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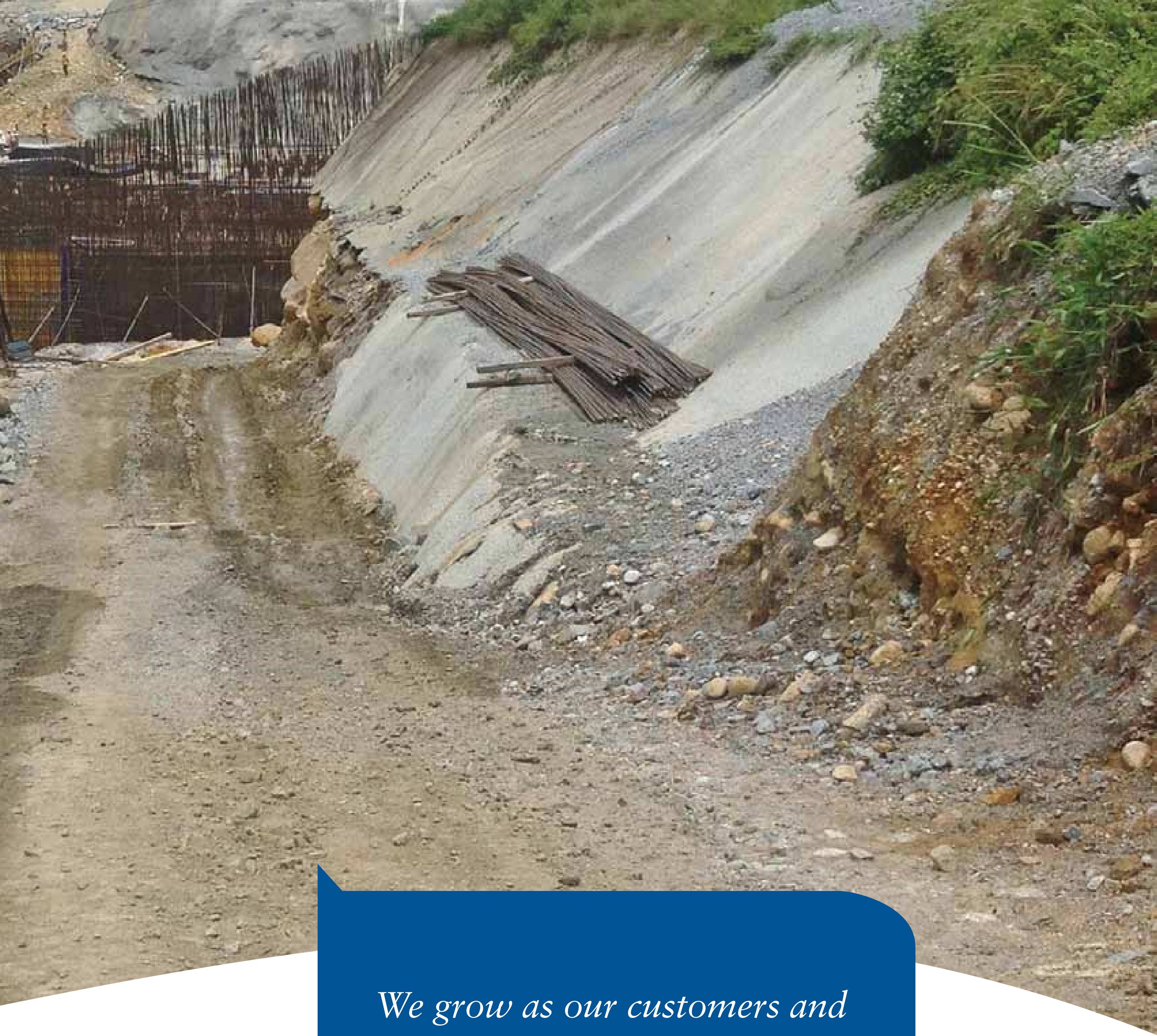
*Hidroeléctrica del Alto Porce*

*Chapter 3*

# Our Financial Results



*We grow as our customers and our country prosper.*

We give our customers added value by providing them expert advice. And together, we build a sustainable financial future.

# 3. Our Financial Results

Pursuant to the commitment that Banco de Bogotá has with society and the growth of the Colombian economy, the Bank undertakes management according to the following principles:

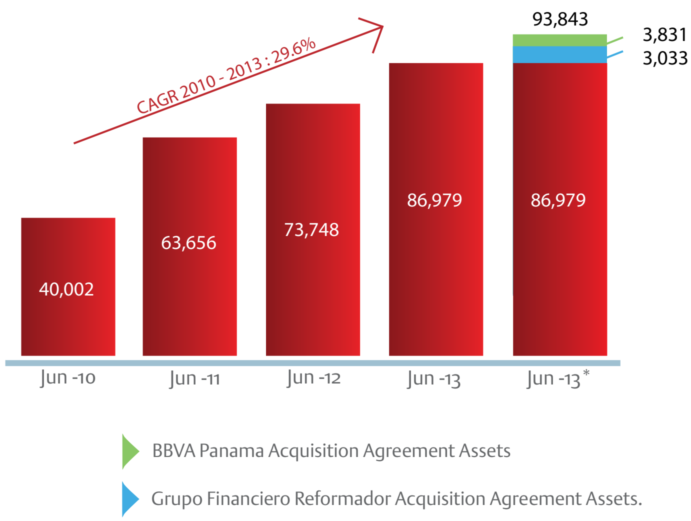
- We abide by the highest ethical standards.
- We strive to be sustainable in the long term.
- We make cautious decisions.
- We are guided by strategy.
- We are profitable.

## Consolidated Results as at June 2013

The Bank has a solid presence in the Colombian and Central American markets, with a diversified loan portfolio, low cost of funds and operational efficiency that has enabled it to reach stable business results. Our consolidated profitability indicators - ROAA and ROAE - were the highest last year in comparison to our main competitors.

