

## Relevant Information

*We comply with  
our commitment  
by giving  
Colombia and  
our customers  
clear and timely  
information*



## 9. Relevant Information

### Reporting, disclosure and control of information

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

Therefore, pursuant to Article 47 of Law 964 of 2005, during the second semester of 2014, the Legal Representatives of Banco de Bogotá exercised the responsibility of establishing and maintaining appropriate systems for the disclosure and control of financial information. To do so, they relied on control, reporting and monitoring systems, as well as on specialized risk departments that ensured that the financial information used in strategy execution and provided to various institutions is adequate.

In addition, the Legal Representatives submitted an assessment of the operations and internal controls to the Audit Committee, Statutory Auditor and the Board of Directors so that the Bank could adequately record, process, summarize and submit financial information, along with an analysis of incidents that could affect the quality of the financial information and methodological changes in the evaluation thereof.

### Risk management

Legal Representatives, aware of their responsibility to manage the various risks of the banking business, are fully cognizant of

how they are interwoven with the Bank's general strategy, and they are familiar with the processes, business structure and nature of its activities.

They provide ongoing support and monitor Bank business, issuing guidelines for granting loans; determining policies and interventions by type of market, product or business unit; defining the institution's risk profile; adopting the necessary measures to face new financial risks; establishing the required organizational structure and evaluating risk administration methodologies using modern technological infrastructure, and clear, accurate and timely information tools that allow them to exercise permanent oversight of: 1- Credit Risk, 2- Market Risk, 3- Liquidity Risk, 4- Operational Risk, 5- Legal Risk, and 6- Money Laundering and Terrorism Financing Risk inherent to the banking business as recorded in Note 32 annexed to the Bank's financial statements.

Furthermore, the Legal Representatives verify on an on-going basis that all of the Bank's activities, transactions and operations are carried out within the parameters permitted by current regulations and authorized by the Board of Directors and the Bank's Senior Management.

### 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 annexed to the financial statements.

### Intellectual property and copyrights

Pursuant to the requirements of Section 4, Article 47 of Law 603 of 2000, Banco de Bogotá established enforcement policies regarding intellectual property and copyright regulations regarding the different services and products required or owned for the performance of its tasks, whenever they are required. The Systems (IT), Marketing and Corporate Comptroller departments conduct audits throughout Colombia to monitor compliance with such policies and legal provisions. Furthermore, where applicable, the Bank keeps records of its name, brands, products, services and publications up to date.

### Free circulation of invoices

Pursuant to the requirements of Article 87 of Law 1676 of 2013, which promotes access to credit and sets forth regulations regarding property insurance, Banco de Bogotá has established enforcement policies regarding the free circulation of invoices issued by sellers or suppliers with which the Bank has business relationships, thereby avoiding anti-competitive practices.

### The entity's evolution forecast

In the first half of 2015, Banco de Bogotá will continue to develop the objectives and goals set forth in its strategic planning as a strong, efficient leader of the financial system that is committed to banking system inclusion, social responsibility and Colombia's growth.

The Bank will strengthen its relationship with customers by constantly improving its value proposition and expanding its

national presence and coverage through optimal channels, specialized customer service models, skilled personnel, adequate technological and physical infrastructure and a proactive inorganic growth strategy.

The Bank will also continue its regional consolidation process, taking advantage of synergies with affiliates in order to position itself as a strategic ally in the development and internationalization of businesses.

### Relevant subsequent events

Law 1739 of 2014 (tax reform) established a capital gains tax that will decrease from 1.15% in 2015 to 0.40% in 2017. The equity income tax (or the corporate equity contribution, "CREE", for the Spanish original) remained at 9% while the CREE surcharge will rise from 5% in 2015 to 9% to 2018.

As for accounting standards applied by the Bank, the International Financial Reporting Standards (IFRS) went into effect on January 1, 2015 for Group 1 institutions, including Banco de Bogotá, as set forth in Article 3 of Decree 2784 of 2012 and Article 3 of Resolution 743 of 2013, which strives to streamline financial accounting and reporting standards in Colombia with international standards.



“We provide food and laundry services to the hydrocarbon sector. We’ve been working with Banco de Bogotá for the past nine years and have received loans, leasing and working capital. Thanks to the Bank, we have experienced outstanding growth.”

*Jorge Eduardo Durán, Manager, Durangar Servicios Integrales, SME Banking Client.  
Yopal, Casanare.*

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*Grupo*  
**AVAL**

| **Banco de Bogotá**

