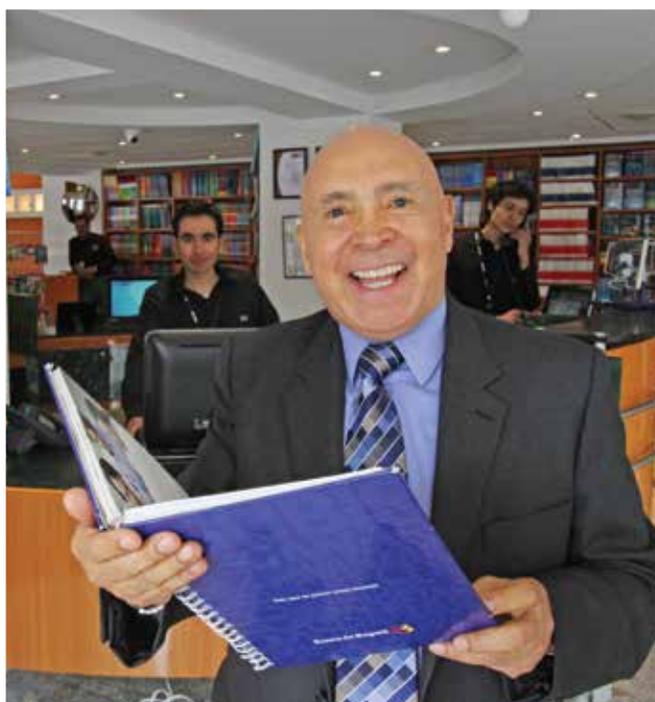




Let's progress



Chapter 4

Our Bank at the Service of Customers

145 Years Progressing

Being pioneers of Colombian banking pushes us to remain at the forefront of products, services and channels. These solutions mean progress for our clients and support Colombia's social and economic development.

Victor Cortés Castro
Manager of Books & Books
Business Banking Client - Companies Segment
Bogotá D.C. – Cundinamarca

4. Our Bank at the Service of Customers

Our Segments

Business Banking

Through Business Banking, we continue to strengthen long-term relationships with our clients and support them in their projects, which are oriented toward achieving results for companies and growth for the regions and the country. Thus, each year we reinforce our commercial management as part of a model that has consolidated the best practices throughout the country and succeeded in structuring empowered and synchronized teams with an objective that is always clear: the client and value creation through the relationship.

Regarding our model, it is important to point out that during the first semester of 2015 we obtained 231 clients in the segment through our Customer Inclusion Managers and Client

Development Teams, successfully reaching them with value-added proposals based on in-depth knowledge of their activities and needs.

In 2015 we obtained 231 new clients, thanks to our management and inclusion model.



We support the purchase of assets and construction projects

Aware of the need to offer financing options to companies for the acquisition of fixed production assets in the medium- and long-term, and in line with the development of their projects or business and to ensure that working capital and company liquidity is safeguarded, we continue to strengthen our leasing lines. The medium-sized companies segment has found in leasing (with 32% annual growth) an option to cover their financing needs without affecting working capital lines.

At the end of the first semester of 2015, this line posted a balance of COP 1.5 trillion in the corporate segment, having grown by 5.6% from June 2014.

Moreover, we continue to consolidate our line of construction loans. To this end, in the first semester of 2015 our Business Banking segment disbursed approximately COP 164,000 million to finance 35 projects in the housing and commerce sectors. This represents a growth of 400% over disbursements in 2014, which underlines our interest in continuing to strengthen this specialized line of credit and helps us to increase our market share.

Leasing has become an important option for the medium-sized companies segment, with **an annual growth of 32%**.



Our Financing and Hedging Options

We continue to strengthen the placement of IBR operations. Thus, in the first semester of 2015 we carried out 654 indexed operations at this rate worth COP 2.8 trillion involving 334 clients, thereby doubling the 2014 disbursements total.

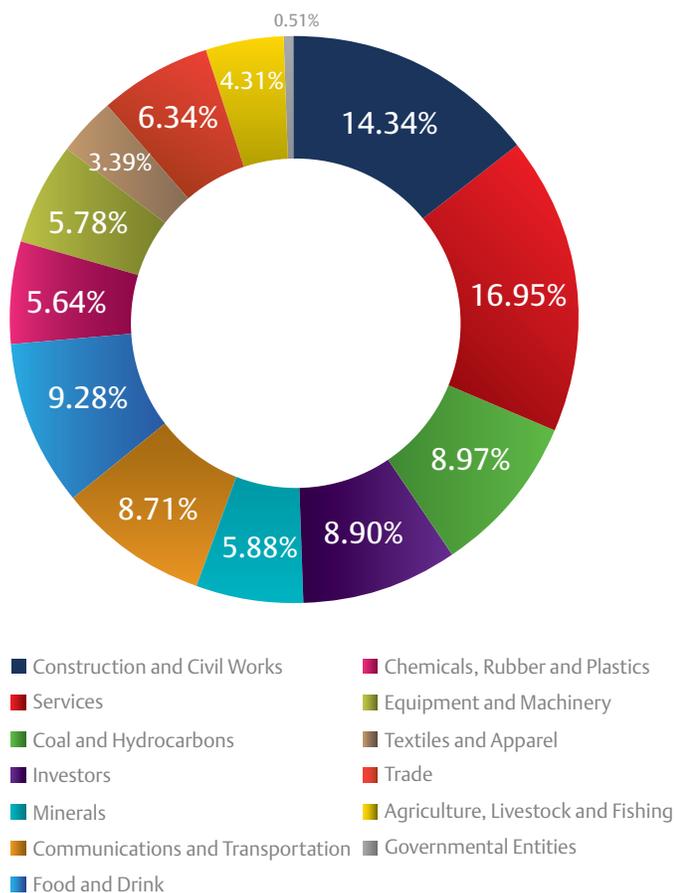
Meanwhile, in the face of volatility and the change in the value of the Colombian peso against the dollar, through each of the traders assigned to each of the Business Banking clients, more than 350 client hedging operations totaling USD 2,200 million were completed.

We Diversified Our Portfolio's Shares

At the close of June 2015, the Business Banking portfolio balance in local and foreign currency was COP 27 trillion across 4,012 clients, which represents a growth of 16.3% over the same period in 2014.

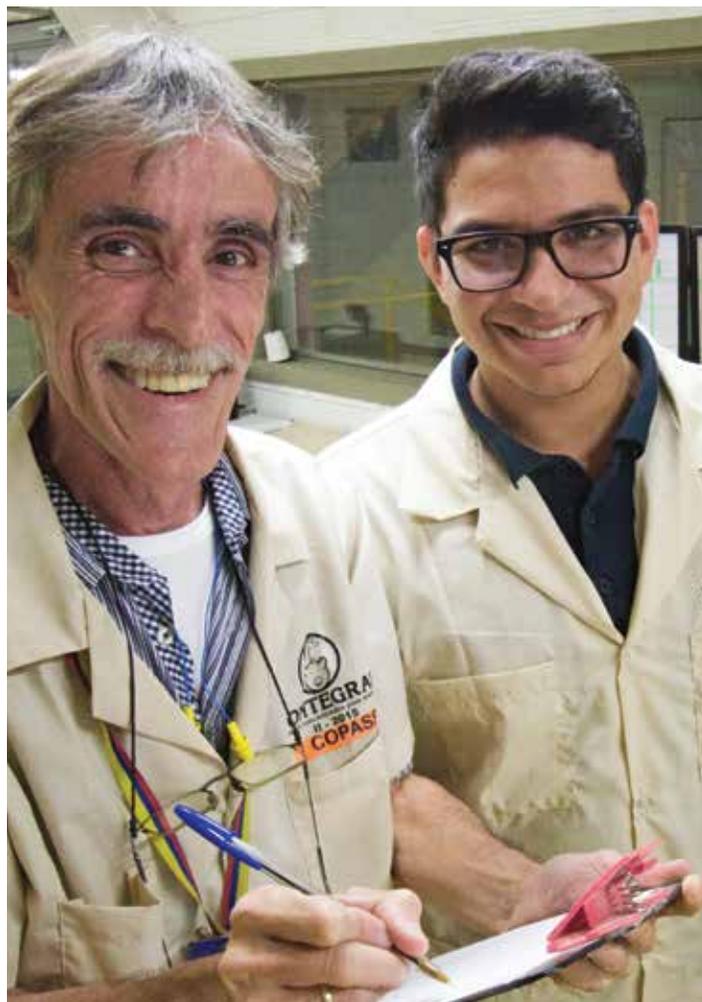
In the first semester, 183,653 loan operations were disbursed in the Business Banking segment. The medium-sized companies sector accounted for the largest number of operations disbursed, at 72% of the total.

Business Banking - Share by Economic Sector



Total Clients **4,012**

* Graph data as of June 2015



Planta Congebral S.A. - Business Banking Client, Corporate Segment



We deliver solutions to our clients in Colombia and Central America

This semester, the partial financing and structuring of Avianca S.A.'s investment plant stands out as an operation worth USD 245 million. The project included the renewal of an aircraft fleet, and the construction of the Center of Operational Excellence, the Aeronautical Center (MRO) and a hangar in Medellín.

Our proposal was selected thanks to the robustness of the proposed structure and give that we were the only Colombian bank among the client's options. The structure was implemented under the coordination of external legal teams and the Bank's different areas: Commercial, Loans, Structured

Finances, Legal, International, Credit Cards and Fiduciaria Bogotá. BAC-Credomatic made a fundamental contribution to understanding Avianca's operations in Central America and its contributions to the integration of Merchant Acquisition and Loan contracts.

This integration allows us to see the post-application results of our commercial model. The process can be replicated to ensure differentiated value proposals through a comprehensive understanding of our clients' value chain and their regional needs.

We Efficiently Manage Our Clients' Cash Flow

Addressing the changing needs of Colombia's large and medium-sized companies led us in the first semester to design and launch the following services, which were designed to optimize our clients' treasury and reconciliation activities:

- **Transfers Using ATH ATMs:** Instagiros allows Payer Companies to send funds that can be withdrawn by beneficiaries (generally by populations outside the banking system) at any ATM belonging to the ATH network, without the need for a bank account or a debit card.
- **Prosegur TAT Specialized Collection Points:** In partnership with one of the main asset and cash management companies, the Bank has implemented a real time collection system for companies that utilize Store-by-Store (TAT, for the Spanish original) distribution through four points in Bogotá equipped with parking lots, personalized service, specialized opening hours, currency-counting machines and surveillance, so as to guarantee that cash deposits are carried out with maximum ease and security.
- **Medellín and Cali Municipals Tax Collection:** During the first semester of 2015, the Bank devised a campaign designed to increase collection of municipal and other taxes by providing information to our clients on the different pay-

ment methods available to them, and on opening hours at branches and service points in shopping malls, resulting in a 20% increase over the first semester of 2014.

