Negotiable investment dividends, net	(18,346,532)	(7,466,999)
Other	(10,385,752)	18,135,825
Profit in the sale of variable-yield investments	(3,489,078)	(4,449,487)
Less: Fiscal deductions		(6,828,070)
Total Fiscal Loss	<u>(45,572,081)</u>	<u>(26,424,092)</u>
Presumptive taxable income (1)	<u>20,664,431</u>	<u>19,578,296</u>
Income tax (over the greater value between Net Income and Presumptive taxable income)	35%	35%
Expense/Income tax provision	7,232,551	6,852,404
Less: Discounts	<u>1,691,221</u>	<u>1,734,484</u>
Income tax provision	<u>5,541,330</u>	<u>5,117,920</u>

(1) Current fiscal norms establish that Taxable Income should be at least six percent (6%) of Net Taxable Equity, as defined in the Tax Legislation.

Income tax returns for 1999 and 2000 are subject to review and acceptance by tax authorities. CFV's management and legal advisors consider that no significant differences will be present with respect to liabilities constituted in case of a review of the income tax returns by tax authorities.

Solidarity Bonds for Peace

CFV made the mandatory investment in solidarity bonds for peace during the years 2000 and 1999, equivalent to zero point six percent (0.6%) of the net equity possessed as of December 31, 1998. The balance for the year 2000, subscribed in 2001, was made 30% in the month of May and 70% in October.

23. OTHER LIABILITIES

As of December 31, 2001, other liabilities are broken down as follows:

	<u>2001</u>	<u>2000</u>
Deferred income (1)		
Balance at beginning of the year	4,034,943	1,842,663
Credits during the year	10,756,220	29,085,735
Amortization credited to revenues	<u>(7,045,753)</u>	<u>(26,893,455)</u>
Balance at year end	7,745,410	4,034,943
Labor Obligations		
Severance	227,159	396,223
Interest on severance	47,105	46,091
Vacations	575,424	519,002
Vacations bonus	<u>159,173</u>	<u>160,262</u>
	1,008,861	1,121,578
Income tax	2,327,210	1,997,845
Other		
Litigation under executive process (2)	1,743,000	1,306,100
Pension liability: Caipa	3,543,850	3,440,478
Other provisions	991,231	700,178
Deferred-payment letters of credit (3)	11,572,563	
Interest generated in restructuring processes (4)	2,494,578	81,429
Industry and Commerce Tax (ICT)	294,792	297,608
Other	<u>1,790,043</u>	<u>1,190,475</u>
	<u>22,430,057</u>	<u>7,016,268</u>
	<u>33,511,538</u>	<u>14,170,634</u>

(1) Amortization terms for deferred income received from portfolio clients and figures that correspond to advanced-interest-payment credit modality, portfolio discounts, and factoring operations ranging between thirty and one hundred and fifty days.

(1) See Note 34.

(2) See Note 16.

(3) Corresponds to interest assigned to clients, which has been capitalized in restructuring agreements. According to provisions of the Superintendency's Circular Letter 100 of 1995, interest must be amortized to revenues as long as actually paid and collected into cash.

Retirement Pensions

Pensioners included in the actuarial estimate are seventy-five, including seventy-four men and one woman. One is a direct CFV pensioner and seventy-four are from the purchase of Caipa. The actuarial estimate is fully amortized

	<u>2001</u>	<u>2000</u>
Total actuarial estimate amount	4,517,050	4,365,740
Amortization of period	0	189,914
Value of pensions paid during the year	100,139	92,039
Accumulated amortization amount	0	189,914
Amortization percentage	100%	100%

24. SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2001 and 2000, CFV's authorized capital of 1999 includes eighty million (80,000,000) shares of a Ps. 10 par value each. At the closing of 2001 and 2000, the number of subscribed and paid-in shares is 66,024,347, respectively, and is broken down into 56,725,353 ordinary (common) shares and 9,298,994 preferred stock shares. Stock with preferred dividend and no voting rights (preferred stock) was placed in 1993 at Ps. 5,000 each. Shares earn a minimum annual dividend of two percent (2%) on the initial subscription price in Colombian pesos, adjustable each year in an amount equivalent to one hundred percent (100%) of CPI. In any event, the dividend per share paid to these securities may not be lower than that paid to common shares.

