



*We promote responsible
Financial Consumption
decisions.*

*Our mobile classrooms travel throughout various regions in
the country, teaching financial education through a
partnership with SENA*

Chapter 9
**OUR COMMITMENT
TO SOCIETY**



9. Our Commitment to Society

Responsible Consumption

A responsible consumption action results from a properly informed and conscious decision made by a person.

Hence, for Banco de Bogotá, responsible consumption involves the exercise of informative and educational actions that allow both customers and users and even the population which is not part of the financial system, to make the right decisions concerning the use of their money.

Currently, the Bank promotes responsible consumption through:

- oThe “Financial Education for Life” program
- oVarious activities of the Financial Consumer Service and Consumer Protection system

Financial Education for Life Program

Financial Education is for Banco de Bogotá, undoubtedly, one of the most important tools due to its high impact on society and its important role in the inclusion and bankarization process. Therefore, the Financial Education for Life program is based on knowledge of needs Colombian population has about financial products and services at all stages of life, including the different kinds of customers’ business in the management of their finance. Strategies include:

- Generating value for customers through the implementation of strategies in each business segment, according to their needs and information requirements on the subject.
- Generating financial and social inclusion initiatives with interest groups that are not part of the Colombian financial system yet (small businessmen, children and youth, population in vulnerable conditions, etc.)

Intervention Methods

According to the program’s strategy, our activities intend to cover a broad segment of the Colombian population through diverse intervention methods, direct and indirect:



Population	Adults	Children & Youth	Small Businessmen, SMEs and Cooperatives	Public Employees
Description	Adults with any educational level and socioeconomic conditions, customers, users, Bank employees and non bancarized population	Public and private school students, universities or technical institutes’ students	Owners, Managers, Managers of SMEs, Bank customers or potential customers.	Public Employees of Territorial Organizations managing public resources
Objetives and contents	Offer knowledge and tools to our financial consumers on subjects such as: intelligent use of money, personal and family budget, responsible indebtedness, savings, investment, positive management of credit, insurance, rights and duties of the financial consumer.	Inform about the advantages of savings as a way of achieving dreams and goals: Savings and personal budget training	Offer business tools and practical advice on financial matters helping them to make their business sustainable in the short and long term: Knowledge of Financial Statements, working capital and cash flow, credit, leveraging and investment, risk management.	Strengthen knowledge on public finance for use of management tools at territories: Public contracts, public credit operations, budgets and fiscal responsibility, principles of public accounting in general.
Intervention methods in target groups	Attending interventions in concrete campaigns	Volunteer teachers on financial education	<ul style="list-style-type: none"> • Diversity activities. • Children’s web portal Bancaventura. • Volunteer teachers in financial education. • Partnership with VISA for implementation of the Financial Soccer tool. • Handing out of piggy banks to supplement SENA training in public schools. 	<ul style="list-style-type: none"> • Partnership with FUNDES for Small and Medium businessmen • Training of SME’s Managers and Microfinance Advisors for training of customers.
	Attending courses in mobile classrooms	Partnership with SENA for training in Colombian municipalities where there is a Banco de Bogotá branch: small businessmen, SMEs, youth, population in extreme poverty and public employees		
	Virtual Information	“MiniSite” for Financial Education – Banco de Bogotá’s web page		

The description of some of the most relevant initiatives during 2012 are shown below:

SENA – Banco de Bogotá Partnership

With an investment totaling \$3,000 million, we established a partnership with SENA (National Training Center) to facilitate access to financial training to all segments of the population. The main objective is to join efforts to provide diploma, complementary or virtual training to various sectors of the population on financial education, banking, insurance and complementary education programs through Mobile Classrooms.

The specific objectives of the partnership focus on the development of a financial education program, where commercial information of the Bank is not included, are addressed to:

1. Children and youth training on basic concepts of money and the use of banking through the training chain conducted by SENA at schools belonging to the Technical Middle Education segment.
2. Public finance education program for mayor’s office and local authorities, according to public management training needs.



Fusagasugá (Cundinamarca)

3. Microfinance for low-income population to facilitate access to banking services and reduce loan risk.

4. Adults in poverty conditions on good financial practices, the role of banks, how to use products and services, obtain information of security recommendations, and rights and duties of the financial consumer.