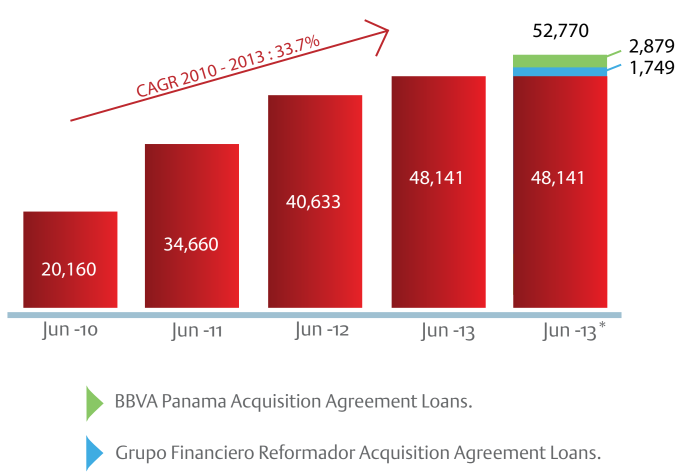
Our compound annual growth in assets and loan portfolio for the last 3 years of 29.6% and 33.7%, respectively, has been accompanied by adequate management indicators. The Bank's results for the second semester of 2013 will show the effects of recent acquisition agreements for BBVA Panama and Grupo Financiero Reformador, which are expected to increase the assets and loan portfolio to COP 93,843 billion and COP 52,770 billion each, as shown in the graph below:

Evolution of Consolidated Assets




Note: June-13* Contains the real assets as of June 2013, plus the effect of the acquisition of BBVA Panama and Grupo Financiero Reformador in assets.

Evolution of Net Consolidated Loan Portfolio




Note: June-13* Contains the real portfolio as of June 2013, plus the effect of the acquisition of BBVA Panama and Grupo Financiero Reformador in the loan portfolio.

(1) Includes Employee Loan Portfolio

| Banco de Bogotá Consolidated – Main Balance Sheet Figures | | | | |
|---|---|---|---|---|
| **(Billions of Colombian Pesos)** | **Jun- 2010** | **Jun- 2011** | **Jun- 2012** | **Jun- 2013** |
| **Total Assets** | **40,002** | **63,734** | **73,747** | **86,979** |
| Total Loans & Financial Leasing, Net (1) | 20,160 | 34,660 | 40,633 | 48,141 |
| Investments in Debt Securities | 7,320 | 9,052 | 11,030 | 13,088 |
| **Total Liabilities** | **36,381** | **57,281** | **66,475** | **78,947** |
| Total Deposits | 25,282 | 39,176 | 46,509 | 55,092 |
| **Equity** | **3,621** | **6,454** | **7,272** | **8,032** |

(1) Includes Employee Loan Portfolio

| Banco de Bogotá Consolidated – Statement of Earnings | | | | |
|---|---|---|---|---|
| **(Billions of Colombian Pesos)** | **Jan-Jun 2010** | **Jan-Jun 2011** | **Jan-Jun 2012** | **Jan-Jun 2013** |
| Net Interest Income | 1,103 | 1,508 | 1,715 | 2,012 |
| Loan Provisions, Loan Interest and Other Accounts Receivable, Net. | 148 | 233 | 218 | 392 |
| Total Provisions, Net | 229 | 73 | 207 | 370 |
| Total Income from Commissions and Other Services, Net | 515 | 862 | 902 | 1,063 |
| Total Operating Expenses | 807 | 1,439 | 1,503 | 1,796 |
| **Net Profit Attributable to Shareholders** | **389** | **580** | **665** | **755** |

**Assets**

At the end of the first semester of 2013, the Bank's total **Consolidated Assets** amount to COP 86,979 billion, with an annual growth of COP 13,232 billion (17.9%) as compared to the end of June 2012. Of the total assets, 55.3% corresponds to the net loan portfolio, 19.1% to net investments, 9.2% to cash, 3.0% to Interbank funds, and 13.5% to other assets.

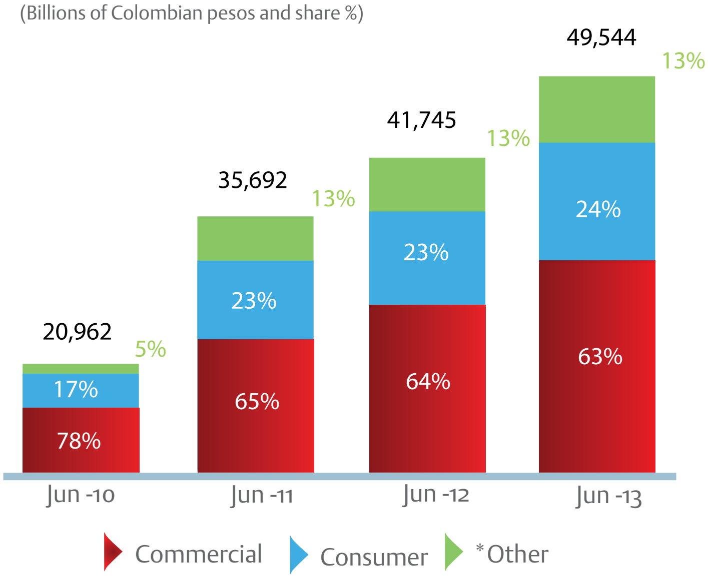
The Consolidated Assets of Banco de Bogota grew 17.9% annually, to reach COP 87 trillion.

### Loan Portfolio

**Net Loans** increased COP 7,509 billion between June 2012 and June 2013 (18.5%), amounting to COP 48,141 billion. Similar growth was seen in every type of portfolio, with significant growth in the commercial loans (17.1%), consumer loans (22.0%) and mortgage loans (24.8%).

## Evolution of Gross Loans

(Billions of Colombian pesos and share %)




*Other: Includes Mortgages, Microcredits and Financial Leases

As far as the structure of the Bank's consolidated loan portfolio, by product type, as of June 30, 2013, commercial loans had a share of 62.8%, followed by consumer loans (23.9%), mortgage loans (8.2%), and leasing operations (4.5%).

### Investments

Banco de Bogotá's **Investments** added up to COP 16,575 billion. This portfolio is comprised mainly of fixed income investments (debt securities), which account for 79% of the total. The remaining 21% corresponds to the Banco de Bogota's consolidated investments of equity instruments, most of them made through the Corporación Financiera Colombiana.

