

Banco de Bogotá



Investor Presentation

HSBC Latin American Investment Summit

April 5th – 6th , 2017



The Issuers Recognition IR granted by the Colombian Stock Exchange is not a certification about the quality of the securities listed at the BVC nor the solvency of the issuer.



Banco de Bogotá is an issuer of securities in Colombia. As a financial institution, the Bank, as well as its financial subsidiaries, is subject to inspection and surveillance from the Superintendency of Finance of Colombia.

As an issuer of securities in Colombia, Banco de Bogotá is required to comply with periodic reporting requirements and corporate governance practices. In 2009 the Colombian Congress enacted Law 1314 establishing the implementation of IFRS in Colombia. As a result, since January 1, 2015, financial entities and Colombian issuers of publicly traded securities, such as Banco de Bogotá, must prepare financial statements under IFRS, with some exceptions established by applicable regulation.

IFRS as applicable under Colombian regulations differs in certain aspects from IFRS as currently issued by the IASB. Our reports for 2015' quarters were presented in accordance with IFRS applicable in Colombia (Col IFRS). This report was prepared with unaudited consolidated financial information, which is in accordance with IFRS as currently issued by the IASB.

At June 30th 2016, Banco de Bogotá deconsolidated Corficolombiana (ceded control of CFC to Grupo Aval). The Bank now holds its 38.3% stake of Corficolombiana as an equity investment. As a result, 3Q2016 and 4Q2016 do not consolidate Corficolombiana. Additionally, Banco de Bogotá, as approved by its Board of Directors, signed a Shareholders' Agreement between Corficolombiana, Banco de Bogotá, Banco de Occidente and Banco Popular which resulted in Corficolombiana becoming the direct controller of Casa de Bolsa S.A; the Bank now holds its 22.8% stake of Casa de Bolsa as an equity investment. Moreover, unless otherwise noted, for comparative purposes figures for 4Q2015 have been adjusted excluding CFC and Casa de Bolsa.

The Colombian peso/dollar end-of-period annual revaluation as of December 31, 2016 was 4.7%. The COP/USD quarterly devaluation was 4.2%. In this report, calculations of growth, excluding the exchange rate movement of the Colombian Peso, use the exchange rate as of December 29, 2016 (COP 3,000.71).

This report may include forward-looking statements and actual results may vary from those stated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risks factors. Recipients of this document are responsible for the assessment and use of the information provided herein. Banco de Bogotá will not have any obligation to update the information herein and shall not be responsible for any decision taken by investors in connection with this document. The content of this document is not intended to provide full disclosure on Banco de Bogotá or its subsidiaries.

In this document we refer to billions as thousands of millions.

Details of the calculations of Non GAAP measures such as ROAA and ROAE, among others, are explained when required in this report.

Attributable Net Income for 2016⁽¹⁾ was USD \$687.4 million , which represented an 8.4% increase versus 2015

Profitability

Key Metrics

- ROAA: 1.8% / ROAE: 15.4%⁽²⁾
- Net Interest Margin: 5.9%
- Fee Income Ratio: 34.5%
- Efficiency Ratio: 48.8%⁽³⁾

Commentary

- ROAE decreased 180bps; ROAA remained stable.
- NIM increased 27bps, commensurate with Central Bank rate hikes.
- Fee income increased 15.8% primarily due to banking services fees.
- Efficiency shows an improvement from 49.2%.

Balance Sheet

- Gross Loans: \$32.3
- Total Deposits: \$31.2
- Deposits / Net Loans: 0.99x
- Deposits % Funding: 78.4%

- Gross Loans grew 5.9%; excluding FX, growth was 8.2%.
- Total Deposits grew 5.5%; excluding FX, growth was 7.7%.
- Deposits / Net Loans near match illustrates robust funding model, stable on 0.99x.

Credit & Capital

- 90+ Days PDL Ratio: 1.7%
- Net Cost of Risk⁽⁴⁾: 1.7%
- Tier 1 Ratio: 9.0%
- Total Solvency: 13.9%

- 90+ Days PDL Ratio slightly increased from 1.5%.
- Net Cost of Risk, excluding extraordinaries, increased 20bps from 1.5%.
- Total Solvency increased by 30 bps. Tier 1 and Total Solvency ratios are both well above regulatory minimums.

(1) If the non-recurrent income from the deconsolidation of CFC is included (USD \$727.7 million), Attributable Net Income for 2016 is USD \$1,415.1 million.

(2) ROAE Proforma including CFC Capitalization of USD\$727.7 million for 2015 FY and 2016 FY was 14.5% and 14.1% respectively. All the profitability ratios are calculated without wealth tax.

(3) Efficiency Ratio are excluding USD\$ 40.5 million of one time expenses (personnel severance, amortizations and other administrative expenses); including the one time expenses the ratio was 49.9% for 2016 FY

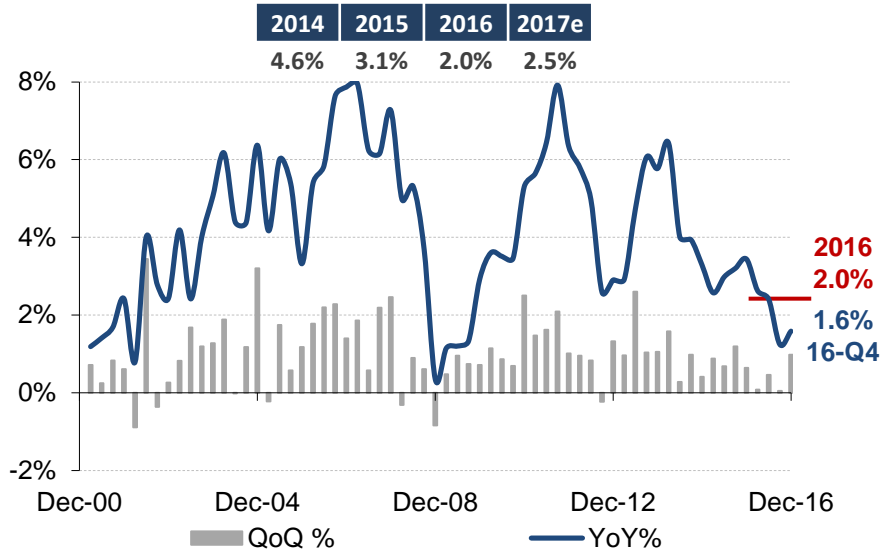
(4) Not excluding extraordinaries, net cost of risk for 2016 was 1.9%.

Note: Changes / growths refer to 2016 over 2015, unless otherwise stated.

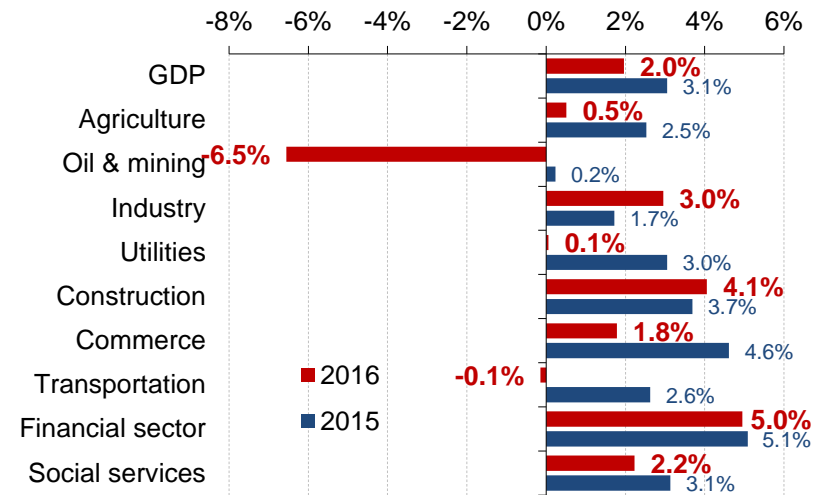
Exchange rate 3,000.71 COP/USD

Colombia: Economic activity decelerated in 2016 in an environment of multiple shocks; expect modest recovery in 2017

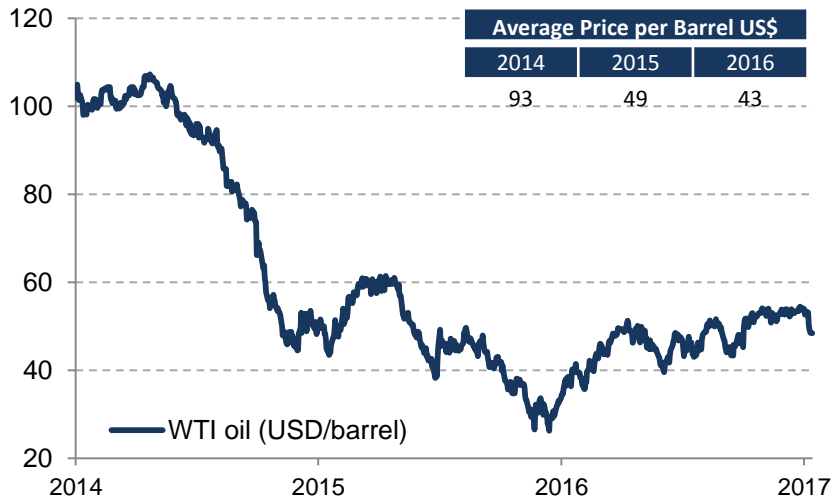
Quarterly GDP (YoY %)



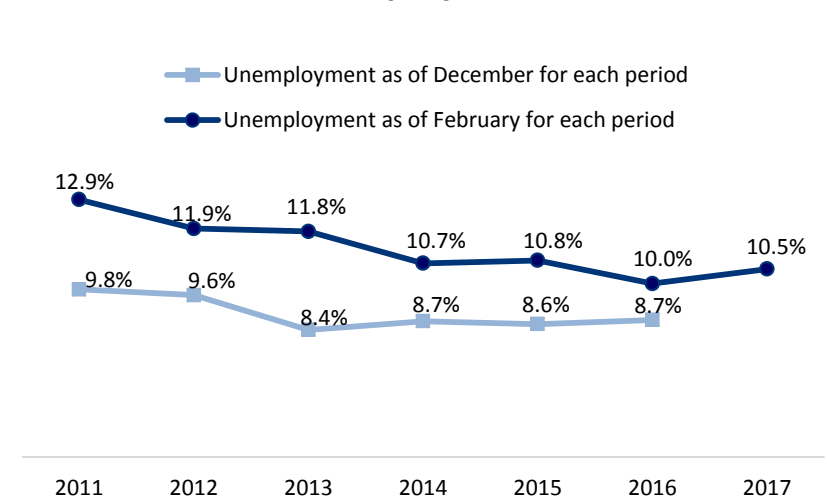
Annual GDP growth by sector (YoY %)



Price Barrel of WTI Oil (US\$/barrel)

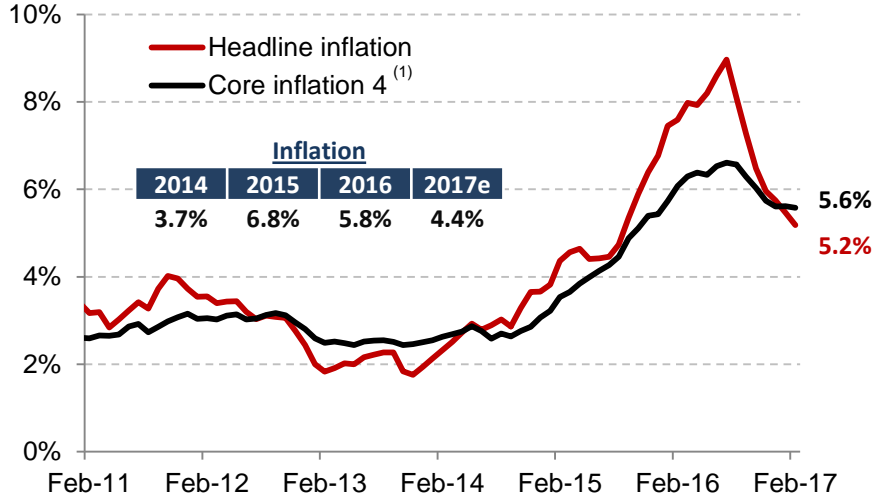


Unemployment (1)

