



Chapter 1

Our Bank



*We have a solid track record
of 143 years supporting the
growth of the country and
the region*

Through our Corporate Governance and Internal Control Models, we promote ethical judgment in all our decisions, establishing a model for action in Colombia and in the other countries in which we operate.

1. Our Bank

Since its foundation in 1870, our Bank has continued to grow, becoming a part of the daily lives of all Colombians. With 143 years of operating experience, it occupies second place in the Colombian banking system by assets and profits, which makes it a highly relevant actor in Colombia and in the domestic financial sector. Our Bank is part of Grupo Aval, the most important financial group in Colombia.

Our Bank aims to further establish its leadership in Colombia whilst extending its operation within other countries in the region, by strengthening the relationship with its customers and improving the value offer made available to them through various channels and through a team committed to service.

We are a leading bank in Colombia and the region, generating confidence and benefits for our stakeholders.

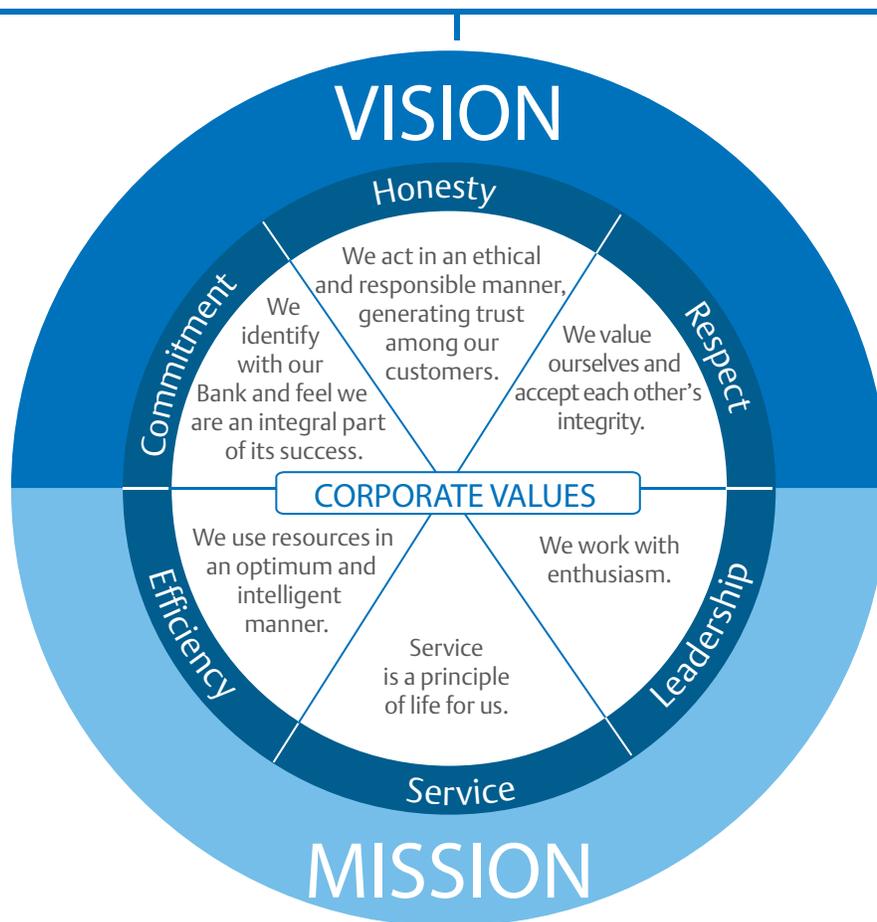


From left to right: Juan María Robledo Uribe, Executive Vice-President of Banco de Bogotá; Luis Carlos Sarmiento Gutiérrez, Banco de Bogotá's President of the Board of Directors; Luis Carlos Sarmiento Angulo, President of Grupo Aval; Alejandro Figueroa Jaramillo, President of Banco de Bogotá.

