

BANCO DE BOGOTÁ

ANNUAL CORPORATE GOVERNANCE REPORT 2020

The Bank has prepared this report corresponding to 2020, approved by the Board of Directors, prior review and favorable report from the Audit Committee, to be presented at the General Shareholders' Meeting in order to report on the operation of the governance model of the Bank and its subsidiaries (hereinafter Grupo Banco de Bogotá) and on relevant changes occurred during 2020. Its contents comply with the provisions of recommendation 33.3 of the Code of Best Corporate Governance Practices - *Código País*, established by Circular 028 / 2014 issued by the Financial Superintendence of Colombia.

We would like to highlight the main activities carried out in 2020 and up to the date of this report, in terms of our Corporate Governance practices:

1. Update of the Corporate Governance Code, in relation to aspects of the reform to the Rules of Procedure for the Audit Committee, services provided by the Statutory Auditing firm and the Corporate Governance report (January 2020).
2. Implementation of processes to carry out that Ordinary General Shareholders' Meeting, virtually (March 2020).
3. Implementation of virtual Board meetings' process (March 2020).
4. Internal audit of the Corporate Governance process (December 2020).
5. Best Corporate Practices Implementation Report 2020 (January 2021).

i. Ownership Structure of Grupo Banco de Bogotá.

The Bank's capital at December 31st, 2020 was represented by a total of 331,280,555 outstanding common shares, with a nominal value of COP 10.00 each; the main shareholders are: Grupo AVAL (68.7%), Grupo Paz Bautista (11.7%), other shareholders (11.2%) and other companies from the Sarmiento Angulo Organization (8.3%).

Some of the Bank's Board members directly hold shares, which represent 0.005% of the voting rights, as follows:

Sergio Uribe Arboleda:	11,274 shares
Luis Carlos Sarmiento Gutiérrez:	2,766 shares
Sergio Ignacio Arboleda Casas:	1,355 shares
José Fernando Isaza Delgado:	744 shares
Álvaro Velásquez Cock:	178 shares
Alfonso de la Espriella Ossío:	147 shares
Jorge Iván Villegas Montoya:	125 shares

The bank's website (<https://www.bancodebogota.com/wps/portal/banco-de-bogota/bogota/relacion-inversionista/sobre-el-banco/estructura-corporativa>) presents the composition of Grupo Banco de Bogotá and Note 1 to the consolidated financial statements presents the Bank's shareholdings in subsidiaries.

In 2020, purchase of 7,682 of the Bank's shares, which represent 0.002% of total outstanding shares, were performed by a Senior Management member, who obtained proper authorization from the Board of

Directors.

During the reporting period, there were no agreements between shareholders, to the Bank's knowledge, and no shares owned by the Bank were registered.

ii. Management Structure of Grupo Banco de Bogotá.

The Board of Directors is comprised of five principal members and their personal alternates, and their appointment was approved by the General Shareholders' Meeting in accordance with the procedure set forth in the Rules of Procedure for the General Shareholders' Meeting. Two of the Board lines are represented by independent members.

The composition of the current Board of Directors is as follows:

BOARD OF DIRECTORS	
<u>Principal Members</u>	<u>Alternate Members</u>
Luis Carlos Sarmiento Gutiérrez	Jorge Iván Villegas Montoya
Sergio Uribe Arboleda*	Sergio Arboleda Casas*
Alfonso de la Espriella Ossio	Ana María Cuellar de Jaramillo
Carlos Arcesio Paz Bautista	Álvaro Velásquez Cock
José Fernando Isaza Delgado*	Carlos Ignacio Jaramillo Jaramillo*

* Independent Members.

A summary of the resúmenes of the Directors, including the year of their appointment as Board members, is published at the bank's website (<https://www.bancodebogota.com/wps/portal/banco-de-bogota/bogota/relacion-inversionista/gobierno-corporativo/director-administrador>).

In 2020, there were no changes in the composition of the Board of Directors.

