

Answers to Questions Received about the 2025 Banco de la Republica's Securities Lending RFP

We are sending a compilation of the questions, and corresponding answers, that we received during the two-week window that we offered. Some questions were edited for clarity and confidentiality purposes.

Eligibility Criteria

1. Would Banco de la Republica (BdLR or the Bank) consider a candidate whose parent company is not a G-SIB, as published by the Financial Stability Board, but complies with the other Minimum Selection Criteria?

No. Each Candidate must meet all the criteria as listed in the Required Minimum Selection Criteria section for its Proposal to be considered. As mentioned in the Required Minimum Selection Criteria section of the RFP, the parent company of the Candidate must be part of the Globally Systemically Important Banks (G-SIBs) according to the list published by the Financial Stability Board. Please refer to the Required Minimum Selection Criteria item/number 13 of the RFP.

2. Can you give an indication of the amount of custody charges you are looking for the agent to cover?

As per the terms of the RFP, the Bank expects the Agent to bear all costs related to the Program, including but not limited to custodian fees. Additionally, the Bank expects that it will not be responsible for custody fees for any (i) non-utilized securities that are part of the Program but are not lent or (ii) collateral received from borrowers. Candidates should take the Bank's expectations regarding fees and costs described above into account in formulating their economic proposal to the Bank to serve as Agent.

3. How are securities that are trading "special" in the market handled? Do the agents split the position if they want to sub it for one that is on loan?

The Bank will seek to fairly distribute the securities that are available for loan between the Agents of the Program.

4. Money markets, including commercial paper, are listed as acceptable collateral. Can you define that asset class further?

According to the Federal Reserve, “Commercial paper (CP) consists of short-term, promissory notes issued primarily by corporations. Maturities range up to 270 days but average about 30 days [...]”.

5. Would you consider a proposal that includes both securities lending and custodial services?

No. As mentioned in point 9 of the “Terms and Conditions of the RFP” section of the RFP: “Custody services are not being requested pursuant to this RFP.”

6. Can you share what your historical custodial fees were as we understand from the RFP you expect the agent to cover all custody fees, inclusive of non-lendable? Does this also include the assets you have with all your global custodians?

No. The Bank cannot share its historical custodial fees. As per the terms of the RFP, the Bank expects the Agent to bear all costs related to the Program, including but not limited to custodian fees. Additionally, the Bank expects that it will not be responsible for custody fees for any (i) non-utilized securities that are part of the Program but are not lent or (ii) collateral received from borrowers. Candidates should take the Bank’s expectations regarding fees and costs described above into account in formulating their economic proposal to the Bank to serve as Agent.

7. Page 4 states: “Additionally, the Bank expects that it will not be responsible for custody fees for any (i) non-utilized securities that are part of the Program but are not lent or (ii) collateral received from borrowers.” Does the above mean that the agent will be responsible for paying the custody fees of BdLR account at the FED or at any other custodian BdLR uses for custody purposes? If this is the case can you please share information about these fees so we can consider them in our projections.

As per the terms of the RFP, the Bank expects the Agent to bear all costs related to the Program, including but not limited to custodian fees. Additionally, the Bank expects that it will not be responsible for custody fees for any (i) non-utilized securities that are part of the Program but are not lent or (ii) collateral received from borrowers. Candidates should take the Bank’s expectations regarding fees and costs described above into account in formulating their economic proposal to the Bank to serve as Agent.

8. You state no collateral reinvestments in the RFP. Please confirm it is your expectation that the agent will run a non-cash only program?

**Confirmed. As mentioned in the “Securities Lending Program Guidelines”:
“[...]3.4. Eligible collateral for loans must be fixed income securities. Cash is not
considered eligible [...]”**

9. Is an agent capped at USD 1 billion in loan volume? Please confirm. Page 47, point 2.2 states: “The maximum nominal value that can be lent of eligible securities amounts to US\$1,000 million per agent.” Can you please clarify if this limit is per borrower or per trade? Or does this mean that the maximum allocation of your portfolio to a single agent lender is US\$1,000 million. Does this mean that, if you select 2 agent lenders, you will lend a maximum of US\$2,000 million as a total in your securities lending program?