Mission, Vision and Corporate Values

The mission, vision and corporate values are the guidelines that define the course we wish to maintain and project for the permanence and evolution of our organization. Therefore, we determine our *raison d'être* through a series of criteria and premises that identify our organization in Colombia and the other countries where we operate.

- To be the leading bank in Colombia and Central America, growing with the progress of its customers, human resources, shareholders and country.
- To be the benchmark in universal banking for outstanding customer service, greater efficiency and innovation in Colombia.



- To be a leading bank in Colombia in the business and individual banking market, and the social and government sector.
- To be a bank that is always at the forefront in offering its customers advanced solutions that allow them to enjoy a satisfactory banking experience.
- To provide the best support for the growth and progress of its customers, because it values them and is willing and available to advise them, while providing them with quick, timely, friendly and quality service.
- To be a bank that achieves leadership objectives in terms of the efficiency, profitability, earnings and value generation that shareholders expect.
- To be a bank with talented team members who work with ingenuity, dedication, efficiency, speed, commitment and loyalty, always working towards achieving goals, who are motivated by the pride of belonging to an institution that provides them with wellbeing and enables them to grow.
- The Bank, by example and support, proves its commitment to develop and take ownership of its values, generating growth, harmony and benefits for the community.

Banco de Bogotá, a Regional Bank



12 Countries

15.9 million Customers

41,625 Employees

1,467 Branches

3,193 ATMs

COP 100.7 trillion in Assets

COP 56.6 trillion in Net Loans

COP 64.1 trillion in Deposits

COP 1.4 trillion in Net Profits

Corporate Governance

One of our main strengths is our Corporate Governance structure, with directives designed to fulfill the corporate purpose, offering high standards of quality and security in our services, and activities aligned with ethical principles and excellent management. The decisions of our Board of Directors are focused on managing risk through the development of a control system that takes into account increasingly structured and functional internal and external mechanisms for the Bank.

The Board of Directors, in fulfillment of its legal and statutory duty to direct and draft the Company's general policies in terms of Corporate Governance, has compiled the following documents into the "Banco de Bogotá Corporate Governance Practices": Bylaws, Corporate Governance Code, Code of Ethics and Audit Committee's Rules of Procedure¹.

Banco de Bogotá has the following Corporate Governance Bodies:

- **Governing Bodies:** General Shareholders' Meeting.
- **Administrative Bodies:** Board of Directors, Board of Directors' Supporting Committees (Audit Committee, Credit Committee, Credit and Treasury Risk Committee, Assets and Liabilities Technical Committee [ALM]), Presidency, Executive Vice-presidency and Vice-presidencies.
- **Control Mechanisms:** Internal Control System, Internal Control Bodies, and Risk Management System (Credit Risk,

Liquidity Risk, Market Risk, Operational Risk, and Money Laundering and Terrorist Financing Risk).

- **Internal Control Bodies:** Board of Directors and Office of the Comptroller.
- **External Control Bodies:** Statutory Auditing Firm, Financial Superintendency of Colombia, Superintendency of Industry and Commerce, Securities Market Self-Regulator, American authorities for US banking agencies, and the different supervisory bodies in the other countries in which we operate.
- **Corporate Governance Compliance Bodies:** General Shareholders' Meeting, Board of Directors and Presidency.

Based on this Corporate Governance structure, there are a series of regulations and standards managed by the Bank's steering and management bodies, seeking to manage risk within a clearly-defined control framework.

In September 2013, the II College of Supervisors of Banco de Bogotá was held, with the aim of securing the relationship of the Bank and its affiliates abroad with the supervisory bodies in the different countries where we operate. At this event, organized by the Financial Superintendency of Colombia, up-to-date information about the financial situation and the control environment was presented to supervisors from Colombia, Costa Rica, El Salvador, Honduras, Nicaragua, Panama, Guatemala and the Cayman Islands.

¹ These documents are published on the Bank's website, www.bancodebogota.com.



II College of supervisors of Banco de Bogotá, September 2013.