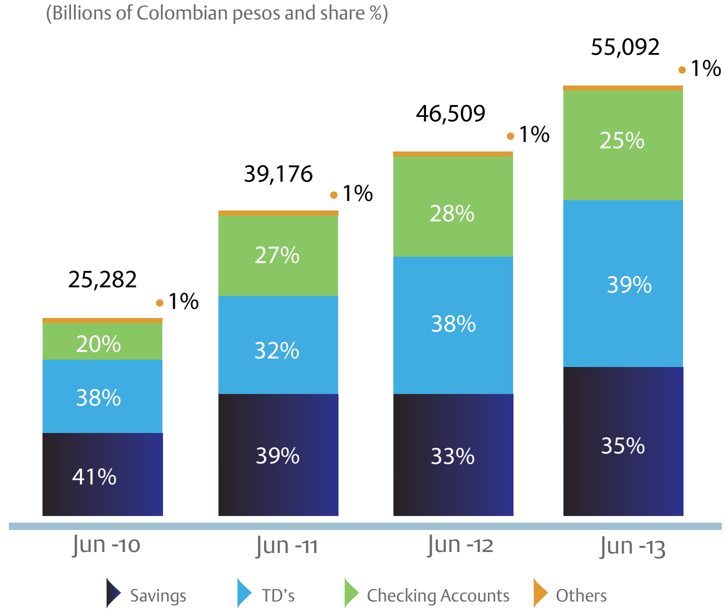
Fixed-income investments are mostly investments by Banco de Bogotá Colombia and Corficolombiana in treasury securities - TES - in local currency issued by the Colombian government (COP 7,125 billion). Furthermore, other investments of COP 2,331 billion in other financial institutions, COP 1,235 billion in rediscount agencies, followed by COP 1,017 billion in corporate sector bonds are noteworthy.

### Liabilities and Deposits

Banco de Bogotá's consolidated total **Liabilities** on June 30, 2013 added up to COP 78,947 billion with an annual increase of 18.8%. **Deposits** were the main source of funding for the consolidated Banco de Bogotá, representing 69.8% of the liabilities, showing an annual increase of 18.5%, and reaching COP 55,092 billion at the close of June 2013.

## Evolution of Deposits

(Billions of Colombian pesos and share %)



The Bank's funding strategy is primarily focused on deposits from customers, complemented by long-term resources through debt and bond issues.

**Equity**

Banco de Bogotá's consolidated equity at June 30, 2013 came to COP 8,032 billion, with an annual increase of COP 759 billion (10.4%). This variation is explained primarily by the COP 836 billion increase in reserves.

**Net Profit**

Banco de Bogotá Consolidated reported COP 755 billion in **Net Profit** for the first semester of 2013, with an annual increase of 13.6%. This result is derived from the annual increase in net interest income (17.3%), other operating income (56.5%) and income from commissions and other services (17.8%), and is offset primarily by the increase in operating expenses, which grew by 19.5%.

The Consolidated Bank obtained outstanding profitability indicators:
ROAA of 2.5%.
ROAE of 19.1%.

Total **Interest Income** for the first semester of 2013 was COP 3,126 billion, an increase of 14.6% compared to the same period last year. This increase is explained by the loan interest income, COP 2,426 billion, which grew annually by 13.1%, consistent with the aforementioned loan portfolio performance.

For its part, the consolidated **Interest Expenses**, COP 1,114 billion as of June 30, 2013, increased 9.9% over the year. The higher financial cost for the Bank is explained by leveraging longer term liabilities, in line with the above funding strategy.

**Provision Expenses** increased from COP 207 billion to COP 370 billion, a 78.5% annual increase. This was done in order to have the necessary provisions to maintain adequate levels of coverage. The increase stems from a larger net provision for the loan portfolio, loan interest and other accounts receivable.

Net income from **Commissions** totaled COP 1,063 billion in the first semester of 2013, with a 17.8% annual variation. Of the total variation, the growth of pension fund administration fees (49.6%) and credit and debit card fees (16.2%) should be highlighted.

In the same period, operating expenses reached COP 1,796 billion, with a 19.5% annual variation. This increase is explained by higher administrative and labor expenses associated to the operation of Banco de Bogotá in Colombia and to Fondo de Pensiones y Cesantías de Porvenir, the latter as a result of the acquisition of AFP Horizonte.

**Indicators**

**Profitability Indicators** reached 2.5% for ROAA and 19.1% for ROAE as of June 30, 2013.

The consolidated **Efficiency Ratio** for Banco de Bogotá, improved, shifting from 47.3% as of June 30, 2012, to 46.5% as of June 30, 2013.

The consolidated **Solvency Ratio** at the end of June 2013 was 14.5%, higher than the 9% required by Colombian regulations.

The **Loan Quality Indicator** (non-performing loans/gross loans) was 2.2% on June 30, 2013, increasing 30 basis points compared to June 30, 2012, in line with consumer loan growth. The **Loan Coverage Indicator** for provisions for non-performing loans was 127.9%.

| Banco de Bogota Consolidated - Main Indicators | Jun-2012 | Jun-2013 |
|---|---|---|
| **Profitability Ratios** | | |
| Net Interest Margin (1) | 6.3% | 5.8% |
| ROAA (2) | 2.5% | 2.5% |
| ROAE (3) | 18.8% | 19.1% |
| **Administrative Efficiency (4)** | 47.3% | 46.5% |
| **Solvency Ratio (5)** | 13.3% | 14.5% |
| **Loan Quality** | | |
| Non-performing Loans / Gross Loans (6) | 1.4% | 1.6% |
| Past Due Loans / Gross Loans (7) | 1.9% | 2.2% |
| Loan Provision / Past Due Loans | 136.7% | 127.9% |
| Loan Provision / Gross Loans | 2.7% | 2.8% |

(1) Net Interest Income, Annualized / Average of Performing Assets (Interest earning assets).
(2) Net Profit for the period, Annualized / Average of Assets at end of current period and end of previous period.
(3) Net Profit attributable to shareholders, Annualized / Average of Equity at end of current period and end of previous period
(4) Operating Expenses before Depreciation and Amortization / Total Operating Income before Provisions.
(5) Technical Capital / Risk-weighted Assets.
(6) Non-performing Loans: microcredit 31 or more days overdue, mortgage and consumer loans 61 or more days overdue and commercial loan 91 or more days overdue.
(7) Past due loans: 31 or more days overdue.

Through its affiliates and international operation, Banco de Bogota continues to be one of the most important financial groups in Colombia and Central America.

## Individual Results as of June 2013

In its operation in Colombia, the Bank has a satisfactory performance in terms of growth. At the close of June 2013, the balance of assets amounted to COP 53,511 billion, with an annual growth of 15% and accumulated profits of COP 782 billion and 26.7% growth, which is higher than the 1.9% of the Banking System.

