

Our Commitment to Stakeholders

We support initiatives to generate inclusion

Chapter 8



We Support

8. Our Commitment to Stakeholders

Contribution to the country's economic development

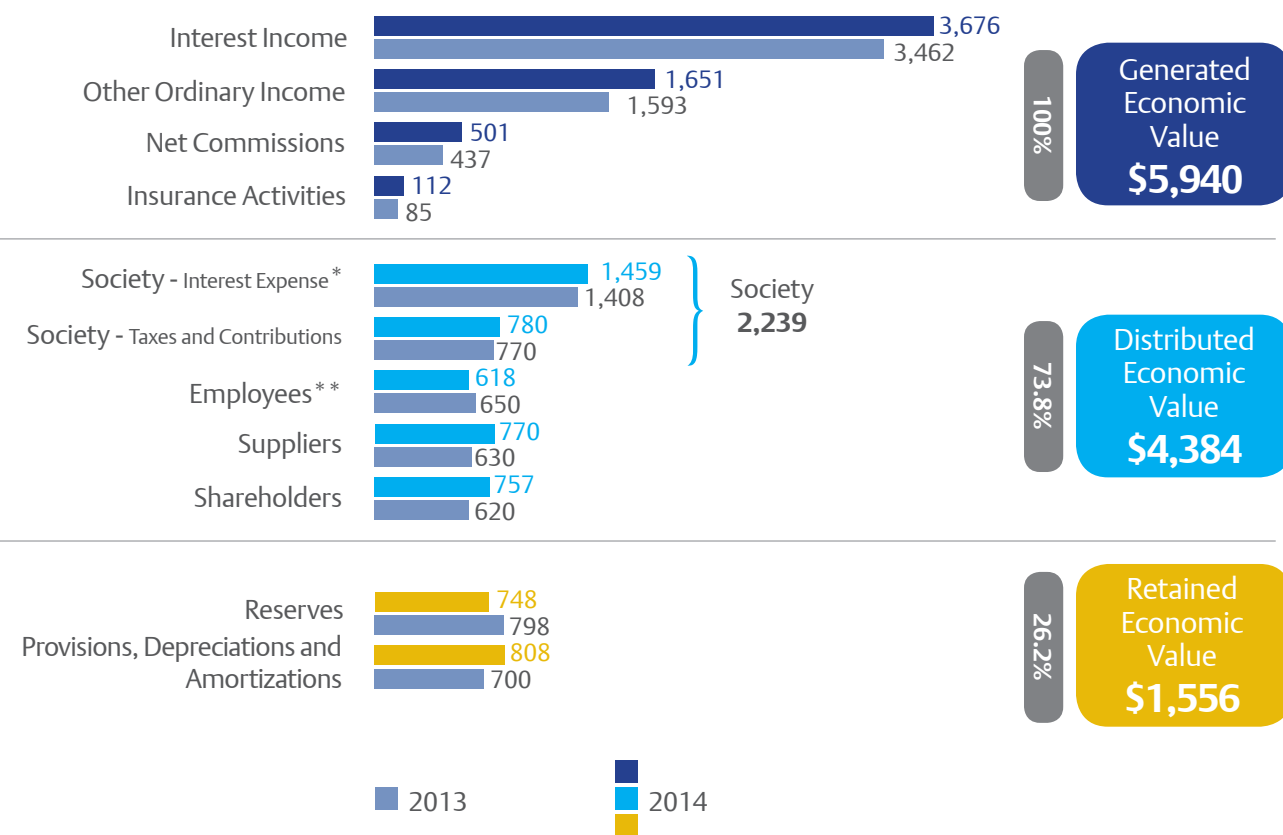
In 2014, the Bank experienced sustainable, dynamic growth that made it possible for us to generate economic value for Colombia.