Through Minute No. 051 of March 5, 2001, the General Stockholders' Meeting approved the write-off of prior exercise losses amounting to Ps. 31,747,877, by freeing the additional paid-in capital (premium in the placement of shares), amounting to Ps. 31,747,877.

In 2000, the General Stockholders' Meeting, through Minute No. 050 of March 27, 2000, approved the write-off of prior exercise losses amounting to Ps. 69,578,376, by freeing additional paid-in capital (premium in the placement of shares), amounting to Ps. 69,217,410 and appropriation of the 1999 fiscal exercise profits, amounting to Ps. 360,966. For capitalization purposes of equity reappraisal, amounting to Ps. 2,620,027, a dividend in shares equivalent to Ps. 40.00 per share was decreed.

During 2000, to capitalize the equity reappraisal, CFV placed 73,803 shares with a preferred dividend and no voting rights; 55,465 ordinary shares with a Ps.10 par value each; and 394,737 ordinary shares received in payment of obligations. Only the latter generated an additional paid-in capital: premium in the placement of shares.

As of December 31, CFV capital stock consists of the following:

	<u>2001</u>	<u>2000</u>
Ordinary (common) shares	567,253	567,253
Preferred stock	92,990	92,990
	<u>660,243</u>	<u>660,243</u>

25. APPROPRIATED RETAINED EARNINGS AND EQUITY REAPPRAISAL SURPLUS

Reserves

	<u>2001</u>	<u>2000</u>
Legal Reserve		
From net profit appropriation	41,809,447	41,809,447
From additional paid-in capital (premium in placement of shares)	<u>87,946,518</u>	<u>119,694,394</u>
	129,755,965	161,503,841

Occasional Reserves

At the Board of Directors' disposal	65,606	65,606
Non-distributable: Art. 42 Law 75/86	311,792	311,792
Non-distributable: negotiable		
Investment assessment (valuation)	<u>87,071,696</u>	<u>87,071,696</u>
	<u>87,449,094</u>	<u>87,449,094</u>
	<u>217,205,059</u>	<u>248,352,935</u>

Legal

According to legal provisions, ten percent (10%) of CFV's net income in any accounting period must be appropriated as legal reserve, until the balance of this reserve is at least equivalent to fifty percent (50%) of the subscribed capital. The legal reserve balance may only be reduced to absorb accumulated losses that exceed the total amount of earnings obtained in the respective period and those undistributed (retained) earnings or whenever the amount so freed is used to capitalize the entity through the distribution of stock dividends.

Other Reserves

According to legal norms, a reserve should be made for earnings obtained from the application of special investment valuation systems at market prices, when actual revenues should not have been fiscally realized. Occasional reserves created by the Board of Directors for public welfare, grant donations, and non-distributable funds (Article 42 Law 75/86) are for the free disposal of the stockholders.

Dividends Decreed

Due to losses recorded in 2000, CFV did not decree dividends. Therefore, the dividend corresponding to 2000 for preferred stock was accumulated to be paid from the 2001 net income, after devoting any amount legally required to form the legal reserve.

Equity Reappraisal Surplus

Inflation adjustments of equity account balances were credited to this account with a charge to operations until December 31, 2000. The balance reflected in this account may not be distributed as profit to the stockholders until the Corporation is liquidated or such value is capitalized.