Board of Directors

Primary members	Alternate members
Luis Carlos Sarmiento Gutiérrez	Guillermo Perry Rubio
Sergio Uribe Arboleda	Jorge Iván Villegas Montoya
Alfonso de la Espriella Ossio	Ana María Cuéllar Jaramillo
Carlos Arcesio Paz Bautista	Sergio Arboleda Casas
José Fernando Isaza Delgado	Álvaro Velásquez Cock

Board of Directors Advisor

Luis Carlos Sarmiento Angulo

Statutory Auditing Firm

KPMG Ltda.

Represented by:

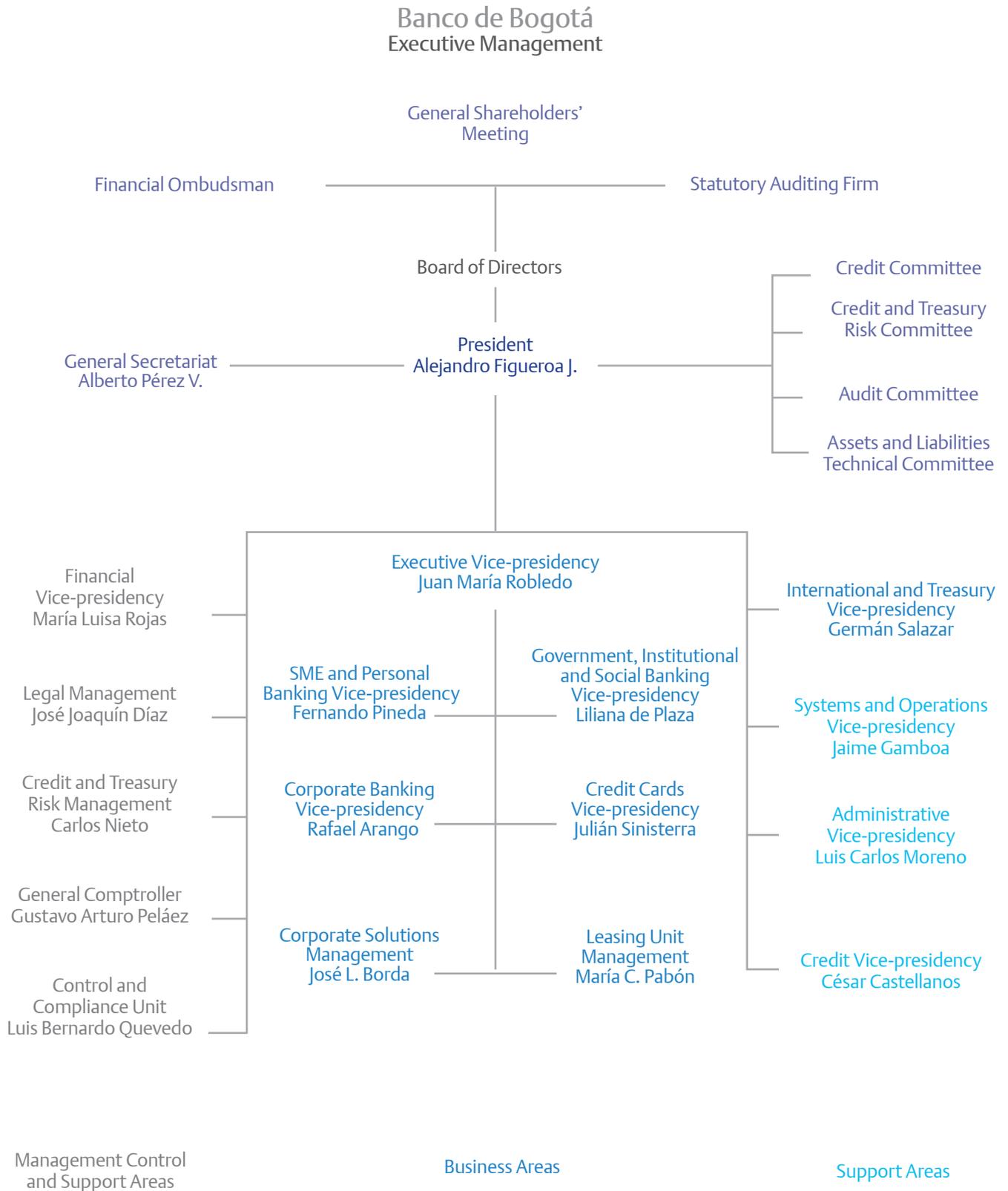
María Ligia Cifuentes Zapata

T.P.30070-T

Financial Ombudsman

Octavio Gutiérrez Díaz

Organizational Structure



Banco de Bogotá and Affiliates

Banco de Bogotá 

President: Alejandro Figueroa J.

Universal bank with a wide product and service portfolio, present throughout Colombia, with agencies in Miami, New York and Panama.

 **BAC | CREDOMATIC**

President: Ernesto Castegnaro

Central American Financial Group with banking operations and credit cards in every country in Central America².

 **Corficolombiana**

President: Jose Elías Melo

Financial Corporation with a broad portfolio of products specialized in Private and Investment Banking, Treasury and Equity Securities Investments.


sólo hay uno

President: Miguel Largacha

Pension and Severance Funds Management.

Fiduciaria Bogotá 

President: César Prado Villegas

Execution of Mercantile Fiduciary and Trust Agreements.

CasadeBolsa
la comisionista de bolsa de Grupo Avil

President: Daniel H. Gómez

Stock Brokerage Firm (Securities Trading Intermediation and Management of Securities Funds).

Almaviva 

President: Pedro Echeverría

General Warehouse, Customs Agent and Integral Logistics Operator.

 **mega LINEA**

General Manager: Nubia Inés Sanabria

A Technical and Administrative Services Company

Banco de Bogotá 
Panama

General Manager: José Alberto Santana

Banco de Bogotá 
Nassau

General Manager: María F. Blanco

International License to carry out banking business.

Banco de Bogotá 
Miami Agency

General Manager: Alfonso García

Banco de Bogotá 
New York Agency

General Manager: John Kennedy

Entities authorized to carry out banking business and investment portfolio management focused on corporate and institutional customer service for Banco de Bogotá with a comprehensive service portfolio.