We served 3,396 customers through the Cash Management portfolio *processing more than 27 million transactions.*

New Electronic Banking Online Connection Platform

In the first semester of 2015, the Bank put into operation a state-of-the-art web portal to operate the financial activities of our business clients. At the end of June 2015, a group of pilot clients supported our initiative and we are now using this tool and contributing to the validation of the platform's functionality and stability. In the second semester we will continue to involve new clients in this service.



Public Sector and Institutional Banking

We continue to consolidate our position as the bank that supports the development of projects to simplify processes for our clients and their users. Therefore, the following alliances were notable in the first semester of 2015:

Award of the tender for collecting fines for traffic violations

Through this agreement, our Bank makes available its entire network of offices, banking correspondents and ATMs throughout the country for Colombians to pay their traffic fines. In this way, we bring forward our entire coverage to make payment easier for citizens and improve the collection channel for municipalities.

Valuation tax refunds

As the only financial unit that supports the government in returning valuation tax to taxpayers, over the semester we conducted an average of 33,400 transactions per month for a total of COP 21,227 million.

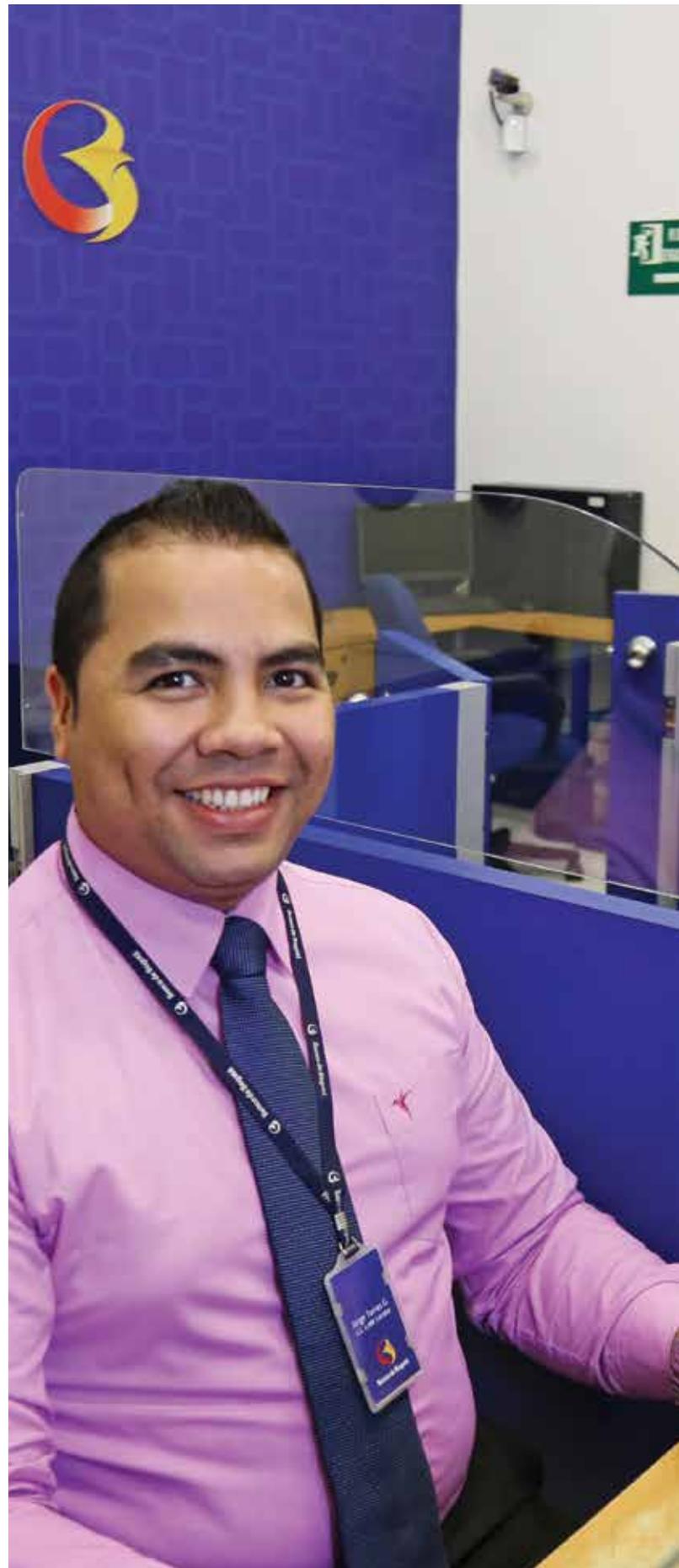
Regional and Decentralized Entities

We continue to support the various public entities in the development of their projects through ongoing advisory, our nationwide branch network and our technological platform.

During this period, we focused our strategy on consolidating our relationship with territorial and decentralized entities, both existing and potential clients, to support them in their management.

In this way and with a view of facilitating tax payment and collection from and to our clients, we launched a campaign aimed at the country's municipalities to inform citizens about payment dates and options, as well as available channels and opening hours through fliers, radio slots, SMS messages and emails to our clients across the country.

Moreover, to support progress in the different regions of the country and the execution of projects to benefit the country, we disbursed COP 200,000 million in loans across 200 operations, representing a 7.6% increase over the same period in the previous year. In addition, we opened 2,380 liability products worth more than COP 140,000 million.





We worked on the ongoing improvement of our Public Sector Banking service by improving client response times. To this end, we implemented the change to the signature card, which was unified for checking and savings accounts, and consolidated legalization forms in a single document to optimize capture processes and times.

At the same time, we continued to consolidate the Bank's specialized commercial model by expanding our coverage, thus bringing us closer to our clients to provide better service and advice suited to their needs.

We expanded our local presence in five departments, such as Sucre, Cundinamarca, Boyacá, Casanare and Guajira, through one Director, one Zone Manager and five Specialized Managers in Public Sector Banking. At present, we have two Public Sector Banking Management areas, 6 Zone Managers, 27 Public Sector Managers, 27 Commercial Executives, and 6 Cash Management Consultants to serve more than 2,700 territorial and decentralized entities across the country.

In addition, to promote our service model, in March we took part in the National Meeting of Mayors in Cartagena. The event was attended by 500 public office-holders from across the country, who were served by our Specialized Managers in order to strengthen our commercial relationship.

Moreover, out of awareness of the needs and importance of educating Colombia's children we held educational events for more than 1,000 disadvantaged children from the Coastal, Antioquia and Central regions at the learning and recreation center Divercity, as part of the worldwide celebration of Financial Education Week.

We also trained our clients from the departments of Santander, Norte de Santander, Boyacá, Cauca, Bolívar, Cesar, Guajira, Atlántico, Sucre, Meta and Arauca on Management of the General Royalty System. The course was attended by more than 400 government employees.

Furthermore, to support community programs within the regions, we handed out 20,000 school kits to low-income children across the country, as well as 15,000 kits to Colombian farmers on their special day.

At the same time, as part of our commitment to give Colombians greater access to activities that highlight the country's cultural diversity we supported around 80 events including the following: the Vallenato Festival, the International Joropo Tournament, the Bambuco Festival in Huila, the Country Culture Festival in Castilla La Nueva, and the International Cumaré Festival, activities of great importance in different regions of the country.

Social Banking

For associates and affiliates of our clients in the care sector, the possibility of online purchases has become a reality, allowing them to use their credit card at any establishment with e-commerce enabled and a virtual payment module available.

Moreover, in response to one of our clients' main requests, we implemented online card activation, which allows affiliates or associates of cooperatives or funds immediate access, following delivery of their card, to deposited resources in their savings accounts and/or to allocated credit limits.

These technological improvements, added to the ongoing support of our sales-team, have allowed us to strengthen our product's added value. The results are reflected in the increase activated cars, which totaled 253,213 at the close of June.

We Continue Connecting Our Coffee Growers to the Banking System

In order to address the needs of the coffee grower's association and in line with the agreement signed in September 2014 with the National Coffee Growers' Association, we continue to develop our financial inclusion model by offering Colombia's coffee growers the Coffee Grower's Savings Account; associated with the Visa Electron debit card. This account also provides coffee growers with the identification required by the association.

This new card gives coffee growers access to additional benefits such as:

- Access to the network of branches of Banco de Bogotá and Grupo Aval banks.
- Making payments at more than 260,000 commercial establishments affiliated with the Credibanco and Redeban networks.



- Access to all electronic channels activated by the Bank for personal banking clients: Internet Portal, Servilínea, Mobile Banking and Banking Correspondents.
- Saving and making transactions from their accounts without 4 x 1000 charge; account selection in line with the requirements and limits established by DIAN (National Tax and Customs Office, for the Spanish original).
- Enjoying discounts through the Happy Shopping (Compras Felices) program at more than 230 businesses in Colombia.
- Through other agreements that we have entered into, the coffee growers are given access to more than 2,100 businesses in coffee-growing areas, including those specializing in agro-supplies.

In addition, to prevent coffee growers from having to leave their plantations, we have designed an exclusive service in which they can carry out transactions using their cellphone, from wherever is convenient for them, as well as: consulting the price of coffee, check their incentive and support payments, top up their cellphones, and withdrawing cash.

As at the end of June, 448 thousand coffee grower’s cards had been issued, of which 316 thousand are active, or 71%. The re-

maining 29%, or 132 thousand cards, will be distributed in mass banking events to be held in the second semester of 2015, with the support of the Association and extension service employees. We also hope to give out 32 thousand cards to coffee growers operating in remote locations.

