REVISED TRANSCRIPT

Banco de Bogotá’s 2Q2015 Consolidated Results under IFRS.

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PRESENTATION

Operator

Good morning ladies and gentlemen. Welcome to Banco de Bogotá's second quarter 2015 consolidated results conference call.

My name is Hilda and I will be your operator for this conference call. At the moment, all participants are in listen-only mode. At the end of the presentation, we will conduct a questions and answers session. Take into account that this conference call is being recorded.

Please carefully read the disclaimer included on page 2.

Banco de Bogotá is an issuer of securities in Colombia and is subject to the inspection and surveillance as a financial institution from the Superintendency of Finance of Colombia. Our subsidiaries are subject to inspection and surveillance from the Superintendency of Finance.

As an issuer of securities in Colombia, Banco de Bogotá is required to comply with periodic reporting requirements and corporate governance practices.

In 2009 the Colombian Congress enacted Law 1314 establishing the implementation of IFRS in Colombia. As a result, since January 1, 2015, financial entities and Colombian issuers of publicly traded securities, such as Banco de Bogotá, must prepare financial statements under IFRS, with some exceptions established by applicable regulation.

The Bank's consolidated financial statements have been prepared in accordance with IFRS applicable in Colombia, including: IFRS included in annex to Decrees 3023 of 2013 and 2267 of 2014 issued by the Colombian government. Partial implementation of IFRS for entities that hold public interest, such as banks, was established in Decree 2784, issued by the Colombian government in December 2012.

IFRS used by the Bank differs in two aspects: i) the yearly accrual of the wealth tax and ii) the accounting of loan allowances. For the wealth tax the Bank opted to account for it as a charge on equity reserves, as established by Law 1739, December 2014. Regarding allowance on loans, the Bank, based on guidelines from the Colombian Financial Superintendency, has accounted in the Income Statement allowances calculated under the expected loss method, affecting Equity in the amount of the difference between allowances under the expected loss method and the incurred loss method.

This report is prepared with unaudited financial statements. Details of the calculations of ratios such as ROAA and ROAE, among others, are explained when required in this report.

This report may include forward-looking statements, which actual results may vary from those stated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risks factors. Recipients of this document are responsible for the assessment and use of the information provided herein. Banco de Bogotá will not have any obligation to update the information herein and shall not be responsible for any decision taken by investors in connection with this document. The content of this document is not intended to provide full disclosure on Banco de Bogotá or its subsidiaries.

In this document we refer to trillions as millions of millions and to billions as thousands of millions.

Accompanying us today we have from Banco de Bogotá: Mr. Alejandro Figueroa, Chief Executive Officer; Mrs. María Luisa Rojas, Chief Financial Officer; Mr. Germán Salazar, Chief Officer of International Affairs and Treasury, and Mrs. Martha Inés Caballero, Investor Relations Officer.

From BAC Credomatic, Mr. Federico Odio, Chief Financial Officer, and from Corficolombiana, Mr. José Elías Melo, Chief Executive Officer.

I will now pass you over to Mr. Alejandro Figueroa, Banco de Bogotá's Chief Executive Officer. Mr. Figueroa, you may begin.

Alejandro Figueroa ***Banco de Bogotá's Chief Executive Officer***

Good morning everyone and thank you for attending our call.

I would like to start out by mentioning that as of this presentation for the second quarter 2015 results, we are reporting all information according to the International Financial Reporting Standards, IFRS, applicable in Colombia, with two exceptions:

First, the equity tax as a lower value in reserves, rather than an expense;

Second, loan provision expense in the Statement of Income refers to the provisions calculated based on the regulation of the Superintendency of Finance of Colombia.

It is important to mention that the figures previously published for the first quarter of 2015 under IFRS have been revised and adjusted.

Let's begin with the main facts that stand out about our financial results for the second quarter 2015.

At June 30, 2015, Consolidated Assets amounted to COP 134.3 trillion, increasing by 25.6% annually and by 2.6% quarterly.