Banco de Bogotá 
Panama Branch

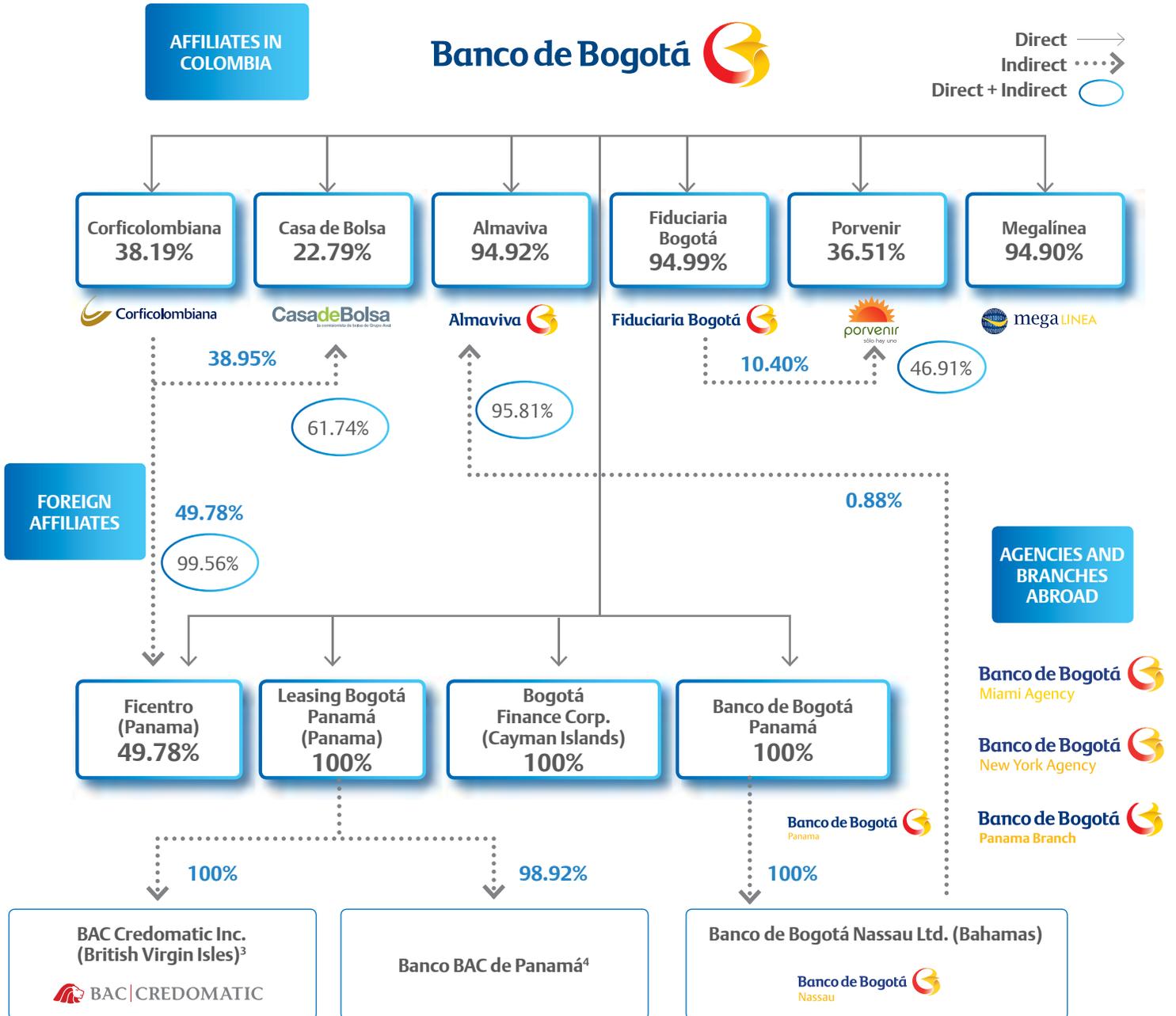
General Manager: José Alberto Santana

Entity with Panamanian General License, authorized to carry out banking business, essentially in the local market.

²The purchase operations of BBVA Panamá and Grupo Reformador de Guatemala, entities that form part of BAC Credomatic, were closed on December 19 and 23, 2013, respectively.

Banco de Bogotá and Affiliates

Direct and Indirect Share



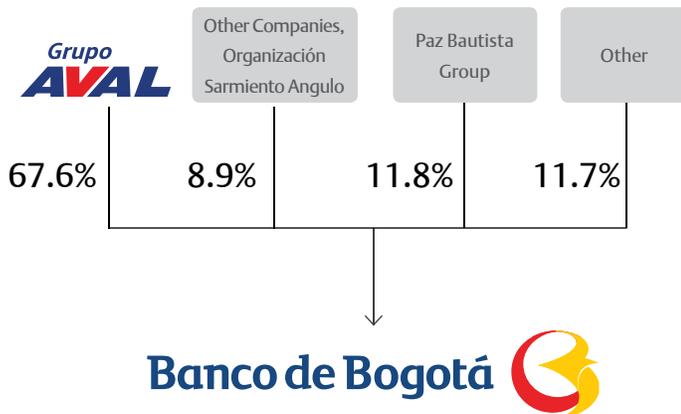
All shares are ordinary

³ Grupo Financiero Reformador de Guatemala was acquired on December 23, 2013, through Credomatic International Corporation.

⁴Previously BBVA Panamá

Bank's Main Shareholders

December 31, 2013



Ethical Commitment

Ethics and transparency are achieved through elements of our organizational culture. With them, we promote principles, values and behavior in our employees to achieve this ideal.

These initiatives are based on good governance, and their purpose is to ensure efficient and proper management of the resources we manage.