26. CONTINGENT AND MEMORANDUM ACCOUNTS

	2001	2000
Contingent Accounts--Credit		
Endorsements	24,942,200	75,790,723
Bank collateral	15,730,808	17,211,434
Unused letters of credit	11,895,709	2,748,264
Approved, non-disbursed credits	4,105,257	5,316,137
Obligations in options	130,665,863	160,454,960
Accumulated dividends preferred stock	6,094,073	2,766,707
Other	5,544,254	5,544,254
	<u>198,978,164</u>	<u>269,832,479</u>
Contingent Accounts - Debit		
Loan Portfolio interests	24,040,336	16,388,517
Rights in Options	128,712,308	160,157,258
Excess presumptive (minimum taxable) income	131,539,353	49,428,460
Fiscal losses pending amortization	121,556,279	89,061,733
	<u>405,848,276</u>	<u>315,035,968</u>
Memorandum Accounts - Debit		
Goods and securities given as collateral	238,468,527	143,692,345
Unpaid negotiated checks	5,593,030	5,302,167
Written-off assets	72,769,326	63,743,952
Capitalized interests - Past Due Loan portfolio	1,055,852	935,741
Investment securities not placed	56,870,000	56,870,000
Amortized investment securities	365,706,978	335,258,578
Inflation adjustments - assets	115,332,710	121,638,756
Distribution of Subscribed and Paid-in Capital	660,243	1,127,790
Loans to stockholders and economically related parties	12,963,779	10,592,518
New agricultural and livestock portfolio loans	5,188,000	15,142,500
Property and equipment fully depreciated	3,790,299	2,602,750
Difference between Fiscal and Book value of Assets	1,937,597,733	1,834,785,527
Inflation adjustment - non-monetary assets (CE-047/01)	27,047,307	
Government Guaranteed Securities	96,331,181	36,203,628
Provision for People under Deed of Arrangement	11,055,473	10,655,556
Central Bank-guaranteed securities	4,128	
Securities Accepted by Credit Establishments	259,887,405	227,637,503
Reciprocal operations with parent companies	76,077,226	27,474,351
Reciprocal operations that affect expenses	1,847,365	956,725
Other memorandum accounts - debit	258,048,329	244,982,933
	<u>3,546,394,891</u>	<u>3,139,603,320</u>
Memorandum Accounts - Credit		
Goods and securities received under custody	60,833,384	82,455,511
Goods and securities received as collateral	56,968,615	50,191,230
Goods and securities received as collateral for future credits	894,640,331	897,779,469
Goods and securities received as admissible collateral	689,885,319	753,235,821
Collections received	844,710	876,091
Inflation adjustment to equity	185,057,638	185,057,638
Capitalization and reappraisal	131,245,905	131,245,905
Difference between fiscal and book value of equity	466,778,506	359,869,980
Inflation adjustment - Equity (CE-047/01)	16,230,194	
Rating of admissible commercial portfolio	640,111,915	597,408,082
Rating of commercial portfolio - other collateral	310,945,836	455,585,682
Rating of admissible consumption portfolio	120,451	128,941
Rating of consumption portfolio - other collateral	5,228	1,894
Rating of housing portfolio	285,202	331,600
Reciprocal operations with parent companies	1,834,802	256,181
Reciprocal operations that affect revenues	11,253,437	3,548,412
Other Memorandum accounts - Credit	23,816,283	34,553,140
	<u>3,490,857,756</u>	<u>3,552,525,577</u>
	<u>7,642,079,087</u>	<u>7,276,997,344</u>

27. OTHER INCOME AND EXPENSES, NET

As of December 31, other income consist of the following:

	2001	2000
Profit on the sale of goods received in payment (foreclosed assets), net	575,959	31,655
Profit (loss) in the sale of goods, net	(21,500)	65,142
Leases	516,884	350,019
Deposit insurance recovery	815,569	1,001,836
Other (net)	4,845	154,046
	<u>1,891,757</u>	<u>1,602,698</u>

28. ADMINISTRATIVE AND OTHER EXPENSES

As of December 31, administrative expenses are broken down as follows:

	2001	2000
Insurance	3,994,664	2,013,164
Taxes other than income taxes	3,606,583	1,737,688
Depreciation of property and equipment	1,038,118	1,266,537
Provision of property and equipment		18,685
Contributions for affiliations	1,044,688	945,407
Advertising and publications	1,039,811	727,067
Public utilities	1,367,033	1,346,663
Administration and maintenance of buildings	418,072	842,629
Fees	2,137,527	2,155,865
Leases	1,167,620	1,110,312
Deferred charge amortization	495,374	225,542
Travelling and transportation expenses	848,706	837,771
Stationery	359,768	393,833
Electronic Data Processing	18,700	22,378
Temporary contribution on bank transactions		1,522,389
Donations	2,826,419	2,961,362
Surveillance and temporary services	166,268	172,370
Public relations	195,474	194,395
Non-discountable VAT expense	1,085,028	939,101
Subscriptions	378,703	199,932
Caipa Pensions	293,717	656,728
Maintenance expenses	413,173	849,670
Personnel training	243,875	203,203
Coffee shop and restaurant	210,688	173,181
Other	689,067	796,315
	<u>24,039,076</u>	<u>22,312,187</u>