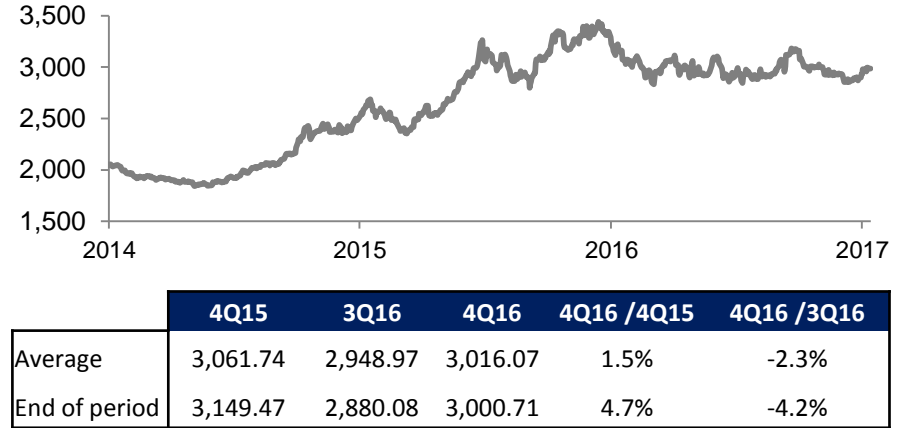


Colombia: Inflation continues to moderate, central bank should reduce the interest rate gradually during 2017

Core and total inflation (YoY %)

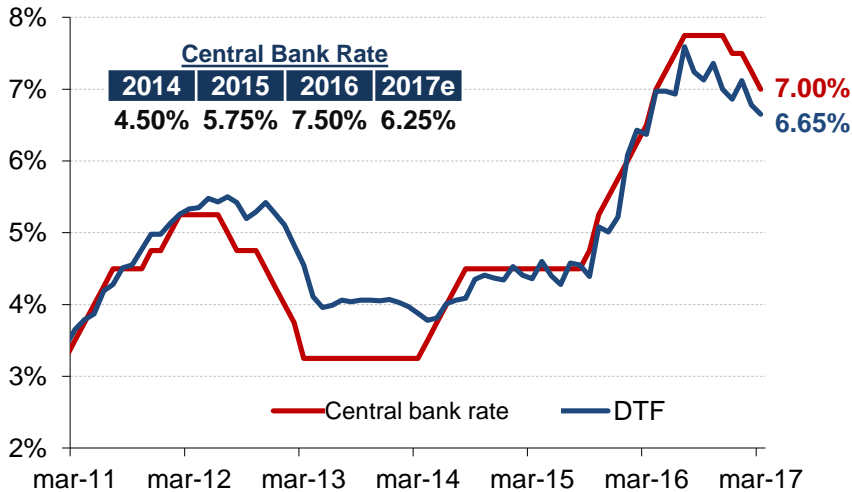


Exchange Rate (USD/COP)

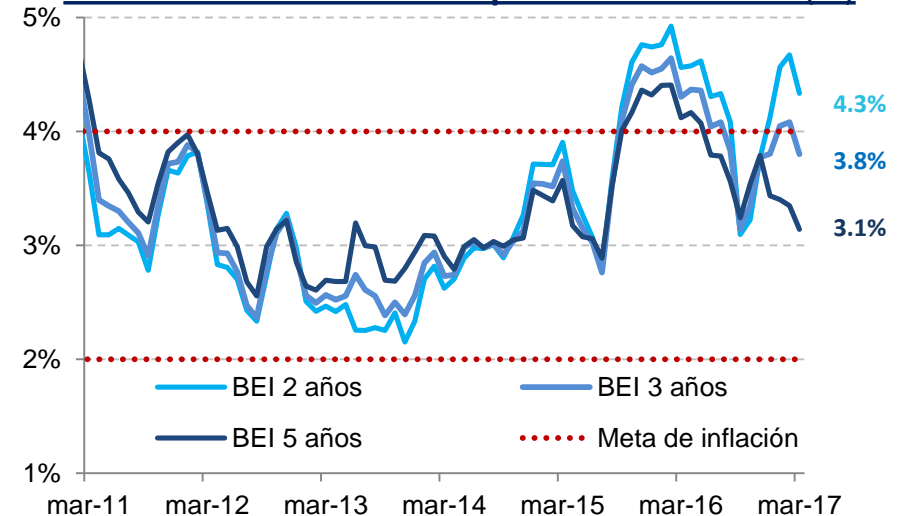


Positive change = COP appreciation
Negative change = COP devaluation

Central bank interest rate vs. DTF rate* (%)



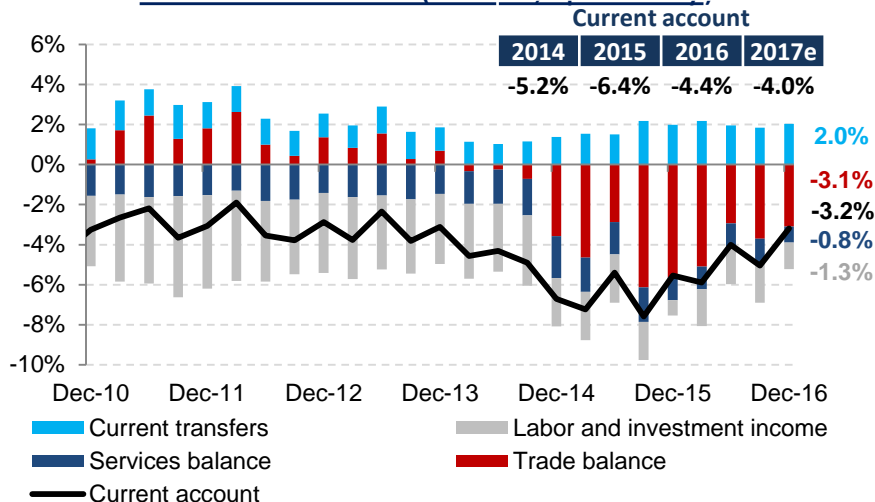
Market-based inflation expectations – BEI** (%)



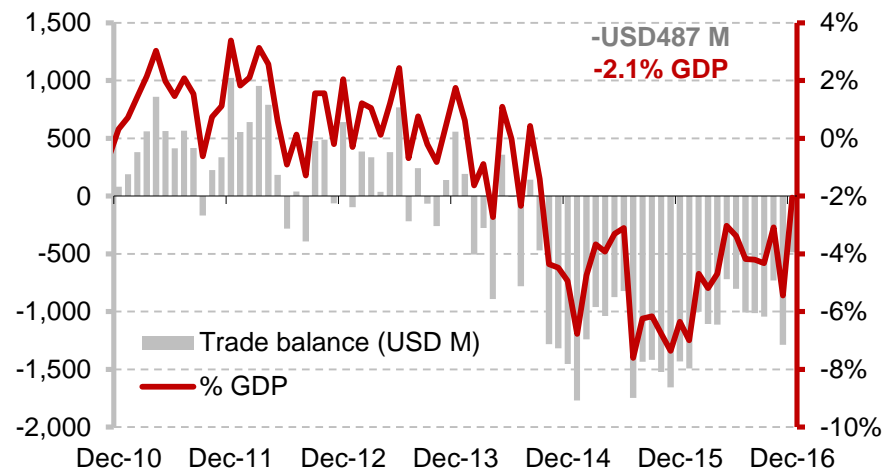
Source: DANE, Banco de la República (BR). Estimates Economic Research Banco de Bogotá.

(1) Average of four measures preferred by BR: 1) without foodstuff; 2) without foodstuff and regulated; 3) without foodstuff, public services and gasoline; and 4) core 20. * Monthly average except last data point which is Feb-16-17. ** Monthly average with information up to Feb-21-17.

Current Account (% GDP, quarterly)

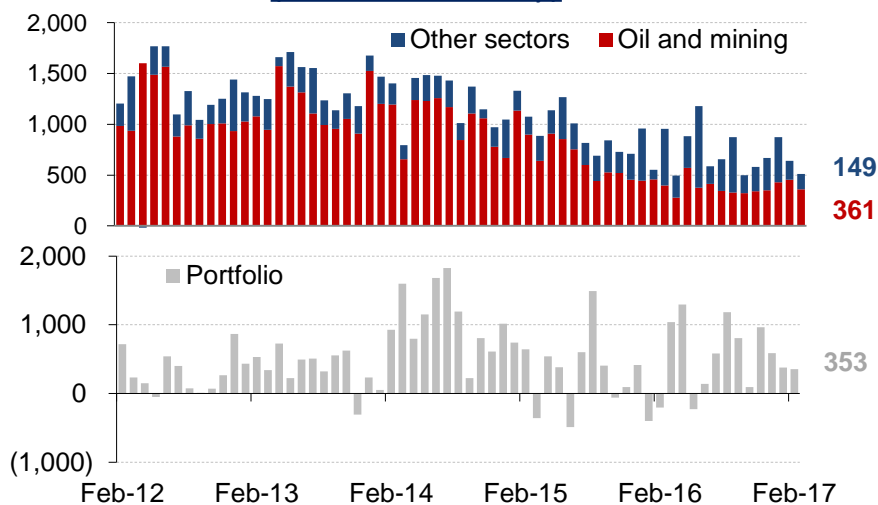


Trade balance (USD M, % GDP, monthly)

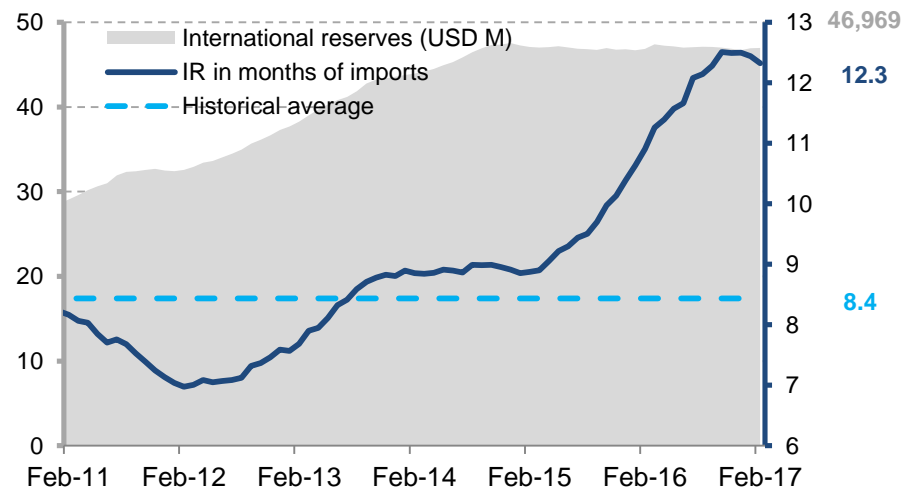


Foreign investment: direct and portfolio*

(USD M, monthly)



International reserves (USD M, months of imports)



Source: DANE, Banco de la República. Estimates: Economic Research Banco de Bogotá.

* With information from Balanza Cambiaria up to Feb-28-17.

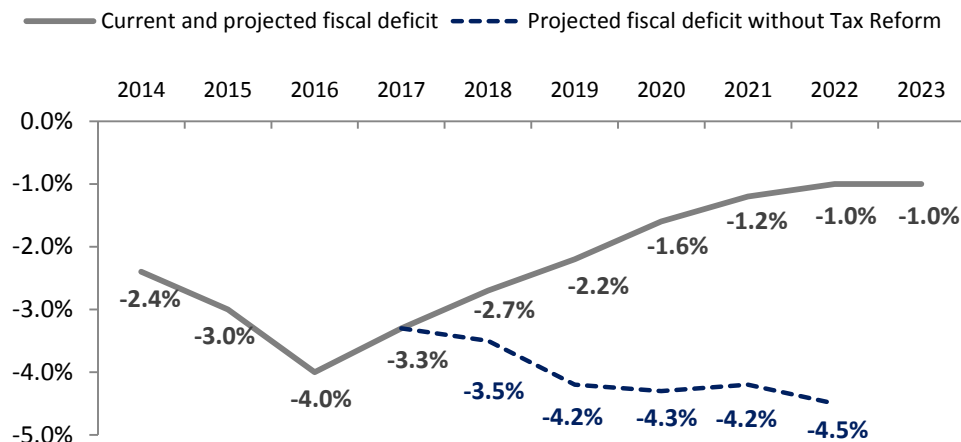
VAT increase

- VAT Rate: 300 bps increase, from 16% to 19%.
- VAT is expected to contribute an additional COP 6 trillion per year.
- VAT Increase should not have too significant of an impact on inflation because most basic goods are exempted.