The US\$1,000 million limit applies to the aggregate nominal value of eligible securities that can be lent at any one time by anyone lending agent, rather than a per borrower or per loan limit. For clarity, if two (2) securities lending agents are selected for the Program, the total nominal value of the Program would be USD2,000 million, or \$US1,000 million per lending agent.

10. In the RFP you state you want to the agent to submit the standard SLAA and later state you expect to have the candidate share the standard SLAA when they are named a finalist on or before October 31st. Please confirm your preferred timing.

As mentioned in “The Bank’s Securities Lending Agency Agreement” section of the RFP, the Bank expects only the selected finalists to provide their proposed form of Securities Lending Agency Agreement (the “Agency Agreement”), including the proposed form of Securities Lending Agreement (“SLA”).

According to the “Schedule of the RFP” section of the RFP, the Bank will evaluate the Proposals and will endeavor to inform each participant whether it has been chosen as a finalist on or prior to October 31, 2025 (23:59 Bogotá time). Also, prior to the online sessions with finalists, each of the finalists will be required to provide copies of its proposed Agency Agreement and the SLA that it proposes to enter into with the Bank, and on behalf of the Bank in the case of the SLA, if selected as Agent.

11. Do loans need to be recalled prior to maturity date? As there is a premium to lend until maturity date. Please confirm.

The Bank expects the Agent to be able to terminate any loan upon receipt of instructions from the Bank and recall loaned securities within the customary settlement period.

12. Please confirm you want a forward-looking estimate rather than a 12 month backward looking estimate of revenues.

As mentioned in question 143 of the RFP's Questionnaire, the Bank expects the yearly estimates of revenues generated over the past three years of a securities lending program similar to such of the Bank under this RFP as regards to the type of securities available to lend, permitted collateral, and Guidelines, and assuming you would be able to choose the securities once every month.

13. Do you foresee having your own approved counterparty/borrower list, and so can you please share.

No. The Bank expects the selected Candidate(s) to choose their own counterparties/ borrowers complying in full with the Securities Lending Program Guidelines included in Appendix 1.

14. Regarding page 7 Legal Provisions: Does BdLR require an immunity clause for this activity? If this is the case, can you please share the wording you require so that we can review it internally. Can you share any applicable sovereign immunity language?

As mentioned in "The Bank's Securities Lending Agency Agreement" section of the RFP, the Bank expects only the selected finalists to provide their proposed form of Securities Lending Agency Agreement (the "Agency Agreement"), including the proposed form of Securities Lending Agreement ("SLA").

According to the "Schedule of the RFP" section of the RFP, prior to the online sessions with finalists, each of the finalists will be required to provide copies of its proposed Agency Agreement and the SLA that it proposes to enter into with the Bank, and on behalf of the Bank in the case of the SLA, if selected as Agent.

Upon the Bank's review of the proposed Agency Agreement and the SLA provided by the finalists, the Bank expects if necessary to discuss with the finalists which clauses the Bank considers adequate to be included in the proposed Agency Agreement and the SLA.

15. Regarding page 7 "Online sessions with the Finalists": We would like to suggest that you consider holding an in-person session, if possible. Will this be feasible on your side?

No. The Bank will not hold in-person sessions with any finalist in this selection process. As mentioned in the "Schedule of the RFP" section of the RFP, officers from the Bank will conduct telephone or video conferences with the finalists to gain a better understanding of the key aspects of their Proposal.

16. Page 10, Question 9 states: "Custody services are not being requested pursuant to this RFP".

- a. Is this intended for the assets to be lent.
- b. What about the collateral that is going to be posted on your behalf?

Note: Currently the FED does not perform collateral services, so the collateral will require a custody account. That can be with one of your current custodians or with the selected agent lender.

With respect to point 9 of the “Terms and Conditions of the RFP” section of the RFP, the Bank is not requesting custody services for the securities to be lent. About the custody of the collateral posted by borrowers, the Bank expects Candidates to describe custodial options for the collateral in their Proposal. Please refer to question 59 of the RFP’s Questionnaire.

17. Regarding page 23, question 59: Will BdLR consider expanding your agency lending program to the assets under custody with your current custodians and if so, would the same parameters apply to this extension?

No. The RFP states that: “The securities that will be part of the Program are BdLR’s U.S. securities deposited in an account at the Federal Reserve Bank of New York.”