The economic value that we created, distributed and retained¹² quantifiably illustrates the economic profitability we generated in 2014 relative to 2013, as well as the way in which we distribute this value to our various stakeholders:

Generated, Distributed and Retained Economic Value

(Billions of COP)

January - December 2014



* Interest expenses are distributed as follows: Deposits and Current Liabilities / Bank Loans and Other Financial Obligations, among others.

** Employees includes: personal, temporary and outsourcing expenses.

¹²The current status of Generated, Distributed and Retained Value was calculated following some of the basic aspects of the methodology described for that purpose by the G-4 GRI Guide. The Global Reporting Initiative (GRI) is an organization created to promote and develop world standards to measure and present corporate reports. Values used in this methodology are gathered from the Banco de Bogotá's Non-consolidated Financial Statements.



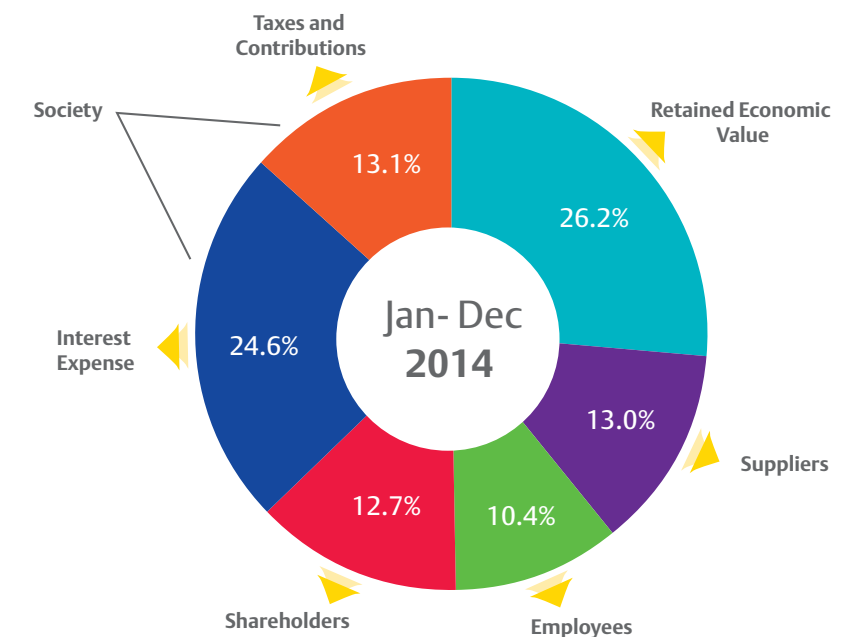
In the past year, we generated COP 5,940 billion in economic value as represented by the payments we received from providing our financial services and offering products to the market. In terms of our generated value, 61.9% was from interest income, 27.8% from other ordinary income, such as investments and dividends, and 10.3% from net commissions and insurance activities.

Distribution of generated economic value among our stakeholders

Generating and distributing economic value to the various people and organizations involved in creating value is undoubtedly the main contribution we make to our society. A description of this distribution for 2014 is given below.

Distribution of Generated Economic Value

(% Acumulated 2014) - Source: Banco de Bogotá





Estefanía Rojas, Analyst of the Interbanking Management Office - Training in Personal Finance.

Within the distribution to society item, 24.6% is used to pay interest to our customers, other financial institutions, obligations and discounts in repo operations, and 13.1% is divided between tax payments to the government and social contributions; 10.4% is distributed to our employees and corresponds to salaries, bonuses, social security contributions and indemnities; 12.7% is used to pay dividends to our shareholders, and the remaining 13.0% pays our suppliers, which meet our product and service needs to conduct our business efficiently.

Our retained value represents 26.2% of our generated value. In 2014, it reached a total of COP 1,556 billion. This important line item is set aside to constitute reserves, provisions, amortizations and depreciations that will protect the implementation of our expansion projects in the medium- and long-term, and ensure business continuity.

Our corporate social responsibility policy

Our policy is aligned with the definition of corporate social responsibility set forth by ISO 26000: “the responsibility that an organization has for the impact its decisions and activities make on society and the environment, through transparency and ethical behavior.”