The gross loan portfolio, which amounted to COP 83.1 trillion, grew 31.0% annually and 4.8% quarterly. Without the effect of devaluation, this loan portfolio grew 12% during the year.

The loan portfolio quality ratio, measured as more than 30 days past due, was 2.3% in the second quarter of 2015, compared to the same ratio in the first quarter of 2015.

The cost of risk rose 10 basis points, reaching 1.6%, compared to the 1.5% of the second quarter of 2014.

Deposits, which represent 75.0% of the Bank's funding, grew 24.5% during the year and 2.5% during the quarter. Without the effect of devaluation, deposits grew 8.8% during the year.

The regulatory capital ratio at the end of June 30, 2015 was 11.06%.

The net interest margin on loans stood stable at 6.1%, while the net interest margin on investments decreased to 0.7% from the 3.4% recorded in the previous quarter. As a result, the total net interest margin decreases to 5.1% in the second quarter of 2015.

Efficiency ratios improved in the second quarter of 2015, as follows:

The cost-to-income ratio was 44.8% compared to 45.1% of the first quarter of 2015.

The ratio of operating expenses to average assets stood at 3.4% for all periods.

Net Income was COP 479 billion in the second quarter of 2015, a 19.7% increase from the second quarter of 2014.

Return on equity in the second quarter of 2015 was 17.4%, while return on assets was 2.1%.

Finally, the annual devaluation of the Colombian peso compared to the US dollar at June 30, 2015 was 38.1%. In this presentation, in order to calculate growth excluding the effect of the devaluation of the Colombian peso, we used the exchange rate at June 30, 2015, which was COP 2,598.68. It is important to point out that the exchange rate at the end of March and at the end of June was practically the same.

We present the evolution of key economic indicators on page 5:

Our outlook on economic performance has been adjusted slightly downwards, based on the most recent economic data. We are projecting a growth of 3.0% for 2015 and 3.2% for 2016.

Although we believe the impact of a more competitive Colombian peso and the impact of 4G Public-Private Alliances will be positive, we expect their impact on growth to materialize in 2016 and even more significantly in 2017.

Regarding unemployment, the data for August at 9% showed an annual increase of 0.2%.

Finally, we would like to point out two elements that can have a positive effect on the recovery of the Colombian economy:

First, the positive data of a reduction in the current account deficit in the second quarter of the year. This would indicate that, although it is high in absolute terms, the current account deficit could reach its highest point this year to go back to a more reasonable level in the medium term; and second, the upward adjustment of the fiscal deficit's ceiling, allowed by the Fiscal Rule, of 3.0% for 2015 and 3.6% for 2016. This level temporarily reduces pressure on fiscal spending cuts or additional taxes. This adjustment reflects lower oil prices and lower growth than those considered in tax planning.

Going on to page 6, we present inflation and several interest rate benchmarks.

Annual inflation in September reached 5.35%, consistently above the upper limit of the target range of the Colombian Central Bank, 4%, for most of the year. The figure shows our projection from two months ago.

With this result in mind, our area of Economic Research expects an inflation of 5.8% for 2015.

Inflation expectations according to the survey conducted by the Colombian Central Bank stand at 5.6% for 2015 and 3.9% for 2016.

In line with this inflation outlook, the market consensus indicated increases in the Central Bank's rate; this outlook was materialized in the decision made on September 25, which led to a rate of 4.75% following a 25 bps increase.

The Colombian Central Bank is likely to determine additional increases in the interest rate of up to 5.25% in the next few months, according to our area of Economic Research.

Anchoring inflation expectations for the rest of the year will be the key to increases in salaries and other operating expenses in 2016.

The DTF reference rate has been lower than the Central Bank's rate, remaining negative in real terms, substantially lower than the positive historical level between 1.75% and 2%.

We remain cautious with the prospect that the DTF follows the trend of the Central Bank's rate.