**Banco de Bogota Consolidated - Balance Sheet**

| (Billions of Colombian Pesos) | Jun- 2010 | Jun- 2011 | Jun- 2012 | Jun- 2013 |
|---|---|---|---|---|
| **Total Assets** | **31,933** | **41,105** | **46,407** | **53,511** |
| Loans & Financial Leasing, Net(1) | 18,992 | 23,977 | 27,856 | 32,404 |
| Investments in Debt Securities | 4,335 | 5,024 | 4,976 | 5,641 |
| **Total Liabilities** | **27,379** | **33,391** | **38,056** | **43,941** |
| Total Deposits | 22,575 | 25,691 | 30,232 | 36,100 |
| **Equity** | **4,554** | **7,714** | **8,351** | **9,570** |

(1) Includes Employee Loan Portfolio

| Banco de Bogota Not Consolidated - Statement of Earnings | | | | |
|---|---|---|---|---|
| **(Billions of Colombian Pesos)** | **Jan-Jun 2010** | **Jan-Jun 2011** | **Jan-Jun 2012** | **Jan-Jun 2013** |
| Net Interest Income | 765 | 844 | 1,025 | 1,272 |
| Loan Provisions, Loan Interest and Other Accounts Receivable, Net. | 151 | 141 | 166 | 270 |
| Total Provisions, Net | 139 | 127 | 153 | 245 |
| Total Income from Commissions and Other Services, Net | 241 | 245 | 254 | 271 |
| Total Operating Expenses | 577 | 627 | 702 | 823 |
| **Net Profit** | **389** | **507** | **618** | **782** |

## Assets

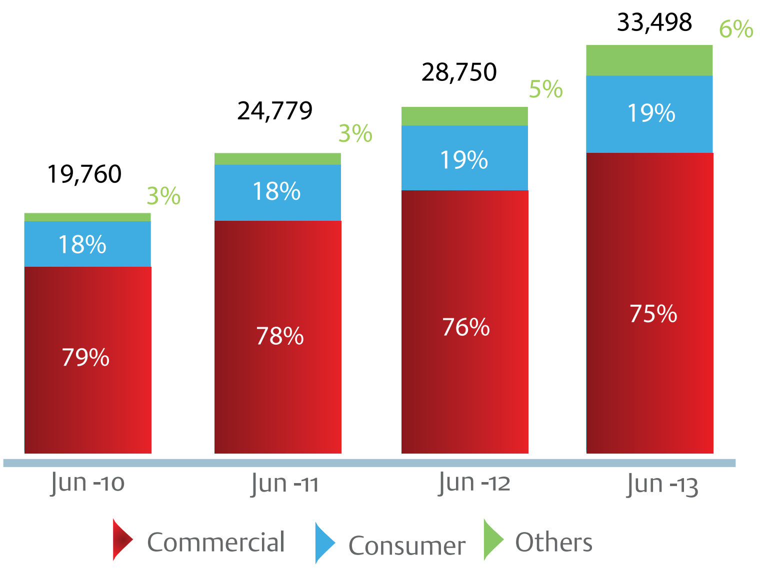
**Asset** performance was influenced by the 17% increase in gross loans, which amounted to COP 33,498 billion with a 13.5% market share of the banking system. The **Gross Loan** placement structure was maintained at 75% in commercial loans and 19% in consumer loans. However, positive results were seen in the growth strategies of the mortgage and microcredit loans, which total 5.2% of the total gross loan portfolio.

## Investments

With regard to the Fixed Income Investment portfolio (debt securities), which amounts to COP 5,641 billion, 72.1% came from securities issued by the Colombian government. Due to the Bank's balance sheet conservation policy, investments available for sale hold the largest share. In addition, the Bank structures adequate coverage to preserve the balance and deal with market volatility.

Evolution of Gross Loans

(Billions of Colombian pesos and share %)




Other: Includes Mortgages, Microcredits and Financial Leases

### Deposits

The Bank increased its **Deposits** by 19% in June 2013 compared to the previous year, amounting to COP 36,100 billion, of which 45% are savings accounts, 32% are TDs, 22% are checking accounts, and 1% are other deposits. The composition of the deposits is a result of the strategy of funding the operation with more long-term resources, which has represented a significant increase in term deposits of 23%, optimizing the institution's results in terms of liquidity.

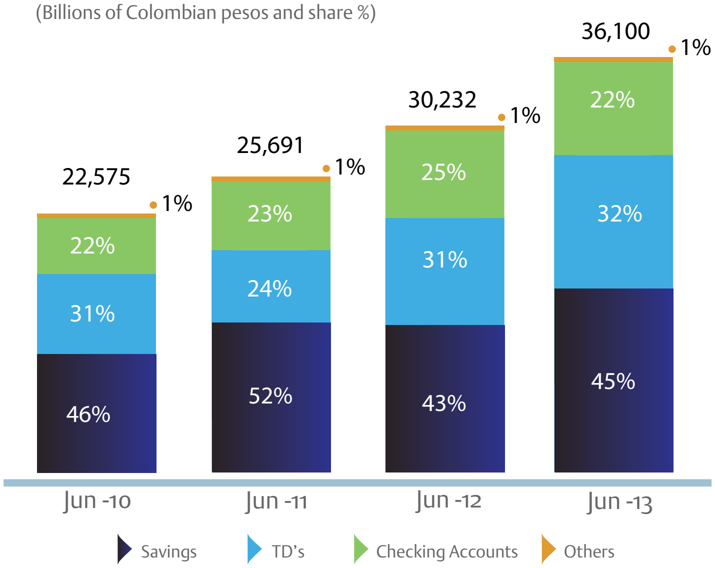
Loan activity is the Bank's main engine for growth in the semester.

### Equity

The Bank's **Equity** of COP 9,570 billion as of June 2013 grew primarily because of the increase of COP 769 billion in reserves from the appropriation of profits, in accordance with the profit distribution proposal approved by the shareholders' meeting for the second semester of 2012 and COP 425 billion growth of unrealized earnings in investments available for sale in equity securities, which was generated by Corficolombiana shares' higher price, which minimized the effect of the unrealized loss in investments available for sale in debt securities, which totaled COP 121 billion, influenced by devaluations in the fixed income market in the second quarter of 2013. Moreover, the profits for the current period vary COP 165 billion.