18. Regarding page 24, question 63: As we are lending securities and cash is not eligible as collateral, we do not foresee any situation in which your cash account would require an overdraft. The cash account will be used for corporate actions income (money that you received) and for proceeds of the activity (agent paying you the results of the monthly activity). Can you please describe a scenario where you consider that an overdraft of your cash account might be required?

As referenced in question 63 of the RFP’s Questionnaire, the Bank expects Candidates to explain in their Proposals their policies regarding the coverage of overdraft fees in the event of delayed cash receipts. Specifically, it is expected Candidates provide information about their policies around delays in coupon payments or maturities from securities on loan, as well as overdrafts resulting from failed trades due to the late return of securities following a recall.

19. Scope of Services (pg 4)

- a. “The Bank is currently considering the custodian of the securities of the Bank to be lent under the Program. One possibility is that the Federal Reserve Bank of New York will serve as the custodian of such securities. In such event, it is the Bank’s expectation that the Bank, the Agent and the Federal Reserve Bank of New York (or any other custodian the Bank selects in its sole discretion for the custody of the

securities to be lent under the Program) will enter into a tripartite agreement covering relevant matters.”

If the agent is only able to participate if the Federal Reserve Bank of New York will serve as custodian of the securities, could the Bank provide more clarity on the likelihood an alternate custodian would be assigned as custodian of the lendable assets and collateral?

As mentioned in the Scope of Services section, “One possibility is that the Federal Reserve Bank of New York will serve as the custodian of such securities”. Each Candidate must meet all the criteria as listed in the Required Minimum Selection Criteria section for its Proposal to be considered. As per the Required Minimum Selection Criteria section of the RFP, one of the criteria is “5. The Candidate must have the operational capabilities to transfer the securities available for lending, held under a segregated account at the designated custodian, to and from the custody accounts of the borrowers.”. Regarding the collateral, the Scope of Service section mentions that “[...] the Agent shall be responsible for, among other activities [...] collateral management solutions [...]”

- b. “In consideration of the compensation that it is receiving under the Program, the Bank expects the Agent to bear all costs related to the Program, including but not limited to custodian fees. Additionally, the Bank expects that it will not be responsible for custody fees for any (i) non-utilized securities that are part of the Program but are not lent or (ii) collateral received from borrowers.”
 - i. It is our understanding that custody services are not in scope for this RFP. Can the Bank confirm that only the costs arisen out of the Securities Lending Program of the chosen candidate will be in scope and that no fees from the custodian bank (ie. Transaction or safekeeping fees from the Federal Reserve Bank of New York) will be in scope?
 - ii. If it is the Bank’s expectation that the agent should cover custodian fees charged by your custodian bank (ie. Federal Reserve Bank of New York), kindly share the fee agreement so that we may factor these costs into our offer.

As per the terms of the RFP, the Bank expects the Agent to bear all costs related to the Program, including but not limited to custodian fees. Additionally, the Bank expects that it will not be responsible for custody fees for any (i) non-utilized securities that are part of the Program but are not lent or (ii) collateral received from borrowers. Candidates should take the Bank’s expectations regarding fees and

costs described above into account in formulating their economic proposal to the Bank to serve as Agent.

20. Related to question 34, given that cash collateral (and therefore no cash reinvestment) is not allowed, could the Bank clarify what is meant by maturity mismatch in this question? Does this relate to the candidate's overall maturity mismatch it might be carrying and our strategic approach to the overall program?

In our understanding one of the sources of profits on the securities lending market is the maturity mismatch, that is, when there is a difference between the term of the lent securities (by the Agent on behalf of the Bank to the borrower) and the term of the collateral posted by the borrower (e.g. a Treasury lent for one month and a Treasury received as collateral for 15 days).

21. Related to question 39, can the Bank clarify entitlement credits, i.e., allocation-based system where credits are allocated by a fair distribution algorithm?

In the context of securities lending, "entitlement credit" typically refers to a credit that is granted to a borrower based on their rights or privileges within the lending transaction. This credit can take various forms, including a fee paid by the borrower, or a portion of the collateral.

22. Related to question 64, can the Bank explain this table in more detail? What is the information the Bank is looking for? (ie. Volumes/statistics in terms of instances of settlement fails for the Bank's program?)