Page 7 presents the effect of oil prices on the exchange rate.

Given the relevance of oil on Colombia's exports, there is a strong negative correlation between international oil prices and the COP-USD exchange rate.

Although the exchange rates at the end of the first and second quarters of 2015 were similar, volatility was very high during the quarter. In June, the US dollar dropped below COP 2,600 on average, which is materially the same level as 3 months earlier, and at an average quarterly level of COP 2,496.

Volatility has increased recently with an 11.8% devaluation of the Colombian peso between June 30 and October 13. With the current levels of devaluation, the Colombian peso is still one of the most depreciated currencies of emerging markets.

Page 8 presents data on the economy of Central America.

The most recent projections from the International Monetary Fund, of October 2015, estimate a growth in the Central

American GDP of 3.9% for 2015 and 4.2% for 2016.

As mentioned earlier, the lower oil prices and the recovery of the US economy have had a positive impact on the region.

At June 2015, all the countries showed lower levels of inflation (historically low) compared to the previous year, mainly due to the effect of the drop in oil prices.

We expect this situation to continue to have a positive impact on the growth of the loan portfolio and the quality thereof in this region, in terms of US dollars.

Now, let's move on to the results of Banco de Bogotá.

To start, we present the evolution of our assets on page 9.

At June 2015, Annual growth of consolidated assets was 25.6%. This growth was positively affected by our organic growth in Colombia and Central America, as well as by the effect of devaluation when converting US dollars to Colombian pesos. Excluding the effect of devaluation, annual growth was 9.8%. During the second quarter of 2015, Assets grew 2.6%.

The structure of our consolidated balance sheet is relatively similar to that of the first quarter of 2015: the relevance of the net loan portfolio increased to 60.5% of the total assets, up from 59.2% at March 2015. Fixed investments offset this slight increase, now representing 12.2% of assets, compared to 12.9% in the previous quarter. The reduction in the fixed income portfolio partially funded the growth of the loan portfolio.

Finally, assets in Colombia represent 62% of our balance sheet, while foreign assets represent 38%. The weight of foreign assets remained stable compared to the first quarter of 2015.

We present the evolution of our loan portfolio on page 10.

Gross loan portfolio rose 31.0% annually at June 30, 2015. This growth is due to the 16.7% increase in Colombia and 56.3% in Central America (12.9% in US dollars).

Mortgages continued to be the most dynamic portfolio, increasing annually by 47.2%. Commercial and consumer loans increased by 26.8% and 37.3%, respectively. When deducting the effect of devaluation, these increases are 12.7%, 12.5% and 15.7%, respectively.

Quarterly, Gross Loans grew by 4.8%, with a 4.9% increase in our operation in Colombia and 3.7% in the operation in Central America.

Gross loan portfolio structure remained stable during the quarter, while on an annual basis, it has had a slight evolution toward personal loans. Commercial loans represent 65.2% of the loan portfolio, while consumer and mortgage loans represent 24.1% and 10.3%, respectively.

Colombia represents 61% of the loan portfolio, remaining stable compared to the first quarter of 2015. Central America represents 39% of the total loan portfolio.

Our growth expectations for the loan portfolio in 2015 are near 20%, affected positively due to the devaluation of the Colombian Peso. Without this devaluation, portfolio growth would be close to 15%.

In 2016, growth would be between 10% and 12%.

Page 11 presents several consolidated ratios of loan portfolio quality.

In the top left-hand corner, you can see the evolution of our loans more than 30 days past due and of our non-performing loans, as a percentage of Gross Loans.

In the second quarter of 2015, the ratio of loans more than 30 days past due was 2.3%, an improvement compared to the second quarter of 2014 and stable compared to March 2015. In turn, the non-performing loan ratio was 1.6% compared to 1.7% in the second quarter of 2014 and 1.6% of the previous quarter.

