

A woman with dark hair pulled back, wearing a pink button-down shirt over a white collared shirt and black pants, stands in a store aisle. She is smiling and looking towards the camera. The aisle is filled with shelves of various snacks, including bags of chips and boxes of pasta. The background is slightly blurred, focusing attention on the woman.

Mariana Hinestrosa
Istmina Branch Customer
Istmina

Chapter 9

Relevant Information



*We provide clear,
timely information.*

We keep our stakeholders up-to-date on the organization's most relevant events.

9. Relevant Information

Operations with Partners and Managers

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

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

Intellectual Property and Copyrights

Pursuant to the requirements of Section 4, Article 47 of Law 603 of 2000, Banco de Bogotá long ago established enforcement policies regarding intellectual property and copyright regulations concerning the different services and products necessary or owned for the performance of its work, whenever they are required. The Systems (IT), Marketing and Corporate Comptroller departments conduct audits throughout the whole country to monitor the compliance of such policies and legal provisions. Furthermore, Banco de Bogotá, where applicable, keeps records of their names, brands, products, services and publications in full force and effect.

Disclosure and Control of Financial Information

Pursuant to Article 47 of Law 964 of 2005, during the first semester of 2013, the Legal Representatives of Banco de Bogotá, exercised the responsibility of establishing and maintaining appropriate systems for the disclosure, follow-up and control of financial information. To do so, they effectively relied on control and monitoring systems, as well as on departments that specialize in risk that ensure that the financial information provided to different institutions is adequate. Legal Representatives, aware of the responsibility implied in the management of different risks of the banking business, are fully cognizant of how they intertwined with the Bank's general strategy, and they are familiar with the processes, business structure and nature of its activities.

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

Furthermore, the Legal Representatives constantly verify that all of the Bank's activities, transactions and operations are done within the parameters permitted by current regulations and authorized by the Board of Directors and the Bank's Senior Management.

Additionally, Legal Representatives assess before the Audit Committee, the Statutory Auditor and the Board of Directors, the operation and internal controls that allow the Bank to properly register, process, summarize and present financial information.

Likewise, they analyze cases that may affect the quality of the financial information, as well as methodological changes in the evaluation thereof.

Entity's Forecast Evolution

For the second semester of 2013, Banco de Bogotá will continue to consolidate the objectives and goals defined in its strategic planning, which will allow it to continue to further its commitment to the banking process, as regards social responsibility and the country's growth, as a solid, efficient and leading entity in the financial system. As part of the above, the Bank will strengthen and capitalize on its relations with its customers by improving the value offer made available to them and expanding its national and international presence and coverage through optimum channels, specialized models, skilled personnel and throughout its different affiliates, its technological and physical infrastructure and its proactive inorganic growth strategy.

Important Subsequent Events

Grupo Financiero Reformador

On June 26, 2013, Banco de Bogotá, through the Credomatic International Corporation (CIC) subsidiary, part of BAC Credomatic in Central America, signed an agreement to acquire one hundred percent (100%) of the shares of Grupo Financiero Reformador for USD 411 million. Grupo Financiero is made up of Banco Reformador of Guatemala and Transcom Bank (Barbados) Limited.

Grupo Financiero Reformador has been operating in the Guatemalan market for more than 20 years. At the end of December 2012, it had assets of USD 1,528 million and equity of nearly USD 150 million.

Millions of USD	2010	2011	2012
Assets	1,231.2	1,409.1	1,528.3
Equity	132.3	142.8	148.0
Net Profit	15.7	17.7	18.1

Banco Bilbao Vizcaya Argentaria (Panama) S.A.

On July 19, 2013, through its Leasing Bogotá S.A. Panama affiliate, Banco de Bogotá signed an agreement to acquire one hundred percent (100%) of the direct and indirect shares of BBVA in Banco Bilbao Vizcaya Argentaria (Panama) S.A. (BBVA Panama). The BBVA holds 98.92% of BBVA Panama's share capital. The transaction will close at a base purchase price of USD 490 million (net of a probable extraordinary distribution of dividends for USD 140 million).

BBVA Panama had assets of USD 1,972 million and an equity of USD 321 million, as of May 31, 2013, and it had a net profit of USD 36 million for 2012.

Millions of USD	2010	2011	2012
Assets	2,097.6	2,146.7	2,087.2
Equity	271.1	305.3	307.1
Net Profit	41.6	35.5	35.6

Porvenir – AFP Horizonte Merger

On June 20, 2013, Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A and AFP Horizonte submitted to the Financial Superintendency of Colombia an advance notice of merger. This process will be carried out in the second semester of 2013, whereby Porvenir will be the acquiring company.

It is worth noting that the purchase was completed on April 18, 2013, after receiving authorization from the Financial Superintendency of Colombia.

Panama Branch Opening

On July 1, 2013, the Panama Branch of Banco de Bogotá Colombia started operations in this market, handling transactions of local customers who were previously part of the Banco de Bogotá S.A. Panama balance sheet. The opening of the branch is subject to Banco de Bogotá S.A. Panama only being able to operate under the international license and thus, it can only offer its services to foreigners (particularly Colombian customers).

Regulatory Capital Changes

Decree 1771 of August 23, 2012, went into effect on August 1, 2013, which essentially amends the calculation of the Solvency Ratio for Loan Companies in order to improve the quality of the capital, based on internationally accepted technical criteria.

This standard requires the monthly calculation of the Individual Solvency Ratio and the quarterly calculation of the Consolidated Solvency Ratio.



“I like how the manager treats me.”

“Things have gone well for me, I like how the manager treats me. Being with Banco de Bogotá helps us to grow, to make our dreams come true. In my case, to improve my convenience store.

I am a ‘Grow’ Card customer.”

Mariana Hinestrosa, *Customer of the Istmina Branch in Choco*



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