The main transactions carried out by coffee growers through the coffee grower’s savings account at the close of June, 2015 are outlined below:

Transaction	Description	Quantity	Amount (billions of COP)
Credit	Coffee Purchases	8,371	\$9,935
	Bank Payments/Deposits	20,092	\$38,833
	Transfers	7,112	\$9,895
	Other Loans	1,211	\$4,452
Debit	Withdrawals	162,450	\$ 69,901
	Cash Withdrawals	11	\$4
	Purchases	17,444	\$5,143
	Collections	9,440	\$1,016
	Payment of Scheduled Services	2,983	\$317
	Transfers	17,193	\$ 5,150
	Cellphone Credit	4,094	\$16
	Other Debits	1,556	\$1,377
Total		251,957	\$146,039





SME Banking

Every day we improve our service model and product portfolio

As part of our ongoing efforts to become our clients' main partner and to offer them services and solutions that respond to their needs and expectations, in the first semester of 2015 we completed the First SME Banking Satisfaction Study. Based on clients' opinions on the improvements of the service experience, we created two fronts dedicated exclusively to the construction and implementation of initiatives in order to satisfactorily respond to their new needs and expectations.

In response to the market dynamic that requires greater commercial support and continuity in business management, we reinforced the commercial structure of the SME Banking segment by increasing the number of Regional Management areas from two to five: North Bogotá, South Bogotá, Antioquia, West and North-east-Center, with an increase in the number of Zone Management areas from 12 to 16. In doing so, we guaranteed greater commercial coverage and presence nationwide, with 127 SME managers backed by specialized teams across more than 30 sites.

Continuing with the strategy of supporting more SME companies, our main focus for 2015 in this segment, we formalized the Inclusion Manager position, resulting in a pilot in August with four managers located in the cities of Bogotá, Medellín, Barranquilla and Bucaramanga.

We Believe in the Growth and Development of SMEs.

One of our main priorities in SME banking is to support clients in their consolidation and growth. This support materializes through training sessions aimed at our clients on topics of relevance to their business endeavors. Consequently, we held the 4th SME World Fair in the city of Medellín, where over four days we trained entrepreneurs from the region on topics related to innovation, economic outlooks, the real estate sector, among others. The event was attended by more than 2,400 people who, in addition to receiving free training, took advantage of

special benefits on our products; this translated into the disbursement of resources from our commercial loans portfolio worth COP 22,000 million.

Similarly, and with the aim of supporting our clients in their business obligations, in the first semester of 2015 we staged a Porvenir severance pay campaign that, through a special added-value offering in terms of rate and approval conditions, enabled us to disburse resources totaling more than COP 124,000 million to 1,900 entrepreneurs to fulfill this obligation.

At the close of the first semester of 2015, we approved more than 19,000 loan operations worth over COP 1.9 trillion for our SME clients, and we opened more than 5,200 new accounts.

Likewise, in order to offer targeted training spaces for economic sectors, we invited more than 25 construction companies from the Eastern Region to the talk “The landscape is not what we see, but what we are.” Its central theme was the use of alternative construction materials and techniques that stand out for their efficiency in terms of energy consumption and use of natural resources.

Microenterprise Banking

An entrance to a lasting relationship

Out of commitment to the country’s microentrepreneurs, we have developed specific tools and products in line with the characteristics, conditions, and needs of this group of clients based on the specialized and personalized service model in all branches, which allows us to provide solutions to suit the dynamics of microentrepreneurs and their businesses.

Aware that microenterprises create jobs and account for a high percentage of Colombia’s economic base, in the first semester of 2015 we financed more than COP 78,000 million in micro-

In this first semester, **we disbursed more than COP 768,000 million from the commercial loans portfolio.**





credit operations, thus supporting and driving this segment of the population with an emphasis on commercial, industrial, service and agricultural activities. In the first semester we granted more than COP 768,000 million in the commercial loans portfolio, providing different financing alternatives to our clients, in lines such as: Ordinary Credit, Rediscounting, Factoring, Leasing and Treasury. These loans were accompanied by special rates and conditions offered by Bancóldex and Finagro, enabling us to promote the growth and development of our clients.

Moreover, in 2015 we have been implementing different action plans that seek to improve the value offer for microenterprises:

- Furthermore, we implemented an insurance policy for microentrepreneurs to protect these clients against total, per-

manent or temporary disability, serious illness and funeral expenses, among other things. Since its launch in May, 358 clients have benefited from this insurance.

- Our new Microcredit financing line for Debt Consolidation seeks to unify microentrepreneurs' obligations via competitive rates, thus improving their cashflows.
- In the first semester, we took part in different fairs and events organized alongside associations, mayor's offices and chambers of commerce such as Agro-Cundí Boyacense, Compre Colombiano, Expo Tiendas Oriente, Colombiatex and Feria Mundo Pyme (SME World Fair), through which we financed projects worth more than COP 20,000 million.

Microfinance Banking

Culture of saving and protection for our microentrepreneurs

Our microfinancing model seeks to provide more Colombians with system access and financial education to equip them with tools to use their money responsibly and to plan their projects appropriately. Thereby, we served formal and informal clients engaged in productive activities from socioeconomic levels 1, 2 and 3.

We launched the Microcredit line for Debt Consolidation, thereby financing **more than 160 operations totaling COP 1,700 million as at the close of June.**

At the end of June, 2015, thanks to our campaigns and the work of our commercial advisors, we promoted the culture of saving in more than 104,000 families throughout Colombia through specialized products such as the “Emprende Ahorro” and Coffee Grower’s accounts, thus generating 18% growth in savings balances in the first semester.

In May 2015 we launched the new Microenterprise Insurance product, providing protection in case of serious illness, permanent or total disability, and even death. In the first two months since implementation, we provided benefits to more than 2,200 families through this product, thus helping raise the quality of life of this population segment.

We made progress on our banking system connection strategy

We continued to expand our national coverage by implementing our microfinance model in 90 new municipalities in the first semester, primarily in the departments of Santander, Antioquia, Cauca,

Chocó, Nariño and Magdalena. We now serve 611 settlements, covering almost 60% of all municipalities in the country. To serve these new municipalities, we increased our sales-force in this segment by 9% over the same period in 2014, resulting in a team of 375 advisors specializing in microfinance methodology, all of whom are from the areas where they work.

At the end of June, through our banking system inclusion model, we connected more than 7,900 people and provided services for more than 76,000 families, over 50% of which were single-mother homes.

Since the model was implemented in 2007, we have disbursed more than COP 348,000 million in 135,000 microcredits, with a per credit average of COP 2.6 million. The past due loans quality indicator (ICC, for the Spanish original) was maintained below 4.4%, a figure below the industry average⁴.

It is notable that 50% of the loans approved in the first semester of 2015 were for new clients, 12% of whom were accessing the financ-

⁴ The Microcredit ICC in entities overseen by the Colombian Financial Superintendence was 6.27% at the end of June, 2015.





ing system for the first time; moreover, thanks to our geographical expansion, 3,403 families from rural areas benefited from more than COP 11,100 million to finance their agricultural activities.

Financial inclusion in rural areas of Colombia

Financial inclusion in rural areas constitutes a fundamental part of our commitment to the growth and development of the countryside. To this end, we have expanded our coverage in these populations by offering more service points and products based on the needs of those engaged in agricultural activities.

Development of Rural Microcredit

We continue to make progress on the specialized microcredit model for small and medium agricultural producers, which aims to provide them with the financial support they need to successfully carry out their activities. The models offer quick approval and loan disbursement, with terms and amortization in accordance with the production cycle. In the first semester, we began implementation in five areas: Pitalito, Tunja, Manizales, Rionegro and Medellín, granting over COP 3,000 million to more than 900 rural families.



Personal Banking

As part of our client growth and penetration strategy, we have consolidated the value proposal for each of our tactical segments, Child, Youth and Experience, in order to include and retain them.

Thus, during the first semester of 2015, we provided incentives for saving among the child segment through the Box of Dreams (Caja de Sueños), a savings account designed for children with special and attractive packaging that renders it a gift to encourage the habit of saving. During this period, our clients acquired more than 2,300 Boxes of Dreams worth a total of more than COP 500 million.

During the first semester we supported more than 3,000 young people in the country by disbursing resources for **Student Loans totaling more than COP 15,500 million.**

In addition, we participated in different charity fairs at schools and special events such as Children's Day at Divercity, and held child activities in different Colombian settlements to better position ourselves and reach ever closer to this segment.

Likewise, we continued to strengthen communication with Colombia's youth through www.mibancajoven.com, a platform where financial education and advice, information and requests for student loans, credit cards and youth savings accounts can be found.

In the first semester of 2015, around 12,000 visits to the site were registered, and more than 1,500 applications were made for student loans, credit cards and savings accounts. Moreover, in this period we supported more than 3,000 young people in their undergraduate and graduate studies in the different regions of the country, disbursing more than COP 15,500 million in student loan resources.



We disbursed COP 1.2 trillion in consumer loans, representing a 15% growth over the same period in 2014.

Our Personal Banking clients can access a Comprehensive Portfolio offer, which allows them to manage their needs in terms of credit, investment and the efficient use of money, with a special price policy benefiting over 16,300 clients.

Moreover, during this period we disbursed COP 1.2 trillion in consumer loans, a 15% growth over the same semester of 2014, leveraged by improvements in technological processes as well as changes to product policy and sales strategies, such as:

- Swift processing of Financial Services Applications, allowing client information to be registered in less than two minutes and updated online via our information systems.
- Prospect of offering consumer loan products at housing fairs, resulting in disbursements totaling more than COP 2,500 million.
- Agreements with non-financial sector companies as financial and strategic partners to offer financing to their clients through our consumer lines of credit when they purchase their products, resulting in disbursements worth more than COP 1,500 million.

In this way, we wish to continue working on the market as a timely and efficient bank, with swift response times and product and service offerings that meet our clients' expectations.

Preferential Banking

We continue to consolidate our relationship model on a daily basis in order to satisfy the needs of clients in this segment in terms of liquidity, financing, transaction and service needs.

With the objective of bringing our clients more benefits, we created offers that allow them to consolidate their financial obligations at special rates. In this way, in the first semester of 2015, we launched the Purchase of Preferential and Premium Loans campaign, through which we made disbursements of more than COP 130,000 million.