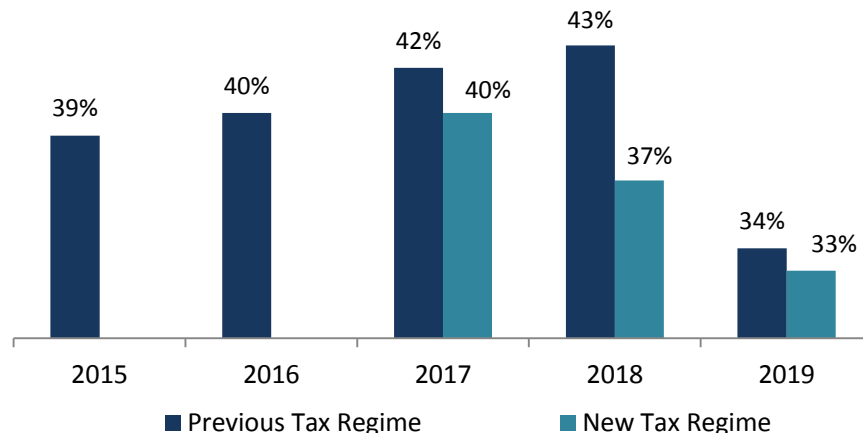
Other tax adjustments

- Additional taxes like CREE, CREE Surcharge and Wealth Tax will cease in 2019.
- Minimum income tax rate increases from 3% to 3.5%.
- Financial Transaction Tax (4x1000) will continue given that it is a steady source of income (COP 6.9 trillion per year) and it is easy to collect.
- The reform includes a Green Tax on fossil fuel; these will generate COP 0.7 trillion per year.
- Increased VAT and consumption tax for cigarettes and alcoholic beverages.
- The Tax Reform empowers the Tax Administration to punish (in some cases through incarceration) actions such as: improper use of Non-profit entities, false declaration of assets or false expense statements that seek to reduce income tax.

Projected Fiscal Deficit with & without Tax Reform (% of GDP)



Comparison of Corporate Income Tax Rates



Income Tax

- The Reform lowered the income tax threshold from COP\$3.6MM to COP\$2.5MM, which will result in a widening of the base by more than 400,000 individuals. However, the significant majority of the population (80%+) will continue to be exempt as they fall below this level.
- Effective income tax rate increased 200-300 bps for the higher-income brackets.

Dividend Tax

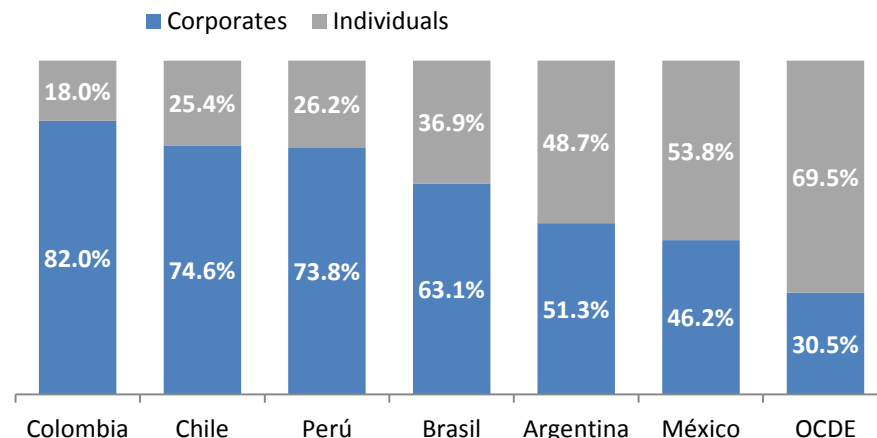
- The reform includes a new tax on Dividends received by individuals; for Colombian residents this tax will only apply to individuals, while for foreign residents the tax will be applied to companies and individuals:

<i>Dividend</i>	<i>Tax rate</i>
Between 19.1 MCOP and 31.9 MCOP	5%
Higher than 31.9 MCOP	10%

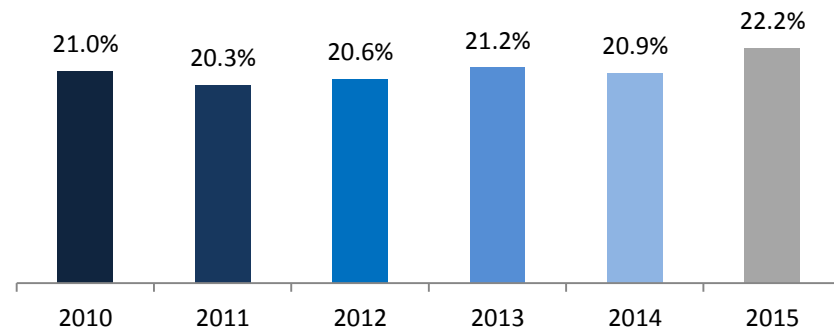
Payment Capacity

- **Lower inflation** in 2017 and a higher minimum wage (above 2016 average inflation) will help individuals cope with slightly higher/new taxes.
- Additionally, a **stable FX Rate** should help reduce the effect of the VAT increase, as imported goods become relatively less expensive (25% of goods consumed are imported).

Income Tax Breakdown: Corporates & Individuals

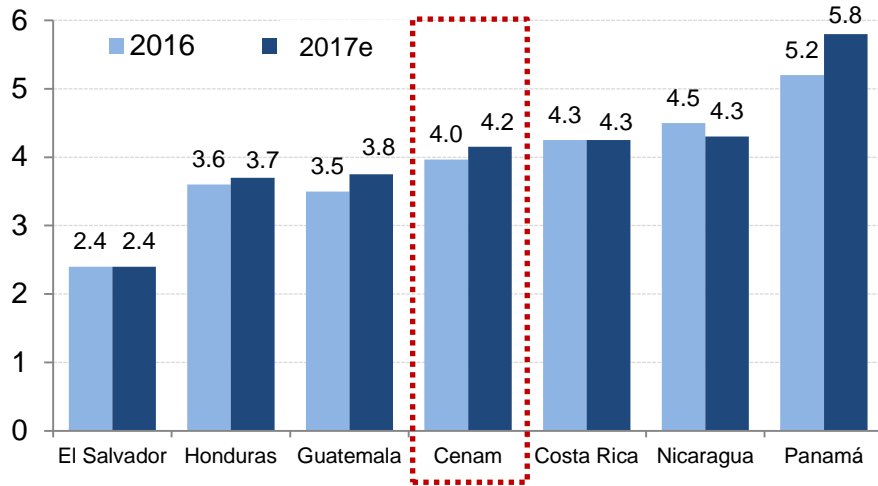


Financial payments* as % of Family's Total Income

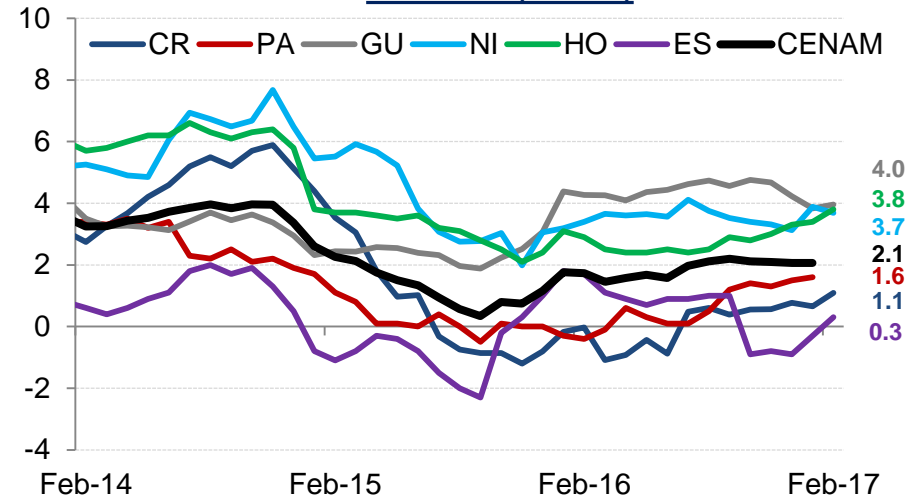


* Includes consumer and mortgage payments

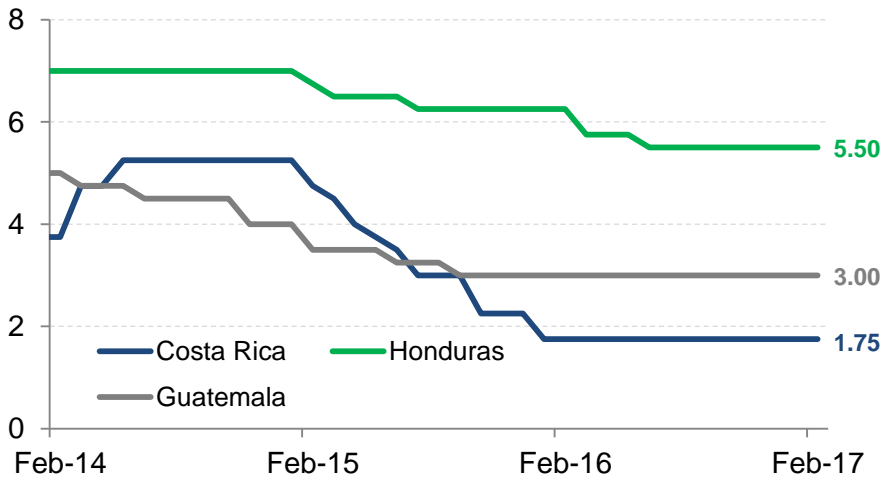
GDP (YoY %)



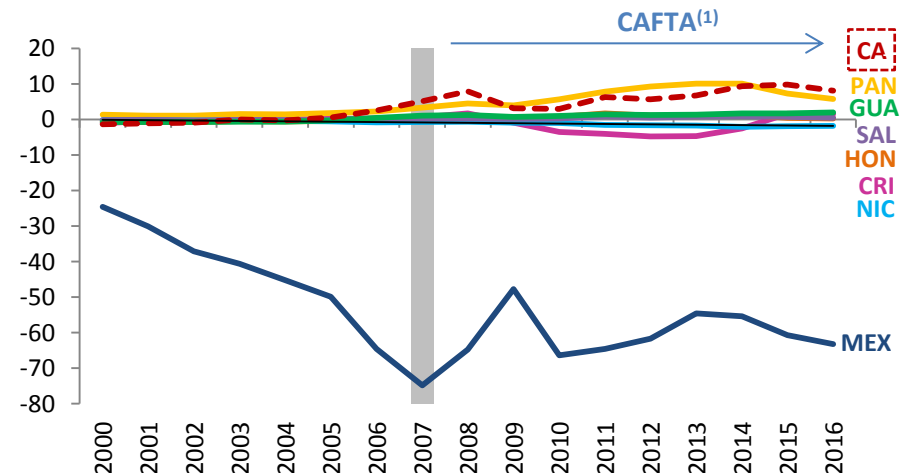
Inflation (YoY %)



Central bank interest rate (%)



US Trade Balance (\$Bn)



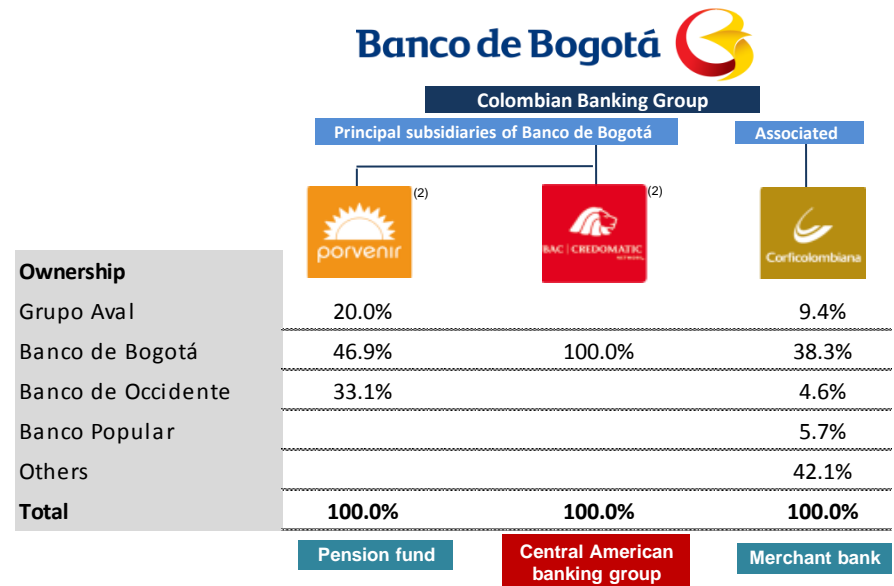
(1) CAFTA: Central America Free Trade Agreement.

