



Let's **Progress**



Chapter 4

Our Bank at the Service of Customers

145 Years Progressing

Being pioneers of Colombian banking challenges 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.

4. Our Bank at the Service of Customers

Business Banking

In 2015, the Business Banking segment, through its seven regional management areas, continued strengthening its coverage and presence in the country, contributing to the growth of our clients.

In this period, we won 423 new clients through new engagement teams, thereby increasing our penetration in Colombia's medium - and large - company segments, utilizing as the main tool the understanding of our supply chain and the prospect of being part of it through our financial products.

Thus, through our 274 commercial advisors for this segment, organized into development teams, so far this year we have served 6,991 clients through 83,000 business contacts.

Our Bank linked **423 new clients**, and through the year we served 6,991 companies in Colombia.

The Business Banking area conducted 1,117 credit transactions based on the Reference Banking Rate, **achieving a loan portfolio balance of COP 4.8 trillion.**

Our extensive knowledge of clients allows us to adapt our commercial offering to their financial conditions, and to the behavior of Colombia's economy and markets.

Throughout the year, our Business Banking and International and Treasury Vicepresidencies trained clients and managers on the importance of the Reference Banking Rate as an indicator that rapidly reflects Colombia's monetary policy, as well as how exposure to different changes to the market exchange and interest rates are covered.

At the close of December, we reached a loan portfolio balance indexed to the Reference Banking Rate of COP 4.8 trillion, which represented a 292% increase from the previous year, following on from 1,117 credit operations with 560 clients and 14,000 hedging operations with 425 clients.



Regional growth

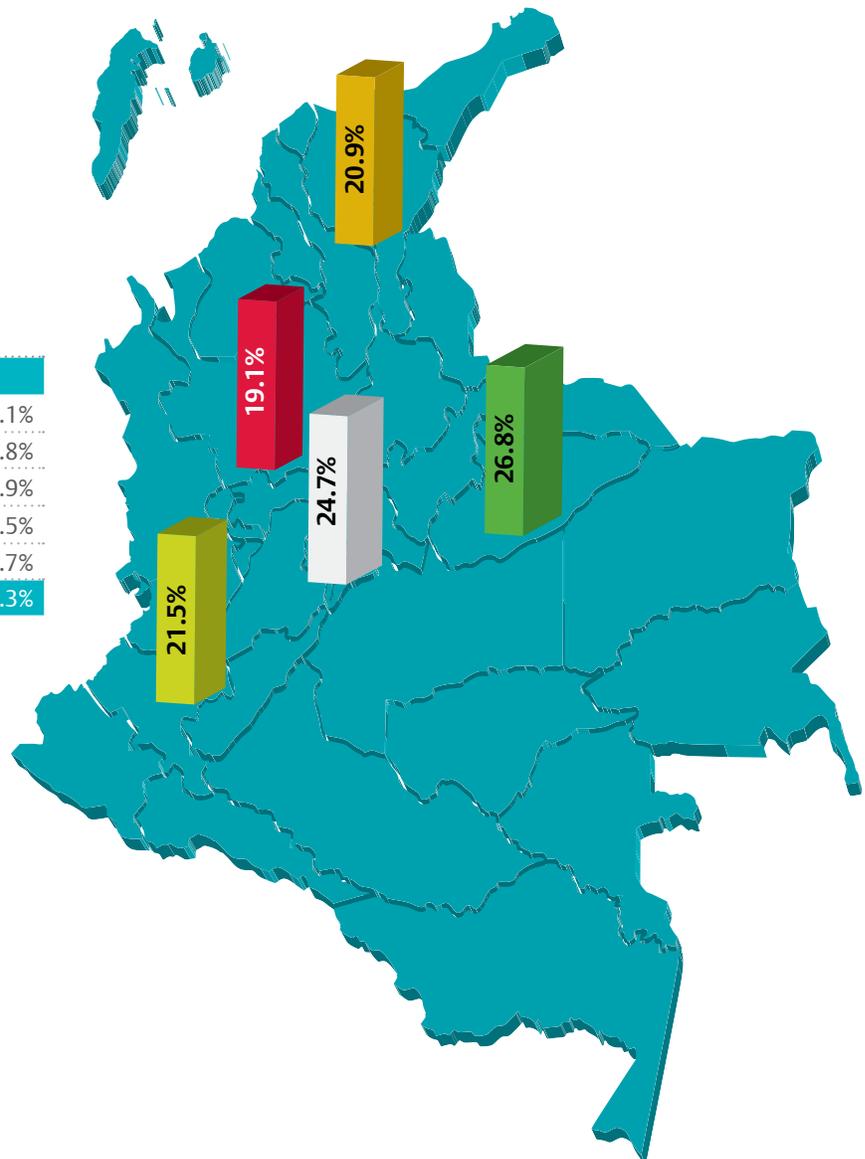
We increased our regional presence so as to support our clients with financial solutions in keeping with their business dynamics.

During the year we conducted 362,000 credit operations in legal tender with 4,005 clients, achieving a loan portfolio balance of COP 22.6 trillion.