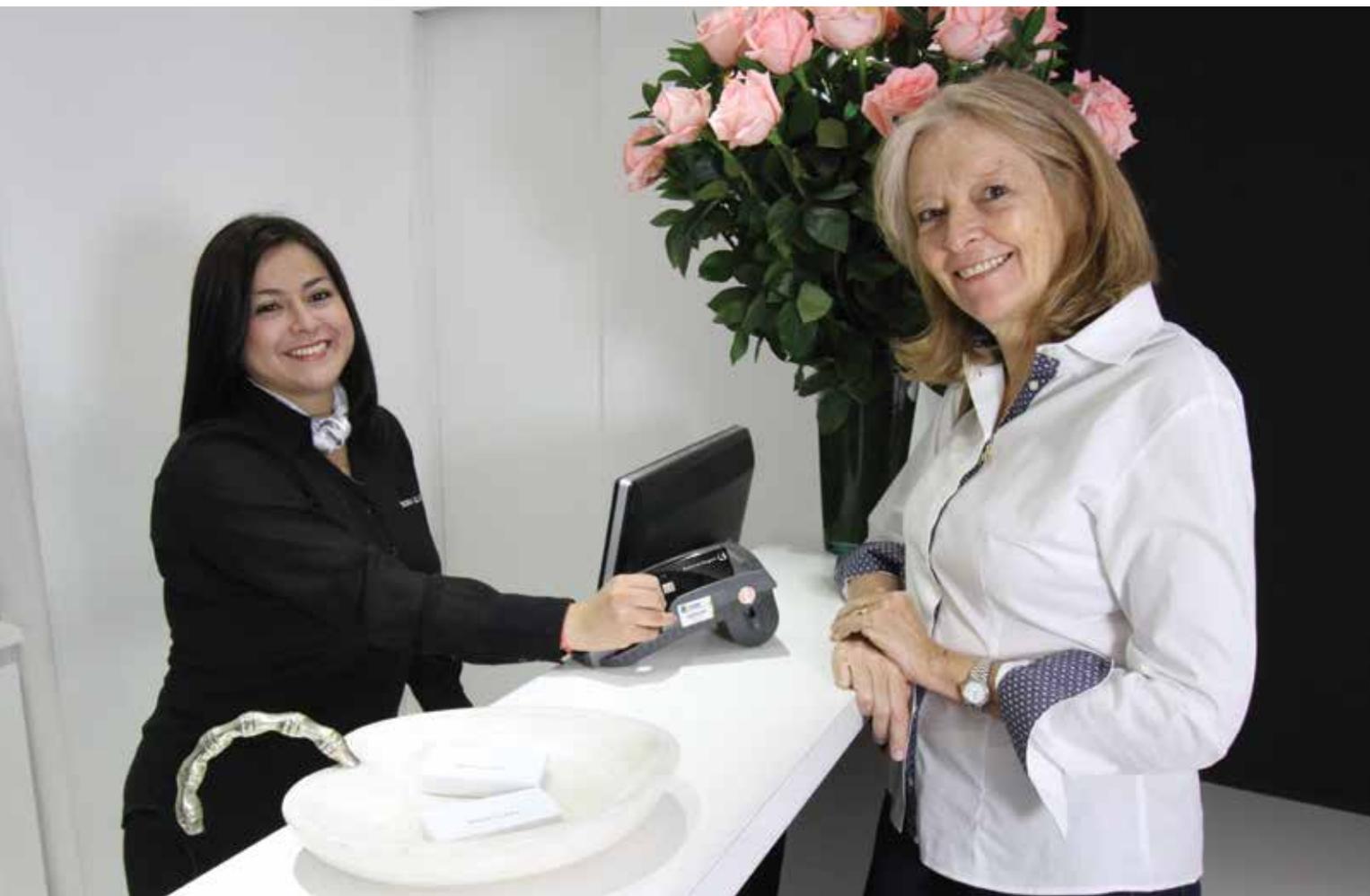
Likewise, in this period we continued to offer our clients benefits through the Crediservice revolving credit and the accumulation of LAN miles. As a result, the use of this service generated more than COP 350,000 million. In addition, credit placement reached its highest level in recent years, with a 75% increase in the number of credit lines approved over the same period in the previous year.

Premium Banking

We currently have a team of 45 Premium Managers, 24 Private Banking specialists and Fiduciaria Bogotá, dedicated exclusively to serving the needs of our Premium clients, with a presence in the main Colombian cities. We are soon to open our second Premium branch in the exclusive Altos de Riomar sector in the city of Barranquilla, which will provide high standards of service and quality.

Our Premium Banking continues to grow thanks to the commercial strategy of penetration, coverage and inclusion. Indeed, in the first semester of 2015, the Premium Savings account posted a 51% growth over the same period of the previous year, thus providing our clients with different investment options.

In order to provide our clients with better service, in the first semester we developed new, more flexible and competitive products. We also implemented the Premium Plus methodology, which allowed us to disburse additional loans totaling COP 43,000 million to our clients.





Products and Services

Debit Card

We have been working to create greater added value to our cards, with commercial alliances in more than 200 establishments around the country.

At June 30, 2015, there were more than 2,200,000 active cardholders. Through the Logros and Crecer debit cards, we support the momentum of microenterprises, which account for 87% of the 34,000 active business cards, whose invoicing has increased by 63% compared to June 2014.

Continuing with the implementation of measures aimed at strengthening the security of our client's transactions, in the first semester we launched a self-management system where debit cardholders can use the personal banking portal to activate or deactivate the magnetic strip for use in Colombia or abroad. This has helped prevent an average of COP 1,200,000 in debit card fraud every day.

Prepaid Cards

At June 30, 2015, there were more than 175,000 active Prepaid Cards, up 23%, registering accumulated invoicing of COP 13,000 million (15% growth) compared to the same period in the previous year. Through this product, our business customers are able to pay third parties not affiliated with a financial entity. This creates tax benefits and helps to control organizations' expenditures.

Relationship Marketing

Compras Felices

In the first semester of 2015, the Colombian newspaper La República highlighted "Compras Felices" as one of the foremost discount and benefits programs offered by the Bank for clients who use their cards in various commercial establishments; the scheme has become a benchmark for the financial industry,



making a difference in terms of client purchasing experience in the different affiliated establishments.

Moreover, our “Compras Felices” app stands out as one of the main financial mobile applications for entrepreneurs. Through it, users can learn first hand about the benefits on offer through credit and debit card payment, and which partners are close to their current whereabouts through a geolocation mechanism. At June 2015, the application has been downloaded more than 27,000 times.

Moreover, we have been working to expand out nationwide coverage through new partners, achieving a greater market share in the Western and Antioquia regions where we entered into partnerships with 11 new commercial establishments, primarily in the fashion, hotel and tourism sectors. In the case of the Coastal Region, especially the area of Bolívar, San Andrés and Providencia, we carried out a regional penetration activity in which we strengthened 13 new partner establishments.

Moreover, we took part in the 2015 SME World Fair in the city of Medellín, where we informed participants of the advantages and benefits of the “Compras Felices” program in the form of new commercial contacts, thus enhancing the program’s standing as a strategic tool for attracting and retaining our business clients.

The growth of the program and the contribution of our allies can be seen in the June 2015 results, where debit card invoicing at

POS generated more than COP 203,700 million, growing 17.7% compared to the same period in 2014.

In regards to the number of transactions carried out at the end of June, we achieved 94.2% compliance, more than 8.6% compared to the previous year.

Credit Cards

Growing hand-in-hand with millennials

Young people comprise 25% of the population in Colombia, making this generation increasingly relevant to the country’s economy and development. With this sector in mind, we continue to consolidate the Youth Credit Card portfolio, which currently has 30,000 clients between the ages of 18 and 25.

This credit card provides young people access to the financial system, assisting them in the administration of their personal

The Youth Credit Card
currently has more than
30,000 clients between the
ages of 18 and 25.





finances and in developing benefits and partnerships in line with their consumption habits, creating digital strategies leveraged through technological platforms to generate communities and establish direct and transparent communications. Moreover, on www.mibancajoven.com, our clients can find detailed information on the card, its benefits and tips for good use.

We work for household finances

We have consolidated a portfolio of products with benefits to aid the finances of Colombian households through the Economía and Biomax credit cards, in which clients receive cashback for their purchases. These products are currently in the midst of growing and positioning in the market, through which more than 40 thousand clients receive the benefit of cashback for purchases in supermarkets, restaurants and service stations.

Through this strategy of generating new portfolios with benefits focused on consumption habits and lifestyles, at the close of June 2015 we were able to sustain the number of our credit cards on the market.

We accompany the dreams of Colombians

We continue with our purpose of moving our clients closer to their objectives and dreams, undertaking campaigns that provide them with rewards and additional benefits for the use of their products. To this end we form alliances with various dealers throughout the country so that clients can pay a deposit on or purchase their vehicle, under special conditions.

Moreover, with our LANPASS portfolio, we have helped thousands of Colombians and their families make their dreams of traveling come true thanks to the accumulation of miles through all their purchases, which they can exchange for flight tickets. Out of awareness of the importance of paying taxes for the country's growth and well-being, we run a campaign to give taxpayers access to our payment channels.

The initiative was rolled out nationwide to enable the payment of tax obligations swiftly and comfortably. In addition, we offer permanent interest rate discounts for the payment of taxes and other transactions that allow our clients access to financial benefits while they deal with their everyday expenses. Through these campaigns we attained a market share of more than 9%.

Mortgage Banking

“Created so that you can focus on what is really important.”

Through our portfolio of home-financing products we support the growth of families in reaching one of their main goals: becoming home owners. Our service model is characterized by specialized advisory and support throughout the entire loan cycle, with a commercial service structure supported by our Housing Centers located in Bogotá (2), Cali, Medellín, Barranquilla and Bucaramanga; and Housing Corners in the major cities of Colombia (16 in total), which are spaces designed to ensure a better service experience.

The construction sector has maintained a positive dynamic thanks to the boost given by the Colombian government through different programs such as Free Housing (Vivienda Gratuita), Savings House (Casa Ahorro, VIPA), My House Now (Mi Casa Ya) and the subsidy on the FRECH interest rate. We have been supporting these initiatives through financing for both construction projects and buyers.

With respect to Free Housing, in the first semester of 2015, we approved two construction loans worth more than COP 10,000 million for 450 housing units in the municipalities of Túquerres and Cumbal. As far as the Savings House program (VIPA) is concerned, we approved seven loans worth more than COP 90,000 million for the construction of 3,589 housing units.