The Bank expects Candidates to confirm about their capability to provide the information required by the Bank in the event of settlement failures. The Bank routinely monitors and records each settlement failure, and this information is essential for maintaining accurate internal records.

23. We have noted that questions 61, 62, 66, 68 and 70 are very similar; 73 is identical to 23, and that the default and indemnification questions are repeated in two sections. We wish to advise that this may result in similar or duplicated answers. Would the Bank like us to reproduce the same response each time? Or may we make reference to a previous response? Your comments on how we should address this are sincerely appreciated.

Questions 61, 62, 66, 68, and 70 are intended to address the Candidate's ability to prevent and manage settlement failures, ensure regulatory compliance (e.g., under TMPG, CSDR, etc.), and maintain strong coordination with counterparties and market infrastructures. These questions aim to evaluate operational robustness, risk controls, and alignment with global market practices.

Additionally, with question 23 the Bank expects Candidates to provide, for each of the sub-questions included therein, an specific answer in connection with performance and attribution reports. Question 73 addresses Candidates reporting capabilities and frequency of the operational and lending activity reports.

24. Clarification on the term “back office”:

- a. Related to question 79, can the Bank clarify the term “back office” activities in securities lending in the context of client support and service model?

The term “back office” refers to the operational and administrative processes that support the execution and settlement of lending transactions. These include:

- **Trade settlement and reconciliation**
- **Collateral management and valuation**
- **Corporate actions processing**
- **Billing and fee calculation**
- **Recordkeeping**

The Bank expect Candidates to provide information in connection with their client service model offered to clients, specifically, about the above-described aspects. in these areas. This includes the structure of the support team, communication channels, response times, issue resolution processes, etc.

- b. Related to questions 80 and 82, can the Bank clarify “back office operations” and “Changes in internal back office procedures?” Can the Bank please provide some examples?

With “back office operations”, the Bank is referring to the Candidates’ service model to address operational questions for the following topics:

- **Trade settlement and reconciliation**
- **Collateral management and valuation**
- **Corporate actions processing**

- **Billing and fee calculation**
- **Recordkeeping**

The Bank expect Candidates to provide information in connection with their client service model offered to clients, specifically, about the above-described aspects. This includes the structure of the support team, communication channels, response times, issue resolution processes, etc.

25. Related to question 134, can the Bank clarify the terms initial and variation margin requirement?

With respect to the Candidates' margining policies addressed in question 134 of the RFP's Questionnaire, "initial margin" refers to the level of collateral that a borrower must deposit with a lender when entering a securities lending transaction, which according to the Securities Lending Program Guidelines must be at least 102% of the market value of the securities lent if the collateral is denominated in USD or 105% if the collateral is denominated in another currency.

The "variation margin" refers to the amount of the additional collateral that would be requested to the borrower to address changes in the market value of the initial collateral. For example, when the price of the initial collateral drops, the variation margin would be the additional collateral that the borrower would need to post to cover the decrease of the market value of the initial collateral so to maintain the required percentage of collateralization.

26. Regarding question 143, we will be indicating gross return as "gross return to lendable" in %. Can the Bank confirm if this is sufficient/acceptable?

As per question 143, the Bank requires Candidates to indicate the "Gross returns (% - before split)" in percentage units. Any assumptions underlying a Candidate's should be clearly stated in the Candidate's answer.

27. Regarding questions 144 and 145, is the Bank looking for a comparison of the total program or specifically for a comparison in the same asset class than the bank (i.e. US treasuries or other federal bonds) lent in a similar way?

Regarding question 144, the Bank expects Candidates to provide a general comparison with their peers in the securities lending market. Any assumptions underlying a Candidate's should be clearly stated in the Candidate's answer.

Regarding question 145, the Bank expects Candidates to detail any additional fees or costs the Bank as a client should be aware of. Any assumptions regarding fees or costs that are different from those applicable to the Bank's Program should be specified in your answer.

28. Regarding question 158 – We think there may be a typo here. Can you confirm if this relates to question 157 (as opposed to question 158)?