5. Financial education program for SMEs about financial practices, how to stay current in the financial system, financial planning tools, products and services designed for SMEs.

Training is offered through training courses given in three (3) mobile classrooms that travel through the various cities of the country. These hold 25 people and their training programs are designed for approximately 200 people by municipality. They have leading edge technology for academic teaching

(computers, TV sets, video beams, among other multimedia tools that facilitate teaching and learning).

The circuits conducted in two regions of the country during 2012, had the following results:

Mobile Class-rooms	No. of Municipalities visited in 2012	No. of trained people in 2012
Central Region	28	3,156
Atlantic Region	14	1,906
TOTAL	42	5,062

Other data:

Stay of classroom in each municipality: one week (From Monday to Saturday)

Individual training time: 18 hours

Financial Education for Public Employees

Within its goal to strengthen knowledge in public finance for public employees of the territories, Banco de Bogotá led in 2012 a series of conferences to bring tools for good public management.

Talks were given by specialized speakers in partnership with the Bogota Chamber of Commerce. Likewise, a teaching booklet called "Guide on standards for fiscal and financial management of local authorities" was designed; the contents of which were prepared by a specialized team and then published. These turned out to be very useful for public employees to refer to for accurate and reliable information such as:

- Government contracts standards and matters
- The revenue-sharing system
- Royalties
- Credit Transactions
- Budget and fiscal responsibility

In 2012, 19 Colombian cities were visited and nearly 1,000 people were trained.

Financial Soccer VISA Partnership

As part of the Bank's efforts to include the whole of the population in its financial education strategies, in an alliance with VISA International the Bank launched the Financial Soccer game, a platform to provide the players (who may be children, youth or adults) tools for learning, understanding and control of personal finance in addition to teaching principles on the Colombian economic context and the country's financial sector.

This game was launched in November 2012 and its short term implementation will sponsor the Bank's brand activations for children and youth's products. Furthermore, copies will be handed out at universities and schools for the game to be taken into account in the teaching methods of this useful knowledge.



Diversity and children of Colombian municipalities

Diversity is an amusement park for boys and girls between 3 and 13, who can play while learning the dynamics of adults' life. "Edu-training" is the driving concept that fosters this project and includes restaurants, streets, buildings, banks everything children's size. Banco de Bogotá has been the sponsor bank of this children's city.

Children can exchange "Divis", the local currency, open TD's for saving money and get their debit card to use their spending money in the city for recreation. It is a positive way putting bank services directly in children's hands to promote savings habits in a fun way.

With this in mind, in 2012 the Bank organized a Financial Education and Social Responsibility Cycle for low-income children in different municipalities of the country at Diversity facilities in Bogota, Barranquilla and Medellin. In an alliance with the secretaries of 14 municipalities, 600 children were taken to the respective cities to enjoy the experience.

Dates of the Event:

Bogota and Barranquilla Dec. 3rd, 2012
 Medellin Dec. 5th, 2012

14 Municipalities invited
 615 children from the lowest income brackets

- Workshop with piggy Banks "Adventure Bank" in Medellin
- Snack and lunch for all children
- Picture and local press

Zone	Municipality
Central	Gachancipa
	Tocancipa
	Cajica
	Anapoima
	Chia
Antioquia	Caldas
	La Estrella
	Rionegro
	Carmen de Viboral
	Barbosa
Costa	Puerto Colombia
	Baranoa
	Malambo
	Cienaga



Our employees lead the finance teaching

In 2012, several employees sensitive to the subject of financial education developed training activities after working hours contributing to community training with the aim of impacting society:

- Training in Chinchina.

Bancarization and savings workshop taught by our branch manager in Chinchina - Caldas, Sandra Milena Rendón Mejía, with the attendance of 200 'household head' women.

- Training day in savings for children of the foundation 'Nueva Vida para Todos' (New life for all), carried out by employees of the International Vice-Presidency.

In an active volunteer working day organized by the International Vice-Presidency, 35 employees of the area designed savings and personal budget activities, travelling to Southern Bogota to teach approximately 20 children of the above Foundation the principles of these subjects.