29. MONETARY CORRECTION

As of December 31, the monetary correction balance consists of the following:

	2000
Non-monetary asset adjustments	
Investments, net	18,495,019
Goods received in lieu of payment, net	3,978,967
Property and equipment, net	859,614
Other assets, net	5,320,965
Adjustment to stockholders' equity	(19,733,216)
Net effect of adjustments to non-monetary items of the Balance Sheet	<u>8,921,349</u>
Revenue corresponding to net monetary correction Carried to operations	<u>8,921,349</u>

30. AFFILIATED COMPANIES

CFV has a direct majority investment in the following companies:

Name	% Possessed	
	2001	2000
Apex S.A.	94.95	94.95
Betania Gen. Inc.		38.06
C.F.V. Energy Corporation	25.55	57.54
C.I. Valle Trade S.A.	94.81	94.81
Cofivalle Finance (Bahamas) Limited	100.00	100.00
Compañía Agropecuaria Industrial Pajonales S.A.	94.50	94.47
Compañía de Inversiones del Valle S.A.	92.93	94.90
Desmotadora del Norte del Tolima S.A.	92.81	92.81
Hoteles Estelar de Colombia S.A.	84.26	84.23
Leasing del Valle S.A.	94.50	94.50
Mavalle Ltda.		82.70
Molino Pajonales S.A.	92.81	92.80
Proyectos de Energia S.A.	96.62	94.50
Fiduciaria del Valle S.A.	94.49	94.49
Lloreda S.A. (1)	53.83	34.48
Prodesal S.A. (1)	94.60	34.40

(1) Majority interest was acquired during the year 2001 as follows: in Lloreda S.A. as in lieu of payment and capitalization of financial claims through restructuring agreement Law 550, in October; in Prodesal S.A. through direct sale in June and August.

31. OBLIGATIONS OF STOCKHOLDERS AND RELATED PARTIES

Details of loans granted to stockholders and related parties during the years 2001 and 2000 is as follows:

YEAR 2001	STOCKHOLDERS	BOARD OF DIRECTORS	LEGAL REPS.
ASSETS	35,084,124		54,112
LIABILITIES	342,166	10,962	239,381
Transactions:			
REVENUES	3,320,331	667	4,935
EXPENSES	145,669	95,242	41,112

YEAR 2000	STOCKHOLDERS	BOARD OF DIRECTORS	LEGAL REPS.
ASSETS	55,898,976		42,535
LIABILITIES	7,519		16,413
Transactions:			
REVENUES	7,921,337		1,337
EXPENSES	501,900	23,800	28,058

Active credit operations are included of those stockholders who own less than ten percent (10%) of the capital stock and whose balance is greater than five percent (5%) of the technical equity. Characteristics of the above operations do not differ from those realized with third parties to support the loans granted. On an ad hoc basis, CFV holds mortgage and pledge guarantees on goods with commercial value to cover the amount of additional loans granted. The above credits are within legal limits.

OPERATIONS WITH RELATED COMPANIES

According to management's definition, related companies are the affiliates, subsidiaries and economically related entities. Below, we detail balances and commitments receivable with related companies:

Loan Portfolio

	2001	2000
C.F.V. Energy Corporation	60,240,872	74,539,693
C.I. Valle Trade S.A.	14,690,928	12,267,971
Cia. Agropecuaria e Industrial Pajonales	137,680	
Compañía de Inversiones del Valle S.A.		
Invervalle	15,962,481	16,562,095
Desmotadora del Norte del Tolima S.A.	682,875	
Fiduvaille S.A.	3,554	
Hoteles Estelar S.A.	6,730,000	6,756,184
Leasing del Valle S.A.	5,028,564	562,242
Molino Pajonales S.A.	332,805	
Valle Bursátiles S.A.	157,740	
	<u>103,284,624</u>	<u>110,688,185</u>