The Board of Directors Committees, at the date of this report, are the Audit Committee, the Credit Committee, the Board's Integral Risk Management Committee and the Sustainability Committee, whose composition is the following:

<u>Credit Committee</u>
Luis Carlos Sarmiento Gutiérrez Sergio Uribe Arboleda Alfonso de la Espriella Ossio Carlos Arcesio Paz Bautista José Fernando Isaza Delgado
<u>Audit Committee</u>
Sergio Uribe Arboleda Alfonso de la Espriella Ossio Álvaro Velásquez Cock
<u>Integral Risk Management Committee</u>
José Fernando Isaza Delgado Ana María Cuellar de Jaramillo Jorge Iván Villegas Montoya
<u>Sustainability Committee</u>
Sergio Uribe Arboleda José Fernando Isaza Delgado

Rules of Procedure for these committees are published at the Bank's website (<https://www.bancodebogota.com/wps/portal/banco-de-bogota/bogota/relacion-inversionista/gobierno-corporativo/comites>).

For all the meetings of the Board of Directors and its Committees the necessary quorum was met in order to deliberate and the respective decisions were made unanimously by all the members. Furthermore, it is worth mentioning that the Board met on 59 sessions during 2020, with the assistance of principal and alternate members, with an average attendance of principal and alternate members of 98.98%.

The following Board Members are also members on the Boards of Directors of the subsidiaries indicated below:

<u>Subsidiary</u>	<u>Banco de Bogotá's Board Memeber</u>
BAC International Corp.	Carlos Arcesio Paz Ana María Cuéllar de Jaramillo Alvaro Velásquez Cock
Fiduciaria Bogotá	Jorge Iván Villegas Montoya
Almaviva	Alfonso de la Espriella Ossio
Megalínea	Ana María Cuéllar de Jaramillo
Banco de Bogotá (Panamá) S.A.	Alvaro Velásquez Cock Sergio Uribe Arboleda Sergio Arboleda Casas

No Board Member of the Bank holds management positions at the Bank or its subsidiaries.

The Bank has a Policy for the Board of Directors' Appointment and Compensation, published in the Corporate Governance section of the website, which establishes the requirements and procedures to be followed for nominating candidates as Board members, as well as for defining their compensation, which is the responsibility of the General Shareholders' Meeting.

Senior Management compensation is in line with best compensation practices existing in the labor market, thus allowing the Bank to maintain a competitive level and ensuring the permanence of outstanding, high potential personnel, to fulfill the Bank's strategy and objectives.

Note 33 to the separate financial statements and Note 35 to the consolidated financial statements for 2020 disclose the fees paid to Board members as well as benefits for key management personnel.

The Chairman of the Board of Directors and his alternate were responsible for directing Board meetings, which were held virtually since March 24th, 2020. Likewise, they coordinated its operation as well as the different topics discussed at the meetings. They participated in the Board's evaluation process, among other responsibilities, as stipulated in the Board's Rules of Procedure.

The Board's self-evaluation process was carried out at the Bank and its subsidiaries, with excellent results. The Bank's evaluation process includes an assessment by each Director on his/her individual performance, as well as on the performance of the Board itself and of the Committees that they belong to. They review aspects such as preparation for the meetings, knowledge of the business and its risks, participation in the meetings, impartiality, ethical behavior and time dedication, among others.

The Secretary of the Board of Directors convened the meetings of the Board of Directors and invited to the committees' meetings, according to the established schedule, prepared the agenda for the meetings, published the relevant material for each meeting at the virtual platform (Sharepoint) used for the Board and its committees, verified the deliberative and decision-making quorum, prepared the minutes, duly safeguarded the minutes and their supporting documents and issued the respective extracts, in accordance with the functions defined in the rules of procedure.

The Audit Committee and the Board of Directors received reports and conclusions from the Statutory Auditor, and management presented the respective action plans. The Statutory Auditor issued unqualified opinions regarding the 2020 separate and consolidated financial statements.

In 2020, the Board of Directors did not require any external counsel. The information of the Board of Directors was handled through the Bank's Secretary General's office with the responsibility and confidentiality required, implementing the virtual Sharepoint that provides information security for the Board's virtual meetings.

As stipulated in the Rules of Procedure for the Board of Directors, the General Shareholders' Meeting will evaluate the Board's performance, through the study and approval of the Management Report submitted for its consideration. The 2019 Management Report was approved at the General Shareholders' Meeting held in March 2020.