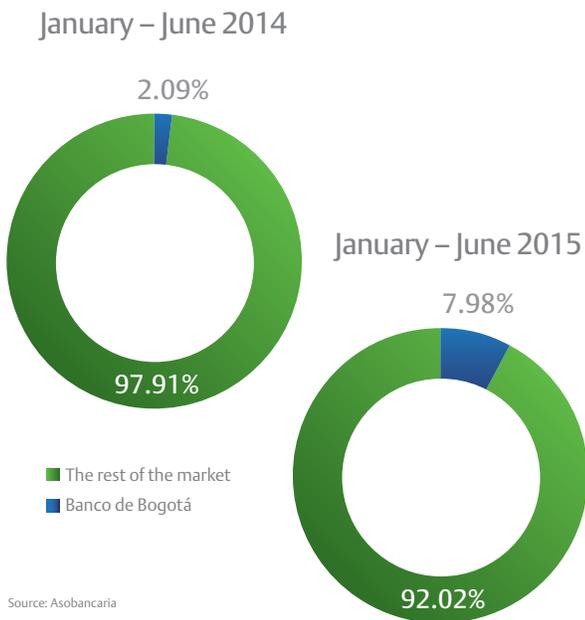
Likewise, in the case of buyer financing, between January and June 2015, we disbursed 130 loans with FRECH rate benefits (VIS housing). During this period, we implemented the necessary developments to serve clients who had applied for the My House Now program, which will start paying out in the second semester of 2015 in line with current legislation.

Construction Loans

We believe in companies that contribute to the growth and development of Colombia, providing financing for construction projects. To this end, we strengthened the Commercial Construction model by establishing two commercial management areas, one for the SME segment and another for the Corporate and Business sector, thereby improving the dynamic of con-



struction project financing. Along these lines, as of June 30, 2015 our clients had made 178 applications worth COP 1.2 trillion, of which we have approved 102 totaling more than COP 580,000 million for the construction of 9,865 homes. As part of the construction loan line, between January and June 2015 we disbursed more than COP 280,000 million, allowing us to continue increasing our market share from 2.09% to 7.98%.



Source: Asobancaria

This had a positive impact on the construction portfolio balance, allowing us to close the first semester of 2015 with a balance of more than COP 420,000 million and increase our market share as follows:

	Dec 2014 Balance	Jun 2015 Balance
Banco de Bogotá	\$197.4 MM	\$423.5 MM
Total System	\$6,726.7 MM	\$7,389.7 MM
Market Share	2.9%	5.73%

Individual Home Financing

In the first semester, 3,195 families fulfilled their dream of home ownership thanks to the service, support, and assistance we provided in financing their purchases. To achieve



this objective, we disbursed more than COP 350,000 million, corresponding to more than 3,000 individual loans and over 170 residential leases.

In addition, we participated actively in the housing expos organized by real estate associations throughout the country to bring our offering to future home-owners.

Thus, in the first semester, we took part in seven expos in the same number of cities, reaching a base of more than 1,300 clients equating to more than COP 120,000 million in potential loans.

As an integral part of the Housing Portfolio, we offer our clients the AFC account, which provides tax benefits to those who buy homes or make mortgage payments using them. Between December 31, 2014 and June 30, 2015, the number of open, active accounts increased by 35.7% to more than 7,000, representing a 9.4% increase in deposits from the close of December 2014.

Insurance

We provide protection to our clients

In the first semester of 2015, we consolidated the insurance portfolio with new products especially designed to meet the needs of our clients according to the segments they correspond to, thus achieving greater market penetration and strengthening long-term relationships.

We have expanded the portfolio for our clients with the sale of SOAT insurance, implemented in this period, resulting in 10,445 users who will be informed of new offers, campaigns and products in the future.

We expanded our Credit Card Debtor Group Life Insurance, benefiting our clients who are now protected against unemployment, temporary-complete disability and theft, as well as coverage for death and permanent-total disability.

In May we launched the product for Microfinance and Microenterprise clients, with differentiated coverage including working capital income in case of death, disability, serious illnesses and funeral assistance. In this way, we have expanded our coverage by 50%, with more than 2,800 clients now protected by this product.

Between January and June 2015, we expanded the Insurance Banking Flow of Losses, thus streamlining the processes involved in addressing incidents presented by customers so as to provide faster responses. Our clients received benefits worth almost COP 4,000 million thanks to our insurance protection.

Interbank Business

We continue to strengthen the individuals and company businesses through an extensive portfolio of specialized products, providing our clients special rates and benefits.

Since June, we have been implementing a new strategy to increase our market share by reaching more companies, generating synergies and strengthening relations between Business, Corporate and SME Banking.

This is based on a specialized service model to respond to companies according to their type of banking, assuring the Bank's presence at their facilities and giving them the option of acquiring all our products and services.



Payroll

In the first semester of 2015, we increased our base with over 22,000 active payroll clients, which represent a 3% rise over this period and a 7.6% growth in balance.

In addition, with the loyalty strategy for payroll clients, aimed at providing enhanced benefits through our portfolio as well as ease of access to our channels, we have achieved a net growth of more than 110,000 loan products, resulting in a portfolio growth of more than COP 80,000 million.

Meanwhile, in June we launched the third exclusive products campaign for our employees entailing special rates and benefits; there have been more than COP 17,000 million of loans approved since its implementation.

Finally, in the first semester of 2015, we held 52 training sessions on the financial education program, including our conference “The Seven Keys to Smart Money Management,” which reached more than 2,800 clients across 52 companies in seven Colombian cities.

Payroll Loans

We strengthened our presence in companies and private clients

In order to enhance our presence and expand the natural market among companies with payroll loan agreements with the Bank, we increased our sales-force by creating 43 new advisory positions and one new zone, hired new employees in the second quarter, and provided jobs in areas where our market is highly concentrated, such as Arauca, Riohacha, Sogamoso, Duitama, Tunja, Puerto Carreño, Soledad, Carepa, Quibdó, Puerto Boyacá, La Dorada and Maicao.

As of the end of June, payroll loans in the public sector closed with a portfolio balance of COP 2.1 trillion, which is COP 102 billion more than at the close of December 2014.

Government Payroll Loan Unit disbursements during this period totaled COP 656,223 million, obtaining 10,897 new clients and serving 14,656 existing ones.

In addition, we continue to develop our retirement segment penetration strategy by running client enrollment campaigns at pay points.

In addition, through our network of branches we disbursed more than COP 187,000 million in the first semester of 2015, benefiting more than 12,400 people who took out free investment loans for their projects with payroll discount facilities.

In June, the exclusive new payroll loan line was launched for our employees, a product with a payroll discount facility and a differential rate.

During this period, we created almost 130 new payroll loan agreements with large, medium and small companies, increasing our presence and depth to provide the employees of those companies financial benefits.

Disbursements by segment - first semester 2015

Segment	Operations Number	Balance (millions of COP)	% Share
Military Forces	10,328	\$ 304,457	36.1%
National Police	10,199	\$ 235,035	27.9%
Pensioners	3,498	\$ 64,426	7.6%
Official	3,669	\$ 99,274	11.8%
Private	10,263	\$ 140,214	16.6%
	37,957	\$ 843,406	100%

Portfolio by segment - June 2015

Segment	Operations Number	Balance (millions of COP)	% Share
Military Forces	48,373	1,017,157	38%
National Police	33,797	621,916	23%
Pensioners	19,280	309,848	12%
Official	19,251	333,963	13%
Private	35,021	375,761	14%
	155,722	\$ 2,658,645	100%



Improving our commercial offering

In order to meet our client's needs, we have developed mortgages through payroll loans, which constitute an excellent financing option that allows the employees of our partner companies to buy and sell the VIS and non-VIS housing portfolio with preferential terms and rates.

We got involved with the welfare activities organized by our clients

Out of interest in strengthening our commercial relations and in supporting initiatives aimed at our clients' employees, in the first semester of 2015 we attended 165 events, including:

- The 2015 EMSUB Inter-School NCO Games held in Tolima, in which more than 15,000 people from the four

military forces nationwide participated.

- National INPEC Guard Day.
- Motivational events for Colombian Army soldiers in combat.

Financial education events with the support of the Social Responsibility Management area; through the Financial Education Program for Life, we trained more than 935 members of the Armed Forces and the National Police.

In addition, in the first semester we were present at the Military Cadet School, the Nueva Granada University, the General Santander School, the Artillery Battalion and School, and the Transport Battalion of the Colombian Army.

Vehicles Unit

Positioning ourselves and building new relationships

As at the end of the first semester of 2015, we have formed alliances with 197 dealers (whereby we are provided with spaces to sell our products for vehicles), appearing in more than 600 salesrooms nationwide.

It is worth of mentioning that during this period, a total of 5,540 operations totaling COP 218,886 million were carried out. 70% of these operations concerned the financing of vehicles for private use and the remaining 30% of vehicles for commercial use. Here we posted a 9% increase in the number of clients, representing an increase from 30,691 at end of 2014 to 33,623 at the end of June 2015.

Our share keeps on increasing

We increased our share in the new vehicle-financing market to 6.03% of all financial units, which accounts for a rise of 30 basis