On the right, the annualized cost of credit (net of charge-off recoveries) for the quarter was 1.6%, which is higher than the 1.5% recorded at the end of June 2014, and the 1.4% at March 2015.

Down on the bottom left, you will find the annualized ratio of Charge-offs to Average Non-performing Loans. This ratio is 0.73 times in the second quarter of 2015, which is lower than the 0.84 times recorded in the previous quarter.

Finally, the bottom right-hand table shows the allowance coverage ratios. Allowances are 2.1% of the Gross Loan Portfolio and cover 1.3 times non-performing loans and 0.9 times loans more than 30 days past due.

We expect a slight impairment in the quality ratio of loans more than 30 days past due, 2.4%, with a cost of credit that will range from 1.7% to 1.8% for 2015 as well as for 2016.

On page 12, we present our loan portfolio quality in Colombia.

The indicator of loans more than 30 days past due was 2.4% in the second quarter, compared to 2.3% in the first quarter of 2015. The non-performing loan indicator rose slightly to 1.8%.

The cost of risk in the second quarter of 2015 was 1.6% in Colombia, standing stable compared to the previous quarter and showing a light increase compared to the 1.5% recorded in the second quarter of 2014. We expect this ratio to be near 1.8% by December 2015 and 1.85% by 2016.

The annualized ratio of Charge-offs over average Non-performing Loans was 0.54 times, which is lower than the indicator of 0.7 times recorded in the first quarter of 2015.

In our Loan Portfolio in Colombia, the coverage ratios in the second quarter of 2015 are 1.52 times Non-performing Loans, and 1.14 times loans more than 30 days past due.

For 2015 and 2016, we estimate a ratio of loans more than 30 days past due in Colombia of 2.4%.

Moving on to page 13, you will find the same information about the loan portfolio quality for our operation in Central America.

In the second quarter of 2015, the ratios of loans more than 30 days past due and non-performing loans in Central America remained stable at 2.3% and 1.4%, respectively.

The Cost of Credit in Central America was 1.5% in the second quarter of 2015, up from the 1.0% recorded in March 2015. Higher expenses for provisions in Central America are from the consumer loan portfolio. We expect a Cost of Risk of approximately 1.7% for 2015 and 2016.

The annualized ratio of charge-offs over average non-performing Loans was 1.11 times, which is lower than the ratio of 1.15 times of the first quarter of 2015.

In our portfolio in Central America, allowances cover 1.3% of the gross loan portfolio, 0.9 times the non-performing loans and 0.59 times loans more than 30 days past due.

For 2015 and 2016, we expect the ratio of loans more than 30 days past due to remain stable at 2.3%.

On page 14, there is further information about the quality of our consolidated loan portfolio.

We present the evolution of our loans more than 30 days past due, broken down by type of portfolio. As mentioned above, our consolidated ratio of loans more than 30 days past due was 2.3%, which is stable compared to the previous quarter, and an improvement from the 2.4% of June 30, 2014.

During the quarter, the ratios for the consumer loan portfolio rose from 4.3% to 4.5% for past due loans, and from 2.9% to 3% for non-performing loans, mainly due to the effect of the economic slowdown mentioned earlier.

It is important to mention the positive performance of the quality of our commercial and mortgage loan portfolios, where these ratios remain stable at 1.5%, for commercial loans, and dropped from 2.3% to 2.2% for mortgages, between the first and second quarter of 2015.

Regarding the non-performing loan ratio, the commercial and mortgage loan portfolios remained stable at 1.1% and 1.5%, respectively.

Page 15 provides details of the evolution of our loan portfolio quality in Colombia and Central America.

In Colombia, our quality of commercial loans more than 30 days past due remained stable at 1.6%, while the ratio for consumer loans moved to 5.6% in the second quarter of 2015, similar to that of June 2014.

In Central America, it is important to point out the improvement in the ratio of past due loans for the commercial and mortgage loan portfolios, which dropped from 1.2% to 1.0%, and 2.6% to 2.4%, respectively.