Accounts Receivable

	2001	2000
Apex S.A.		257,028
C.F.V. Energy Corporation		902,633
C.I. Valle Trade S.A.	491,555	532,394
Cia. Agropecuaria e Industrial Pajonales S.A.	425,286	
Compañía de Inversiones del Valle S.A.		
Invervalle	74,485	88,022
Hoteles Estelar S.A.	1,789,894	722,204
Leasing del Valle S.A.	197,471	95,190
Molino Pajonales S.A.	795	
Prodesal S.A.	20	
Proyectos de Energía S.A.		49,296,119
Valle Bursátiles S.A.	6,432	
	<u>2,985,938</u>	<u>51,893,590</u>

Investments

	2001	2000
Apex S.A.	18,404,191	18,404,191
Betania Gen Inc.		3,591,943
C.F.V. Energy Corporation	19,749,371	18,716,144
C.I. Valle Trade S.A.	8,393,618	8,393,618
C.I. Yumbo S.A.		11,311
Cia. Agropecuaria e Industrial Pajonales S.A.	20,995,939	19,368,194
Cofivalle Finance (Bahamas) Limited	23,126,897	13,158,798
Compañía de Inversiones del Valle S.A.		
Invervalle	18,683,054	18,683,054
Desmotadora del Norte del Tolima S.A.	1,587,794	1,587,794
Fiduciaria del Valle S.A.	10,925,802	10,925,802
Hoteles Estelar S.A.	40,297,617	40,297,617
Leasing del Valle S.A.	10,769,265	3,314,349
Lloreda S.A. (1)	125,700,206	
Mavalle Ltda.		857,759
Molino Pajonales S.A.	1,571,656	1,571,656
Prodesal S.A. (1)	38,519,145	
Proyectos de Energía S.A.	116,691,367	8,982,779
	<u>455,415,922</u>	<u>167,865,009</u>

(1) See Note 30

During the 2001 restructuring, the following companies were capitalized and CFV acquired the controlling stock: Lloreda S.A., at 252,762,643 shares, amounting to Ps. 63,230.6 million; Prodesal S.A., at 29,396,032 shares, totaling Ps. 17,037.0 million. Compañía Agropecuaria e Industrial Pajonales S.A. was capitalized at 28,707 shares valued at Ps. 1,627.7 million; in affiliate Proyectos de Energía S.A., Ps. 10,389,576 in bonds mandatorily convertible into shares were subscribed amounting to Ps. 103,895.8 million. Dividends equivalent to 13,554,393 shares were received, resulting from capitalization of the affiliate Leasing del Valle S.A.'s legal reserve, amounting to Ps. 7,454.9 million.

During the same year, active credit operations were recorded for US\$ 7.9 million with the subordinate company C.F.V. Energy, which also received capital contributions from our affiliate PESA S.A., capitalizing 23,872 shares for US\$ 23.8 million. Following, we present some significant figures reflected in the financial statements of our affiliates:

Affiliates and Subordinates		As of December 31, 2001		
Expressed in millions of pesos				
Business	Assets	Liabilities	Equity	Results
Apex S.A., Consolidated	20,874	1,067	19,807	114
C.F.V. Energy Corporation	189,097	80,229	108,868	(32,041)
C.I. Valle Trade S.A.	55,791	44,106	11,685	(1,934)
Cofivalle Finance (Bahamas) Ltd.	71,393	58,927	12,465	360
Compañía Agropecuaria Industrial Pajonales S.A.	51,814	4,550	47,264	1,739
Compañía de Inversiones del Valle S.A.	44,004	20,181	23,824	424
Desmotadora del Norte del Tolima S.A.	11,735	4,274	7,461	229
Hoteles Estelar de Colombia S.A.	105,691	26,995	78,696	447
Leasing del Valle S.A.	117,283	91,111	26,172	2,200
Mavalle Ltd.	4,229	1,896	2,334	7
Molino Pajonales S.A.	11,079	4,448	6,631	19
Proyectos de Energía S.A.	264,345	238,172	26,172	(10,468)
Fiduciaria del Valle S.A.	18,962	1,414	17,547	2,835
Lloreda S.A.	302,307	154,625	147,682	(2,604)
Prodesal S.A., Consolidated	95,211	9,112	86,100	8,800
Totals	1,363,814	741,106	622,709	(29,873)

32. LEGAL REQUIREMENTS

Foreign Currency Transactions

Corporations are authorized to negotiate freely and to maintain a foreign currency position, determined by a summation of foreign currency assets minus foreign currency liabilities, plus foreign currency rights, minus foreign currency obligations recorded in contingent accounts. This position has to be between five percent (5%) and twenty percent (20%) of the Company's technical equity. For the month when funds are liquidated, the position has to be based on the technical equity of two months previously.