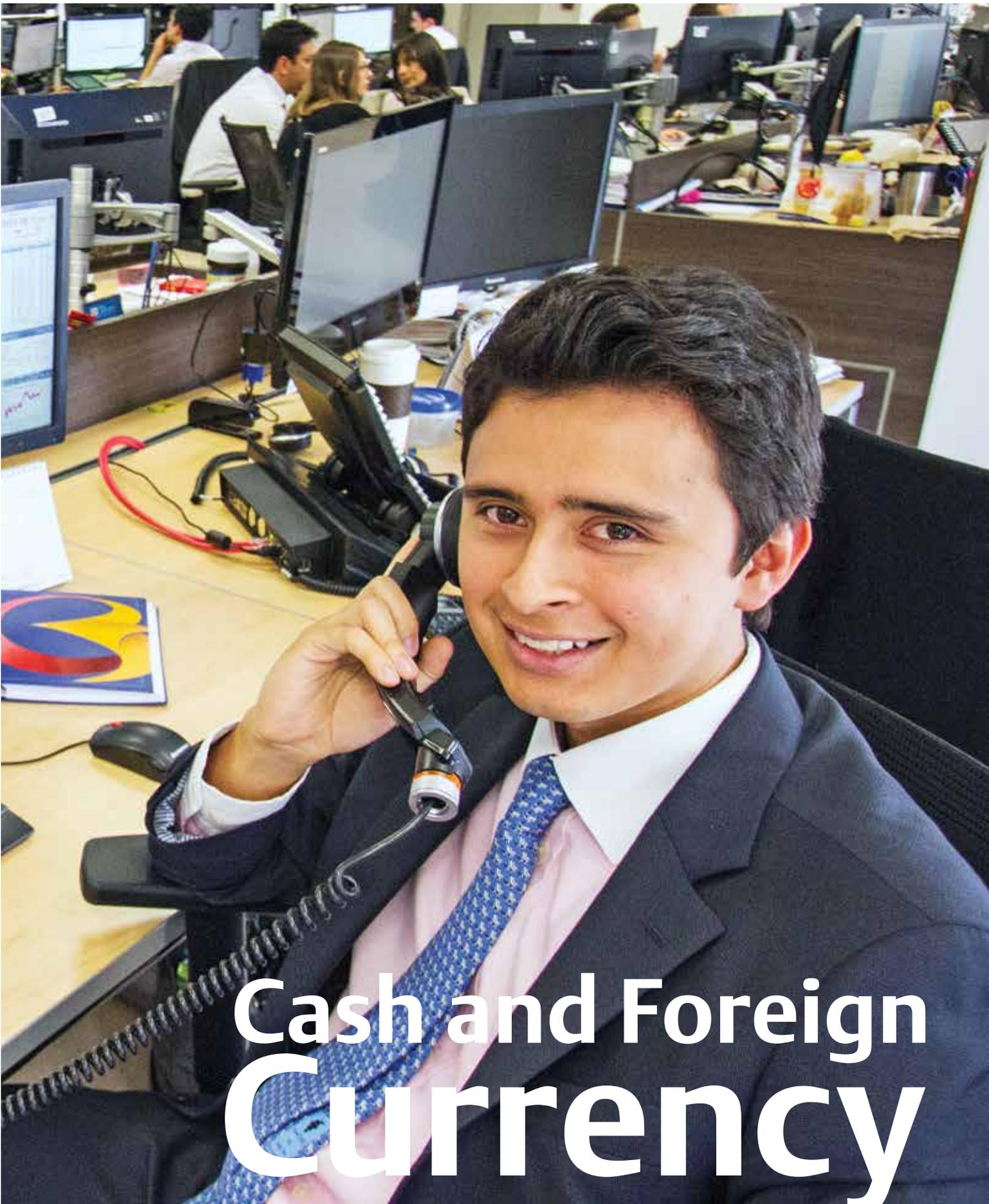
points versus the close of 2014 when we had cornered 5.73% of the market (Source: RUNT).

Moreover, we have placed ourselves as the leading bank in the financing of top-of-the-line vehicles from brands such as Volvo, Dodge and Land Rover. In the case of Mercedes Benz, we are currently in second place.

Modernizing and automating our processes

In the first semester we continued implementing the vehicle credit flow in the areas of Medellín, Bucaramanga and Barranquilla. In the second semester, our sales-force will roll out this new tool, with which we hope to improve dealer response times by controlling the point-to-point process and thus enhance our client service.





Cash and Foreign Currency



Cash and Foreign Currency

Fixed Income Investment Portfolio

Our Fixed Income Investment Portfolio has been designed to respond to the guidelines of our Board of Directors, the risk administration policies, and the liquidity and profitability requirements relating to the balance. At the close of the first semester of 2015, fixed income investments totaled COP 5.73 trillion, growing 1.2% over the second semester of 2014. This breaks down as 91% corresponding to Colombian operations, and 9% to the portfolio of agencies and the Panama branch office. On the other hand, in terms of the main issuers, 70% of the portfolio corresponds to public debt securities issued by the Colombian government (not including securities issued by decentralized entities such as the TDAs), primarily Treasury Securities (TES, for the Spanish original).

In the first semester of 2015, moderate positions in the local currency public debt portfolio were adopted in terms of volume and duration, given the expectation of a possible devaluation in the curve, which eventually transpired between April and June. Thus, for example, the securities maturing in July 2024 increased from 6.72% at end end of April to 7.21% at the close of the semester. Factors behind this trend included the potential impact of the lower price of oil on public finances, as well as the spike in domestic inflation.

For its part, in the foreign currency fixed income portfolio, we continued with a concentration strategy at the short and medium yields of the corporate bonds curve, encompassing exchange rate coverage as the first rates increase by the US Fed-

eral Reserve drew near. In the first six months of the year an increase was noted in both Treasury rates and loan spreads, with the Brazilian securities deteriorating the most. In this context, in the second quarter, we opted to cash in on securities that had posted significant year-to-date reappraisals.

Foreign exchange market and derivatives operations

In a semester marked by pronounced volatility in the financial markets and accelerated devaluation in the major international currencies versus the dollar, our Foreign Exchange and Derivatives Trading Table performed adequately, participating actively with both local and offshore counterparts. We remained a constant provider of prices and products, honoring our commitment to serve as allies of the production and institutional sector in foreign exchange and derivative negotiations.

Our clients in the non-financial sector had the opportunity to access the interest and exchange rate hedge market, as well as receive constant information from our negotiators for making major decisions during such a sensitive juncture. Though the rise in the dollar reduced interest in the use of financial derivatives among certain sectors, our market share remains close to 15% and we continue to carry out training throughout the country, promoting appropriate use of hedging options by our clients taking into account the risks existing in our market.

Treasury Operations

Our Treasury continues to support the development and penetration of the Reference Banking Rate (IBR, for the Spanish original). We are interested in supporting the sales-force and our clients in the process of learning and understanding this money market indicator, which is likely to become the best source of information on local liquidity conditions. During the first semester, we retained a high profile on the money market, both as a means of maintaining our own liquidity and as participants in the Public Debt Market Makers Scheme, operating on the simultaneous market.

Through the Certificates of Term Deposits managed by the Treasury we offered our institutional and public sector clients' investment options in terms ranging from 90 days to three years at fixed and indexed rates. At the close of the first semester, we increased the current balance of Treasury CDs by 14%, with the IBR standing as the indicator of choice for our clients, even though we have recently noted an increased demand for fixed rate and inflation-indexed securities.

Financing in Foreign Currency

Though the devaluation of the Colombian peso against the dollar coupled with the foreign trade slowdown notably discouraged foreign currency loan disbursements in the first semester. Companies with habitual foreign coverage or an active presence abroad continued to take advantage of the low interest rates for current debt in dollars. For this reason, the balance of our foreign currency placements increased by 13% in the first semester as compared to the close of the previous semester. Out of awareness of the volatility of the exchange rate, the Foreign Trade Advisor teams, Distributions Desk traders and Economic Research area have assisted our clients, providing first hand support on financial management evolution and offering opportunities for administering foreign exchange risk.

Alongside the financing we provide, our own fund with foreign correspondent banks has continued to strengthen. In the first few months of the year, liquidity in dollars continued to take precedence in international markets, enabling access to resources with moderate loan spreads to finance working capital and foreign trade operations.





Agencies and Branch Office abroad

Our agencies in Miami and New York and the Panama branch office sustained solid growth in the early months of the year, reaching an aggregate balance of US 2,141 million in assets in June, 8% above the close of 2014. We remain the Colombian bank with the highest volume of transactions in the United States, upholding high operational standards under the regulations of the Federal Reserve and the states of New York and Florida. Security in the transaction channels and ongoing support in investment or loan operations abroad have proven decisive in winning the loyalty of our clients, who entrust us with the administration of their resources in clearing accounts, the money market, term deposits and other options in our portfolio.

From our agency in New York we administer the Banco de Bogotá Yankee CDs program, an example for local and international, institutional and corporate investors who aim to maintain investments in foreign currency. The program attained a balance of USD 328 million, growing 38% as compared with the close of 2014, which stands as evidence of investors' trust in both our brand and our performance.

Committed to foreign trade and innovation

Supporting our client's growth is our main objective. For this reason, we offer the best qualified support on foreign exchange and regulatory issues through our team of Foreign Trade Advisors and channels such as the International Advisory Center and the international Internet portal, which are key for proper business structuring in foreign currency.

Thanks to our experience, we have become strategic partners of our importer clients regarding the financial and foreign exchange structuring of their payments to international suppliers, through financing products, transfers, letters of credit and accounts in our branches and agencies. For exporter clients, we have set up payment methods that allow them to receive resources from their clients abroad swiftly, securely and in line with their financial needs. For Colombian and foreign investors, our consultants provide permanent support to guarantee proper channeling of their resources.

In the first semester of 2015, we dealt with more than 28,000 inquiries from the International Advisory Center and more than 1,400 requests through chat, thereby assuring our timely presence in our clients' international operations.

The growth of our income through commissions in foreign currency is accounted for by our active role in foreign trade operations, and in the provision of services in currencies other than the Colombian peso. In the first semester, financing, investment and payment operations were structured for multinationals and companies in the process of international expansion. This not only had a positive impact on our results, but also provided our clients with significant financial and operational benefits.

Likewise, we continue to work on strengthening the e-services for our foreign currency clients. In the first semester of 2015, we activated the internet Direct Transfer and Letter of Credit for Import services, accessible from any browser. This recent development allows our customers to complete and send compliance instructions and exchange returns through the web portal using a digital signature, which prevents the need to submit physical documents and facilitates online consultations of trade status. The benefits of these developments range in saving time and staff for our clients and reduced information management risks, to reduced environmental impact due to lower paper consumption.

Strengthening electronic channels for services in foreign currency gives our clients enhanced security and efficiency.

Moreover, our systems team at our foreign agencies and subsidiaries are currently implementing the new version of the International Transaction Portal. Its improvements include a reduced operating load through mass payments to suppliers through Payroll, guides for deposit renewal and constitution; on-screen check viewing and user notifications, according to each client's product portfolio.

Also from this first semester, the clients of our Foreign Agencies and Subsidiaries are given access to our Gold Debit Card

with chip, providing them with greater benefits in terms of security and traceability.

Finally, we continue to develop our training strategy, which includes regularly calls to clients and employees to provide them with updates on legislative changes, international payment methods, the economic climate, financial markets and the efficient management of product portfolios. In addition, as part of our commitment to provide our clients with optimum service experiences, we train employees from more than 900 companies, and strengthen the knowledge and skills of 380 of our own employees nationwide.





Service Channels

Physical Channels

In the first semester of 2015, we increased both our coverage in new municipalities and the number of channels in commercial zones where we already had offices, facilitating access for current and potential clients and contributing to the Bank’s growth strategies and to the country’s economic development.

13,001 service points
as of June 30, 2015.