Yes. Question 158 should be read as follows:

“How have you addressed challenges, if any, you described in Question 157”

29. Regarding Appendix 1, would the Bank consider making corporate debt an eligible collateral type?

Eligible collateral assets are specified in the “GUIDELINES FOR SECURITIES RECEIVED AS COLLATERAL” of the Securities Lending Program Guidelines.

30. Regarding Section “The Bank's Securities Lending Agency Agreement”, Other Matters: “Provide the Bank with next-day liquidity for any securities on loan.” Within the guidelines of the program, the Bank allows for term loans up to 95 days, but also references next-day liquidity. Can you please clarify what aspect of the program this refers to?

The Bank will allow loans up to 95 days, nevertheless, the Candidate must warrant next-day availability for any securities on loan required by the Bank.

31. Regarding Section C – Securities Lending Process and Operational Capabilities, question 30, are you willing to share a list of securities held in the FED account that could be made available to lend prior to them being moved into an account? This would help optimize your lending returns.

Upon the Agency Agreement being executed by the Bank and the selected Agent(s), the Bank will provide a list of the available securities to be lent by the selected Agent(s) once every month. From this list, the Agent will be able to select the lendable securities up to a maximum nominal value of USD1,000 million.

32. Regarding Section D – Back-Office Procedures and Operational Capabilities, question 59:

- a. Is the RFP for the assets held with the custodian and the Federal Reserve?
Scenario C and D both refer to U.S. Treasuries held at your respective custodians.

The RFP states that: “The securities that will be part of the Program are BdLR’s U.S. securities deposited in an account at the Federal Reserve Bank of New York”. In question 59 the Bank expects Candidates to provide information about their capabilities to operate the Program under each of the proposed scenarios and describing the advantages and levels of automation and connectivity for each of the scenarios.

- b. “Collateral Account – Accounts in the name of the client held in JP Morgan Chase or State Street Bank” are you referring collateral being pledged on a bilateral basis? If not, could you please provide additional information to assist in our response.

No. The Bank is not referring to collateral being pledged on a bilateral basis, the Bank refers to collateral received by the Bank as lender. Thus, in question 59 the Bank refers to the Candidates’ ability to conduct the Program with either (i) a collateral account in the name of the Bank, or (ii) a collateral account in the name of the Agent.

- c. “Collateral Account - Held in an account in the name of the securities lending agent. Please list the name(s) of the institution(s).”, are you referring to collateral being pledged to a triparty? If so, are you looking for our current list of triparty providers? If not, could you please provide additional information to assist in our response,

Yes, the Bank refers to the list of triparty providers who would provide custody for the collateral.

33. Regarding question 88, please clarify whether you are referring to loaned securities or securities acquired through the reinvestment of cash collateral?

As mentioned in the “Securities Lending Program Guidelines”: “[...] 3.4. Eligible collateral for loans must be fixed income securities. Cash is not considered eligible [...]”. Accordingly, question 88 refers to securities on loan.

34. Regarding question 90, please clarify this question.

The Bank expects Candidates to confirm their capability to establish a procedure whereby coupon payments received in a collateral account—when such an account is registered in the Bank’s name—would not be eligible for any tax benefit applicable to the Bank in its capacity as Central Bank.

35. Regarding Section F – Historical Performance, Fees and Costs:

- a. Question 143: would new issuances be made available to lend if purchased intramonth? New issuance securities typically have the highest demand spreads in the U.S. Treasury space.

Upon the Agency Agreement being executed by the Bank and the selected Agent(s), the Bank will provide a list of the available securities to be lent by the selected Agent(s) once every month.

- b. Question 149: please provide more detail on what the levels of risk represent. In the size column, are you referring to total on loan, or is that what would be available to lend?

The levels of risk aversion included in Question 149 of the RFP's Questionnaire refer to which levels of profit split the Candidates are willing to propose for different program sizes and levels of risk aversion embedded into guidelines for the program.

The size column in Question 149 of the RFP's Questionnaire refers to the amount in USD million that would be available to lend.

36. Regarding Appendix 1. Securities Lending Program Guidelines, section 3.7, could you please provide the purpose of not using bonds that mature inside of the tenor of the trade? Collateral is substitutable in non-cash collateral loans and any additional information is appreciated.

The Bank expects that the collateral delivered by borrowers and the securities on loan do not mature during the term of the loan.