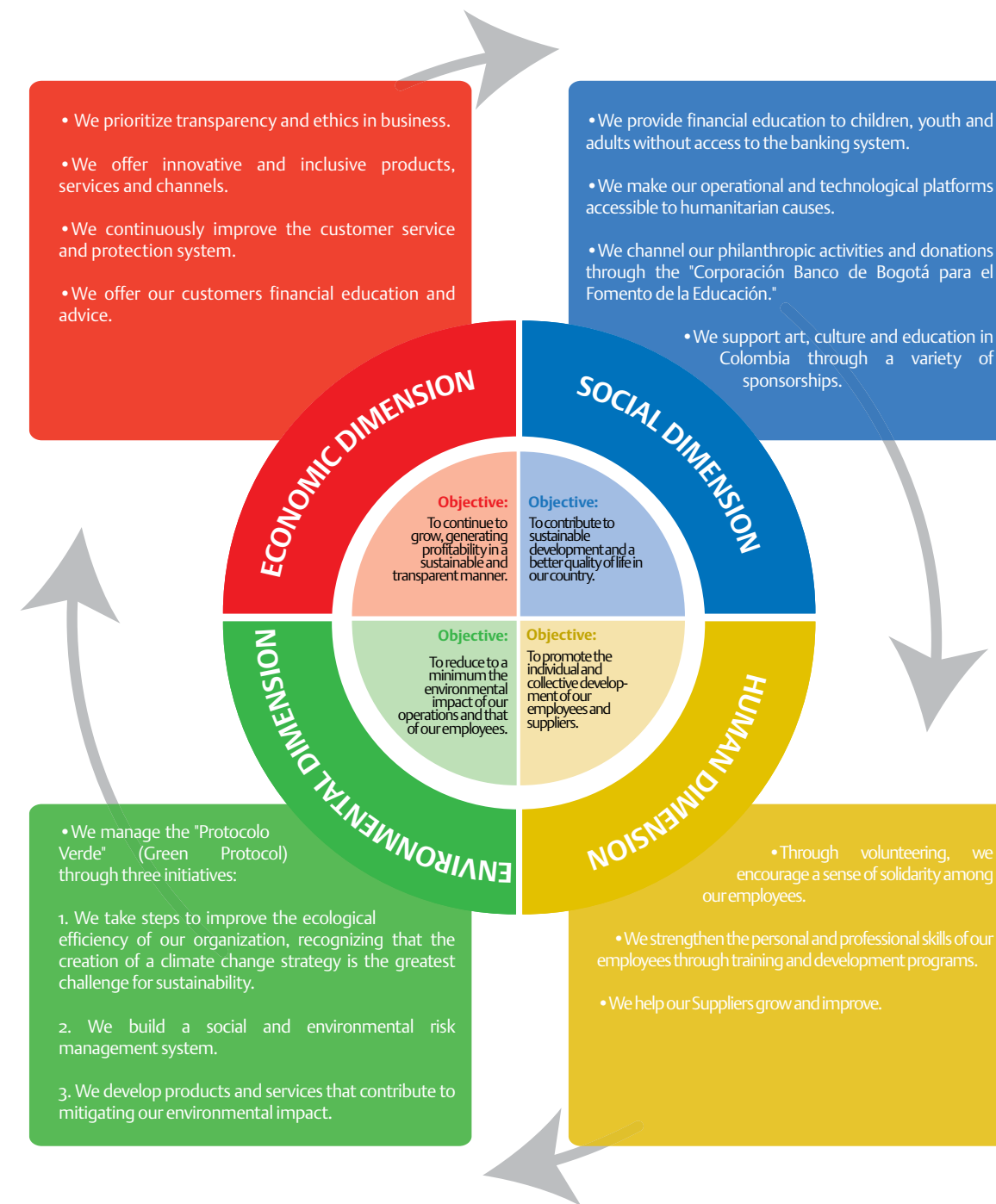
We therefore do not practice corporate social responsibility through just one or two isolated programs involved with our daily activities. Instead, we adopt a socially responsible business approach with which we endeavor to:

- Eliminate, minimize or compensate our negative impact and, above all, maximize opportunities related to our positive impact.