Source: SECMCA, International Monetary Fund (IMF). Estimates Economic Research Banco de Bogotá. ES: El Salvador, HO: Honduras, CR: Costa Rica, GU: Guatemala, NI: Nicaragua, PA: Panama.

Overview

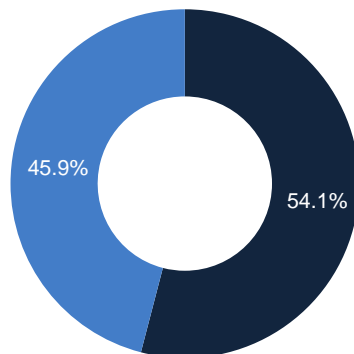
- Founded in 1870, Banco de Bogotá is Colombia's oldest financial institution and the principal subsidiary of Grupo Aval, the leading financial group in Colombia.
- Current shareholding structure: Grupo Aval, 68.7%; Other companies owned by Mr. Sarmiento Angulo, 8.3%; Paz Bautista Group, 13.3%; and Public Float, 9.6%.
- Leading presence in Colombia and Central America. Second largest bank in Colombia in terms of assets and deposits, and largest bank in Central America through BAC Credomatic.
- Universal bank with a strong foothold in the commercial lending and credit card segments in Colombia and Central America, respectively.
- Listed on the Colombian Stock Exchange (BVC), Banco de Bogotá currently has a market cap of US\$ 6.6bn.

Banco de Bogotá's Structure



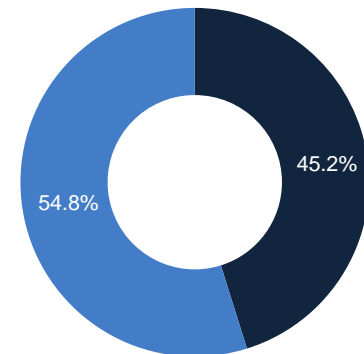
Consolidated Assets Breakdown

- Colombia Operations
- Central America Operations



Consolidated Net Income Breakdown

- Colombia Operations
- Central America Operations

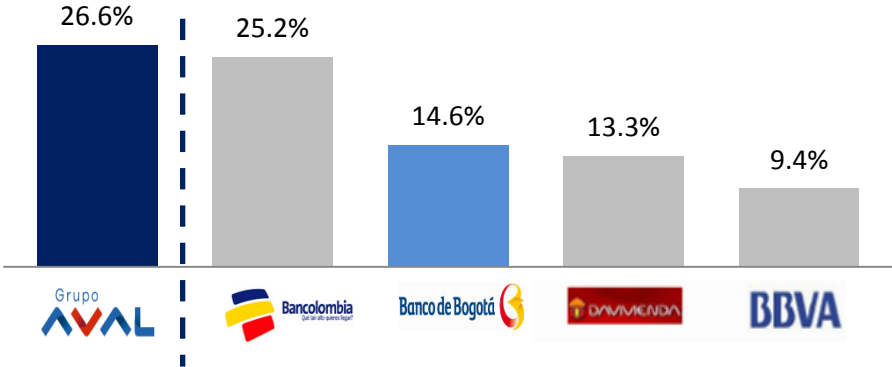


Consolidated Ratios:
ROAA: 1.8%
ROAE: 15.4%

(1) Assets and Net income breakdown is calculated at December 2016, Net income Breakdown excludes the non recurrent income of USD\$ 727.7 million of Loss of control of CFC
 (2) Porvenir and BAC Credomatic are the principal subsidiaries consolidated by Banco de Bogotá. Banco de Bogotá controls Porvenir through a shareholders' agreement with Grupo Aval, Banco de Occidente and Banco Popular.

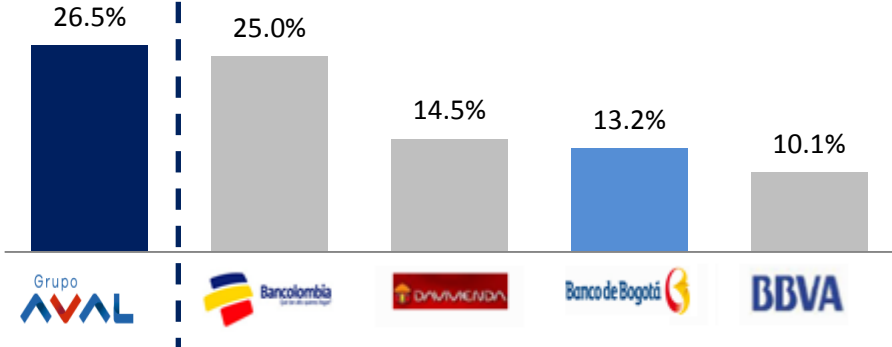
Total Assets

System: US\$ 182.7 bn



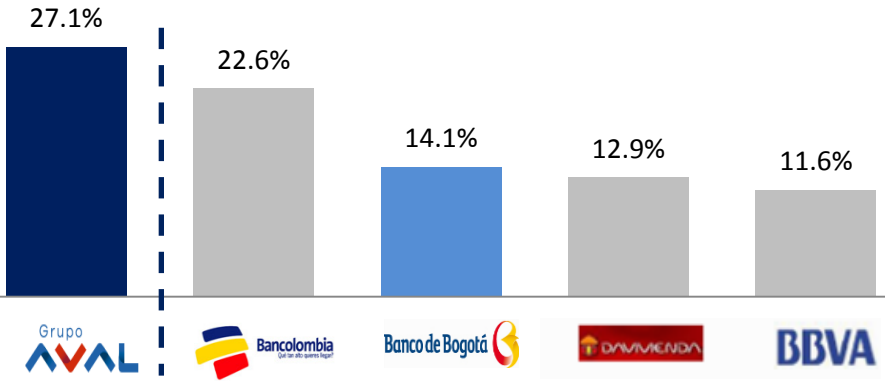
Net Loans

System: US\$ 125.1 bn



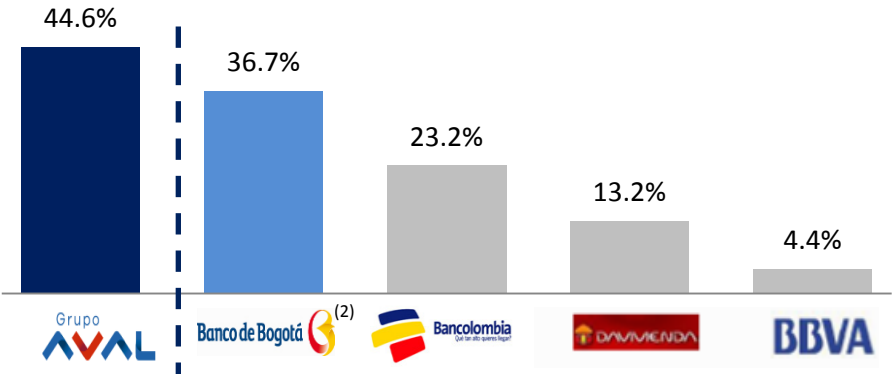
Deposits ^{1/}

System: US\$ 116.3bn



Net Income 2016

System: US\$ 3.8bn

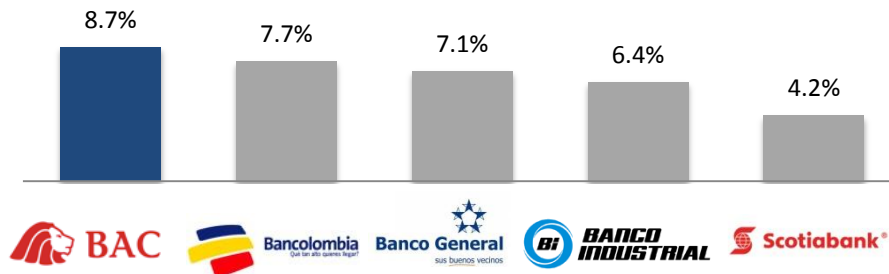


Source: Unconsolidated information under IFRS filed with the Colombian Superintendency of Finance and published monthly; as of December 31, 2016. System: Sum of banks. Grupo Aval is the sum of Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas.
Exchange rate: 3.000,71 COP/USD

^{1/} Figures excluding interbank & overnight funds for comparative purposes. Deposits are calculated as checking accounts, saving accounts and time deposits.
^{2/} Excluding the USD 728 Million due to the loss of control of Corficolombiana on June 30 of 2016 Banco de Bogota had a market share on Net Income of 21.9%