The issues under the responsibility of the Board of Directors' Committees were discussed at the meetings, in accordance with their rules of procedure, including the following, among others:

At the Credit Committee meetings, lending projects that fell under its competency were studied and approved and those that exceeded said competency were recommended.

At the Audit Committee meetings, guidelines and recommendations to strengthen the Bank's and its subsidiaries' control systems were provided, in a year that brought along many challenges. Follow up was also performed on the issues that were reported by Internal Audit and the Statutory Auditor, prioritizing them in accordance to their importance.

At the meetings of the Integral Risk Management Committee, monitoring on the management indicators' dashboards was performed, in order to duly control the risks that the Banks faces. Similarly, follow up on the requirements by the Financial Superintendence was carried out, in matters related to the Bank's and its subsidiaries' risk management systems, as well as on the actions implemented by Management.

In 2020, the Rules of Procedure for the Sustainability Committee were approved and in its meetings the Bank's sustainability strategy was commented, with the respective exercise of alignment with and prioritization of the Sustainable Development Goals. Additionally, the Committee was informed about the work performed by each of the Bank's areas in order to close gaps with the Dow Jones Sustainability Index, which has become the most relevant indicator to review the progress on the sustainability strategy.

As a result of this strategy, the Bank was included in the Sustainability Yearbook, S&P Global, which recognizes companies with best sustainability practices worldwide.

Lastly, activities with social and environmental impact, performed in 2019 and 2020, were reviewed.

iii. Operations with Related Parties.

Grupo Banco de Bogotá has business relations and carries out transactions, in the ordinary course of its business, with significant shareholders, Board members, Senior Management members and other related parties. These transactions are carried out under normal market conditions, in accordance with the policies and guidelines established in the Corporate Governance Code, the Code of Ethics and the Reference Framework for Institutional Relations, with the aim of using suitable corporate governance practices for their identification, management, control and disclosure.

The aforementioned documents are available to shareholders at the Bank's website, in the Investor Relations section.

Note 33 to the separate financial statements and Note 35 to the consolidated financial statements for 2020 provide information on transactions with related parties.

iv. Managing Conflicts of Interest.

In order to manage possible conflicts of interest that may arise, the Board of Directors has adopted measures set forth in the Corporate Governance Code and the Code of Ethics in force, which must be observed by the entity's Board members, managers and employees. The management of these situations will be framed under the principle that the decisions, in all cases, will be carried out with the greatest objectivity, giving priority to the interests that benefit the Bank before the interests of anyone else involved.

Similarly, the Bank has managed possible situations of conflict of interest for Grupo Banco de Bogotá, in accordance with the provisions of the Reference Framework for Institutional Relations. As prescribed in the Corporate Governance Code and the Code of Ethics, revelation of information that may have construed a conflict of interest was informed to the appropriate levels.

v. Internal Control System.

The Bank has an Internal Control System (ICS) in place that is governed by principles of self-control, self-regulation and self-management, which identifies the elements of the internal control system throughout the organizational structure.

The Internal Control System (ICS) is the set of policies, principles, rules, procedures and verification and evaluation mechanisms established to provide a reasonable degree of assurance that the following objectives will be achieved: (i) Improve the efficiency and effectiveness of the Bank's operations; (ii) Design security protocols and prevent and mitigate the occurrence of frauds, originated both within and outside the Bank; (iii) Carry out adequate risk management; (iv) Increase the reliability and timeliness of the information generated by the Bank, particularly financial information; and (v) Provide proper compliance with the rules and regulations applicable to the organization.

In 2020, the Bank's internal control and risk management systems adapted rapidly to successfully face emerging risks and challenges derived from the pandemic, carrying out necessary adjustments in procedures and key controls when necessary; this reflects that the Bank maintains its processes under continuous improvement, pursuing reasonable risk mitigation.

The specific functions of the Board of Directors and the Bank's CEO with respect to the ICS are defined in the Rules of Procedure for the Board of Directors and the Corporate Governance Code, respectively.

vi. Risk Management System.