The evolution of consolidated Deposits and Funding is presented on page 16.

Total funding, understood as deposits plus financial obligations, grew 3.1% during the quarter and 25.9% annually.

Excluding the effect of devaluation, the annual growth of funding was 8.4%.

Funding in Colombia grew 4% quarterly and 13% annually. In Central America, it grew 1.8% quarterly and 47.6% annually.

At June 30, 2015, our consolidated deposits grew annually by 24.5% and quarterly by 2.5%.

The Bank's deposits in Colombia grew 9% during the year and 2.9 % during the quarter. In Central America, there was an annual growth of 48.4% (7.4% in US dollars) and a quarterly growth of 2.8%.

The growth of the loan portfolio has been funded by the growth of deposits and financial obligations.

The structure of funding and deposits remained substantially stable during the quarter: Deposits represent 75.0% of total funding.

Term deposits maintain the highest share in the combination, at 44%, followed by savings deposits and by checking accounts, which represent 30.9% and 24.5%, respectively.

Deposits fully fund total loans. The ratio of deposits over total loans was 101.4% in the second quarter of 2015.

Page 17 presents the evolution of our capitalization, our equity and our capital ratios.

Our total equity, defined as Equity attributable to shareholders plus Non-controlling Interest amounted to COP 15.5 trillion in the second quarter of 2015, up 4.4% from the first quarter of 2015 and 20.1% from the second quarter of 2014.

Equity attributable to shareholders, at COP 11.6 trillion, represents 74.6% of Total Equity, up 4.8% quarterly and 25.5% annually.

Finally, we present our solvency ratios at the bottom of the page. Our tier 1 ratio was 7.77% and our total solvency ratio was 11.06% in the second quarter of 2015.

Annual changes in the solvency ratio include a substantial increase in risk weighted assets in Central America due to the effect of the peso - dollar devaluation. We estimate that by the end of 2015 the consolidated solvency ratio will be around 11%.

Page 18 presents our Net Interest Margin (NIM).

Our total NIM in the second quarter of 2015 is 5.1%, down from 5.6% in the previous quarter, mainly as a result of a contraction in investment NIM.

During the quarter, the loan portfolio NIM was 6.1%, which is stable in relation to March 2015 and June 2014.

The investment NIM was 0.7% in the second quarter of 2015 compared to 3.4% of the previous quarter.

In monetary terms, our Net Interest Income grew 17.3% annually and decreased 4% quarterly, reaching COP 1.2 trillion in the second quarter of 2015.

We expect the loan portfolio NIM to remain stable in 2015 with a possibility of rising.

The investment NIM will remain at the current levels. The total NIM will be stable with the possibility of improvement.

Going on to page 19, we present income from fees and other income.

Net income from fees grew 22.3% compared to the same period of the previous year and 2.9% compared to the first quarter of 2015.

Below, we show Other Operating Income. This line increased 19.1% compared with the previous quarter and totaled COP 612 billion in the second quarter of 2015. This result was positively affected by higher income from equity investments not consolidated by the Corporación Financiera Colombiana.

During the quarter, income from equity investments, which include Dividends, Equity method and Income from the non-financial sector, totaled COP 382 billion, over a total of COP 612 billion in Other Income.

The Net Income of the Non-financial Sector, which amounts to COP 309 billion, showed a quarterly increase of 6.6%.

Net income from foreign exchange transactions increased by COP 86 billion, amounting to COP 151 billion in the second quarter of 2015. This increase is explained by the higher income in derivative transactions, offset by the lower income due to the exchange difference, given the lower increase in the exchange rate in the second quarter of 2015.

Other income totaled COP 80 billion in the second quarter of 2015. The COP 57 billion decrease compared to the previous quarter is mainly due to the income tax refund recorded in March 2015.

Going on to page 20, you will see our consolidated efficiency ratios.