Likewise, children were invited to go to the Bank's headquarters to see the facilities and become familiar with the concepts of the financial sector and were also taken to see the notes factory.



Donations and Sponsorships for a Social Cause

A major way of expressing the social commitment of organizations has been the support to initiatives of NGOs, the beneficiaries of which are economically and socially vulnerable. This philanthropic support is part of the traditional activities of the Bank and its entrepreneurial culture

Furthermore, sponsorships for a social cause allow the population to participate in cultural and art events through mechanisms developed by sponsor companies so that a large number of Colombians who want to be able to enjoy them can have access and participate in them. Banco de Bogotá has been a sponsor to these activities, too.

Donations

Social contributions generated in the way of donations and grants are offered through Corporación Banco de Bogotá for Education Promotion, dedicated for the past three decades to the assistance and promotion, directly and indirectly, of education in all fields and levels, improving the quality of life of several interest groups: children and youth, single mothers, vulnerable communities, people with disabilities, support to the elderly, among others.

In 2012, donations for 107 causes in the amount of \$2,519,920,338 were offered through Corporación Banco de Bogotá for Education Promotion. We also made direct contributions for social causes, including the following:

Colfuturo

With a \$681,468,750 investment by Banco de Bogotá, one of the most important donations was given to Colfuturo, organization which promotes supports and funds the academic high level training of Colombians in the country and abroad.

In 2012, Colfuturo supported more than 988 people of all regions of Colombia to pursue 844 master's degree and 144 doctorate programs in more than 25 countries. This was the result of an important joint effort by companies and persons who consolidated a significant contribution not only with their economic resources but also with their time and expertise to support a group of students with prospects as future managers of our country.

Companies of the Grupo Aval offered a donation of US\$5,000,000 and Dr. Luis Carlos Sarmiento Angulo as Chairman of the Board of Directors of Colfuturo contributed his time and effort which is worth mentioning.





UTOPIA Project – Universidad de La Salle

UTOPIA represents a unique education concept that includes the creation of educational and productive opportunities for youth in the rural sector who lack economic resources and have been affected by violence. Its main objective is to make these young people capable leaders of achieving social, political and productive transformation of the country, through a significant and novelty contribution to reinvent farming in Colombia.

Universidad de La Salle provides academic support in addition to other public and private entities in the country, including Banco de Bogotá, to the Project designed for Young people of the rural sector who for the most part have great difficulties in attending quality higher education especially because of lack of financial resources.

A major goal of UTOPIA is to take the University to those who have most dramatically suffered in the armed conflict and have been victims of violence and social exclusion, being a peace laboratory.

This project has two fundamental objectives: The first one, to make young high school graduates in the rural areas Agronomical Engineers with the best possible training and through the ‘hands-on’ training methodology and ‘teaching by showing’ inspired by proven international pedagogical models; and second, to make them leaders for the sociopolitical transformation of their places of origin and productive entrepreneurship of the countryside.

Joining this important educational endeavor, Banco de Bogotá provides 10 full scholarships (tuition, room and board allowances throughout the years of training) for 10 outstanding students. The idea is to extend this support to more students or to infrastructure projects on the campus. Such grant amounted to \$177,000,000 in 2012.



Centro Integral de Rehabilitación de Colombia – CIREC (Integral Rehabilitation Center of Colombia)

Banco de Bogotá joined to the Centro Integral de Rehabilitación de Colombia CIREC to assist in the improvement of the quality of life of people with disabilities or affected by landmines. This project is part of the support generated by Corporación del Banco de Bogotá aimed at fostering causes related to inclusion, education and development of groups or people in a state of vulnerability. The Bank donated \$38,000,000 to this cause.

“Ayudemos a Santander” Campaign

Also to assist in the improvement of the quality of life of vulnerable population, the Bank joined the campaign “Ayudemos a Santander” (“Let’s Help Santander”) through the donation of \$300,000,000 and the collection of donations from citizens in a solidarity campaign in this province to provide solutions for the victims of the high rain season and conduct prevention tasks.

The Bank prepared its technological infrastructure securing the collection of donations from Colombians during 18 consecutive hours and the help of more than 30 volunteers working in the receipt of contributions.