Evolution of Deposits

(Billions of Colombian pesos and share %)




### Net Profit

In the first semester of 2013, the Bank reached a **Net Profit** of COP 782 billion, with a noteworthy 27% increase compared to the same period last year. Compared to the Banking System, Banco de Bogotá has a 23% share of the market's total profit.

The Individual Net Profit of Banco de Bogotá presents an annual increase of 26.7%.

**Indicators**

The Bank's **Profitability Indicators** improved significantly compared to June 2012. Return on assets went from 2.8% to 3.1%, positioning the Bank as the best institution among the major banks, and the return on equity increased from 15.4% to 17.1%.

The Bank's financial margin results, together with an excellent management of operating expenses, show an **Efficiency Indicator** of 35.8%, which ensured the institution remains the best in the Banking System in terms of administrative efficiency.

As of June 2013, the individual **Solvency Ratio** was 17.34%, higher than last year at the same time by 190 basis points, an increase given primarily by the greater value of legal and occasional reserves generated by the appropriation of profits and the greater value of subordinated foreign currency debt of USD 500 million.

The **Loan Quality** Indicator for Banco de Bogotá placed at 2.3%, 50 bps higher than June 2012, primarily resulting from the increase in the Consumer Loans Quality Index, which was 5.7% as of June 2013, while the Commercial Loans Quality Index held at 1.4%. The Loan Coverage Indicator reached 144%.

| Banco de Bogota Unconsolidated - Main Indicators | | |
|---|---|---|
| | **Jun-2012** | **Jun-2013** |
| **Profitability Ratios** | | |
| ROAA (1) | 2.8% | 3.1% |
| ROAE (2) | 15.4% | 17.1% |
| **Administrative Efficiency** (3) | 38.8% | 35.8% |
| **Solvency Ratio** (4) | 15.4% | 17.3% |
| **Loan Quality** | | |
| Non-performing Loans / Gross Loans (5) | 1.3% | 1.6% |
| Past Due Loans / Gross Loans (6) | 1.8% | 2.3% |
| Loan Provision / Past Due Loans | 170.2% | 144.3% |
| Loan Provision / Gross Loans | 3.1% | 3.3% |

(1) Net Profits of the Period, Annualized / Average of Assets.
(2) Net Profits of the Period, Annualized / Average of Equity.
(3) Operating Expenses before Depreciation and Amortization / Gross Financial Margin.
(4) Technical Capital / Risk-weighted Assets.
(5) Non-performing Loans: microcredit 31 or more days overdue, mortgage and consumer loans 61 or more days overdue and commercial loan 91 or more days overdue.
(6) Past due loans: 31 or more days overdue.

*"The Bank has definitely been our ally"*

Socorro Toro, *Financial Director - Mincivil SA*

*Hidroeléctrica del Alto Porce*

"The project's regional impact has been very favorable, as it has energized commerce, services and job creation with the number of employees increased to 600, many coming from the municipalities of Barbosa and Santo Domingo. Banco de Bogotá has given the project on-going, unconditional support. Their service and availability has been constant, and they've taken care of all our needs and requests. We definitely believe that the Bank is our ally, because they've given us their support from the start"

## BAC Credomatic, Inc. (Operation in Central America)

BAC Credomatic, as one of Central America's most important conglomerates, has a broad network of channels along the region which allows it to provide comprehensive services to its customers.

As of June 2013, BAC Credomatic had **assets** totaling USD 11,372 million, with an increase of 15.8% compared to that as of June 2012.

The **Loan Portfolio** comprises 65% of the Bank's assets, and amounts to USD 7,372 million. The loan portfolio grew 16.9% compared to that as of June 2012, showing variations of 20% both in commercial and consumer loans, with less growth in the mortgage loan portfolio.

Regarding the geographic distribution of loan placement, Costa Rica, Guatemala and Panama contributed 72.3% of the total loan increase in the last year, particularly in commercial and consumer segments.

BAC Credomatic **consolidates its position in Central America** by generating profits and by placing loans.

| BAC Credomatic - Balance Sheet | | |
|---|---|---|
| **Figures in US GAAP** | | |
| **(Millions of US Dollars)** | **Jun-2012** | **Jun-2013** |
| **Total Assets** | **9,824** | **11,372** |
| Total Loans & Financial Leasing, Net | 6,306 | 7,372 |
| Total Net Investments | 782 | 810 |
| **Total Liabilities** | **8,738** | **10,064** |
| Total Deposits | 6,812 | 7,524 |
| **Equity** | **1,086** | **1,308** |

**Liabilities** totaled USD 10,064 million, with 15.2% growth as compared to that as of June 2012 (USD 8,738 million). The major source of funding for BAC Credomatic are **Deposits**, representing 74.8% of liabilities (USD 7,524 million). Last year, deposits grew 10.4%, explained by greater deposits in savings accounts and term deposits, in line with BAC's strategy of focusing on strengthening its position with regard to liquidity risk.

BAC Credomatic – State of Earnings

| Figures in US GAAP | Accumulated | |
|---|---|---|
| (Millions of US Dollars) | Jan-Jun 2012 | Jan-Jun 2013 |
| Net Interest Income | 318 | 355 |
| Total Provisions, Net | 41 | 56 |
| Total Income from Commissions and Other Services, Net | 181 | 214 |
| Total Operating Expenses | 298 | 330 |
| **Net Profit** | **120** | **142** |

As of June 2013, **Net Profit** totaled USD 142 million, 19.1% higher than the first semester of the previous year (USD 120 million) This increase is due to higher net interest income of USD 37 million, explained primarily by greater placements in Consumer and Commercial loans. Similarly, net income from commissions showed a positive variation of USD 33 million (18%).