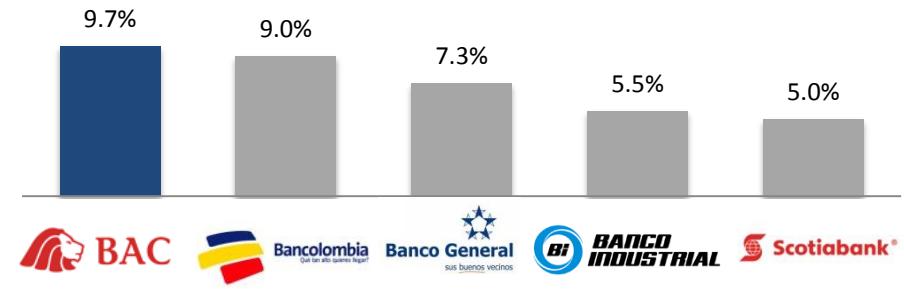
Total Assets ^{1/}

System: US\$231.3 bn



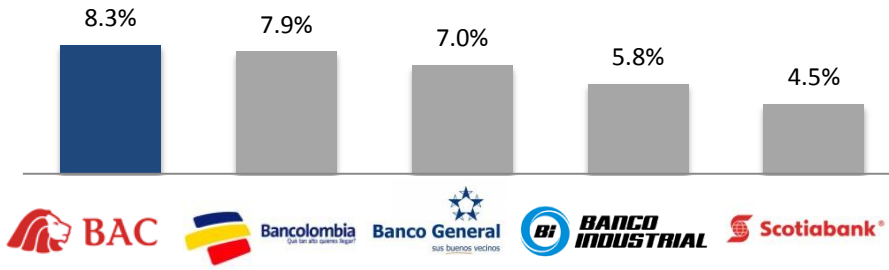
Net Loans ^{1/}

System: US\$145.3 bn



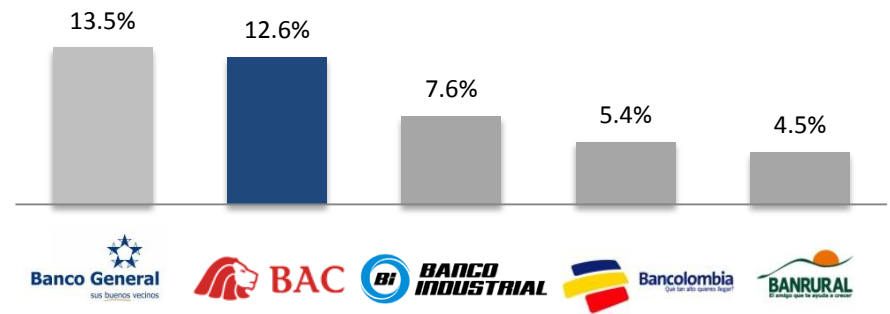
Deposits ^{1/}

System: US\$158.6 bn



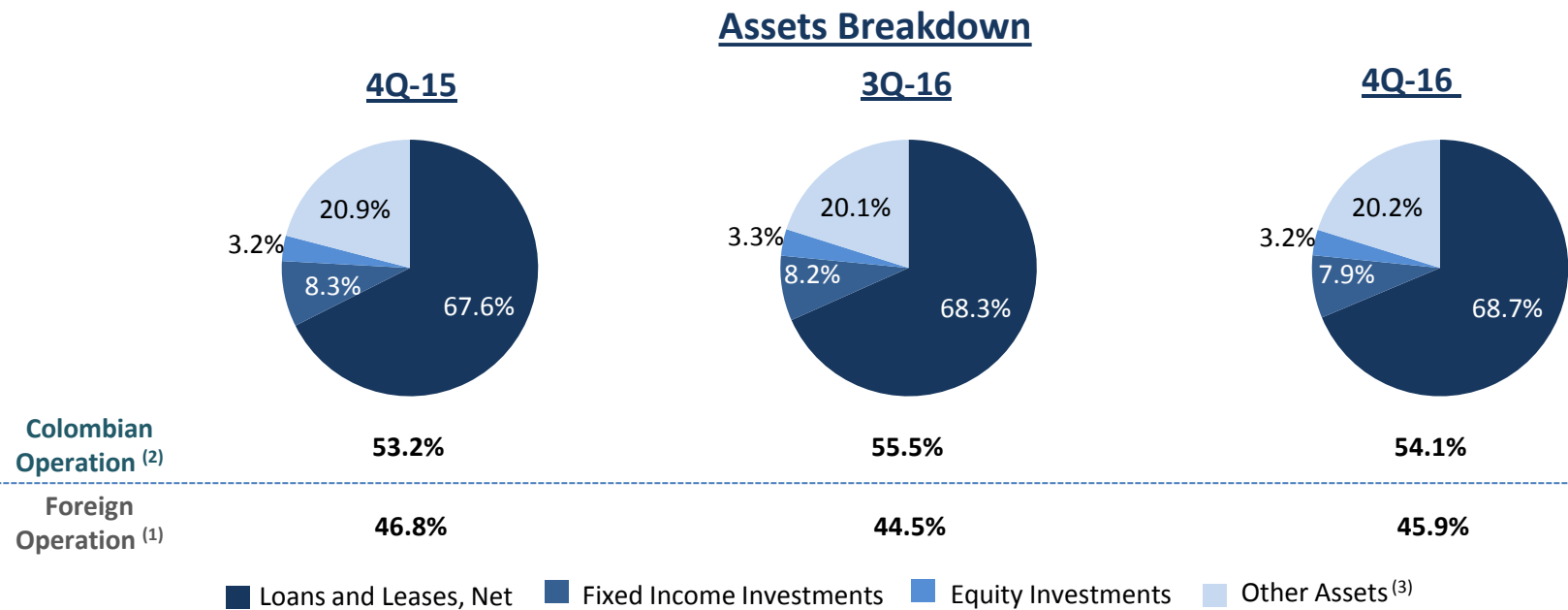
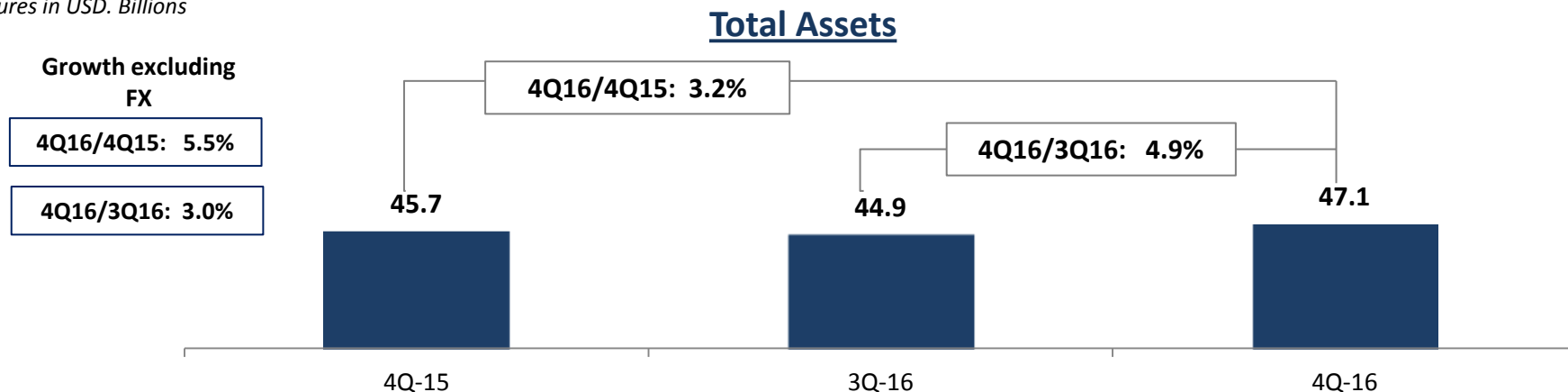
Net Income (12 months) ^{1/}

System: US\$2.7 bn



Source: Company filings. Calculated based on publicly disclosed data aggregated from the local superintendencies of Costa Rica, Honduras, El Salvador, Guatemala, Nicaragua and Panama
^{1/} Market share is determined based on the consolidated operations in the aforementioned countries. Bancolombia includes Banistmo (Panama), Bancolombia (Panama), Grupo Agromercantil (Guatemala) and Banco Agrícola (Salvador)

Figures in USD. Billions



(1) Foreign operations reflect BAC Credomatic operations in Central America.

(2) Includes Banco de Bogotá in Colombia, Porvenir, Fidubogotá, Almagora, Banco de Bogotá Panamá, Finance, Ficentro and Megalinea.

(3) Other Assets: Cash and balances at Central Bank, Derivatives, Allowance for financial assets held for investment, Other financial assets at fair value through profit or loss, Non-current assets held for sale, Tangible Assets, Intangible Assets, Income Tax Assets, Other Accounts Receivable, Derivatives used for hedging and Other Assets.

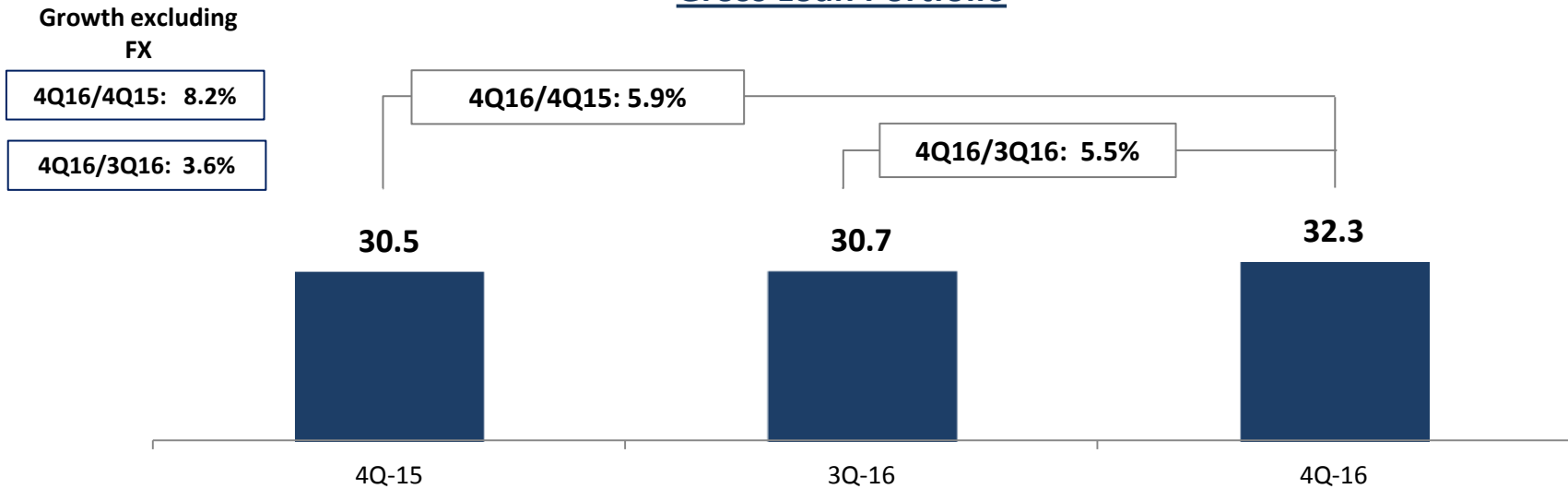
NOTE: Deferred Tax Asset and Liability included on a net basis.

Exchange rate 3,000.71 COP/USD

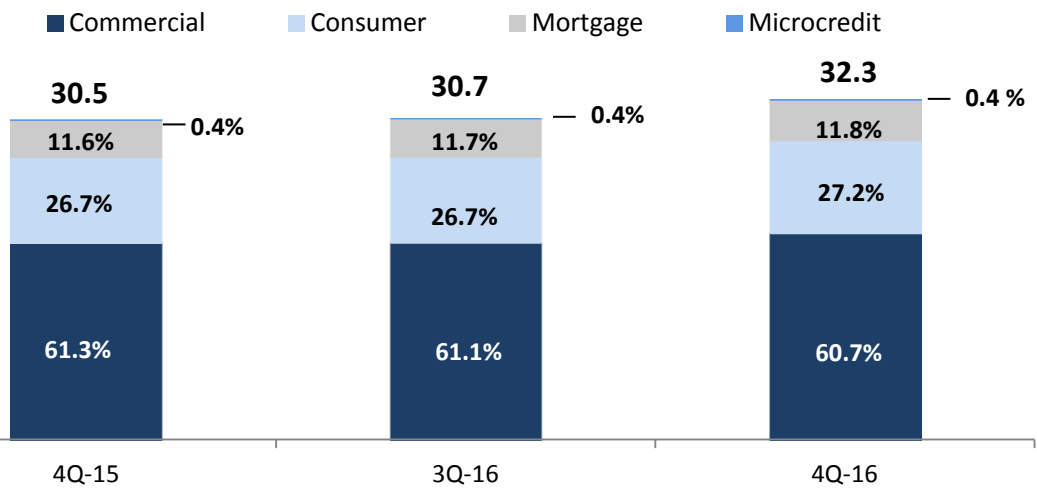
Consolidated Loan Portfolio Breakdown by Business Segment

Figures in USD. Billions

Gross Loan Portfolio



Gross Loan Portfolio Breakdown



Growth (%) 4Q16/4Q15	Growth (%) Excluding FX 4Q16/4Q15	Growth (%) 4Q16/3Q16	Growth (%) Excluding FX 4Q16/3Q16
1.1	1.1	0.9	0.9
7.4	11.7	5.7	2.3
7.7	11.0	7.4	4.7
4.8	6.4	4.6	3.4

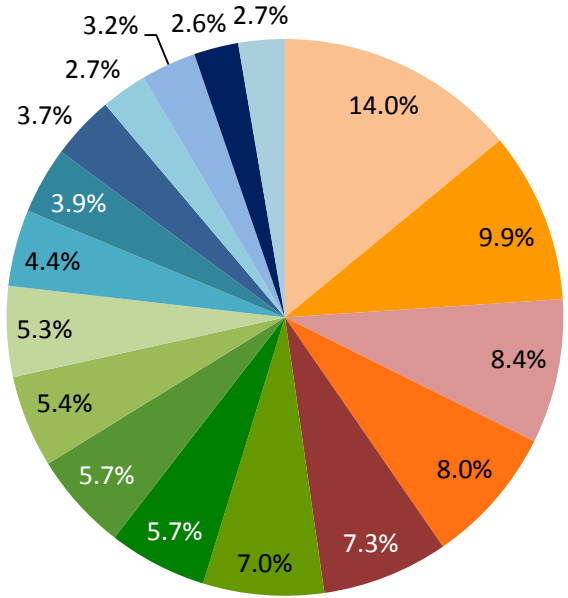
Exchange rate 3,000.71 COP/USD

Diversified, high-quality commercial loan portfolio as of December 2016

Figures in USD. Billions

Banco de Bogotá Unconsolidated

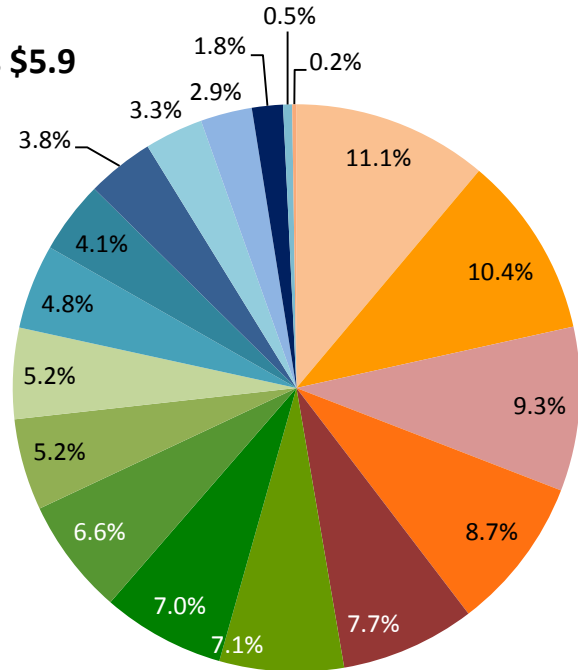
Commercial Loans \$13.2



- Investment Groups
- Food, beverage and tobacco
- Mailing Activities
- Business Support
- Construction
- Agricultural
- Mining products
- Textile
- Chemical Production
- Others
- Coal Gas and Oil
- Civil Works
- Public Services
- Comercial Services
- Health
- Government
- Transportation