Our policy is defined as follows:

“We commit to managing our business responsibly through initiatives that harness our knowledge, strengths, soundness and experience to benefit the groups with which we interact.”

In line with this definition, we continue to develop our management by pursuing the objectives we have set forth in the economic, social, human and environmental dimensions to ensure the business’ sustainability. As such, we have identified topics within each dimension as priorities for our business strategy, as well as the positive and negative impacts that affect corporate social responsibility.



Economic Dimension

We pursue initiatives intended to create value for our clients through relationships based on trust, as well as knowledge about the Bank's products and services.

We continue to grow, generating profitability in a sustainable and transparent manner.

Financial education for life program

Financial education is undoubtedly one of the most important pillars of our strategy, due to its high impact on society and its important role in the inclusion process.

The "Financial Education for Life" program is designed and structured according to the Colombian population's needs for knowledge about financial products and services in all stages of life, as well as in managing finances in different areas of business.

The program's strategy includes:

- Generation of value for customers through the implementation of strategies in each business segment, according to varying needs and knowledge requirements.

- Generation of financial and social inclusion initiatives with stakeholders who are not yet part of the Colombian financial system (small business owners, children and youth, vulnerable sectors of the population, etc.).

Through the program, we help our clients to improve their employees' skills as part of our social commitment.

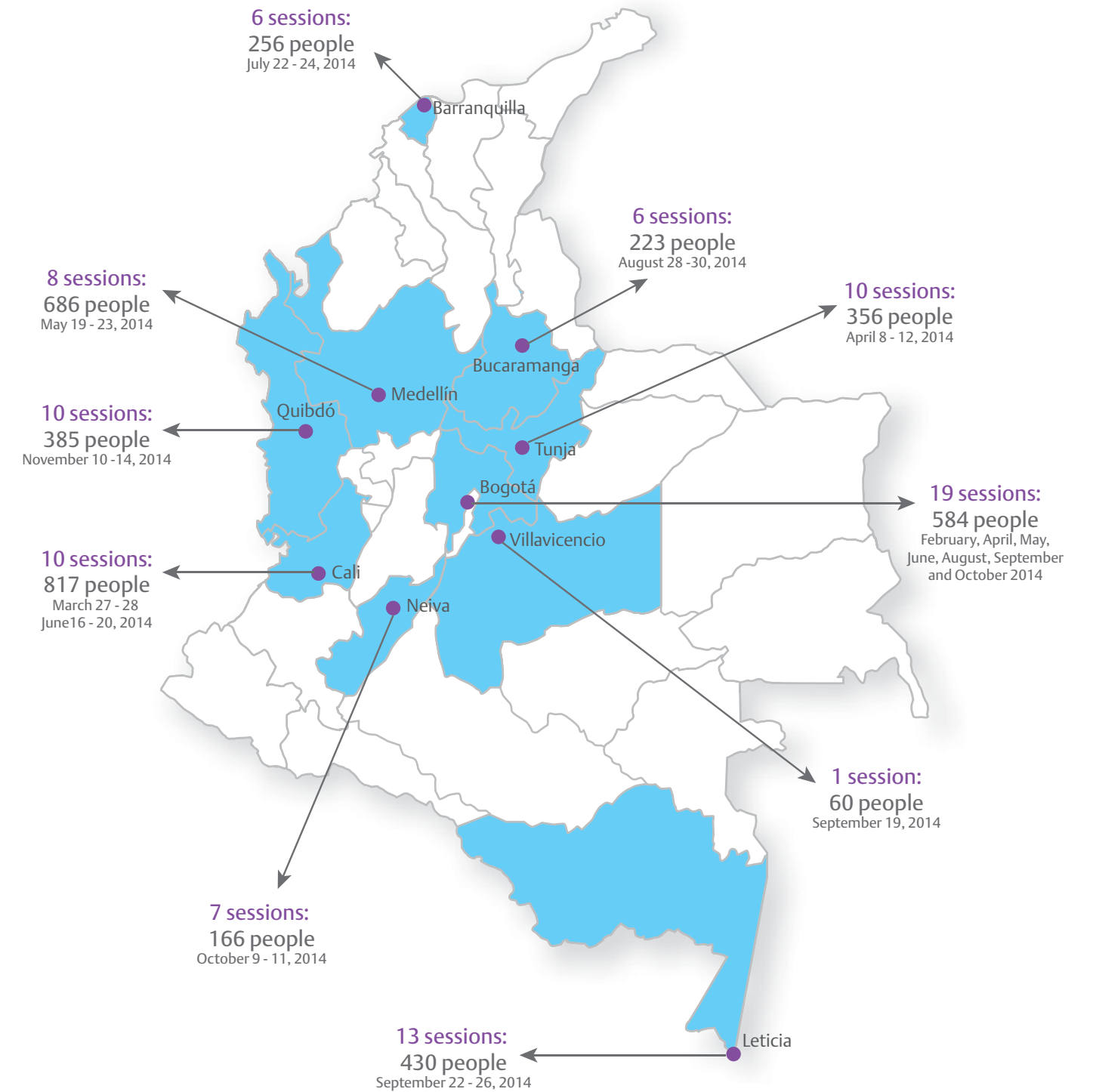
One of the program's most important activities in 2014 was the training plan we developed to facilitate the personal and financial development of our clients' employees.