For closing financial statements, or when no report to the Superintendency needs to be made, technical equity as the basis to calculate liquidation must be taken from the most recently reported financial statements. Substantially, all CFV's foreign currency assets and liabilities are kept in US dollars.

Based on External Circular Letters 24, and 52 of 1992, embodied into External Circular Letter 100 of 1995, and subsequent amendments (37 of 1996, 40 and 66 of 1999) issued by the Superintendency, CFV's foreign currency position is determined by the difference between foreign currency assets and foreign currency liabilities. As of December 31, the Corporation's foreign currency position consisted of:

	2001		2000	
	Equivalent in		Equivalent in	
	US\$ 000	Ps. 000	US\$ 000	Ps. 000
Assets	170,340	392,958,667	202,894	443,568,461
Liabilities	138,118	318,623,412	203,307	444,471,221
	<u>32,222</u>	<u>74,335,255</u>	<u>(413)</u>	<u>(902,760)</u>

Solvency Ratio

Technical equity of Colombian corporations may not be less than nine percent (9%) of total assets and credit contingencies weighted by risk levels. As of December 31, 2001 and 2000, CFV's technical equity represented fourteen point twenty-one percent (14.21%) and sixteen point twenty-six percent (16.26%) respectively, of company assets and credit contingencies weighted by risk level.

Investments

According to the financial sector's Organic Statute (Estatuto Orgánico del Sector Financiero), and norms issued by the Superintendency, investments that financial corporations make in companies may not exceed the value resulting from adding paid-in capital, equity reserves, equity reappraisal and deposits and call moneys (payables) to more than one year of term. As of December 31, 2001 and 2000, CFV was in compliance with this requirement.

Legal Controls

During 2001, CFV complied with legal requirements related to cash reserve, company position, minimum capitals, solvency ratio, mandatory investments and others. CFV certifies that, as of year end, the Company is not aware of, nor does any adjustment plan exist based on noncompliance of any norm.

33. RISK DISCLOSURE

Criteria and Procedures for Management of Assets and Liabilities

CFV maintains integral management of structured assets, liabilities and off-balance positions, by estimating and controlling the exposure level to principal market risks. Consequently, liquidity, interest rate and exchange rate risks, along with criteria in External Circular Letter 100 of 1995, are considered. The latter is the basis for constituting provisions to cover such risks. As of December 31, 2001 and 2000, CFV established that recording provisions for those concepts is not necessary.

Risk Management

Like yields and operating costs, risks are an integral and unavoidable part of financial activity. In recent years, credit risk and market risk management have presented increased challenges to the Superintendency and to CFV, that must be addressed through new principles for risk measurement and management. CFV has met those requirements, developing risk management techniques as a basic element of activity. For CFV, the capacity to manage risk in a responsible fashion constitutes an important requirement to address market challenges. CFV implements the following risk control system.

Market Risk

The expected measure of value loss in asset and liability treasury positions, due to changes in financial instrument prices from variations in interest rate, exchange rates, and other ratios (shares) has been defined. This mechanism allows control of the daily assignment of treasury resources to avoid market risk overexposure. For that purpose, a daily follow up is completed to report the historical volatility of market risk sources.

Credit Risk

A credit risk rating methodology has been developed to classify clients in a determined risk group, using coverage, business dynamics and management factors. Each group has an expected loss value associated. Initially, international parameters are in use and a methodology that includes change probabilities between ratings and asset value. Scenarios include non-payment risk, when recovery value depends on the collateral pledged. This work will be supplemented by sector studies to define specific critical parameters and correlation between sectors to calculate portfolio risk values. To implement these models, a historical database with financial information about CFV's clients is under development.