BAC Credomatic - Main Indicators

| | Jun-2012 | Jun-2013 |
|---|---|---|
| **Profitability Ratios** | | |
| ROAA (1) | 2.5% | 2.6% |
| ROAE (2) | 22.4% | 22.5% |
| **Solvency Ratio** | 12.7% | 13.2% |
| **Loan Quality** | | |
| Non-performing Loans / Gross Loans (3) | 2.0% | 1.6% |
| Past Due Loans / Gross Loans (4) | 2.5% | 2.2% |
| Loan Provision / Past Due Loans | 64.0% | 85.9% |
| Loan Provision / Gross Loans | 1.6% | 1.9% |

(1) Net profit for the period, Annualized / Average Assets at the end of current period and end of previous period.
(2) Net Profit for the period, Annualized / Average Equity at the end of current period and end of previous period
(3) Non-performing Loans: microcredit 31 or more days overdue, mortgage and consumer loans 61 or more days overdue and commercial loan 91 or more days overdue.
(4) Past due loans: 31 or more days overdue.
Source: Banco de Bogota Consolidated Financial Statements

## Corporación Financiera Colombiana S.A. (Consolidated)

Corficolombiana is a company specialized in managing investment portfolios and investment banking. It has been focusing its market position in sectors with low risk and predictable cash flows. Five of these sectors stand out as strategic sectors: energy and gas, infrastructure, agribusiness, the hotel sector and the financial sector.

In the **Energy and Gas** sector (66.5% of the total portfolio), Corficolombiana has a share in companies that have the capacity to develop new projects and expand to new markets, as are: Promigas (44.8%), Concecol (99.9%), Gascop (83.4%), Empresa de Energía de Bogotá (3.6%) and Gas Natural (1.7%).

Noteworthy in this segment is the anticipated redemption on assets of Fondo de Capital Privado Corredores Capital (holder of the Company's share in Promigas), disinvestment in non-strategic assets like the sale of Promitel by Promigas, which generated extraordinary profits for the latter in the order COP 121,000 million, and the optimization of the fund through the issue by Promigas of COP 900,000 million in bonds, which reduced the cost of the debt from 7.6% to 5.9%.

In **Infrastructure**, Corficolombiana is the country's main investor, with 850 km in road concessions and 80 km in construction contracts. The corporation is active in the country's major infrastructure projects, with 33% of Section 2 of Ruta del Sol through Episol, and the Pan American concession, and 60% of the execution of the two-lane Bogota - Villavicencio highway through Epiandes.

In the **Agribusiness** sector, Corficolombiana is actively participating in the production of timber, palm oil, rubber, rice and cotton. These businesses offer attractive long-term returns and evidence opportunities for future growth. At this time the Corporation is engaged in rubber and rice planting projects through Valora S.A.S and Pajonales, respectively, and palm oil extraction through Unipalma and timber production through Pizano.

In the **Hotel Sector**, Corficolombiana also holds 84.9% of the Estelar Hotels chain, a leading hotel chain in Colombia with 27 hotels and over 3,230 rooms, distributed in 13 cities throughout Colombia, Panama and Peru. And finally, the Corporation complements its portfolio of financial services in the **Financial Sector** with trust, leasing, securities brokerage and offshore banking products.

| Corficolombiana Consolidated - Balance Sheet | | |
|---|---|---|
| **(Millions of US Dollars)** | **Jun-2012** | **Jun-2013** |
| **Total Assets** | **12,281,439** | **12,218,668** |
| Total Loans & Financial Leasing, Net | 741,036 | 752,169 |
| Total Net Investments | 6,715,487 | 6,182,450 |
| **Total Liabilities** | **9,190,869** | **8,767,424** |
| Total Deposits | 3,372,783 | 2,921,780 |
| **Equity** | **3,090,570** | **3,451,244** |

As of June 2013, the Corporation reported **Assets** totaling COP 12.2 trillion. The Corporation's **Investment** portfolio amounts to COP 6.2 trillion, COP 3.5 trillion in debt securities investments and COP 2.7 trillion in participatory security investments.

**Liabilities** totaling COP 8.8 trillion are distributed in deposits amounting COP 3.1 trillion and money market operations in the order of COP 2.9 trillion. In turn, **Equity** had a 11.7% annual increase, reaching COP 3.5 trillion.

| Corficolombiana Consolidated - Statement of Earnings | | |
|---|---|---|
| **(Millions of US Dollars)** | **Jun- 2012** | **Jun- 2013** |
| Net Interest Income | 87,437 | 80,477 |
| Total Provisions, Net | 5,168 | 3,179 |
| Total Income from Commissions and Other Services, Net | 20,581 | 24,390 |
| Total Other Operating Income | 270,040 | 419,196 |
| Total Operating Expenses | 71,240 | 88,558 |
| **Net Profit** | **209,187** | **288,924** |

Additionally, **Net Profit** for the first semester of 2013 was COP 288,924 million, recording growth of 38.1% as compared to the same period 2012. This result is attributed to increased income from dividends, in the order of COP 91,510 million.

| Corficolombiana - Main Indicators | | |
|---|---|---|
| | **Jun-2012** | **Jun-2013** |
| ROAA (1) | 3.7% | 2.3% |
| ROAE (2) | 13.9% | 17.9% |
| Efficiency (3) | 19.4% | 17.4% |

Source: Banco de Bogota Consolidated Financial Statements

(1) Net Profit of the Semester, Annualized / Average Assets.
(2) Net Profit of the Semester, Annualized / Total Equity.
(3) Operating Expenses before Depreciation and Amortization / Total Operating Income before Provisions.

## Sociedad Administradora de Fondos de Pensiones y Cesantías, Porvenir S.A. (Consolidated)

In the first semester of 2013, **Porvenir continued to be one of the leaders in the pensions and severance fund market in Colombia,** with managed funds totaling COP 56.0 trillion, reflected in shares of 29.5% in mandatory pension funds (moderate) and 33.2% in long-term severance funds.

In **Mandatory Pensions**, Porvenir recorded an annual growth of 12.8% in managed resources, with COP 35.1 trillion and 3,841,122 members as of June 2013.

As for **Severance**, it strengthened its leadership in collections, managing COP 2.6 trillion at June 2013. For this segment, Porvenir had 1,910,304 members at the end of the first semester of 2013.

With regard to **Voluntary Pensions**, managed resources amounted to COP 2.1 trillion in the first semester of 2013, representing 7.8% annual growth. Porvenir had 100,096 affiliates in this business line at the end of the period in question.

An important event was the purchase of BBVA Horizonte S.A. shares from the Spanish companies Banco Bilbao Vizcaya Argentaria S.A. and Compañía Chilena de Inversiones S.A. Their sale closed on April 18, 2013 after obtaining the authorization from the Colombian Financial Superintendency.

After the fusion with AFP Horizonte, at the end of 2013, Porvenir will be the largest pension and severance fund manager.