Classroom training

We hold workshops and lectures for children, adolescents and adults so that they can learn how good financial management can help them pursue their goals and dreams.

In 2014, we helped 60 companies (including the Bank's regional offices) through 88 lectures, to train a total of 3,963 people.

The map below shows the cities visited and the number of training sessions held in each city:



Training journey about Intelligent Use of Money. Leticia, Amazonas. September 2014



Social Dimension

We support the strengthening of education and other humanitarian causes through contributions to various organizations and foundations.

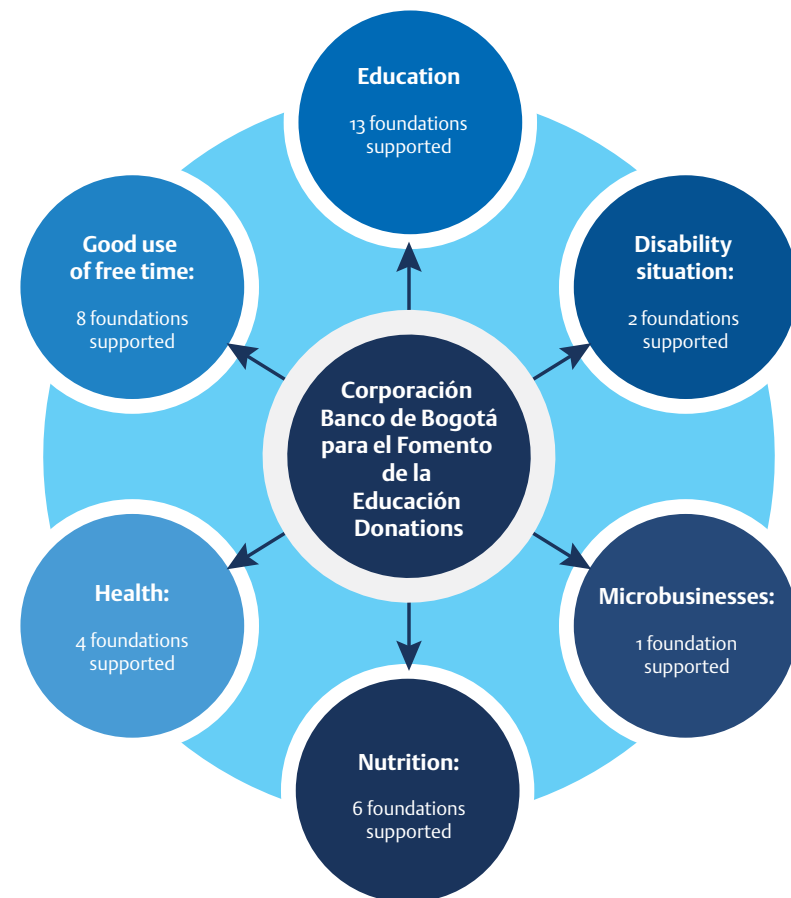
We contribute to sustainable development and to a better quality of life in Colombia.