Central America

Commercial Loans \$5.9

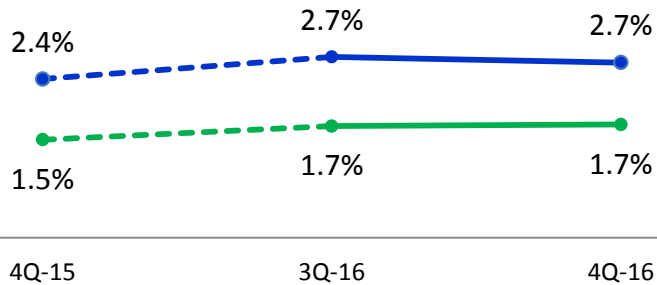


- Food Products
- Agricultural
- Retail Trade
- Construction
- Chemical production
- Public services
- Trade and tourism
- Industrial/manufacturing products
- Mining products
- Commercial services
- Accommodation
- Communications
- Other
- Transportation
- Investment Groups
- Beverage and tobacco
- Business Support
- Government

Exchange rate: 3.000,71 COP/USD

30 days PDLs/ Gross Loans 90 days PDLs / Gross Loans

30 days PDLs / Gross Loans 90 days PDLs / Gross Loans

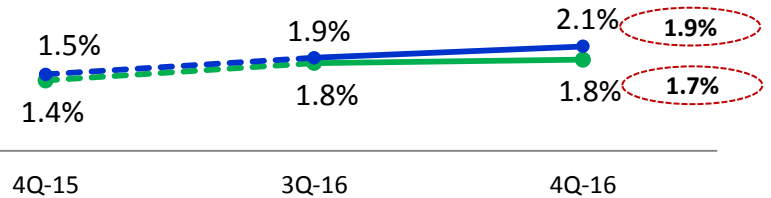


Cost of Risk ⁽¹⁾

Provision loss (net of recoveries of charged-off assets) / Average Loans
Provision loss / Average Loans

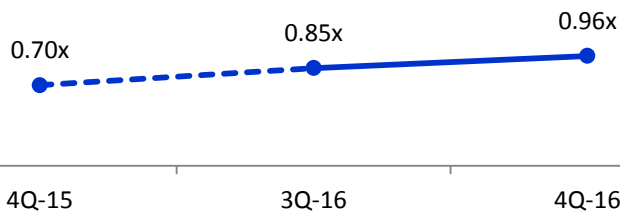
Excluding Extraordinary ⁽²⁾

2015 FY	2016 FY
1.6%	2.1%
1.5%	1.9%



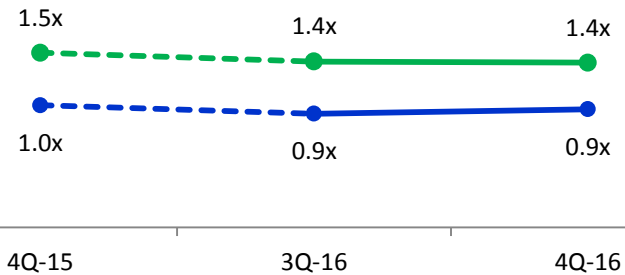
Charge-offs ⁽¹⁾ / Average 90 days PDLs

2015 FY	2016 FY
0.88x	1.05x
1.3%	1.7%



Coverage

Allowances / 30 days PDLs Allowances / 90 days PDLs



(1) Annualized
(2) Extraordinary for annual calculations excludes provision expense and charge-off for Pacific Rubiales and provision expense for Electricaribe. For 4Q-16 only, it excludes Electricaribe's provision expense, as Pacific Rubiales was fully charged-off by 2Q-16.

Loan Portfolio Quality (2/3) – Colombia ⁽¹⁾ and Central America

	<u>Colombia</u> <u>COP</u>		<u>Central America</u> <u>USD</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Delinquency Ratio				
30 day PDLs / Gross Loans	2.6%	2.9%	2.2%	2.3%
90 day PDLs / Gross Loans	1.9%	2.2%	1.0%	1.2%
Cost of Risk				
Provision Loss, net of recoveries of charge-off	1.5%	1.9%	1.5%	1.9%
<i>Excluding Extraordinary ⁽²⁾</i>		<i>1.5%</i>		
Charge-Off Ratio				
Charge offs / 90 days PDLs	0.59x	0.88x	1.15x	1.11x
<i>Excluding Extraordinary ⁽²⁾</i>		<i>0.72x</i>		
Charge offs / Avg Loans	1.1%	1.8%	1.2%	1.2%
<i>Excluding Extraordinary ⁽²⁾</i>		<i>1.5%</i>		
Coverage				
Allowance / 30 days PDLs	1.20x	1.12x	0.59x	0.61x
Allowances / 90 days PDLs	1.69x	1.51x	1.23x	1.22x
Allowances / Gross Loans	3.1%	3.3%	1.3%	1.4%

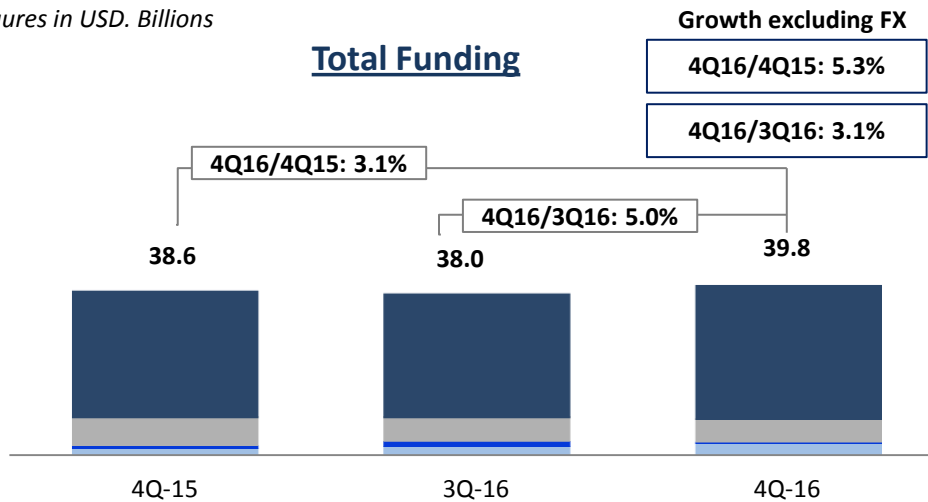
(1) Includes Banco de Bogotá in Colombia, Porvenir, Fidubogotá, Almaviva, Banco de Bogotá Panamá, Finance, Ficentro and Megalínea.

(2) Extraordinary for annual calculations excludes provision expense and charge-off for Pacific Rubiales and provision expense for Electricaribe. For 4Q-16 only, it excludes Electricaribe's provision expense, as Pacific Rubiales was fully charged-off by 2Q-16

	<u>30 days PDLs</u>			<u>90 days PDLs</u>		
	<u>4Q-15</u>	<u>3Q-16</u>	<u>4Q16</u>	<u>4Q-15</u>	<u>3Q-16</u>	<u>4Q16</u>
Commercial	1.6%	1.9%	1.8%	1.3%	1.5%	1.6%
Consumer	4.1%	4.6%	4.4%	2.0%	2.2%	2.1%
Mortgage	2.3%	2.6%	2.5%	1.2%	1.2%	1.2%
Microcredit	11.4%	13.5%	14.2%	7.2%	9.0%	9.4%
Total Loans	2.4%	2.7%	2.7%	1.5%	1.7%	1.7%
Coverage Ratio	1.0x	0.9x	0.9x	1.5x	1.4x	1.4x

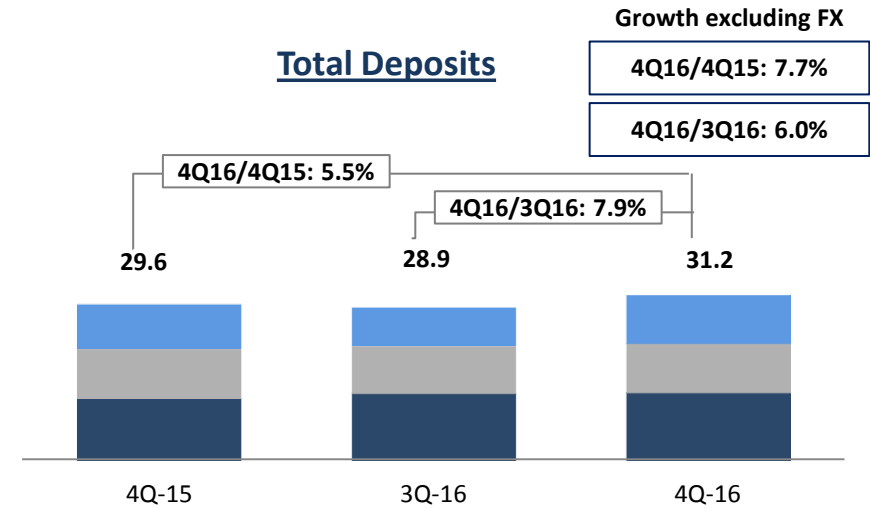
Figures in USD. Billions

Total Funding



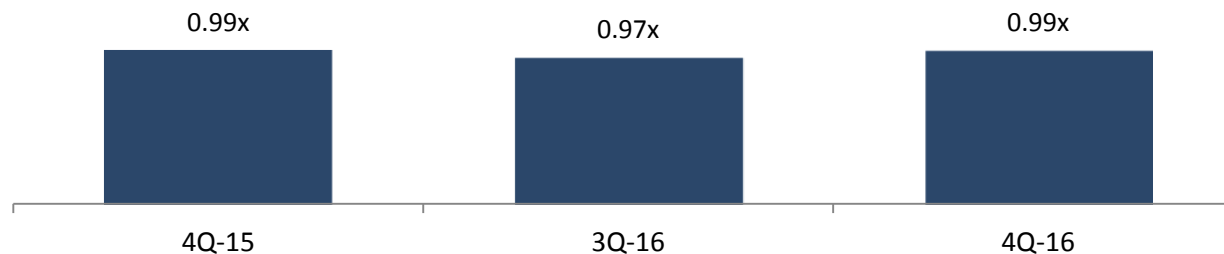
%	4Q-15	3Q-16	4Q-16
■ Deposits	76.6	76.3	78.4
■ Banks and others	17.2	15.0	13.8
■ Interbank Borrowings	1.9	3.3	1.0
■ Long Term Bonds	4.3	5.5	6.9

Total Deposits



%	4Q-15	3Q-16	4Q-16
■ Time Deposits	39.9	43.7	41.0
■ Saving Accounts	31.7	31.1	29.9
■ Checking Accounts	28.1	24.8	28.9
■ Others ⁽¹⁾	0.3	0.4	0.2

Deposits / Net Loans (%)⁽²⁾



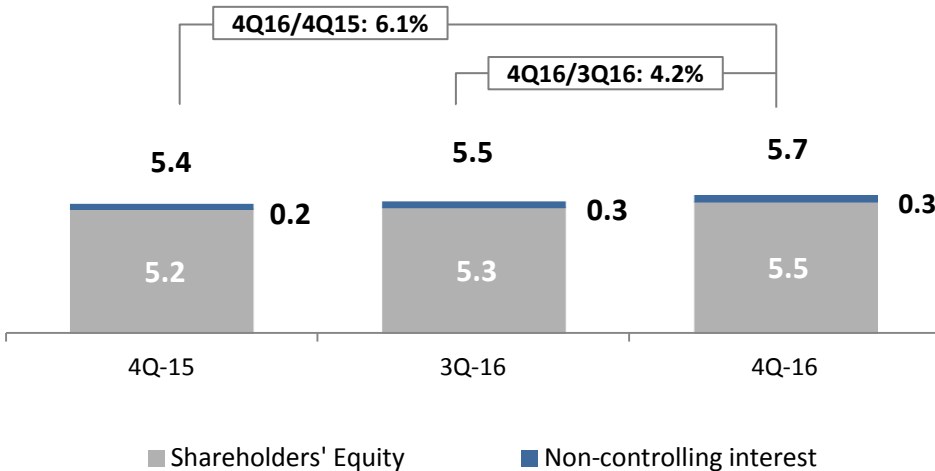
(1) Other Deposits include: Deposits from other Banks and Correspondent Accounts, Banking Services Liabilities, Collection Banking Services and Other Deposit.

(2) Net Loans includes commercial, consumer, mortgages and microcredit. Deposits include checking, savings, time deposits and other deposits.