With the close of this operation, Porvenir, Grupo Aval, Banco de Bogotá and Banco de Occidente acquired 99.9% **of BBVA Horizonte's total outstanding shares for a total of COP 999,621 million.**

To ensure customer satisfaction, Porvenir has included in its long-term plans the goal of attaining a technological certification that would evidence a sustainable, service-oriented process. Similarly, the Company has been working on procedures to reduce deadlines and payment requests.

| Porvenir Consolidated - Main Financial Statement Figures | | |
|---|---|---|
| **(In Millions of COP)** | **Jun-2012** | **Jun-2013** |
| Total Assets | 932,625 | 1,607,060 |
| Total Liabilities | 241,960 | 723,123 |
| Equity | 690,666 | 883,937 |
| Net Profit | 105,694 | 86,929 |
| **Profitability Ratios** | | |
| ROA | 24.4% | 13.8% |
| ROE | 32.2% | 20.6% |

Source: Banco de Bogotá Consolidated Financial Statements, including the figures of the acquisition of AFP Horizonte.

Porvenir's total **Assets** as of June 2013 amounted to COP 1.6 trillion, which represents an increase of 72.3% as compared to June 2012, which is a result of the increase in investments from the purchase of AFP Horizonte. **Liabilities**, COP 723,122 million, also exhibit a significant variation (198.9%), which is the product of the debt acquired to close the purchase in question.

Porvenir's **Net Profit** as of June was COP 86,929 million, recording an annual contraction of 17.8% attributed to reduced income from valuation of investments. That is a product of increased long-term and short-term rates in the yield curve of TES securities, as well as increased spending from the integration of AFP Horizonte.

## Fiduciaria Bogotá S.A.

Fidubogotá continues to be a sector leader, consolidating its position and also generating significant added value for its shareholders with managed **Assets in Trust** totaling COP 36.6 trillion as of June 2013, with 71.1% annual growth, primarily because of increased resources in pension trusts.

As of June 2013, **Real Estate Investment Trusts** managed by Fidubogotá amounted to COP 4,766,916 million, which represents an annual growth of 46.8%. Fiduciaria Bogotá has actively participated in this activity by managing the National Government's Free Housing program.

Compared to the first semester of 2012, total assets managed by the **Fiduciary Management** Business line grew 138.7% shifting from COP 3,555,811 to COP 8,487,112 million with customers in different sectors of the economy such as Oil and Gas, Construction, Financial and Government, totaling 391 contracts. **Pension Funds** also displayed significant growth, 88.2% in assets in trust, which amount to COP 15,552,273 million at the end of June 2013.

As of June 2013, **Net Profit** was COP 27,800 million, which is similar to the amount for the first semester of 2012. As part of the results, net operating income amounted to COP 68,942 million, of which COP 54,267 million were generated by collective portfolio commissions and fiduciary services, and COP 11,933 million from dividends received from Porvenir. It should be noted that the smaller profit is due to market movements which affected income because of valuation of investments in equity securities.

With regard to the fiduciary sector, Fidubogotá has a 13.9% share in Net Profit as of June 2013, ranked number three trust fund in that category.

Fiduciaria Bogotá S.A - Main Financial Statement Figures

| (In Millions of COP) | Jun-2012 | Jun-2013 |
|---|---|---|
| Total Assets | 194,312 | 221,671 |
| Total Liabilities | 46,760 | 36,202 |
| Equity | 147,552 | 185,469 |
| Net Profit | 28,659 | 27,800 |
| **Profitability Ratios** | | |
| ROA | 30.3% | 25.8% |
| ROE | 40.6% | 32.3% |

Source: Banco de Bogota Consolidated Financial Statements

## Almaviva S.A.

As of June 2013, the value of goods entrusted to Almaviva totaled COP 1,367,681 million compared to the COP 1,196,211 million obtained the same period the previous year, which generated income from **Storage Services** of COP 20,557 million.

In the **Customs Services** business, Almaviva maintained its growth trend, shifting from 20,146 import declarations registered in June 2012, to 20,723 in June 2013.

In **Management and Distribution**, the number of transported units was 552,623 in the first semester of 2013, contributing COP 17,147 million to Almaviva's income.

In the **Merchandise Distribution** segment, the number of transported kilos was 5.8 million in the first semester of 2013. Its customers belong to various sectors of the economy, such as the automotive, industrial, food and beverage and telecommunications.

One of Almaviva's significant actions was to open new storage and distribution centers. Particularly noteworthy is the **Centro Logístico San Carlos**, one of the most modern in Latin America, located in the municipality of Funza.

**Income from operations** totaled COP 52,579 million as of June 2013, with 2.4% growth that was affected by the slowdown in consumer goods in the first semester of the year.

**Net Profit** at the end of the semester was COP 22,504 million, with 202.7% annual growth explained by Almaviva's extraordinary income, given the sale of a warehouse in Bogotá, which generated profits of COP 16,478 million. Similarly, **the Annual Return on Equity** shifted from 10.0% in June 2012 to 28.3% in June 2013, because the capitalization level of the previous semester was retained.

Our new
San Carlos Logistics Center
is one of the most modern in
Latin America.

| Almaviva Consolidated - Main Financial Statement Figures | | |
|---|---|---|
| **(In Millions of COP)** | **Jun-2012** | **Jun-2013** |
| Total Assets | 205,534 | 211,184 |
| Total Liabilities | 55,518 | 48,158 |
| Equity | 150,016 | 163,026 |
| Net Profit | 7,435 | 22,525 |
| **Profitability Ratios** | | |
| ROA | 7.3% | 21.6% |
| ROE | 10.0% | 28.3% |

Source: Banco de Bogota Consolidated Financial Statements

## Banco de Bogota S.A. Panama & Subsidiary

As of June 2013, Banco de Bogotá Panama had **Assets** in the order of USD 1,003 million, with a 36.1% increase as compared to the same month last year (USD 737 million). Of the total assets, USD 421 million was from the **Gross Loan Portfolio**, and USD 228 million from the **Investment** Portfolio, which had significant growth in debt securities, in line with the liquidity placement strategy the Bank has been implementing. As of June 2013, the investment portfolio represented 22.7% of assets.

Banco de Bogotá Panama **Liabilities** totaled USD 943 million, of which 98.5% was deposits that exhibited positive performance during the year, with 37.8% growth, shifting from USD 674 million to USD 929 million between June 2012 and June 2013, coming from institutional and corporate customers.

