

MANAGEMENT REPORT ON THE INTERNAL CONTROL SYSTEM (2023 – 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 Superintendence defines and specifies general and special requirements related to the Internal Control System, over which the Bank maintains a process of permanent monitoring and continuous improvement, 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, we present a report on the tasks undertaken by the Audit Committee during 2023, as well as the monitoring conducted on risk exposure levels at Banco de Bogotá S.A. and its subsidiaries:

1. Committee members are Ana María Cuéllar Jaramillo, José Fernando Isaza Delgado and Sergio Arboleda Casas.

The committee held sessions on February 9th and 23rd, March 1st, 9th and 13th, May 11th, June 8th, July 13th, August 14th, September 14th and 21st, November 9th and December 14th, 2023, as per the meeting minutes numbered from 214 to 226, 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 is performed by the Bank's Comptroller's Office, with the assistance from Grupo Aval's Corporate Comptroller who, apart from imparting guidance and corporate directives, has led *Grupo Banco de Bogotá* to adopt international auditing standards through risk-based reviews, seeking that, acting as third line of defense, it is independent from the other two. Main conclusions drawn from internal audits were presented and timely analyzed by the Audit Committee.

The Comptroller's Office has 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 external evaluations regarding the assurance and quality improvement program for the affiliates' Internal Audit team vs the standards from the International Professional Practices Framework (IPPF). Results were satisfactory, evidencing that their role contributes every day to strengthening each entity's internal control system, integral risk management and corporate governance.
4. The Audit Committee ensured that Management provided control bodies all information needed to perform their duties. It also monitored independence and effectiveness of the internal audit function, verified 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, considering adjustments on key procedures and controls.
6. During 2023, 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, September and December 2023 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 policies 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 Bank's participation in the offer from Endor Capital Assets S.R.L. to purchase 4.11% of BAC Holding International Corp (BHI)'s shares, in accordance with regulation applicable to these transactions.
9. Furthermore, a management report from the Bank's Comptroller was submitted to the Audit Committee, including the result of the evaluation on 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 / 2023.
10. From the findings reported by the control bodies to the Bank's Management, improvement actions were implemented, 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 403 complaints received through the whistleblowing lines - "*Línea Ética*" (256 from Banco de Bogotá's and 147 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 (46 attention warnings / suspensions, 59 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 derived from said visits.
13. Consequently, the Committee 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, conduct, 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 to the Audit Committee 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, / 2023, 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 structure of internal control and its components, which have been reviewed to the extent that regulation has required it, or 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 21st, 2024