In this slide, you will see our Operating Expenses as a percentage of Operating Income and Average Assets.

Our efficiency measured as Operating Expenses over Operating Income was 44.8%, an improvement compared to the 45.1% of the first quarter of 2015.

Our efficiency measured as Operating Expenses over Average Assets was 3.4% in the second quarter of 2015, which is stable compared to the periods under comparison.

The efficiency ratio should improve in the next few quarters given all the measures being taken, particularly in the management of the number of employees at the Bank.

Page 21 presents the net income and profitability ratios for the second quarter of 2015.

Net income in the second quarter of 2015 was COP 479 billion. Accumulated net income was COP 1,006 billion, growing 13.7% compared to the first quarter of 2014.

The returns on assets and on equity in the second quarter of 2015 were 2.1% and 17.4%, respectively.

We expect the ROE in 2015 to be in a range of about 15.5%.

To conclude this presentation, I would like to summarize our expectations:

For 2015, we expect the loan portfolio to grow near to 20%; without devaluation, the growth would be close to 15%. In the month of October, the Bank's annual growth in Colombia was 19%.

In 2016, growth of the loan portfolio could be between 10% and 12%.

The quality ratio of the consolidated loan portfolio more than 30 days past due will be slightly impaired: around 2.4% in 2015 and 2016. In addition, we expect the cost of risk to be around 1.7% to 1.8%.

We expect our consolidated solvency ratio to stand at around 11.0% by the end of 2015.

The Net Interest Margin for 2015 would remain stable with the possibility of improvement.

In terms of efficiency, we hope to continue improving according with our previous comments.

Our return on equity will be around 15.5% in 2015 based on the current standards already applied in the presentation of this balance sheet.

Thank you, everyone. That concludes our presentation. Now we are open to any questions you may have.

QUESTIONS AND ANSWERS

Operator

Thank you. Now we will start the question and answer session. (Operator instructions).

We have Mr. Mauricio Restrepo from BTG Pactual.

Mauricio Restrepo – *BTG Pactual*

Good morning, thank you for the call. I have a few questions. The first is whether you could perhaps give us a few details on how you see growth for 2016 by segments. You already gave us the range of the loan portfolio, but could you break it down by segments?

The second is: What outlook do you see in the cost of funding and the NIM? Because there is talk of some pressure in the banking sector.

The third: why do you use the Colombian IFRS vs. Aval, which used IFRS with all the international standards? (Particularly with differences in provisions). How should what happens in Bogotá be transferred vs. Aval?

And finally, could you confirm the number of ROAE for this year. I think I heard 15.5%, but if you look at the last two quarters they were higher, so I would like to confirm the figure.

Alejandro Figueroa - *Chief Executive Officer of Banco de Bogotá*

Would you please repeat the last question?

Mauricio Restrepo – *BTG Pactual*

Yes. The last one is that I see that the ROAE for the last two quarters, according to IFRS, was well above 15%: 19% in the first quarter and 17.4%. I understood that it was 15.5% for the entire year, so I would like to confirm the figure.

Alejandro Figueroa - *Chief Executive Officer of Banco de Bogotá*

OK. Let's begin. I'm going to answer the questions backwards.

In regards to the ROAE, we would like to be cautious and conservative in our responses to your questions. This ROAE comes from having COP 1 trillion in earnings in the first quarter and COP 800 billion in earnings in the second quarter. So we want to be conservative about this provision. If you do the math, it will give you exactly 15.5%.

Well, concerning the IFRS, we decided to prepare the presentation according to what we are going to present to the Financial Superintendence, because we do not want to generate any differences between the balance sheet submitted to the Financial Superintendence and the one we are presenting to you, that is why. So, as I explained earlier, we applied the IFRS for Colombia: we used the option to record the wealth tax in equity, and finally, due to instructions from the Financial Superintendence, we made provisions according to expected loss, not the incurred loss. Those are the differences. Aval presented its results in IFRS, the way it will present it at the SEC.