Banco de Bogotá Panama's **Equity** was USD 59 million as of June 2013, and **Net Profit** for the semester was USD 3 million.

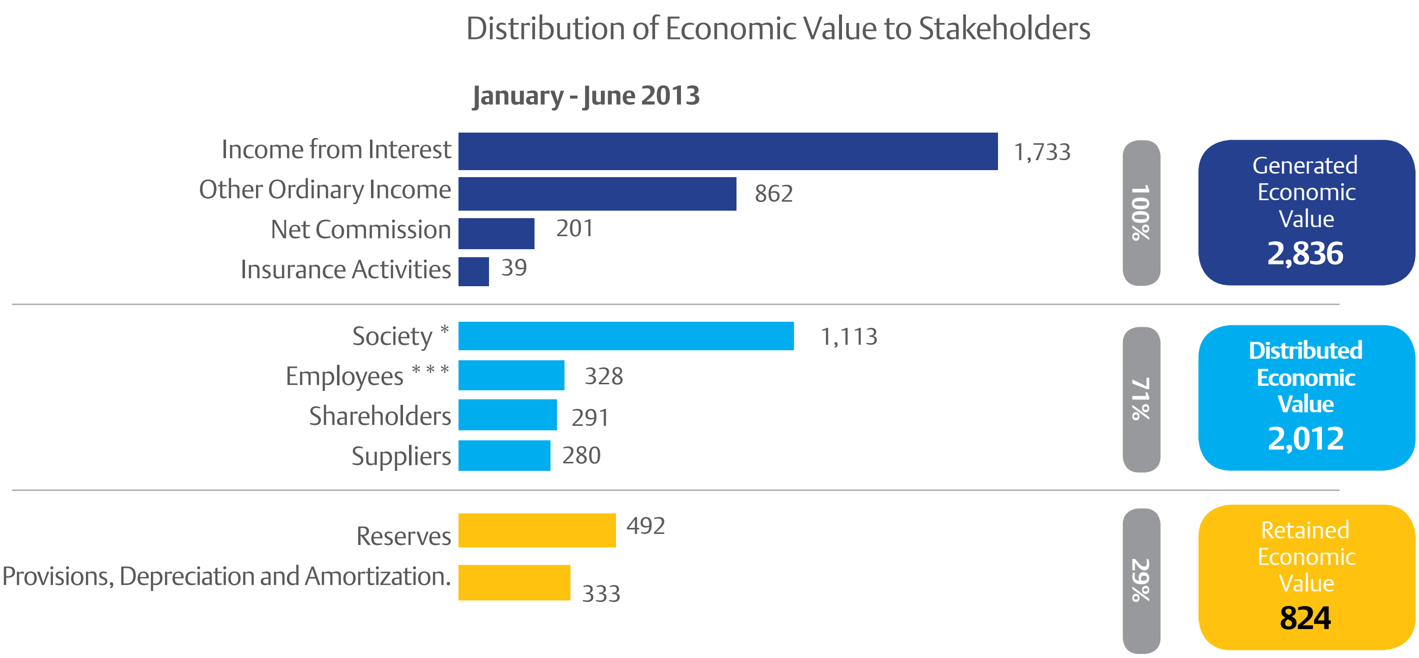
| Banco de Bogota Panama Consolidated | | |
|---|---|---|
| **Figures under Banking GAAP** | | |
| **(Millions of US Dollars)** | **Jun-2012** | **Jun-2013** |
| **Total Assets** | **737** | **1,003** |
| Gross Loans | 462 | 426 |
| Investments | 142 | 228 |
| **Total Liabilities** | **680** | **943** |
| Deposits | 674 | 929 |
| **Equity** | **57** | **59** |
| Net Profit | 4 | 3 |
| **Profitability Ratios** | | |
| ROA | 0.5% | 0.3% |
| ROE | 6.9% | 5.2% |

Source: Banco de Bogota Consolidated Financial Statements

## Contribution to the Country's Economic Development

This period exhibited dynamic, sustainable growth allowing us to generate economic value to the national economy. Our Generated Economic Value, Distributed Economic Value and Retained Economic Value[1] illustrate the economic profitability we generated the first semester of 2013 in numbers, as well as the way in which we distributed this value among the different stakeholders:

**Banco de Bogotá**
**Generated, Distributed and Retained Economic Value**
(Billions of Pesos)




(*) Society includes: Expenses for interest paid to customers, (**) public administration and donations.
(**) Expenses for interest are distributed as follows: Deposits and current liabilities / Bank loans, other financial obligations, among others.
(***) Employees include: Labor expenses/ Part time / Outsourcing.

[1]The current Generated, Distributed and Retained Economic Values were calculated following the methodology described for that purpose by the G-3 GRI Guide. Global Reporting Initiative (GRI) is an organization created to promote and develop world standards to measure and present corporate management reports. Values used in this methodology come from Banco de Bogotá Financial Statements.

Between January - June 2012 and January - June 2013, the economic value we generated grew COP 475 billion, totaling COP 2,836 billion, a figure that represents the payment we received by providing our financial services and placing our products in the market. Of the generated economic value, 61.1% was from interest income, 30.4% from other ordinary income, such as investments and dividends, and 8.5% from net commissions and insurance activities.

### Distribution of Generated Economic Value to Stakeholders

Our distributed economic value increased by COP 242 billion, shifting from COP 1,770 billion in January - June 2012 to COP 2,012 billion in the same period for 2013. In the Distribution to Society category, 24.6% is to pay Interest to our Customers, other financial institutions, obligations and discounts in repo operations, and 14.6% is distributed between tax payments to the State and donations of funds to several foundations and institutions that are engaged in social, educational and cultural projects, among other things; 11.6% is distributed to our employees and corresponds to salaries, bonuses, social security contributions and indemnities; 10.3% is to pay dividends to our shareholders, and the remaining 9.9% to pay our suppliers, who fill the needs for products or services required to perform our activity efficiently.

Our retained economic value represents 29.1% of the generated economic value and between January - June 2012 and January - June 2013, it shifted from COP 591 billion to COP 824 billion. This important line item is set aside to constitute reserves and provisions, amortizations and depreciations that will protect the implementation of our expansion projects in the medium-long term and ensure business continuity.

**Banco de Bogotá**
**Distribution of Generated Economic Value**
(% accumulated from January to June 2013)
Source: Banco de Bogotá