These initiatives are implemented through:

- A mission, vision, corporate values and defined strategic objectives.
- A Code of Ethics that sets out the values and principles guiding executives and employees' daily activities.
- Formal determination by senior management on the basic principles that govern the institution, as set forth in the Corporate Governance Code and in the various internal regulations, manuals and standards published in full and available to all employees on the Bank's Intranet.
- Procedures that enable employees at all levels of the organization to have the knowledge, skills, attitudes and values necessary to perform their duties within an effective internal control framework.



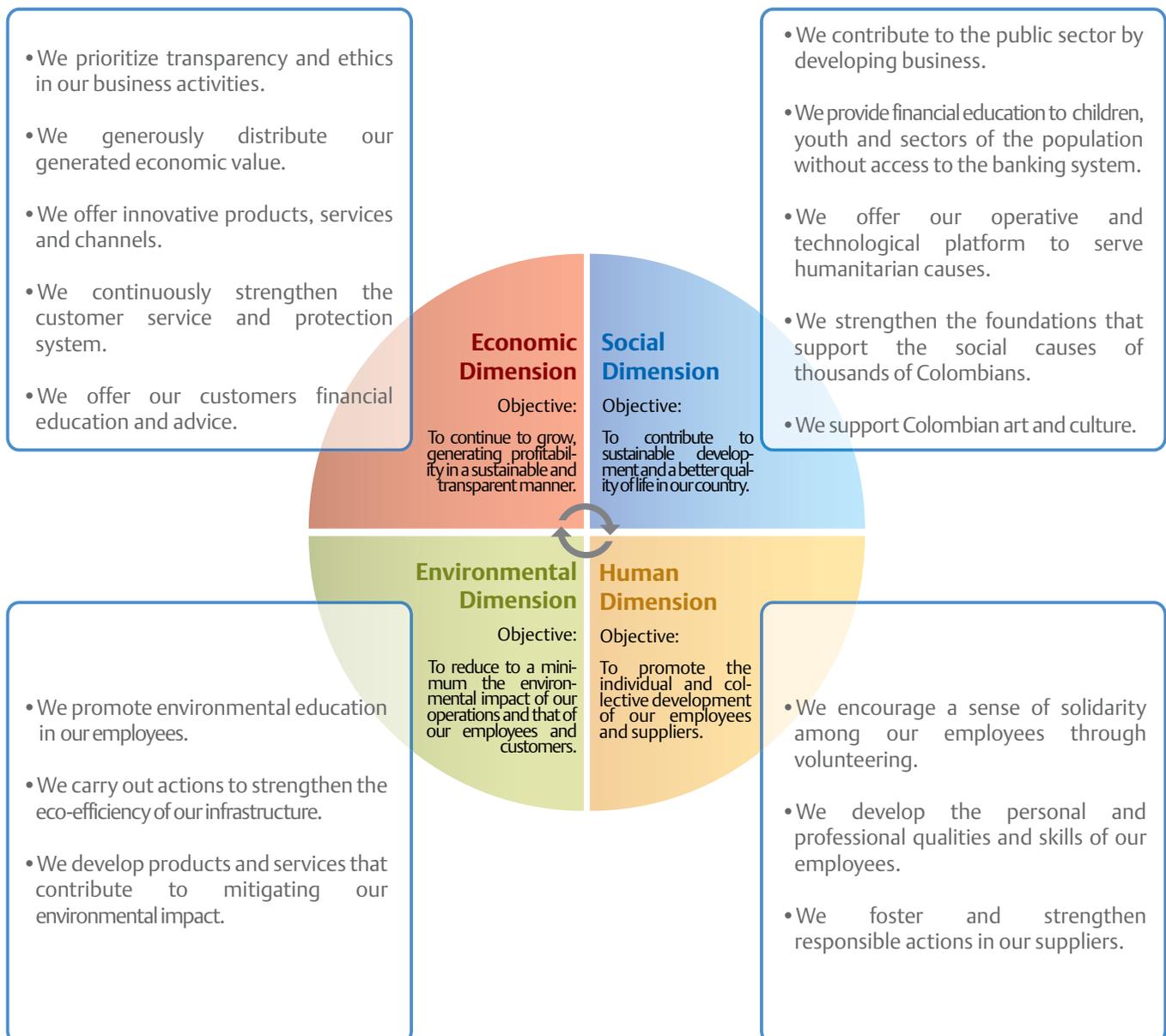
Our Social Responsibility Policy

“As a bank, our responsibility to society stems from the recognition and interest in the impact that our financial operations and services have on people’s lives and the environment.”