Our Presence in the Municipalities of Colombia

As of June 2015, we were present in 793 municipalities around the country, a figure that represents coverage of 71% nationally. Continuing with our service points growth strategy, in the first semester of 2015 we opened two new branches in the municipalities of El Zulia and Los Patios (north Santander), areas that did not previously have access to this channel.

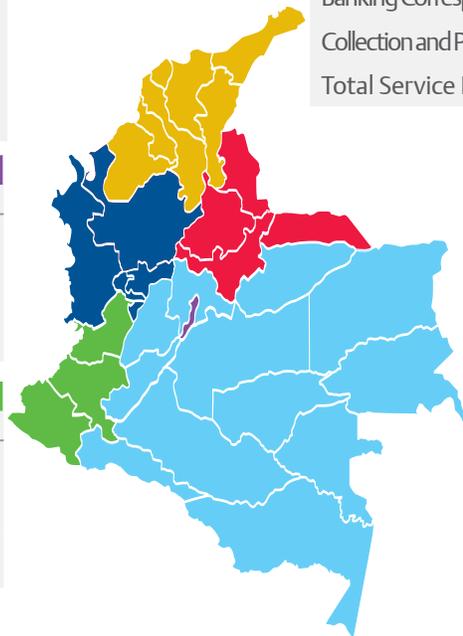
At the close of June, our coverage extended to 13,001⁵ service points across the country, representing 8,728 more branches compared to June 2014.



Region	Antioquia	
	Jun -14	Jun -15
Branches	125	125
ATMs	331	304
Banking Correspondents	228	938
Collection and Payment Centers	9	9
Total Service Points	693	1,376

Region	Bogotá	
	Jun -14	Jun -15
Branches	187	189
ATMs	473	493
Banking Correspondents	315	5,449
Collection and Payment Centers	18	18
Total Service Points	993	6,149

Region	West	
	Jun -14	Jun -15
Branches	99	101
ATMs	237	236
Banking Correspondents	304	1,280
Collection and Payment Centers	8	8
Total Service Points	648	1,625



Region	Colombia	
	Jun -14	Jun -15
Branches ⁵	700	705
ATMs	1,706	1,726
Banking Correspondents	1,817	10,519
Collection and Payment Centers	50	51
Total Service Points	4,273	13,001

Region Includes San Andrés	Coast	
	Jun -14	Jun -15
Branches	89	90
ATMs	237	251
Banking Correspondents	260	621
Collection and Payment Centers	5	5
Total Service Points	591	967

Region	East	
	Jun -14	Jun -15
Branches	58	61
ATMs	186	194
Banking Correspondents	253	896
Collection and Payment Centers	4	5
Total Service Points	501	1,156

Region	Central	
	Jun -14	Jun -15
Branches	142	139
ATMs	242	248
Banking Correspondents	457	1,335
Collection and Payment Centers	6	6
Total Service Points	847	1,728

⁵ This figure includes: 705 offices, encompassing corporate service centers, SME service centers, businessman advice branches, centers specializing in housing, branch extensions, premium branches, basic branches, customer only branches, payroll loan service centers with special services and payroll loan centers without own code.

Branches

Since 2014, we have been strengthening our new image in our branches throughout the country. At June 2015, 139 of our offices were renovated and ready to attend the needs of our clients and users.



ATMs

During the first semester of 2015, more than 48 million transactions were made at our ATMs, and in this same period we relocated 39 units to sites with greater transaction potential, resulting in a total of 1,726 machines operating across the country.

Continuing with our strategy and in order to place ourselves where the client needs us, we constantly search for points with high concentrations of people, such as tourist sites, shopping malls, clinics, etc., as well as establishing a presence in new municipalities.



	June 2014	December 2014	June 2015
	1,706	1,737	1,726

It should be noted that for the comfort of our clients we also offer attention through the largest network of ATMs nationwide: the ATH network, which encompassed 3,774 units at the end of June 2015, of which 46% corresponded to our Bank, processing 51% of all the network's transactions.

Banco de Bogotá ATM Transactions

Transactions	I Semester 2014	I Semester 2015	Variation
	Transactions	Transactions	%
Banco de Bogotá Clients	31,813,673	32,062,801	1%
Aval users	11,747,320	12,264,993	4%
Other banks' users	3,668,856	3,973,478	8%
Total Banco de Bogotá ATMs	47,229,849	48,301,272	2%



Self-Service Areas

In the first semester of 2015, we opened four Self-Service Zones in major shopping malls throughout the country, resulting in a total of 29 zones in operation located in Bogotá, Medellín, Bucaramanga, Cartagena, Cúcuta, Santa Marta, Ibagué, Pereira, Armenia, Manizales, Barrancabermeja and Montería.

Through this new channel, our clients can save time and make transactions such as: cash deposits to checking and savings accounts; payments of credit card balances and obligations in cash or charged to their account; they can also consult and print balances and transactions, tax certificates and credit card, loans, savings and checking accounts statements corresponding to our Bank.

In addition, we have implemented five new transactions to provide better service to our customers: modification of limits and amounts, generation and printing of tax certificates, bank references and account registrations for transfers and payment services.

Banco de Bogotá Financial Services Bus

During the first semester, we took part in 11 events nationwide with the Financial Services Bus, bringing clients ever closer to

the Bank by educating them and encouraging the use of electronic and virtual channels that we place at their disposal.

We visited our clients in eight municipalities across the country: **Marquetalia, Risaralda, Anserma, Viterbo, Riosucio, Quibdó, Medellín and Cali.**





Banking Correspondents



June 2014

1,817

December 2014

10,093

June 2015

10,519

At the close of June, we had more than 10,519 correspondent points through partnerships with supermarkets, stores, pharmacies and other businesses, extending our coverage in strategic locations that are frequently visited by our clients and users. These partnerships constitute an additional revenue stream for the retailers involved. Moreover, it gives their business the backing of our brand.

In this way, we have succeeded in covering 772 municipalities nationwide, allowing our clients and users to carry out financial transactions closer to their homes, with lengthy opening hours and at no extra cost. Banking correspondents constitute an excellent channel for supporting the strategies of the following segments: Microfinances, Public Sector and SMEs, which con-

tribute substantially to our social commitment of connecting more Colombians to the banking system.

Transaction Evolution

In the first semester of 2015, the number of transactions made in banking correspondents exceeded four million.



Supermarkets, shops,
drugstores and others.

Transactions at
June 2015

4,396,561

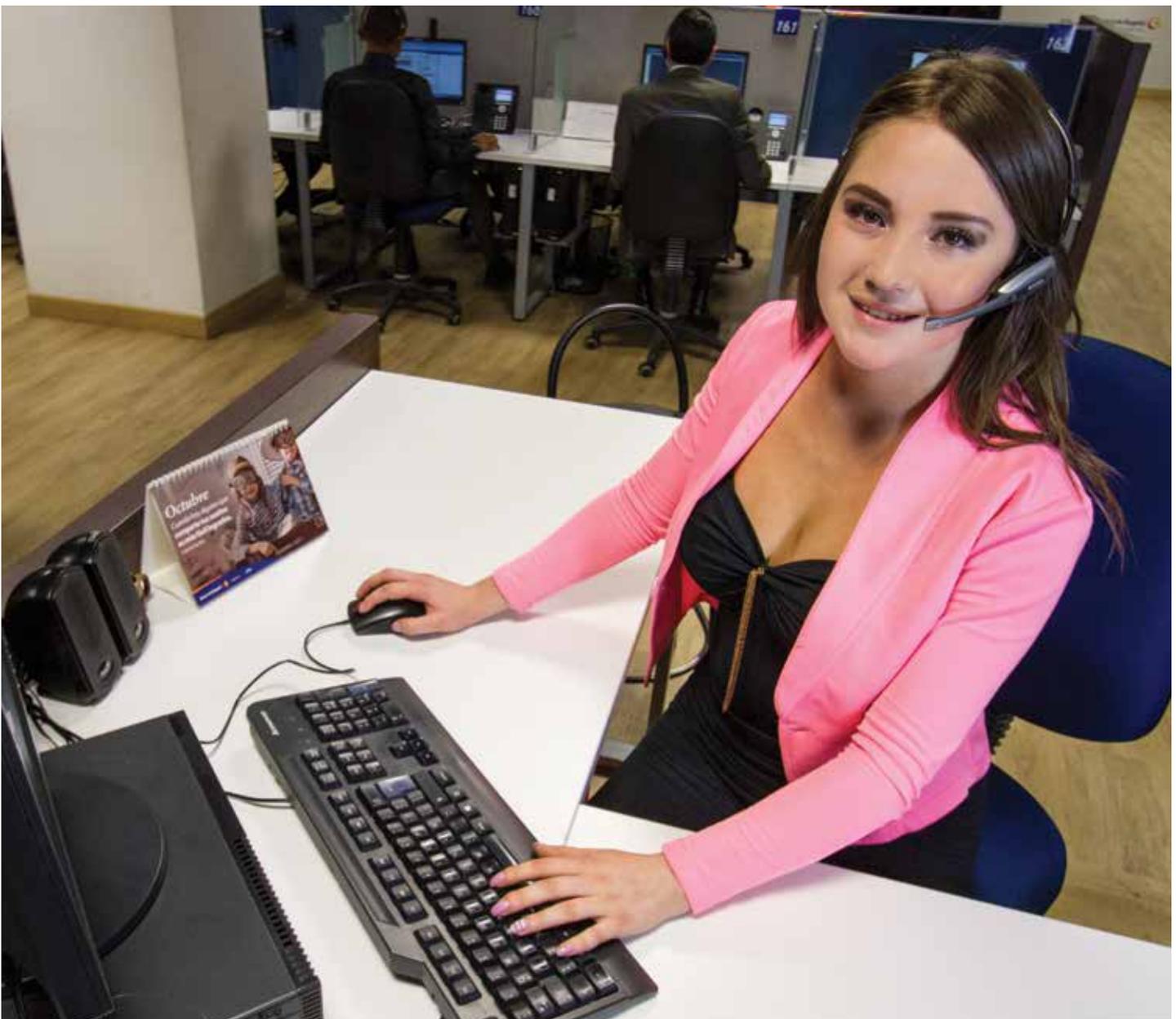
Servilínea and Call Center

We continue to strengthen our Servilínea channel in order to enable clients to make inquiries, payments and transfers efficiently and quickly, as well as obtain specialized advice to resolve any concerns, reinforcing self-service and improving the experience of service.