I don't know if you can hear me... Mauricio?

OK. Regarding the cost of funding. There has been pressure on the cost of funding over the last few weeks, because the rise in the Central Bank of Colombia was transmitted immediately to the cost of funding and it is not transmitted as quickly to the rate of the loan portfolio. But we already started. Since the Central Bank of Colombia increased, we started a gradual process of applying higher interest rates in all our loans and our new renewals. That is why we believe that, despite having increased the cost of funding, we can keep the NIM stable, and even on an upward trend.

We also believe, as I explained earlier, that the Central Bank of Colombia can rise another 25 to 50 basis points, so the effect on the Bank's balance sheet, given such a high percentage that we have on our checking accounts, clearly represents better profitability on our checking accounts, which mostly have zero costs.

With respect to growth by segments, I am going to talk about the Colombian case first. Up to October, as I mentioned in the presentation, we have had a growth in the loan portfolio of 19%, which is divided into a growth of 22% for the commercial loan portfolio and of 12% for the consumer loan portfolio. There, once again, we would like to be conservative, because when the Central Bank of Colombia increases the rate, it means that there is going to be less liquidity in the economy, so we want to be cautious in our projections for this year.

For next year, we expect a general growth in the loan portfolios in general of 10% and 12%. Given the composition of the Bank's loan portfolio in Colombia, the main growth driver is always in the commercial loan portfolio given that 80% is commercial loans in the Bank in Colombia.

For Central America, I am going to give the floor to Federico Odio, the Chief Financial Officer of BAC Credomatic.

Federico Odio - Chief Financial Officer, BAC Credomatic

Thank you very much. Good morning. From the standpoint of growth in Central America, the portfolio is growing strong. We expect it to continue growing by two digits, around 13.5%, particularly the consumer loan portfolio, which shows a good increase. There, we have benefited from the withdrawal of an important competitor that is selling its credit card operations and there are new participants that are starting out.

With reference to the cost of funding, we are very focused on demand and savings products, and we have managed to maintain the cost of funding. We expect it to remain around 3%... as regards the cost of funding.

On the subject of cost of risk, there is a slight increase associated with a slightly higher risk profile, particularly in credit card portfolios; therefore, the cost of risk will increase approximately 20 basis points around the end of the year and the following year; these are loan portfolios that yield more than 25% and we feel very comfortable about it.

Operator

Excuse me, we have Mr. Juan Domínguez, from Credicorp Capital on the line.

Juan Domínguez - *Credicorp Capital Analyst*

Good morning. Thank you very much for inviting me to the call.

I have a couple of questions. The first one is about capital: you mentioned that consolidated solvency is around 11% by the end of 2015, but I would like to understand the effect of depreciation on the ratio a little better. I don't know, if you have a calculation of approximately COP 100 in depreciation, how much does this affect *tier* 1, and I would like to know how goodwill is treated for the effects of *tier* 1, because I believe there is a major difference if this exposure to goodwill is hedged or not, so I would like to know how goodwill affects this ratio for Banco de Bogotá.

In addition, I would like to go deeper into Mauricio's question about the cost of funding: there has been an increase in the cost of funding, but mostly on treasury and long-term. We have seen major increases in treasury rates for over 180 days. I would like to know the Bank's feeling in this sense. Could you give us the composition of the Bank's time deposits between offices and treasury, because the truth is that we have not yet seen any effects on the DTF, and at the end, understand whether this is a matter of liquidity that is a little more structural of the economy, or is it rather a matter of the bank's appetite for longer terms... I would like to have a clearer understanding of the big picture of what is going on there.

Thank you very much.