Therefore, we commit to managing our business responsibility through initiatives that harness our knowledge, strengths, soundness and experience to benefit our stakeholders.”

Pursuant to the guidelines in the social responsibility policy, we continue to develop our management by paying attention to the objectives we have established in the economic, social, human and environmental dimensions, to ensure the sustainability of the business.

Throughout this report, we will describe the way in which these actions were carried out during the management period.



In 2013, Banco de Bogotá

was recognized as the best bank in Colombia



Best Bank in Colombia 2013



The Banker

Bank of the Year in Colombia 2013



LATINFINANCE®

Bank of the Year in Colombia 2013

GLOBAL FINANCE

Best Foreign Currency Provider in Colombia

GLOBAL FINANCE

Best Foreign Trade Bank in Colombia

And our affiliate, BAC Credomatic,

as best bank in Central America and Costa Rica



LATINFINANCE®

Best Bank of 2013 within the Central American Regional Group



LATINFINANCE®

Best Bank of the year in Costa Rica 2013

The commitment of our shareholders and employees,
and the confidence of our customers, have made
receiving these awards possible.

¡Thank you all!

Recognition of Our Work

Thanks to the commitment of our shareholders and employees, and the confidence of our customers, we were recognized by various international publications in 2013. This recognition motivates us to continue to use our financial services to support all our stakeholders in the countries where we operate.

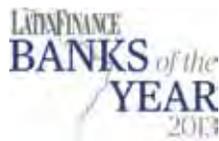
Euromoney:
Banco de Bogotá,
“Best Bank in Colombia 2013”



In July 2013, Euromoney magazine awarded Banco de Bogotá with the title “Best Bank in Colombia” at the “Euromoney Awards for Excellence 2013” awards ceremony. Banco de Bogotá received this award for the sixth time from one of the most prestigious publications in the world of finance.

The publication points out the solid financial results attained by our Bank in 2012, highlighting its competitive strengths in the markets in which it operates and its solid international reputation, demonstrated by the successful issue of subordinated bonds on the international market in February 2013, to a value of USD 500 million.

LatinFinance:
Banco de Bogotá,
“Bank of the Year in Colombia 2013”



In its November issue, LatinFinance magazine identified the best banks in different countries around the world, selecting Banco de Bogotá as the best bank in Colombia.

According to the publication, the Bank’s international expansion over the last few years is noteworthy, as is the favorable performance of its capital, profitability and portfolio quality indicators. Like Euromoney, this magazine also identifies our presence in the international capital market.

The Banker:
Banco de Bogotá,
“Bank of the Year in Colombia 2013”



In its December 2013 edition, the well-known magazine, The Banker, part of the Financial Times Group, chose Banco de Bogotá as the best bank in Colombia, highlighting its constant growth in market share, particularly in the personal banking segment through products such as credit cards and mortgage portfolio.

The English magazine points out the recent acquisitions made by Banco de Bogotá in Panama (BBVA Panama) and Guatemala (Grupo Financiero Reformador), which expand its presence in the Central American region. Likewise, the publication praises the Bank’s solid financial results, which are reflected in its outstanding profitability and capital indicators.

Global Finance:
Banco de Bogotá,
“Best Foreign Currency Provider in Colombia”
and “Best Foreign Trade Bank in Colombia”



In November 2013, the financial magazine, Global Finance, distinguished Banco de Bogotá as the Best Foreign Currency Provider in Colombia for 2014. Among other factors, the publication took into account volume of transactions, market share and customer service, as criteria for the granting of this award.