37. Would the Bank consider accepting cash collateral if the Agent invests the cash collateral in repurchase agreements (repos) that are indemnified against counterparty insolvency risk ("Indemnified Repo")?

As mentioned in the "Securities Lending Program Guidelines": "[...] 3.4. Eligible collateral for loans must be fixed income securities. Cash is not considered eligible [...]"

38. Is it permissible to hold collateral on a triparty basis?

Yes. As mentioned in the "The Bank's Securities Lending Agency Agreement" section of the RFP, the Agent shall "Maintain effective controls to ensure the identification of collateral received by the Bank in connection with securities lending transactions ("Received Collateral") from the collateral of any other

clients of the Agent, so Received Collateral may be used only in connection with the Program”.

39. Regarding the *Scope of Services*: “The agent will bear all costs related to the program”: The Candidate is open to consider this request, however we will need more transparency regarding the costs that the agent is expected to cover. Could the Bank provide more details on the nature or an estimate on the expected costs? This information will be essential for the Candidate to provide accurate pricing.

As per the terms of the RFP, the Bank expects the Agent to bear all costs related to the Program, including but not limited to custodian fees. Additionally, the Bank expects that it will not be responsible for custody fees for any (i) non-utilized securities that are part of the Program but are not lent or (ii) collateral received from borrowers. Candidates should take the Bank’s expectations regarding fees and costs described above into account in formulating their economic proposal to the Bank to serve as Agent.

40. Regarding *The Bank’s Securities Lending Agency Agreement*:

- a. Can the Bank please clarify the difference between the Agency Agreement and the SLA? The Candidate typically only utilizes a single document (the SLA) which includes both the appointment of the lending agent as well as the lending terms.

The Agency Agreement is the agreement to be entered into between the Bank and the selected Agent(s), and the SLA is the agreement to be entered into between the selected Agent(s) and the borrowers.

According to the “Schedule of the RFP” section of the RFP, prior to the online sessions with finalists, each of the finalists will be required to provide copies of its proposed Agency Agreement and the SLA that it proposes to enter into with the Bank, and on behalf of the Bank in the case of the SLA, if selected as Agent.

- b. Could the Bank please provide an example of your understanding of next-day liquidity and explain how this applies to term loans? Does this take into account timely instructions to the agent and standard settlement cycles?

Yes. The Bank takes into account timely instructions to the Agent and standard settlement cycles. As regards to next-day liquidity and its applicability to the term loans, the Bank expects the Agent(s) to be able to terminate any loan upon receipt of instructions from the Bank and recall loaned securities within the customary settlement period.

- c. Regarding “Not loan securities that will result in negative income”, please clarify this point (i.e. if the negative income restriction will apply to the entire life of the loan or measured on daily basis) and how would this be documented? Would it be acceptable for the Bank to include this in the program parameters instead of on the Securities Lending Agreement?

According to the RFP, the objective of the Program is to improve the performance and efficiency of the Bank’s foreign reserves portfolio within a secure framework and in compliance with the criteria of safety, liquidity, and profitability. In this context, the Bank expects that the loans will be agreed upon with the aim of achieving a positive total return. The Bank expect this requirement to potentially be included in the Securities Lending Agency Agreement.

- d. Regarding “Ensure that the applicable collateral levels consider both competitive market levels and risk mitigation”. Can you please clarify or provide examples of what is meant by competitive market levels and risk mitigation?

This requirement outlines the Bank’s expectation that the collateralization levels maintained by the agent under the Bank’s Program align with prevailing market practices and the agent’s internal risk management policies.

- e. Regarding “Fee proposals provided by finalists will be firm for a period of 365 days following communication of the final decision by the Bank and may not be changed following submission. The term of the fee proposal may be extended upon request by the Bank. If a Candidate fails to notify the Bank of a known error in such Candidate’s Proposal or in this RFP or such error could reasonably have been known prior to the final filing date for such Proposal, the Bank will evaluate the measures to be adopted. If awarded the contract, such Candidate shall not be entitled to any compensation by reason of such error or its correction at any time”.

Please confirm that, other than the fee proposal, the RFP responses are not intended to be contractually binding on the candidate.