In addition, we sponsor social causes that allow Colombians to participate in cultural and artistic events, ensuring access and inclusion for all.

Donations

Social contributions from donations are disbursed through the Corporación Banco de Bogotá para el Fomento de la Educación (“Banco de Bogotá’s Corporation for the Advancement of Education”). For nearly three decades, this corporation has been dedicated to the direct and indirect support and promotion of education in all fields and at all levels, improving quality of life for various groups: children and youth, female heads of household, vulnerable communities, people with disabilities and the elderly, among others.

Between July and December 2014, we made donations worth approximately COP 842 million to 34 non-profit organizations and to the following causes:



Christmas for a Cause

To bring joy and happy memories to children and youth from various social organizations during the Christmas holiday, we organized an activity with our employees that promoted creativity and teamwork to create Christmas experiences that inspire solidarity and social awareness.

We recognized the teams demonstrating the most commitment, and we made a donation of COP 1,000,000 to 21 foundations across the country.

Christmas moments with Siembra Comunidad Foundation. Cali, Valle del Cauca. December 2014.



Supporting Art and Culture

As part of our commitment to Colombia’s social development, we support and promote activities and events with high cultural value. In this way, we make different events accessible, promoting the democratization of art and culture in Colombia.

We sponsor major events including:

Sacred Music Festival

In 2014, we took part in the third edition of the Sacred Music Festival. Representatives from religious groups from Russia, The United States, Japan and Spain attended the event. The 2014 edition featured 30 concerts and recitals held in theaters, churches, clinics and hospitals around Bogotá.

International Jazz Festival

In the second half of the year, we sponsored Teatro Libre’s 26th International Jazz Festival. Renowned artists participated in the event. Our customers also enjoyed special discounts on tickets for the performances.

ArtBo 2014

We supported the tenth edition of the Bogotá International Art Show, ArtBo, a cultural event that gives Colombians access to contemporary artwork.

XIII National Orchid Show

We promote initiatives that help to conserve and protect Colombia’s natural resources. We thus sponsored the XIII National Orchid Show. This event brought together a vast collection of species of our national flower for the residents of Bogotá to learn about and enjoy.

Fiestas del Mar 2014

We served as a partner for Fiestas del Mar 2014 through the “Los niños pintan su mar” (Children Paint their Sea) event, at which more than 2,000 children expressed their love for Santa Marta through drawings of its beaches and landscapes.

Inclusion Media Awards

We honor the work of media outlets that feature content related to Colombia’s cultural and ethnic diversity by supporting the Inclusion Media Awards, an initiative led by USAID’s Program for Afro-descendant and Indigenous Populations.

Telethon

In February 2015, for the fifth consecutive year we participated in the Telethon. We provided various fundraising channels to receive donations over the course of the 27-hour event. This year, Banco de Bogotá donated a total of COP 520,000,000 to the Fundación Teletón, to help meet the target amount of COP 13,062,930,883. This money went towards building a new rehabilitation center and assisted in the recovery process of those with disabilities.

* Through Corporación Banco de Bogotá para el Fomento de la Educación.

Human Dimension

We strive to facilitate interactions between our employees and social and/or environmental causes through volunteering and active participation in events that support charitable causes.