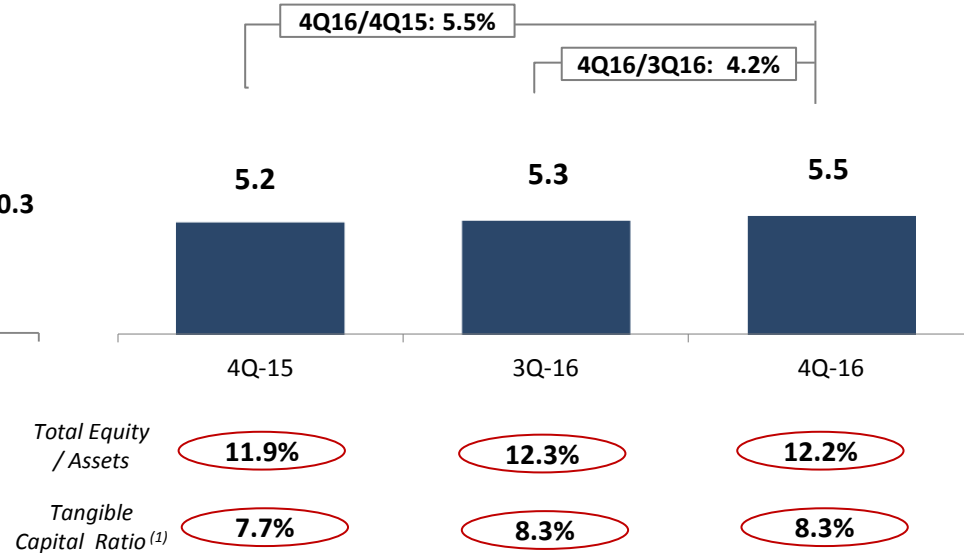
Exchange rate 3,000.71 COP/USD

Figures in USD. Billions

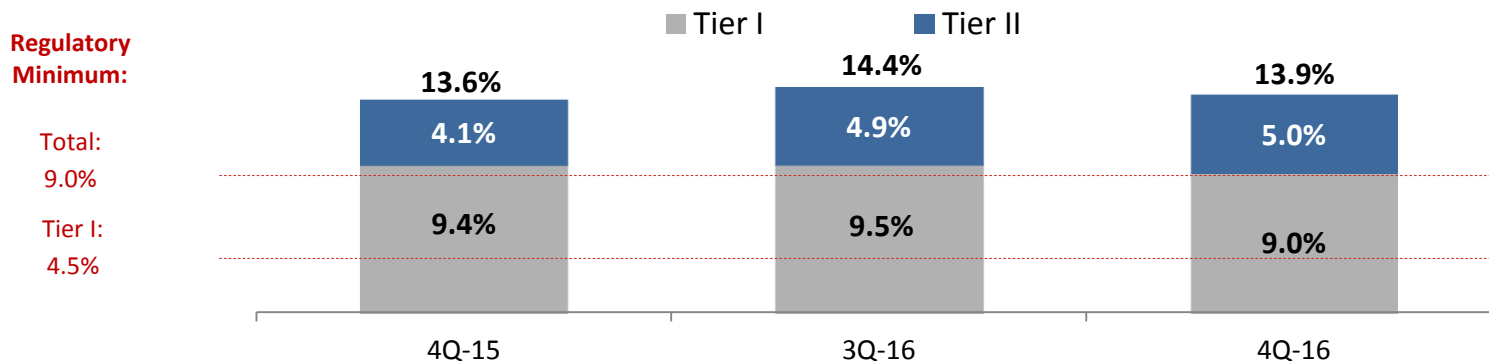
Attributable Equity + Minority Interest



Shareholders' Equity



Consolidated Capital Adequacy (2)



(1) Tangible Capital ratio is calculated as Total Equity minus Goodwill and others Intangible Assets / Total Assets minus Goodwill and other Intangible Assets.

(2) Capital Ratios are calculated under the methodology of the Colombian Superintendency of Finance. The capitalization generated by the deconsolidation of Corficolombiana was included as Tier II in 3Q-16 and as Tier I in 4Q-16.

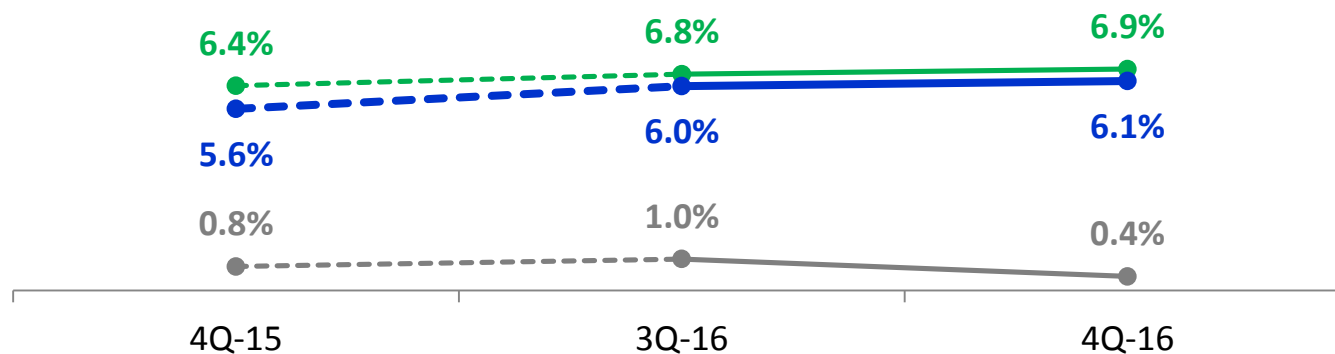
Exchange rate 3,000.71 COP/USD

Quarterly Net Interest Margin

Net Interest Income ⁽¹⁾ (Million USD)				
4Q-15	3Q-16	4Q-16	Growth Rate	
			4Q16/4Q15	4Q16/3Q16
495.4	529.6	551.2	11.3%	4.1%

Net Interest Income ⁽¹⁾ (Million USD)		
2015 FY	2016 FY	Growth Rate
		2016/2015
1,805.6	2,100.7	16.3%

—● Net Interest Margin on Investments (2)
 —● Net Interest Margin on Loans (3)
—● Net Interest Margin (4)



2015 FY	2016 FY
5.6%	5.9%
6.4%	6.7%
1.2%	0.4%

Yield on loans

9.8%

11.3%

11.4%

2015 FY 2016 FY

9.7%

11.0%

Yield on fixed income
(includes Interbank Funds)

4.2%

5.5%

4.9%

4.5%

4.7%

Average Funding
Cost / Total Int.
Bearing Funding

3.5%

4.6%

4.5%

3.4%

4.3%

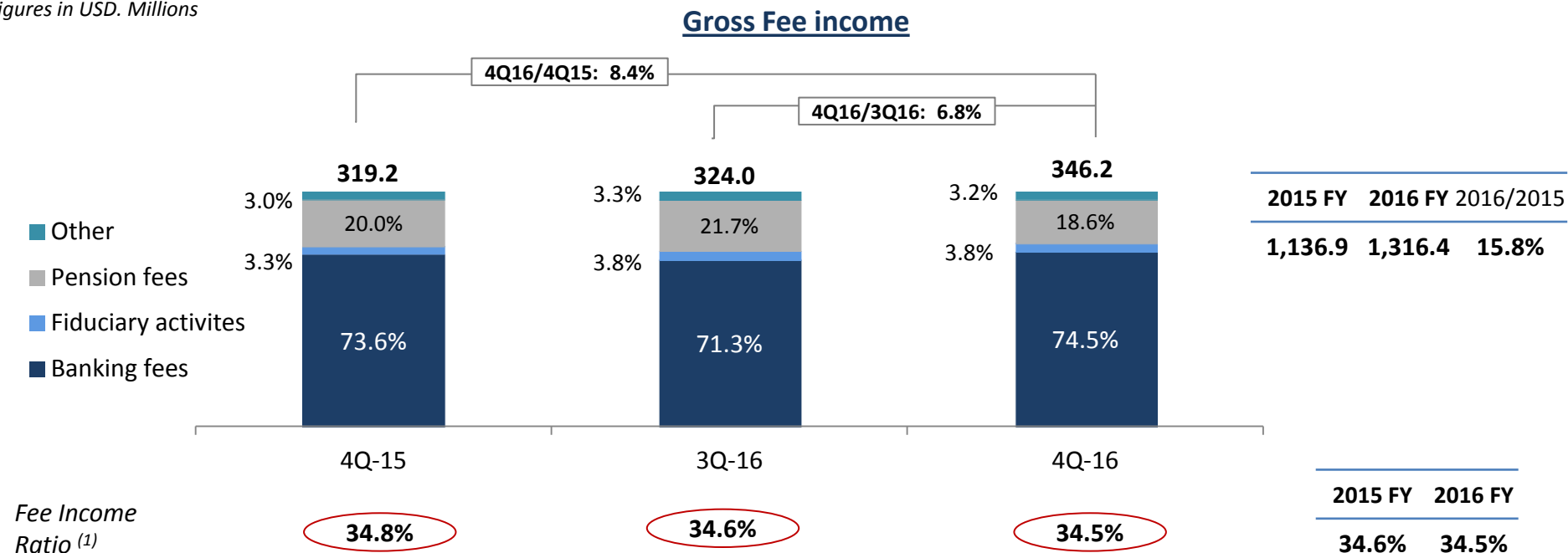
Source: Banco de Bogotá. Consolidated Figures.

- (1) Net interest Income includes: Net interest income + Net trading income from investment securities held for trading + Net income from Central American hedging activities.
- (2) Investments' Net Interest Margin : Net Interest income on fixed income securities + Net trading income from investment securities held for trading + income from interbank and overnight funds / Average securities + Interbank and overnight funds.
- (3) Loans Net Interest Margin: Quarterly Net Interest Income on Loans, annualized/Quarterly average loans and financial leases.
- (4) Net Interest Income for the period, annualized / Average interest earning assets.

Exchange rate 3,000.71 COP/USD

Fees and Other Operating Income

Figures in USD. Millions



Other Operating Income

	4Q-15	3Q-16	4Q-16	2015 FY	2016 FY
Derivatives and foreign exchange gains (losses), net ⁽²⁾	53.1	44.8	41.1	140.0	186.8
Other Income ⁽³⁾	44.1	24.5	70.9	142.8	172.2
Equity method income from associates, dividend income ⁽⁴⁾	5.2	13.0	-4.7	60.1	38.0
Non Recurrent Income from deconsolidation Corficolombiana	0	0	0	0	727.7
Total Other Operating Income	102.3	82.3	107.3	342.8	1124.6

- (1) Fee Income ratio is calculated: Gross Fee income / Net interest income before provision + Gross fee income + Net trading income from investment securities held for trading + Other Income.
- (2) Derivatives and foreign exchange gains (losses), net includes the portion of "Net Trading Income" related to derivatives and Net foreign exchange gains (losses). For presentation purposes we present this line with reclassifications.
- (3) Other income includes: Net gain on sale of investments, earnings on the sale of non-current assets held for sale and other income. 4Q-16 includes USD\$41.9 million of non recurrent income associated with the fair value of our 16.4% share in Credibanco.
- (4) Equity method income from associates includes Corficolombiana, Pizano and ATH. 4Q-16 includes an impairment loss in Episol, a wholly owned subsidiary of Corficolombiana, for USD \$34.1 million related to its CRDS Investment; as result Banco de Bogotá was affected by USD \$10.6 millions in the income statement and USD \$2.1 million in Other Comprehensive Income as per its 38.3% participation in Corficolombiana.