34. CORPORATE GOVERNANCE

Board of Directors and Senior Management

The Board of Directors and CFV's senior management are aware and duly informed about the Company's liabilities and risks, along with the structure and processes must be maintained during terms of office. At Board of Directors' meetings, attended by CFV's president and vice presidents, all risk issues are dealt with, policies and powers are defined, treasury and credit area limits are approved.

Policy and Function Segregation

Risk management policy is approved and issued by the Board of Directors and CFV's president to cover all corporate activity that has inherent risks. Policies are analyzed by the Board of Directors, the President's Committee and the Financial Risk Committee. The office of the Vice President of Credit Risk Management is responsible for analyzing and estimating different risks and for informing the president and Financial Risk Committee (ALCO).

Report to the Board of Directors

Following a risk analysis conducted by the Financial Risk Committee, monthly reports are submitted to the Board of Directors to establish the nature of various corporate risks.

Technological Infrastructure

Because of CFV's size and the range of changes in portfolio norms applicable in 2002, state-of-the-art technology is being implemented to provide adequate operations monitoring and to generate reliable data for decision making. With new hardware, software and systems, CFV can carry out ongoing scrutiny of all operations.

Risk Measurement Methodology

Existing methodologies identify and measure different risk types. Methods to assess the CFV Treasury as to risk for foreign currency operations and the market risk method, mentioned in Note 35, operate in the same fashion.

Organizational Structure

The risk control area is clearly defined in CFV's organizational chart. This area acts with complete independence from commercial and operations areas and reports directly to the Executive Vice President of the Corporation.

Operations Verification

Adequate security mechanisms that CFV must demonstrate and verify, when applicable under specified conditions, are in place. The book recording of transactions is made quickly and reliably and entries are verified to avoid errors that might alter institutional results.

Audit

The statutory audit and audit are fully aware of CFV's operations. In visits and verifications, recommendations have been made, which management has attended. Consequently, all transactions made between related individuals and entities are verified.

35. CONTINGENCIES

CFV is undertaking a criminal process at the 97 District Attorney's office in Cali for alleged felonies of falsity and fraud, due to the presentation for collection of three CDs (fixed-term certificates), apparently issued by the Company on corporate stationery on February 17, 1989, in the amount of Ps. 58.5 million each, for a total of Ps. 175.5 million. Since the securities were constituted at ten years with a fixed interest rate of thirty-two point sixteen percent (32.16%) capitalization every year, current value amounts to approximately Ps. 6,170 million. This value would correspond to the contingency value and, according to information available, a decision against the Corporation is unlikely.

Currently, there is a summary process for an action for revocation filed by the workers of Textiles el Cedro S.A. Principals allege that CFV must return Ps. 2,000,000 to the liquidation assets of Textiles el Cedro S.A. Most requested tests were exercised during this process. March 30, 2000, was the date fixed for a first-instance judgement pronouncement with possibilities of second-instance proceedings and an extraordinary appeal for annulment that could last at least two years. In 2000, a first ruling in favor of the workers of Textiles El Cedro S.A. was appealed by CFV, arguing in the second instance that the debts were past due. CFV adjusted the provision to Ps. 1,743,000.

In the Seventh Labor Court of the Cali District is an ordinary labor process filed by Luis Fernando Guzmán, a former employee, who alleges that CFV must readjust unfair dismissal indemnity payment, salaries reimbursement and social benefits unduly retained, deducted and compensated. Now in a probatory stage, the allegations are considered remote.

36. OTHER MATTERS OF NOTE

During 2001 and thereafter, but before the December 2001 financial statement was presented to the General Stockholders' Meeting, there were no economic facts that would have meant significant changes in CFV's financial structure and position.

CFV Executive Officers

Alejandro Zaccour Urdinola
President

Oscar Campo Saavedra
Corporate Secretary

Special Banking & Operations

Harold Abadía Campo
Executive Vice President

Investment Banking

Gustavo Ramírez Galindo
Vice President

Corporate Banking

Mauricio Mejía Pardo
Executive Vice President

Investment Portfolio

Alvaro José Cruz Tawil
Vice President

Treasury and Financial Trading

Nicolás Borrero Angel
Vice President

Administration

Amalia Correa Young
Vice President

Credit Risk Management

Claudia Beatriz Betancourt Azcárate
Vice President

Diego Zuluaga Jaramillo
Director of Legal Department

Regional Offices

Bogotá

Enrique Uribe Ortiz
Vice President

Cali

Andrés Mauricio Pardo Muñoz
Vice President

Medellín

Mauricio Aristizábal Jaramillo
Vice President

Barranquilla

Raúl Renowitzky Comas
Vice President

Board Of Directors 2001 - 2002

President

Jorge Herrera Barona
President, Fanalca S.A.

