

MANAGEMENT REPORT ON THE INTERNAL CONTROL SYSTEM
(2018-Prepared by the Audit Committee)

Board of Directors
Banco de Bogotá S.A.
Bogotá

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

In compliance with sections 6.1.2.1.0 and 6.1.2.5, Chapter IV, Title I, Part I of the Basic Legal Regulation (CE029/ 14) issued by the Financial Superintendency, below we present a report of the work carried out by the Audit Committee during 2018, as well as the monitoring conducted on risk exposure levels for Banco de Bogotá S.A. and its subsidiaries:

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

The committee held sessions on February 20, April 12, May 10, June 14, July 12 and 26, August 13, October 9, 12 and 19, November 9 and December 17, 2018, as per the meeting minutes numbered from 153 to 163, respectively, in order to review internal control systems and the Bank’s current risk management, its adequate compliance by all employees, follow-up on reports from the Statutory Auditor, the Comptroller's Office and the analysis of the events that given their nature are to be analyzed by this committee.

2. The Bank's Comptroller, who exercises the internal audit function, conducted risk-based audit evaluations, whose main conclusions were presented and analyzed by the Committee. Also, regular face-to-face visits to the banking offices and to the central areas with higher risk were performed, through continuous and remote evaluations. For audit reviews of information technology, the Committee has a specialized team that includes infrastructure, applications and their risks, and processes.

3. The Audit Committee ensured that the Administration provided required information by control bodies for the performance of their functions.

4. It monitored that functions and activities of the internal audit were carried out with independence and objectivity in relation to the activities that it audits, without limitations that prevented its adequate performance.

Consequently, the Audit Committee considers that the Bank has provided the internal audit with the necessary resources and that the latter has independence to adequately perform its tasks.

5. Likewise, it ensured that the preparation, presentation and disclosure of the financial information was made in accordance with the provisions of applicable regulations.

6. The Committee had the opportunity to request and know the reports it deemed appropriate for the proper performance of its functions.

7. The Statutory Auditor's Work Plan for 2018 was presented to the Committee and it was also informed about the follow-up on the Audit Work Plan with reports on the results of their evaluations and action plans implemented by the Administration in order to attend suggestions and recommendations.

8. A Management Report was submitted by the Internal Auditor which includes results of the Risk Management Systems' evaluation and a conclusion on the Bank's Internal Control system, as of December 31, 2018.

9. From the findings reported by the control bodies to the Bank's Administration, 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 current regulation compliance and breach correction; and application of disciplinary or administrative measures to employees involved in regulatory breaches or actions contrary to ethics.

The Bank has traditionally worked to establish and strengthen a culture that involves the management of internal control in day-to-day activities and at all levels of the Organization, so that the results are reflected in customer service and value generation.

10. The Committee was notified about the results of the inspection visit's report made by the Financial Superintendency to the Bank and some of its subsidiaries, general comments and action plans for their mitigation.

Thus it was informed by the Internal Audit, the Statutory Auditor and the Administration that Banco de Bogotá and its subsidiaries have a management model for those risks to which they are exposed in the development of their activities (Credit risks, Market, Liquidity, Money Laundering and Operational, including aspects on Information Security), defining those that are considered of greater impact.

It is a model that adjusts itself in response to the evolution and dynamics demanded by the company's strategic objectives, to the extent that it is a prioritized guidance for the Bank that the achievement of institutional objectives is obtained within reasonable risk levels and in compliance with current regulation framework.

Likewise, the Audit function and the Administration expressed that internal control structure and procedures reasonably protect the Entity's assets, as well as those of third parties that it manages and that there are 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 Annexes for Banco de

Bogotá as of December 31, 2018, reasonably present the financial situation, in accordance with accounting and financial reporting standards accepted in Colombia, which is why they approve their presentation before the Board of Directors and recommend their subsequent presentation to the Shareholders' Meeting.

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

No material deficiencies were detected. Consequently, the procedures designed and the controls established provide reasonable assurance for obtaining operational objectives, reliability of the financial information and compliance with the regulations applicable to the Bank.

Kindly,
Audit Committee
Banco de Bogotá S.A.
Date: February 26, 2019