Promotion of art and culture

As part of the Bank's engagement in the social development of the country, we support and promote cultural activities, shows and exhibits. This is how we make art and culture accessible to everyone, allowing the democratization of activities in Colombia.

Ibero-American Theater Festival of Bogota

For the seventh time we have sponsored this Theater Festival, considered as one of the world's most important ones. With an investment of \$1,200,000,000 this event provided entertainment to the city and fostered spaces for coexistence among citizens.

The XIII edition of the Festival was held between March 23rd and April 8th, 2012. According to the Festival's Director, Ana Martha de Pizarro, "the Festival is already an institution in Colombia thanks to the support of all those who believe in art such as Banco de Bogotá. For many years, this organization has undertaken a major institutional campaign around it, relating our event's image in an intelligent, creative and bold manner with theirs."



International Jazz Festival

The 24th Edition of the International Jazz Festival was held from September 5 to 8, 2012 under the organization of Fundación Teatro Libre de Bogota. In addition to promoting and developing this music genre in Colombia, the Festival has given rise to others such as the Cali Ajazzgo, Barranquijazz, Medejazz and Jazz al Parque in Bogota (Jazz at the Park). It is considered the most important musical event of the country and was declared Cultural Heritage of the city.

XI Orchids National Exhibit

Proud of the exotic and lush flora which characterizes the Colombian territory and the work of farmers in Colombia and the whole world, Banco de Bogotá supported the XI National Orchid Exhibit held between September 20th and 23rd, 2012.

Banco de Bogotá was presented at this wonderful exhibit where visitors were able not only to admire the beauty of orchids, but acquire unique specimens offered by Colombians, Venezuelan and Ecuadorian experts.

Third Version of the Francisco el Hombre Festival

In order to promote the cultural and artistic development of the country, Banco de Bogotá provided support to the Francisco el Hombre Festival, in March 2012, a contest where the young most outstanding bands of vallenato music participate. Young performers stand on stage and show their skills that will enable them to be known at national and international levels. Banco de Bogotá's contribution during the year was \$300,000,000.

Banco de la República's Interactive Gallery "Tras las Huellas del Arte"

The interactive gallery "Tras las Huellas del Arte" ("After Art's Traces") opened in October 2012, a sensitive space for children to play while they learn about art and culture in a fun way.

This interactive gallery, sponsored by Banco de Bogotá and Chevron Petroleum Company, is located at Casa de la Mone-da, in the historic center of Colombia's capital. Through a

series of familiar elements such as chairs, tables, dressers and windows, visitors explore and approach art creating sculptures and landscapes, portraits and still-life paintings.

Furthermore, the works of Banco de la República's collec-tion are exhibited in this gallery and represent a large speci-men of Colombian art and its dialogue with the works of international artists.

Luis Carlos Moreno Pineda, Administrative Vice-President, sharing with children at Banco de la República's Interactive Gallery.



Chapter 10

ADDITIONAL RELEVANT INFORMATION

10. Additional Relevant Information

Operations with Partners and Administrators

The transactions undertaken by the Bank with its partners and administrators comply with the institution's general policies. Those transactions are duly specified in note 25 to the financial statements.

The Bank declares that in agreement with the provisions of Article 57 of Decree 2649 of 1993, the information and representations which are a comprehensive part of the financial statements have been properly verified and obtained from the institution's financial records prepared in agreement with accounting principles and standards established in Colombia.

Intellectual Property and Copyright

Pursuant to the requirements of section 4, Article 47, Law 603 of 2000, Banco de Bogotá, has long ago established enforcement policies to the standards on intellectual property and copyright concerning the various services and products necessary or owned for the performance of its work, whenever they are required. The areas of Systems (IT), Marketing and Comptroller's Office conduct audits throughout the whole country to monitor the compliance of such policies and legal provisions. Furthermore, Banco de Bogotá, where applicable, keeps its registered name, brands, products, services and publications in full force and effect.

Disclosure and Control of Financial Information

Pursuant to Article 47 of Law 964 of 2005, the Legal Representatives of Banco de Bogotá exercised during the

second semester of 2012 the responsibility of establishing and maintaining appropriate systems for the disclosure, follow-up and control of financial information, for which they effectively relied on systems of control and follow-up as well as on specialized risk areas that ensure that the financial information conveyed to various institutions is adequate. The Legal Representatives, aware of the responsibility the management of different risks the banking business entails, are fully knowledgeable on how they are tied to the general strategy of the Bank and are informed about the processes, business structure and nature of the activities.