Through this channel we also developed our telephone sales management to offer consumer credit products, such as Credit Cards, Consumer Credit, Payroll Advance and Mortgage Loans, promoting and placing 14,197 products during the first

semester. In addition, we succeeded in retaining an average of 70% of clients using Credit and Debit card products.

We carried out 1.5 million transactions through Servilínea during the first semester of 2015.



Transaction Management

In the first semester of 2015, we migrated 4.6% of transactions from branches to electronic and virtual channels, thanks to our management on several fronts. Firstly, the continuity of the Transactions Migration pilot, which began in 2014 with 20 promoters in 40 select branches in Bogotá, seeks to guide clients and users on the use of alternative channels to the branches.

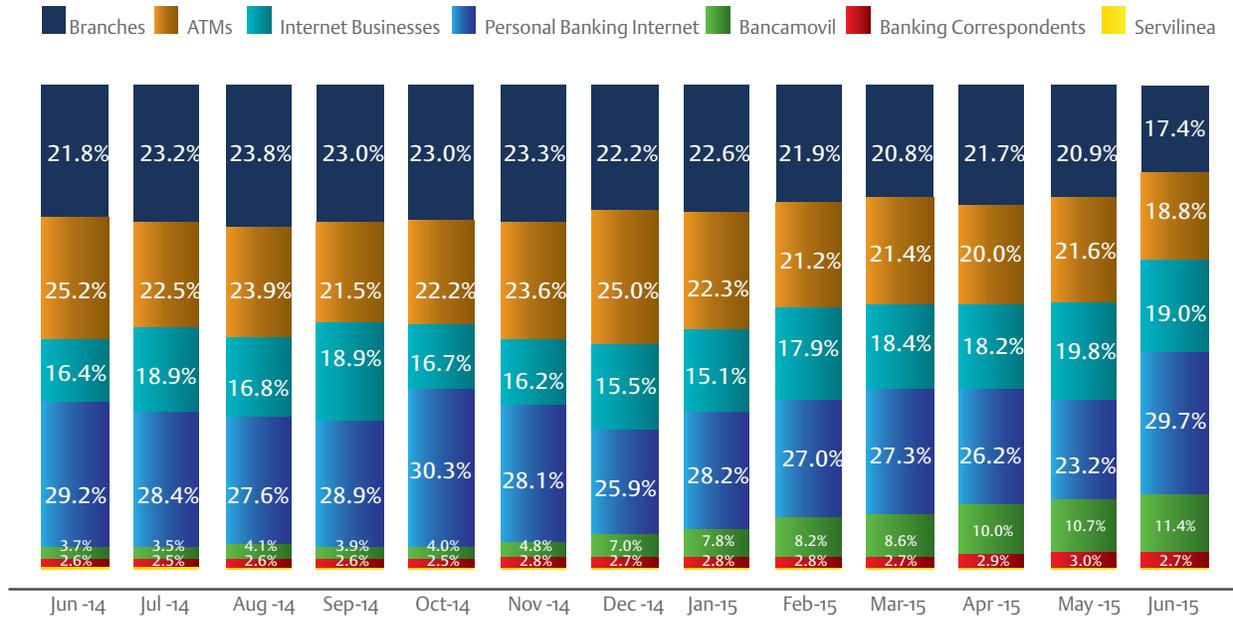
Secondly, through the Multipliers program in which we trained 40 pre-chosen employees, who took what they learned back to their branches and, continuing with the trend, migrated 9% of transactions enabled for other channels at the pilot branches.

In response to the need for channel disclosure and the practical use thereof, in the first semester, we began the internal education program nationwide, visiting and training 40% of the country's network of branches and their managers, service managers, and sales and service advisors, as well as more than 600 employees, on areas such as the importance of using the channels in terms of benefits and service quality.

In addition, we strengthened the self-service offering through the approval and installation of 150 Servilíneas at busy branches with high migration potential that did not previously have access to this channel.



Transaction Migration Pilot Program Evolution - Combination of Channels, June 2014 to June 2015



Virtual Channels

During the first semester of 2015, we continued advancing our multi-channel strategy, with which we seek to ease customers' lives by allowing them to carry out more transactions through different virtual channels.

We have also developed new Mobile Banking services, which allow clients to perform transactions quickly, easily and securely. We also continue to work on educating clients and users regarding practical use of electronic and virtual channels, so that they are aware of all the options and benefits available to them.

Personal Banking Internet

During the first semester of 2015 we worked on developing strategies to ensure a channel available for all clients, allowing

42 million transactions
in the first semester
of 2015

them to carry out self-management processes and providing them with a better user experience. Internally, we promote the use of Internet among employees, making them the primary multipliers of the virtual experience.

Internet Businesses

Through this channel, our more than 996 thousand clients from all segments (corporate, business, public sector, institutional, social, SME and microenterprise) were able to carry out their transactions.

More than 35 million successful transactions
at the end of June, 2015.

Also during the first semester, we trained our sales-force in order to reduce the number of returns in web portal registrations and in changes of product in order to reduce response times and improve service provision.

Mobile Banking

Consulting statements for all products, tax certificates and the Annual Overall Costs Report is possible through our Mobile Banking. These developments makes us pioneers in the provision of such application-based services in Colombia. Likewise, we underline our commitment to providing technological solutions that optimize processes and make clients' lives easier, giving them the option to consult these documents, download them and send them to any email address at no extra cost.

More than 14 million transactions, 139 thousand clients and 288 thousand downloads in the first semester of 2015.



Another novelty of this period was the launch of the exclusive iPad App, which gives customers a better browsing experience to conduct transactions from these devices.

This channel achieved a 11.4% share in total transactions of the Bank in the first semester of 2015, compared to a share of 3.7% in the same period last year.

PSE

Thanks to the PSE (Secure Online Payments) channel, which allows individual clients with a Token to carry out their purchases and payments immediately and securely, PSE transactions increased 34% compared to the first semester of 2014, thereby obtaining a positive variation of 21% in commissions.

During the first semester of 2015, **960 thousand transactions** were carried out through the PSE channel.

Mobile Sales Force

In the first semester of 2015 this channel accounted for 16% of all loan disbursements, 80% of payroll line disbursements, and 11% of all credit cards issued.

It is noteworthy that the Mobile Sales Force has coverage in 499 cities nationally, 39 of which have sales teams installed in the cities and the remainder of which have a permanent presence of traveling advisors. In this way, we are able to guarantee our clients a continuous and quality service, ensuring they are provided with the support and solutions required for their financial needs.



Customer Service

We continue to strengthen the client-facing organizational culture through the Financial Client Service System (SACF, for the Spanish original). Through the Strategic Committee, which forms part of the SACF governance scheme in which senior management participates, we established thirteen strategic actions oriented toward areas, such as transparency of information provided to clients and users; fraud prevention abroad, in the network of branches, and across electronic channels; and the impact of our projects on service provision, among others.

In our ongoing monitoring of the SACF, we included the follow up of client and user service availability indicators in order to conduct preventative assessments on service deviations and thus avoid potential grievances by financial consumers.

So as to include client's expectations and perceptions within the reference framework for new projects, we sought their opinions in the Process Transformation Project. Thus, with technology at the service of processes, we were able to facilitate 83 interventions, making an impact on response times, reducing the documentation required from customers and reducing workloads in operating areas.

As part of the Quality Management System's commitment to client satisfaction, we expanded our coverage through our network of branches. We now have 96 additional branches in major cities specializing in the methodology of ongoing improvement; thus, we resolve to enhance service through



the pursuit, identification and development of new improvement opportunities.

In order to spread beyond our processes and our team, we have trained 1,900 employees in-person and 2,162 employees virtually on topics related to service models and financial consumer protection.

In the first semester **we trained 1,900 employees in-person and 2,162 employees virtually** on topics related to service models and financial consumer protection.

We coordinated the preparation of action plans to develop interpersonal skills among employees who directly serve clients and users, achieving a 15% reduction of non-conformances in this regard compared to the previous semester.

Moreover, to contribute to the efficiency, timeliness and productivity of the relationship between the sales-force and the support area, we provided feedback to 106 areas on the results of the last audit in which compliance with telephone service standards was monitored, in order to establish improvement actions to facilitate this relationship and optimize client commercial interaction.

Finally, because we recognize that our relationship with clients has been a decisive factor throughout these 145 years of history, we include in the internal institutional campaign the importance of implementing service standards in all our interactions with colleagues and clients to reflect the respect that others deserve and our interest in consolidating cordial, sustainable, and profitable relations.



Mark Grimberg
General Manager - Alimentos Lacali
Business Banking Customer - Companies Segment
Cali, Valle del Cauca

Alimentos Lacali

The resurgence of a legendary company

At a modest site in downtown Cali in 1938, Simón Harf, a German immigrant specializing in food production, created one of Colombia's emblematic cold cuts companies and an indisputable reference from his region: Alimentos Lacali.

With a name that pays tribute to the city where he made his home and drawing on his expertise in German technology, he started manufacturing delicious cold cuts and sausages in the European tradition. His innovative products quickly gained popularity among the people of Cali.

*The company Alimentos
Lacali, created 75
years ago by a German
immigrant, is one of
the exemplary cold cuts
producers in Colombia.*

Nevertheless, in 1977 the company began to decline. Faced with the challenge of restoring the company's fortunes, Mark Grimberg assumed the legacy of his father, who was then the main shareholder. "It was an enormous challenge for me. I had practically just graduated and being the general manager was a great responsibility," he says.

Out of the conviction that his company benefited many people by providing jobs and that his products were set to be enjoyed by thousands of Colombians, he decided to invest heavily in machinery with the support of Banco de Bogotá.

Having overseen his company's increase in production, he decided to continue advancing by entering large market chains, but he knew that this would involve an even greater investment. "The risk was high. I had to invest almost COP 2 billion in the packaging process. I spoke to my employees, who in my opinion are the most important and valuable part of the company, and they encouraged me to keep going. Of course, we knew that this could be achieved with the help of our loyal partner, Banco de Bogotá."

His tenacity and enthusiasm can be seen in each of his actions. Today, with more than 400 employees, a nationwide presence, an outstanding position due to his delicious hamburgers, sausages, frankfurters, and smoked products, Lacali is synonymous with the city and regional leader.

"Being an entrepreneur is a very difficult task in which you need nerves of steel, but with God's help and key allies like Banco de Bogotá, dreams can come true, such as reviving a legendary company" he concludes.



145 años
TRABAJANDO JUNTOS

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