We promote the individual and collective development of our employees and suppliers.

We promote forums that encourage generosity, solidarity and teamwork among all those who contribute their time to support these various activities.

“Happy Day” Volunteering

In the second half of 2014, nearly 650 employees from across the country participated in the “Pinta un colegio y llena tu corazón de colores” school-painting campaign.

Banco de Bogotá Corporate Volunteering and Dividendo por Colombia. Colegio Distrital Cañahuate. Barranquilla, Atlántico.

- Bogotá: 387 volunteers, 5,020 beneficiaries, Colegio Compartir de Soacha
- Pereira: 63 volunteers, 325 beneficiaries, Colegio Manuela Beltrán
- Cali: 75 volunteers, 650 beneficiaries, Colegio Isaías Gamboa
- Barranquilla: 60 volunteers, 850 beneficiaries, Colegio Distrital Cañahuate
- Bucaramanga: 63 volunteers, 550 beneficiaries, Institución Educativa Maria Goreti

We dedicated 4,536 hours of labor to this important cause, which aims to improve infrastructure in state schools. We renovated educational areas so that students would be more motivated and have better-equipped facilities.



Sandra Vargas with her Special Olympics Athlete.

New Balance Marathon

“Volunteer to Assist a Special Olympics Colombia Athlete”

The Bank supports the Special Olympics through the Corporación Banco de Bogotá para el Fomento de la Educación. In November, the organization invited three of our employees to serve as volunteers, to help athletes from the foundation run and reach their goals.

Our employees, selected through an internal competition, enjoyed the experience of supporting and assisting an athlete all the way to the finish line. This gave them a once-in-a-lifetime opportunity.

“The experience of running the Special Olympics race was amazing. I was able to spend time with wonderful kids who taught me the value of the simple things, and the importance of staying positive no matter what. The athletes were very eager to spend time with us, without reservation. They wanted to get to know us. They welcomed us with open arms and showed us that they fight for their dreams. Thanks to Banco de Bogotá and Special Olympics Colombia for choosing us out of so many other employees to receive this very special life lesson.” Sandra Vargas Cubillos, SME Leasing Specialist, Bogotá 1.

Environmental Dimension

We are aware that climate changes and global environmental issues are an urgent challenge that demands concrete action by all members of society. We thus continue to strengthen the Bank's environmental dimension through concrete, strategic activities that help us to preserve our surroundings.

We strive to reduce and minimize the environmental impact of our operations and our employees.

¹³ Green Protocol: an agreement undersigned by the National Government and the Colombian financial sector that seeks to join forces to promote Colombia's sustainable development, and to work for environmental preservation and an adequate use of natural resources. Signing of the Green Protocol is voluntary. By signing the Protocol, banks affirm their commitment to environmental sustainability in Colombia. In October 2013, our Bank signed this protocol.

Protocolo Verde (Green Protocol)

We are committed to working within the strategies of the Protocolo Verde (Green Protocol)¹³. Our objective is to consolidate efforts between the national government and the Colombian financial sector in order to establish sustainable development policies and practices. In the second semester of 2014, we set the following actions into motion:

A) Encouragement of sustainable consumption during internal processes, and of the natural resources, goods and services related to them.

• First carbon footprint measurement

In line with the Protocolo Verde's ecological efficiency strategy, we have measured our carbon footprint for the first time ever. This measurement consists of an inventory of our greenhouse gas emissions, in order to assess the organization's performance in terms of climate change.

Since we are interested in managing both Bank's direct impact and the indirect impact of some of our stakeholders, the carbon footprint measurement includes three aspects. The main administrative buildings in Bogotá were included in the initial measurement. In the medium term, we hope to include the Bank's other facilities.

In 2014, our carbon footprint totaled 1,682 tons of CO2 equivalent. From this first measurement, we established baseline greenhouse gas information that will be used in the coming years to set goals related to mitigation, offsetting, and the management of direct and indirect risks. Doing this helps us meet the environmental commitments we have made, and identifies opportunities for reducing emissions and improving efficiency.