The finalist Candidate will be required to represent and warrant to BdLR in the Agency Agreement as to the accuracy of all information by the finalist Candidate as part of its RFP response. This information includes but is not limited to their Proposal(s), other supplementary written materials provided, and verbal interviews and presentations.

Moreover, when executing the Certification on the Required Minimum Selection Criteria, the Candidates represent and warrant that “the Candidate

(i) meets all of the REQUIRED MINIMUM SELECTION CRITERIA as detailed above; (ii) is capable of performing all services as Agent as contemplated by this RFP; (iii) understands and agrees to the terms and selection process set forth in this RFP (including the Bank's expectations described under the "The Bank's Securities Lending Agency Agreement" heading above); and (iv) has carefully reviewed this RFP and has submitted accurate responses in the Proposal."

- f. Regarding the "Required Minimum Selection Criteria", item 7, please clarify what is mean by next day availability? Per the guidelines, we see that 95-day term is approved. Please clarify what next day availability means regarding to a term trade.

The Bank expects the Agent to be able to terminate any loan upon receipt of instructions from the Bank and recall loaned securities within the customary settlement period. The Bank will allow loans up to 95 days, nevertheless, the Candidate must warrant next-day availability for any securities on loan required by the Bank.

41. Regarding Fees / Pricing / Program Guidelines:

- a. Please confirm what is the expected initial size of the program per agent and the potential growth? Program performance and pricing are linked to factors such as program size, scope of securities, collateral, and other considerations. We are pleased to respond to the 1,000 million request outlined in the RFP with the specified parameters but pricing may be affected based on the size of the program.

As mentioned in the "Securities Lending Program Guidelines": "[...] 2.2. The maximum nominal value that can be lent of eligible securities amounts to US\$1,000 million per agent [...]"

- b. Would the Bank be open to exploring how performance and pricing might change if we increased the size to 7 billion and 15 billion? Additionally, could the Bank clarify if it would be amenable to opportunities for expanding program parameters?

As mentioned in the "Securities Lending Program Guidelines": "[...] 2.2. The maximum nominal value that can be lent of eligible securities amounts to US\$1,000 million per agent [...]" Opportunities for expanding Program parameters would be informed to the selected Agent(s) if approved by the Bank.

42. Regarding “Limits and restrictions”, item 4.4.5 of the Program Guidelines, could the Bank please provide an indication of what countries will be accepted or which one it is not comfortable to approve? Typically, please note that we do not monitor the FATF list.

No. The Bank expects the selected Agent(s) to monitor prohibited jurisdictions as per the terms of the Securities Lending Program Guidelines found in Appendix 1 to the RFP. This monitoring of prohibited jurisdictions shall be “based on periodic statements issued by the FATF through the lists of High-Risk Jurisdictions Subject to a Call for Action and Jurisdictions Under Increased Monitoring, as they are updated and/or modified periodically”.

43. Regarding “Notes” of the Program Guidelines, please clarify how the Bank expects the “notes” to be applied to the program parameters? Specifically, do these notes pertain to the collateral, the borrowers, or the securities that are lent?

As mentioned in the “Notes to the Securities Lending Program’s Guidelines”, footnote 23, “These notes are an integral part of the Guidelines”. Regarding which notes apply to collateral, borrower, or securities that are lent, please refer to each item of the Securities Lending Program’s Guidelines for specific details on the application of each note.

44. Regarding the “Annex 3”, we do not anticipate being able to provide personal data as passport number. Would the Bank be comfortable accepting another form of identification to satisfy this request – For example: Certificate of Incumbency or similar?

The provision of the “Authorization for the processing of personal data of a person of age for internal use by Banco de la República” found in Annex 3 of the RFP by Candidates is mandatory, as the Proposal shall include it to be complete as per the terms of Annex 1 of the RFP. Accordingly, if you cannot provide your passport number as per the language included in this Authorization, please adjust the wording in the Authorization to reflect other identification documents you are able to provide and to clearly identify the person executing the Authorization.

The above is consistent with the “Terms & Conditions of the RFP” section of the RFP that states “Should applicable laws or regulations require that additional undertakings be made to effectuate the consents and authorizations contemplated herein, the Responsible Party shall ensure those undertakings are fully made, and to the extent necessary shall be addressed through appropriate language added to each executed Annex 3.”.