Vice President

Mario Scarpetta Gnecco
Portfolio Investor

Principals

Alejandro Figueroa Jaramillo
President, Banco de Bogotá

Efraín Otero Alvarez
President, Banco de Occidente

Iván Felipe Mejía Cabal
President, Industrial Packaging S.A.

César González Muñoz
Financial Advisor

Santiago Madriñán de La Torre
Financial Advisor

Roberto Pizarro Mondragón
Executive Director
Cauca Valley Federation of Coffee Growers

Ariosto Manrique Herrera
Corporate Advisor

Alternates

Carlos Arcesio Paz Bautista
General Manager, Harinera del Valle S.A.

Hernán Rincón Gómez
President, Banco Popular

Lilly Scarpetta Gnecco
Portfolio Investor

Consuelo Scarpetta Gnecco
Portfolio Investor

Camilo Soto Franky
Financial Advisor

Augusto Martínez Carreño
Financial Advisor

Carlos Alberto González Arboleda
Director of Cooperatives
National Federation of Coffee Growers

Edgar Antonio Corzo Ortega
Controller Central Castilla S.A.

Alvaro Correa Holguín
Portfolio Investor

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CFV Corporate Communications

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Cali

Shareholder Information

Total shares outstanding as of December 31, 2004:

Common Stock 56,725,353
Nonvoting Preferred Stock 9,298,994

ADRs 39,762 Shares
GDRs 1,380,229 Shares

CFV shares are listed on stock exchanges in Bogota, Cali and Medellin. Nonvoting preferred shares are listed on the Luxembourg Stock Exchange. Nonvoting preferred stock (ADRs and GDRs) is traded over-the-counter (OTC) under these symbols:

ADRs in the Portal System CFDVYP
GDRs in the SEAO System 004217487

Depository Bank Citibank N.A.
ADR Dept. of Issuer Service
111 Wall Street, 5th Floor
New York, NY 10043
Fax: (212) 759-1649

Custodian and Representative
(For bearers of nonvoting preferred stock)

Cititrust SA
Carrera 9A, No. 99-02
Bogota, Colombia
Tel: (57-1) 618-4455
Fax: (57-1) 618-2352

Contact for Additional Information:

Oscar Campo Saavedra
CFV Corporate Secretary
Fax: (57-2) 883-1766

Camille Hardy
The Altman Group
60 East 42 Street
New York, NY 10165
Tel: (212) 681-9600
Fax: (212) 681-1383
E-mail: camillhardy@aol.com

CFV Offices

Call

CFV Building
Calle 10, No. 4-17, Piso 20
Cali, Colombia

Telephone: (57-2) 362-2992
Fax: (57-2) 381-1766

Apartado 4902
Pasarela
Telephone: (57-2) 667-4417
Unicentro
Telephone: (57-2) 339-6892

Bogota

Carrera 7A, Nos. 71-21
Pisos 8 & 9
Bogota, Colombia

Telephone: (57-1) 376-5666
Fax: (57-1) 317-3585

Apartado 14480
Chico
Telephone: (57-1) 611-5900

Medellin

CFV Building
Calle 16 Sur, No. 43A-49
Medellin, Colombia

Telephone: (57-4) 313-8844
Fax: (57-4) 313-4690

Centro
Telephone: (57-4) 251-5455

Barranquilla

Carrera 52, No. 74-56
Local 105, Office 803
Barranquilla, Colombia

Telephone: (57-5) 356-1016
Fax: (57-5) 356-2296

Manizales

Carrera 22, No. 20-43
Manizales, Colombia
Telephone: (57-6) 897-3366
Fax: (57-6) 882-3110



Calle 10 #4-47, Piso 23

Cali, Colombia

Telephone (57-2) 882 2692

Fax (57-2) 883 1766

E-mail cfv@corfivalle.com.co

Home Page www.corfivalle.com.co