

MANAGEMENT REPORT ON THE INTERNAL CONTROL SYSTEM (2022-Prepared by the Audit Committee)

Board of Directors
Banco de Bogotá S.A.
Bogotá

The Basic Legal Circular (“Circular Básica Jurídica”) issued by the Colombian Financial Superintendency defines and specifies some general and special requirements related to the Internal Control System, over which the Bank maintains a process of permanent monitoring and continuous improvement, which adjusts itself to new risk circumstances that arise, under an integral and strategic control outlook.

In compliance with sections 6.1.2.1 and 6.1.2.5, Chapter IV, Title I, Part I of the Basic Legal Circular (C.E. 029 / 14) issued by the Financial Superintendency, we present a report on the tasks undertaken by the Audit Committee during 2022, as well as the monitoring conducted on risk exposure levels at Banco de Bogotá S.A. and its subsidiaries:

1. Committee members are, Sergio Uribe Arboleda, Alfonso de la Espriella Ossio and Álvaro Velásquez Cock.

The committee held sessions on February 10th and 24th, May 5th and 12th, July 14th, August 11th, September 1st and 15th, October 6th and 20th, November 10th and 17th, and December 6th and 15th, 2022, as per the meeting minutes numbered from 200 to 213, respectively, in order to support the Board of Directors in its responsibilities to supervise internal control and implemented risk management systems, as well as to assess accounting procedures, to follow-up on reports from the Statutory Auditor and the Comptroller's Office, and to analyze the events that, given their nature, are to be studied by this committee.

2. The internal audit function at the Bank and its affiliates, performed by the Bank's Comptroller's Office, has evolved given the assistance and dedication from Grupo Aval's Corporate Comptroller who, apart from imparting guidance and corporate directives, has driven these entities to adopt international auditing standards through risk-based reviews, and, as third line of defense, to be independent from the other two. Accordingly, main conclusions drawn from the audits were presented and duly analyzed by the Audit Committee.

Furthermore, the Comptroller's Office has been able to put together an interdisciplinary and sufficient team, in the capacity to perform an objective evaluation on key controls established by every process and system across the Bank and its affiliates, including main activities managed through outsourcing.

3. During this period, we had an external evaluation on the quality of the performance of the Internal Audit team vs the standards from the International Professional Practices Framework (IPPF), with outstanding results, evidencing that this role contributes every day to strengthening the Bank's internal control system, integral risk management and corporate governance.
4. The Audit Committee ensured that Management provided control bodies with all information needed to perform their duties. It also monitored independence and effectiveness of the internal audit function, that it had the necessary human and material resources to perform its duties and that there were no limitations that prevented its adequate performance.

Consequently, the Audit Committee considers that the Bank has provided the Comptroller's Office with the necessary resources and that the latter has independence to adequately perform its tasks.

5. Likewise, the Committee was informed about the Statutory Auditor's Work Plan, as well as the Internal Audit Work Plan which was prepared based on a self-assessment of existing risks for 2022. It considered adjustments on key procedures and controls.
6. During 2022, the Audit Committee was informed on the progression of those work plans, through periodic reports on evaluation results and on other matters related to the internal audit function, as well as follow-up on action plans implemented by Management in order to attend suggestions and recommendations.

Additionally, the Audit Committee had the opportunity to request and know the reports it deemed appropriate for the proper performance of its functions.

7. Also, it ensured that preparation, presentation and disclosure of financial information as of March, June and September 2022 was made in accordance with the provisions of applicable regulations. Furthermore, it had knowledge of the reports from the Statutory Auditor on these financial statements, which did not include any findings and/or notes to highlight, as stated in the minutes.
8. No relevant conflict of interest' situations were known, that fell outside established corporate governance practices and that might have involved the Bank, its affiliates and other related parties, either directly or indirectly, including the analysis that derived in the necessary approvals and processes to accept the tender offer on BAC Holding International Corp (BHI)'s shares from Esadinco S.A., in compliance with existing regulation for this kind of transactions.
9. Furthermore, a management report on the Bank's Comptroller's actions was submitted to the Audit Committee, including the result of the evaluation of the effectiveness and proper functioning of components of the internal control system, including key controls on main information and risk management systems. No weaknesses were observed that would compromise their effectiveness and risk-mitigation capacity, as of December 31st / 2022.
10. From the findings reported by the control bodies to the Bank's Management, improvement actions were carried out, such as: redesign of processes; adjustments or implementation of controls; systems development; reinforcement of control monitoring; promotion of training activities; relevant instructions to achieve compliance with current regulation and correction of breaches.

The Bank continues strengthening its control culture, in such a way that internal control has become part of day-to-day activities at all levels of the organization, thus reflecting results in customer service and value generation, both strategic pillars of the Bank.

11. The Committee was informed on 284 complaints received through the *Línea Ética* (171 from Banco de Bogotá's and 113 from Grupo Aval's) as well as on the actions taken, conclusions of the most relevant investigations and the use of disciplinary or administrative sanctions imposed on employees involved in regulatory infringement or in actions contrary to an ethical behavior (18 cases of attention warnings / suspensions, 76 dismissals / resignations).
12. The Committee was also notified about the main information requests from the Financial Superintendence and the results of the inspection visits, along with observations and action plans for their mitigation, derived from said visits.

13. Consequently, it was informed by the Comptroller's Office, the Statutory Auditor and by Management, that Banco de Bogotá and its affiliates have a corporate model to integrally manage those risks to which they are exposed while carrying out their activities (credit, market, liquidity, money laundering and operational risks, including aspects on information security, cybersecurity and business continuity, among others), and also to identify emerging risks, following Grupo Aval's guidelines, in such a way that they are reasonably mitigated and adequately managed, defining key controls for those risks considered of greater impact. These are permanently monitored through control dashboards.

Risk models have been continuously consolidated and adjusted in response to the evolution and dynamics demanded by the company's strategic objectives, within reasonable risk appetite levels and in compliance with the current regulation framework.

14. Likewise, the Comptroller's Office and Management expressed that internal control structure and procedures reasonably protect the Entity's assets, as well as those of third parties that it manages through its affiliates (trust funds, investment funds, etc) and that there are sufficient controls to verify that transactions are being adequately authorized and registered.

Finally, the Audit Committee was informed by the Statutory Auditor, through its opinion, that Financial Statements, both separate and consolidated, as well as Notes and other Annexes as of December 31st, / 2022, reasonably present the Bank's financial situation, in accordance with accounting and financial reporting standards accepted in Colombia, which is why the Committee approved their presentation to the Board of Directors and recommended their subsequent presentation to the Shareholders' Meeting.

Therefore, the Audit Committee finds that the Bank and its affiliates maintain an adequate internal control structure, which has been reviewed to the extent that regulation has required it, and deficiencies and new risk situations have been identified.

No material deficiencies were detected. Consequently, designed procedures and established controls provide reasonable assurance to obtain operational objectives, to rely on financial information and to comply with regulation applicable to the Bank.

Kindly,

AUDIT COMMITTEE
Banco de Bogotá S.A.

Date: February 23rd, 2023