

BANCO DE BOGOTÁ
BOARD OF DIRECTORS' CREDIT COMMITTEE
RULES OF PROCEDURE

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In addition to provisions on the credit approval process included in the Credit Manual, Title 1, Chapter 3, this document specifies details that rule the functioning of the Board's Credit Committee.

Purpose.

The purpose of this committee is to analyze and approve credit requests, received from other authorization levels, that fall within its credit competencies.

The Board's Credit Committee receives delegation of authority from the Board of Directors, to study and approve those operations that do not fall specifically under the Board's approval authority, as per current regulation.

Whenever the Committee deems it necessary it will reach out to the Committees on the matter in Grupo AVAL or in any of its subsidiaries, if they exist.

Functions.

1. To approve and process credit requests, received from other approval levels, that fall within its competencies.
2. To study and recommend to the Board of Directors the approval of operations and credit limits that are above its authority level.
3. To study and recommend to the Board of Directors, operations whose decision falls exclusively under the Board's authority.
4. To periodically review the Bank's loan portfolio and its quality, providing recommendations on the subject.

Besides these functions, and as mentioned in the Bank's Credit Manual, the Board is the maximum authority on credit administration and can perform the following duties, staying within the competency that the law and the bylaws bestow on the Board:

- To delegate credit authorities needed to achieve a sound and efficient credit administration, reserving itself the approval of credit operations prescribed by law and of operations that it deems shall be studied by the Board, due to their amount or other considerations.

- To delegate onto the National Credit Committee the establishment of credit limits for credit officers, credit regulation through approval of minutes, publication of internal memos and credit manuals, as well as supervision of credit and risk activity, periodically informing the Board on the quality and evolution of the Bank's credit portfolio.
- To participate in the monthly credit rating process.
- To approve and modify credit policy from proposals received from the National Credit Committee and to delegate onto this Committee the execution of said policy.
- To approve and modify risk policy from proposals received from the Director of Credit and Treasury Risk. To delegate onto that area of the Bank the execution of said policy.
- To approve and process credit applications, received from other levels of authority, that fall within its competencies.
- To authorize charge offs of credit operations and OREO (Other Real Estate Owned).
- The Board can authorize negotiation and reversal of principal and interest in restructuring negotiations or payment agreements.

Frequency.

The Board of Directors' Credit Committee shall usually meet on a weekly basis.

Members.

The Committee is composed by five (5) principal members of the Board and their respective personal alternates.

Bank employees may attend the meetings of the Committee as guests, when their presence is deemed necessary.

Quorum and majority for decisions.

This committee shall deliberate with the presence of the absolute majority of its members. Decisions will be valid with the favorable vote of the majority of the participants.

Committee's Secretary.

The Bank's Secretary General will act as Secretary of the Board's Credit Committee, or in his/her absence, the employee appointed by the Committee, who will summon, provide documentation on the credit projects that shall be under study and record in minutes: quorum, discussions and decisions.