• Recycling at the Bank's Headquarters

The *Quiero un Planeta Verde* ("I want a green planet") program seeks to raise awareness among employees about caring for the environment and sustainable consumption.

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During the second semester of 2014, as part of this campaign, we disseminated information about recycling practices at the

Bank's headquarters building. Print and digital communications were used to describe the process:

- Collection of cardboard and paper. Sorted, flattened and compacted material is packed up in bundles and delivered to the Fundación Sanar as a donation.
- Collection of plastic caps. Plastic caps are collected in containers located at all of the Bank headquarter cafeterias. The caps are sorted into bins and picked up by the Fundación Sanar.

Between the start of this initiative in September 2013 and December 2014, the following collection figures were achieved:

Sanar Foundation - Banco de Bogotá	
Material	Amount
Paper	11,700.50 Kg.
Cardboards	12,924.80 Kg.
Lids	652.30 Kg.
TOTAL	25,277.60 Kg.

By selling this material to recycling companies, Fundación Sanar has been able to finance treatments for children and adolescents with cancer and help their families to fight the disease.

- Use of recycling stations on each floor. During 2014, through a partnership with Kimblyerly, we held training sessions on every floor of the headquarters building to educate employees regarding the benefits of recycling and how to use each option according to color.
- Collection of electrical and electronic waste. In July 2014, we began a project to collect unused electronic and electrical devices from our employees' homes in order to deliver



them to recycling companies for proper disposal. These products damage the environment and can cause harm to the nervous system. The company responsible for disposing of these materials is Bluewst.

- Optimization of digital channels to save paper. In order to reduce our use of natural resources, avoid unnecessary paper use, and take advantage of technology, our clients were sent notifications, promotions and relevant information by e-mail. In 2014, we sent 22,510,366 promotional e-mails; in the second half of the year, we e-mailed 436,776 bank statements, throughout the country.

B) Consideration, in credit and investment risk analyses, of the environmental and/or social impacts that the projects to be financed may generate.

- **The territorial development financial entity (Findeter) pilot program**

In order to encourage the inclusion of environmental and social impact evaluation criteria into loans, we participated in the FINDETER pilot program to jointly evaluate various infrastructure projects funded by Banco de Bogotá (for which significant loans are rediscounted with FINDETER).

We have a credit line aimed at the implementation of *technologies for mitigation of negative environmental impacts* in production processes.

In the first stage, which took place during the first half of 2014, Lawrence Pratt, an internationally recognized consultant with the IDB, provided guidance sessions for executives and senior management. During the event, which involved active employee participation, the business advantages and opportunities arising from an analysis of the social and environmental aspects of credit studies were presented.

On October 3, 2014, the results of the pilot program and the six FINDETER rediscount projects were presented. A work plan was proposed for the design of a social and environmental risk system for the Bank.

C) Guidelines and tools were created to encourage the financing of sustainable development through credit and/or investment.

To support the prevention, control and mitigation of negative environmental impacts, we formed partnerships with international financial entities. We signed a “green credit line” with the Japan Bank of International Cooperation (JBIC) and Sumitomo Mitsui Banking Corporation (SMC) for USD 100 million, in order to finance projects to reduce greenhouse gases. This credit instrument is expected to become a driver of sustainable development for renewable energy projects related to protecting the environment in Colombia.

Through our membership in the Environmental Credit Fund led by the Swiss State Secretariat for Environmental Affairs (SECO) we also have a line of credit directed towards the implementation of technologies that mitigate the environmental impact of production processes. This provides financial support to Colombian businesses dedicated to pursuing these types of sustainable practices.



To date, we have delivered more than 190,000 school kits to children in vulnerable situations across the country. Through this initiative, we hope to benefit their learning processes.

Beneficiary children from the Fundación Nueva Vida para Todos.