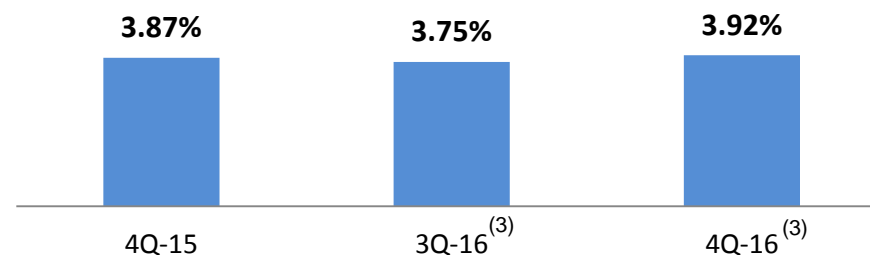
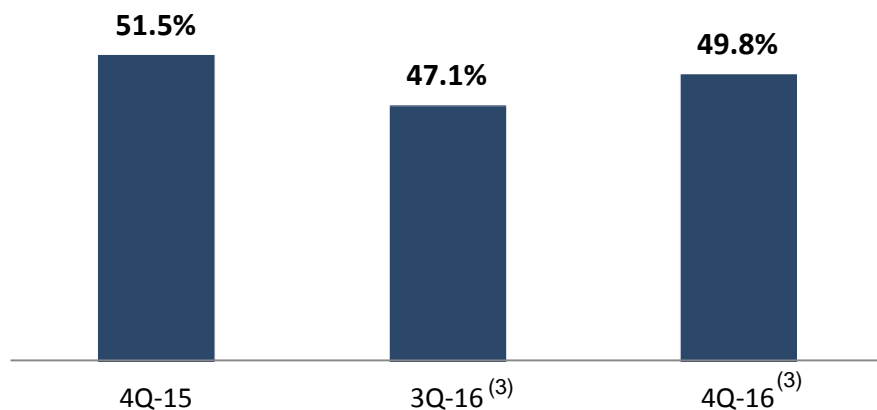
Exchange rate 3,000.71 COP/USD

Operating Expenses/ Total Income⁽¹⁾

2015 FY	2016 FY ⁽³⁾
49.2%	48.8%

Operating Expenses/Average Assets⁽²⁾

2015 FY	2016 FY ⁽³⁾
3.67%	3.82%



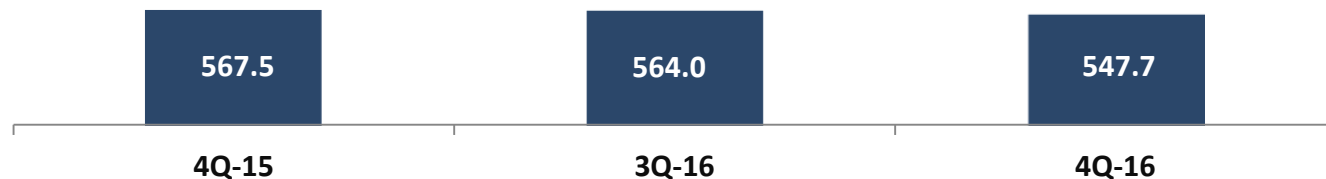
1/ Calculated as Personnel plus administrative expenses divided by net interest income plus net trading income, income on sale of investment and held for sale assets and fees and other services income, net (excluding other income)

2/ Calculated as annualized personnel plus administrative and other expenses divided by average of total assets.

3/ Efficiency Ratios are excluding USD\$ 40.2 million of one time expenses (personnel severance, amortizations and other administrative expenses); including the one time expenses the ratio was 49.9% for 2016 FY. For 3Q-16 and 4Q-16 one time expenses are USD \$10 million and USD \$30.2 million respectively; efficiency ratios including one time expenses were 48.3% and 53.2% respectively

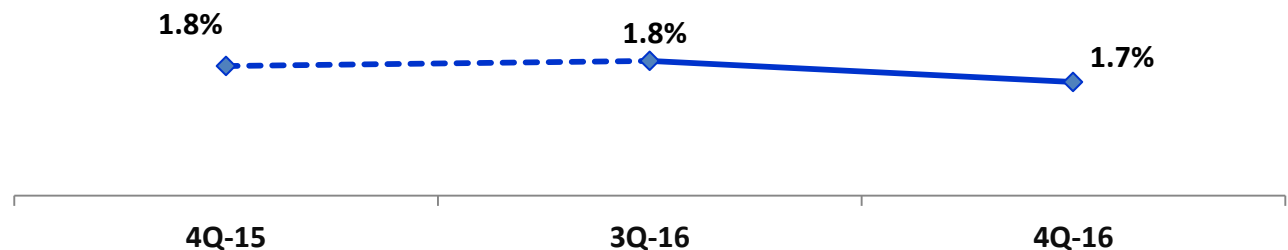
Figures in Ps. Billions

Net Income attributable to controlling interest



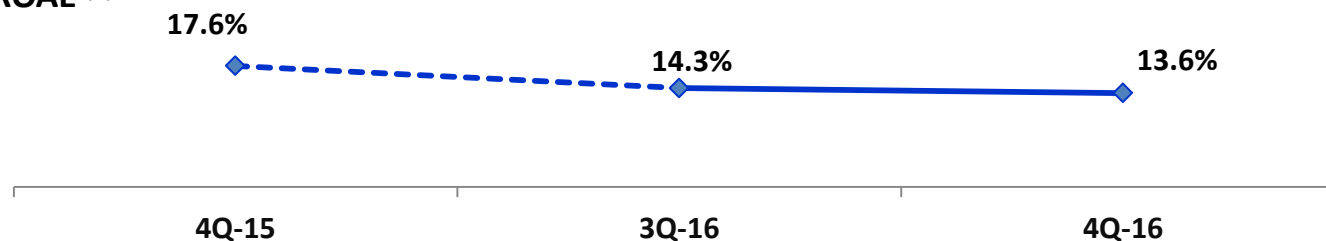
2015 FY	2016 FY ⁽⁴⁾
634.2	687.4

ROAA ⁽¹⁾



2015 FY	2016 FY
1.8%	1.8%

ROAE ⁽²⁾



2015 FY	2016 FY ⁽³⁾
17.2%	15.4%

(1) ROAA for each quarter is calculated as annualized Net Income divided by average of total assets.

(2) ROAE for each quarter is calculated as annualized Net Income attributable to shareholders divided by average attributable shareholders' equity.

(3) ROAE Proforma including CFC Capitalization of USD\$727.7 million for 2015 FY and 2016 FY was 14.5% and 14.1% respectively. All the profitability ratios are calculated without wealth tax.

(4) If the non-recurring income from the deconsolidation of CFC is included (USD \$727.7million), Attributable Net Income for 2016 is USD \$1,415.1 million

Note: Equity for 4Q15 includes an estimation of non recurring income from deconsolidation of CFC, for comparative purposes.

Banco de Bogotá



Investor Presentation

Update on Concesionaria Ruta del Sol (CRDS)



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The information provided in this document includes forward-looking statements by the Bank which are based on facts and circumstances as currently known. Actual results may vary from those stated in this document as a consequence of developments in the investigations and the decisions of any governmental, judicial or arbitral authority involved in this matter and the final liquidation value reached with respect to the Proyecto Ruta del Sol Tramo 2, among others.

Banco de Bogotá shall not be responsible for any decision taken by investors in connection with this document.

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Banco de Bogotá 's exposure to CRDS

- Grupo Aval owns directly 10% of Corficolombiana and indirectly, through three of the banks that Aval controls, an additional 48%, for a total combined 58% stake in this affiliate. Banco de Bogotá owns 38.35% of Corficolombiana.
- Corficolombiana's investments in non-financial companies are concentrated in four industries: energy, infrastructure, hotels and agroindustry.
- Corficolombiana is the country's largest toll road builder and operator. Corficolombiana is the majority shareholder in all but one of the infrastructure projects in which it participates – Ruta del Sol 2.
- Corficolombiana sought partnerships with the then leading infrastructure companies in the world and after a thorough selection process decided to partner with Odebrecht S.A., Latin America's largest engineering and construction company.
- Odebrecht's main requirement was to be given operating control of Concesionaria Ruta del Sol 2, "CRDS".
- Corficolombiana participated in CRDS through a wholly-owned affiliate, EPISOL, with a 33% stake, Odebrecht with 62% and the Solarte group with 5%.
- Concesionaria Ruta del Sol 2 is the only partnership we have with Odebrecht.
- Episol's cash investment in CRDS amounts to approximately Ps\$86 billion, approximately US\$29 million. Through retained earnings, the investment of Episol in CRDS has grown to Ps\$0.35 trillion (approx. US\$117 million), which is equivalent to 1.7% of the total assets of Corficolombiana and to 0.3% of Banco de Bogotá's total consolidated assets.
- CRDS' net income for 2016 was PS\$95 billion, approximately US\$30 million, and given our stake in Corficolombiana, this figure accounted for approximately 2% of Banco de Bogotá's net income for the year.
- CRDS has not distributed cash dividends to Corficolombiana and was not expected to do so in the next decade as it first needed to finish the construction of the road and then it had to meet its obligations with the banks.
- The financial obligations of CRDS, the most relevant liability of the company, as of December 31, 2016 was PS\$2.4 trillion (approximately US\$800 million). 50% of such loans were granted by banks owned by Grupo Aval in both a revolving facility which funded working capital requirements and a long term facility which funded part of the construction. Banco de Bogotá's exposure to CRDS is close to US\$200 million.

Facts of the Concession

- In 2009, CRDS was awarded a concession to build and operate Sector 2 of Ruta del Sol (approx. 1,100 km of road) after a public bidding process in which two other parties presented offers. One of the parties was disqualified after failing to present the required financial guarantees and the other after failing to meet the required qualifications.
- In 2014 an extension of the initial contract was agreed between the Government and CRDS. The extension implied the construction and maintenance of 81 additional kilometers of road.
- The project was to be paid for with a combination of direct payments from the Government and tolls.
- The direct payments (“vigencias futuras”) were to be paid between 2011 and 2023 and amounted to Ps. 3.54 trillion (in pesos of December 2008) or approximately US\$1.2 billion, which represents about Ps. 4.7 trillion or US\$1.6 billion in pesos of December 2016.
- Toll collections were guaranteed by the Government and were also a significant source of income, as they amply covered the cost of maintaining and operating the road.
- As of December 2016, approximately 55% of the construction had been completed (this has been certified by the Government).
- As of December 2016, CRDS had received approximately Ps 1.36 trillion (in pesos of December 2016) in direct Government payments.
- In addition, CRDS had received approximately Ps. 1.18 trillion (in pesos of December 2016) from tolls and other minor sources of income.
- As of December 2016, CRDS had incurred total expenses including construction, operation, maintenance, administrative, financial and tax of Ps. 5.65 trillion (in pesos of December 2016).
- The net result, between revenues and expenses, amounted to Ps. 3.1 trillion (in pesos of December 2016) or approximately US\$ 1.0 billion. This amount is the estimated value of liquidating the concession contract, as per the recent agreement (“The Agreement”) signed between the National Infrastructure Agency (“ANI”), and CRDS. This amount will be paid to CRDS by the Government with future direct payments (vigencias futuras) and Government Fixed Income Obligations.
- The liquidation amount (Ps. 3.1 trillion) will be used to pay the existing financial obligations of CRDS of approximately Ps. 2.4 trillion and the remainder will be returned to shareholders around the year 2021 after complying with contractual stipulations.

Latest developments (1/2)

- On February 22, 2016 ANI and CRDS reached The Agreement by which the concession contract would be terminated and liquidated.
- The Agreement includes a formula for liquidation of the contract by which the government will recognize the difference between the expenses incurred by CRDS associated with the obligations of the Concession contract and the income received (both, revenues and expenses subject to verification).
- The initial calculation of the liquidation formula confirms the payment of 100% of the financial obligations of the banks that had financed the construction.
- Finally, the initial calculation of the formula suggests a partial recovery of the investment of EPISOL in CRDS.
- As a consequence, a US\$ 33 million (approximately 30% of the investment) impairment charge was made on 2H2016 results of Episol and Corficolombiana. This amount represented 20 to 25% of the expected result of Corficolombiana for 2016.
- The impairment will affect FY2016 results of Banco de Bogotá in US\$10 million (2.0% of Net Income of the year).
- No material provisions are expected from our loans to CRDS as it is now more evident that 100% of the loans would be recovered.
- Finally on March 27, 2017 Concesionaria Ruta del Sol S.A.S. and The National Infrastructure Agency (ANI) entered into an amendment agreement to the Termination and Liquidation Agreement of Concession Contract No. 001 of 2010 regarding Sector 2 of Ruta del Sol, with the purpose of guaranteeing the labor and contractual rights of the third parties that may have been affected by the early termination of this Concession Contract.

Latest developments (2/2)

The amendment agreement establishes that:

- Subject to the approval of ANI, the following payments will be made with priority: (i) payments regarding the liquidation of personnel of the Concessionaire and the EPC contractor and (ii) payment to suppliers and subcontractors of the Concessionaire. Once these payments have progressed, a partial payment will be made to the indebtedness of the Concessionaire with financial entities.
- The parties will immediately proceed to conduct worktables for the purpose of: (i) coordinating reversion of the project to the government and (ii) defining the procedure and timeline to determine the final amount of the contract's liquidation.

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