In December 2013, Global Finance also confirmed the selection of Banco de Bogotá as the Best Foreign Trade Bank in Colombia for 2014. This award was won thanks to the volume of transactions, market share, global coverage, rates, and range of products offered by the Bank.

BAC CREDOMATIC

Latin Finance: Best Bank of 2013

In November 2013, we were selected as the best bank of the year, both at the level of the Central American Regional Group, as Grupo BAC Credomatic, and in our local representation in Costa Rica, as BAC San José.



Our Ratings

As at December 31, 2013, Banco de Bogotá had the following investment grade ratings for its main instruments, as rated by three important international rating agencies, Moody's Investors Service, FitchRatings and Standard & Poor's, and by the local agency, BRC Investor Services:

Issuer	International Ratings						Local Ratings
	Moody's INVESTORS SERVICE	Outlook	FitchRatings	Outlook	STANDARD & POOR'S	Outlook	
Long-term Foreign Currency	Baa3	Stable	BBB	Stable	BBB-	Stable	
Short-term Foreign Currency	P-3		F 2		A-3		
Long-term Local Currency	Baa1	Stable	BBB	Stable	BBB-	Stable	AAA
Short-term Local Currency	P-2		F 2		A-3		BRC1+
Financial Strength	C-	Stable					
Bonds		Outlook					
Subordinated Bonds - Second Issue 2008							AA+
Process of Multiple and Successive Issues - Subordinated Bonds 2010							AA+
Ordinary bonds in Dollars (Maturity 2017)	Baa2	Stable	BBB		BBB-		
Subordinated Bonds in Dollars (Maturity 2023)	Baa3	Stable	BBB-				

* All ratings are investment grade ratings

From the analysis carried out by the various ratings agencies, the following stands out for Banco de Bogotá:

- Fitch Ratings (July 2013): Affirmed the credit rating of Banco de Bogotá following the acquisition announcements of Grupo Financiero Reformador de Guatemala and BBVA Panamá, highlighting mainly that, from a strategic point of view, such acquisitions are in line with the Bank's objective of further penetrating the market and diversifying its range of products in Central America. Likewise, it stated that the transaction's impact on the financial position of the Bank would be moderate or neutral, and capital would remain at a level that is compatible with the Bank's ratings.
- Moody's Investors Service (July 2013): Maintained the ratings and outlook of Banco de Bogotá following the announcements of the Grupo Financiero Reformador de Guatemala, through BAC Credomatic, and BBVA Panamá, through Leasing Bogotá Panamá. It also highlighted the cost efficient structure of the Bank, its wide interest margin, the low number of problem portfolios and good reserve buffer, its adequate risk management, its ample liquidity and stable funding structure, as well as its good franchising position, in both Colombia and Central America.
- Standard and Poor's (August 2013): Affirmed Banco de Bogotá's ratings and outlook, highlighting the continuous leadership of the Bank in Colombia and Central America and its geographic diversification through the recent acquisitions in Guatemala and Panama. The confirmation of the ratings reflects the agency's perception of Banco de Bogotá's strong business position, moderate capitalization, adequate liquidity, average funding, and adequate risk position.
- BRC Investor Services (December 2013): Maintained Banco de Bogotá's ratings, highlighting the Bank's financial strength, the consistency of its strategic focus, and its stable and recurrent results over time, which correspond to a strong position on the market. Likewise, it highlighted the inorganic growth process in Central America, through which the Bank has diversified its income generation and business lines. In particular, because of the recent acquisitions of Grupo Reformador de Guatemala and Banco BBVA Panamá, made through its affiliates in Central America, the Bank expects to strengthen its presence in this region and achieve major competitiveness in terms of attending to transnational customers.



Vidrio Andino, the first float glass plant in Colombia, whose financing was structured and led by Banco de Bogotá, was opened in October 2013, creating more than 1,250 direct and indirect jobs.