Alejandro Figueroa - ***Chief Executive Officer of Banco de Bogotá***

Juan Camilo, let's talk about the topic of funding cost first. What is happening right now on the market, and you know this better than we do, is that there is temporary illiquidity... We have a temporary lack of cash on the monetary market because the Central Bank of Colombia has approximately COP 20 trillion in its accounts. On October 28, the 2015 TES will mature, so approximately COP 8 trillion will be released, so all the institutional funds (pension funds, trust funds, etc.) and the official entities that have excess liquidity, well, they are taking the strategy of placing that money on demand, because the temporary illiquidity combined with the market's expectation that the rate of the Central Bank of Colombia is going to rise, the best strategy for them is not to place it in term deposits. So if you go out and try to find three or five-year deposits, well, they are simply not in demand. In the case of the Bank, its particular strategy has been to focus on certificates of deposit between 18 months and three years, basically, where we have COP 9 trillion from the treasury and the rest is from the offices.

As regards the total solvency ratio, our calculation is that for each COP 100 of devaluation, the solvency ratio is affected by approximately... between 18 and 20 basis points. However, I would like to mention several things here. As you know, in November last year, the Bank issued shares for COP 1.5 trillion, whose result was not seen in the first quarter because of the devaluation. However, it was enough to keep the solvency ratio stable.

For the rest of the year, the General Meeting of Shareholders of the Bank in Colombia, which is the body that distributes dividends, agreed to capitalize, in the first quarter of next year, 50% of the earnings we are going to have in the second half of the year. In addition, we are reviewing our asset structure to make it more efficient in terms of the solvency ratio. The most important thing to point out in all of this, when you talk about the solvency ratio, you are basically thinking of crises, and if you take each of the units that make up the Banco de Bogotá's Consolidated Balance Sheet, you will find the following: Banco de Bogotá in Colombia, where we have 60% of the assets, has a solvency ratio of 18%, higher than any other Colombian bank and the banks you compare us with on a permanent basis; Corporación Financiera Colombiana has just a modest 28% solvency ratio; and BAC has a 15% solvency ratio. So, each of these units in a case of crisis has more than enough capital to deal with any event that may arise.

Another thing is that, due to the accounting effect of the consolidation method and since we are not allowed to take the non-controlling interest from related parties into account, we have a consolidated solvency ratio that is much lower than each of the individual units. That is why we are comfortable with that consolidated solvency ratio.

Now, after making our projections of our situation at the end of the year, plus what I mentioned about the capital commitment of 50% of the earnings of this half of the year made in the Meeting of Shareholders in March, we expect our solvency ratio to be about 11% by December this year.

I wonder if that answers your question.

Juan Domínguez - ***Credicorp Capital Analyst***

Yes. Thank you very much.

Operator

Mr. Restrepo had one more question. Go ahead, please.

Mauricio Restrepo – *BTG Pactual Analyst*

Yes. Another question. I see that coverage dropped in comparison with the other forms of accounting. I wanted to know if you feel comfortable with these figures below 100%, and if the higher cost of credit you are expecting will increase hedging.

Alejandro Figueroa - *Chief Executive Officer of Banco de Bogotá*

Are you talking about the coverage of allowances or the deposit-portfolio coverage, Mauricio?

Mauricio Restrepo - BTG Pactual Analyst

The allowances for past due loans. I think last quarter, before IFRS, they were 107%, and now they are below 100% for 30 days.

Alejandro Figueroa - *Chief Executive Officer of Banco de Bogotá*

No, well, I mean, our plan is to keep coverage about the same as the end of June.

But there is something to bear in mind, and that is that in IFRS, the denominator is higher. You have to bear that in mind when you compare the Colombian GAAP vs. IFRS because there is interest in the denominator.

Operator

Thank you. We have no more questions. I will now pass you over to Mr. Alejandro Figueroa, Banco de Bogotá's Chief Executive Officer.

Alejandro Figueroa - *Chief Executive Officer of Banco de Bogotá*

We thank you for your attention and we would like to invite you to the presentation of the results at September.

Operator

Thank you very much. Ladies and gentlemen, we conclude today's conference. Thanks for taking part. You can disconnect.