The Bank has an Integral Risk Management (IRM) system that aims to provide a comprehensive view of risks, strong governance with an active role from the Board of Directors and Management on this matter, and to establish a risk appetite and tolerance framework. The specific functions of the Board of Directors, the Board's Integral Risk Management Committee and the Bank's CEO, with respect to IRM, are defined in the Rules of Procedure for the Board of Directors, the Rules of Procedure for the Board's Integral Risk Management Committee and the Corporate Governance Code, respectively.

Similarly, the Bank maintains an updated set of risk management systems that describe the identification, measurement, monitoring and control of risks, namely: Credit Risk Management System (SARC, for the Spanish original), Market Risk Management System (SARM, for the Spanish original), Liquidity Risk Management System (SARL, for the Spanish original), Operational Risk Management System (SARO,

for the Spanish original), Money Laundering and Terrorism Financing Risk Management System (SARLAFT, for the Spanish original). The foregoing notwithstanding compliance with the various additional regulatory provisions regarding business continuity, cybersecurity, and financial consumer service, among others.

The main risks are monitored using a risk dashboard system, which is regularly presented to the Board of Directors' Integral Risk Management Committee, along with follow-ups of their materialization, which in turn allows for the establishment of response and supervision plans to mitigate them.

Finally, information on the management of the risks faced by the Bank while carrying out its operations in 2020 is included in the year-end reports presented to the General Shareholders' Meeting (Management Report, Financial Statements and Notes, Internal Control Report, Financial Consumer Ombudsman's Report).

vii. General Shareholders' Meeting.

The General Shareholders' Meeting met in compliance with the legal and statutory provisions, in accordance with the rules of procedure for its operation. The ordinary Shareholders' Meeting was held virtually, due to the health crisis.

For the aforementioned Meeting, summoning was carried in compliance with the provisions of the Code of Commerce, those set forth in the Company Bylaws and those regulated in the Internal Rules of Procedure for the General Shareholders' Meeting, as well as dispositions from the Colombian government and other authorities regarding necessary precautions due to the pandemic.

The Ordinary General Shareholders' Meeting was held on March 26th, 2020, with a quorum of 88.8% of the subscribed and paid-in shares. At that meeting, the Management Report, the Financial Statements (Separate and Consolidated) and the Earnings Distribution Project were approved; the Board members and the Statutory Auditor were appointed, and the respective fees were approved, among others.

For this meeting, all the necessary information for decision-making effects was made available to the shareholders within the legal term to do so, as required by regulations on the right to inspection and the Bank's Corporate Governance documents. Shareholders' requests on information, certificates, changes in the transfer of shares and dividend payments, among others, were addressed, as well as inquiries on the virtual Shareholders' Meeting.

Summon to the Meeting, shareholder rights and obligations, and characteristics of the shares were made known to the shareholders and the market in general through the website of the Financial Superintendence of Colombia as Relevant Information, and through the Bank's website. The documents that were approved at the Ordinary General Shareholders' Meeting were also published on the Bank's website prior to the meeting.

Also, in compliance with current regulation, relevant information corresponding to the decisions made by the General Shareholders' Meeting was published through the websites of the Financial Superintendence of Colombia and the Bank.

viii. Information Provided to the Market.

The Bank permanently provides shareholders, investors and the market in general with timely and accurate information regarding the company, its financial performance, aspects of Corporate Governance, relevant information and issuances, among others, through its website, in the "Investor Relations" section.

In 2020, quarterly results conference calls were held corresponding to the fourth quarter of 2019, first, second and third quarters of 2020, in which information was presented to shareholders, investors, analysts and other stakeholders on the consolidated financial performance of Banco de Bogotá. The information referred to these calls is included in the Management Report.

ix. Compliance with the Corporate Governance Code.

The Bank has established a management structure and procedures for monitoring compliance with the Corporate Governance Code.

No claims were reported regarding non-compliance with the Bank's Corporate Governance Code in 2020.

x. Best Corporate Practices Implementation Report.

The Bank, in compliance with the provisions of Circular 028/2014 issued by the Financial Superintendence of Colombia, completed and submitted to that entity on January 26th, 2021, the Best Corporate Practices Implementation Report for 2020, which is published on the Bank's website.