The Legal Representatives provide ongoing support and follow-up the Bank's business, issuing guidelines for the granting of loans, determining policies and limits of performance by type of market, product or business unit; define the institution's risk profile; adopting the necessary measures to face the new financial risks; establishing the required organizational structure and evaluating risk administration methodologies using modern technological infrastructure, and clear, accurate and timely information tools to allow them to exercise permanent control on 1- Credit and Counterpart Risk, 2- Market Risk, 3- Liquidity Risk, 4-Operational and Legal Risk, 5- Asset Laundering Risk inherent in the banking business as recorded in note 32 attached to the Bank's Financial Statements.

Furthermore, the Legal Representatives continuously validate that all of the Bank's activities, transactions and operations are done within the parameters permitted by current regulations and authorized by the Board of Directors and the Bank's high direction.

On the other hand, Legal Representatives assess before the Audit Committee, the Fiscal Supervisor and the Board of Directors, the operation and internal controls

that allow the Bank to properly register, process, summarize and present financial information. Likewise, they analyze cases that may affect the quality of the financial information, as well as methodological changes in the evaluation of the same.

Foreseeable Evolution of the Institution

For the first half of 2013, Banco de Bogotá will continue to consolidate the objectives and goals defined in its strategic planning, which will allow it to continue to further its commitment towards the bankarization process, social responsibility concerns and the country's growth, as a sound, efficient and leading entity in the financial system. As part of this task, the Bank will deepen its relations with its customers increasing its profitability, improving the value offer made available to them and expanding its presence and coverage in the national and international geography through optimum channels, specialized models, skilled personnel, throughout its different subsidiaries, its technological and physical infrastructure and its proactive inorganic growth strategy.

Major Later Events

On February 19, 2013, Banco de Bogotá closed the issue of Subordinate Bonds in the international capital market for a total amount of US\$500 million, expiring on February 19, 2023.

The issue was investment rated by two international rating agencies: Moody's Investors Service and Fitch Ratings, as Baa3 and BBB-, respectively.

Citigroup Global Markets Inc., HSBC Securities (USA) Inc. and J.P. Morgan Securities LLC led the transaction.

The transaction announced for US\$500 million obtained orders for more than US\$3,500 million, which is 7 times

the offered amount. The quality of the same was especially highlighted, with orders from Investment Funds, Pension Funds, Portfolio Managers and Private Banking from the United States, Canada, Europe and Latin America which perceived the high quality of the credit being offered.

Bonds have a 5.375% coupon, 100.00% Price and earn interest every semester. The payment of capital of Subordinated Bonds will be made through single payment on maturity (bullet amortization).

Subordinated Bonds have been issued in agreement with Regulation S of the U.S. Capital Market Law and Rule 144A of the afore-mentioned law.

On December 24, 2012, Banco Bilbao Vizcaya Argentaria S.A. and Compañía Chilena de Inversiones S.L., in the capacity of sellers, Sociedad Administradora de Pensiones y Cesantías Porvenir S.A ("Porvenir") in the capacity of buyer and Grupo Aval as guarantor of Porvenir's liabilities, signed a purchase of shares agreement ("Agreement") to acquire 99.99% of BBVA Horizonte Sociedad Administradora de Fondos de Pensiones y Cesantías S.A. shares ("Horizonte") ("Transaction").

The Agreement envisages the possibility for Porvenir to assign its rights for the acquisition of the full amount or part of Horizonte's shares to one or several of its subsidiaries. Hence, Banco de Bogotá's Board of Directors at its meeting of January 17, 2013, authorized the institution to participate in the Transaction as assignee of Porvenir.

Of the total of Horizonte's shares which acquisition may be assigned by Porvenir, Banco de Bogotá would purchase a percentage similar to the share it currently holds added to that of its subsidiary Fiduciaria Bogotá in Porvenir's capital.

The completion of this operation will be subject to the submission of the necessary legal authorizations.