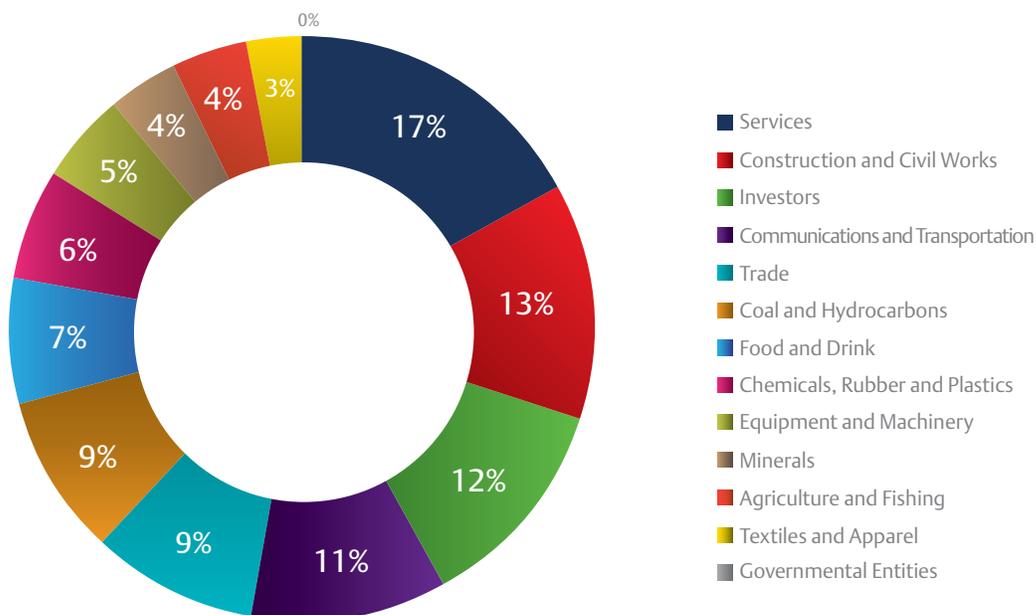
Share of Business Banking in the Regional Commercial Loans Portfolio

Region	Share
Antioquia	19.1%
Centroriente	26.8%
Costa	20.9%
Occidente	21.5%
Bogotá	24.7%
Total Business Banking	22.3%

Source: Central Unit of Financial Information, Sep-2015.



Present in all Sectors



Moreover, we began the process of evaluating the Bank's participation in financing the 4G Concessions for infrastructure business and public-private partnership initiatives. In addition to the review of credit risks, we have taken into account the social and environmental impact that these projects may have; therefore, the documentation now encompasses the hiring, by concessionaires, of socio-environmental advisors tasked with verifying compliance with internationally acceptable standards (Equator Principles, Environmental Health and Safety Guidelines, and Environmental and Social Sustainability Standards).

We support our clients' large projects

Our new constructor line of credit attained 667% growth, of which the support from the Fontanar Shopping Mall project (Chía) stood out; this structure has an area of 89,941 m², three floors, and 190 retail units, and its stadium-type design allows all units to be viewed from any point in the mall.

We funded COP 160,000 million for this project through the Constructor Line of Credit, including the necessary structuring in terms of guarantees and cash flows. This operation was possible thanks to the permanent support of our Development Team, who analyze the financial needs of our clients.



Fontanar Shopping Mall. Chía, Cundinamarca.



Medellín Metro

We promote regional progress

In the second half of 2015, we signed a syndicated loan contract with the Medellín Metro worth COP 13,500 million, including rediscount lines with Findeter totaling COP 27,500 million and Bank resources totaling COP 110,000 million.

These funds were utilized to acquire 16 trains, with the objective of improving transport service coverage, reducing the times of train routes, and optimizing service to the 234,927,824 passengers who use this mode of transport in a single year. Express trains were implemented on Line B during peak hours of the afternoon; while on Line A, three “loop” trains (trains that enter the terminal stations as empty) were implemented for use during peak hours of the morning and the afternoon.

Through this operation, the Bank supported the Metro's growth through executing its expansion plan as part of the

2006-2030 master plan, resulting in improved routes, a 16% improvement in service coverage and fulfillment of the strategy to support the quality of life of the community, improve air quality and promote financial saving in each journey.

We are working hand-in-hand with our subsidiary, Fiduciaria Bogotá, thereby strengthening commercial relations and **facilitating the handling of cash resources and treasury operations.**



In 2015, we attained a balance in the Findeter rediscount lines of COP 376,557 million, with **a 76% growth over the previous year.**

Business Banking focused during the second half of 2015 on strengthening its value offering by developing and improving services that address the real needs of our clients:

- **New Electronic Banking Platform – Online Connection Portal:** During the second half of the year, the Bank finalized the implementation of the New Portal to conduct the financial movements of client companies. As part of the controlled client migration plan to this new platform, at the end of the year we had 160 clients carrying out operations via the Portal, with high levels of satisfaction.
- **Sending of Fund Dispersal instructions for payments in Colombia from any country in Central America.** This constitutes an ideal option for companies with Centralized Treasuries in Central America, with operations of some description in Colombia that involve the payment of employees and suppliers. This service is provided via BAC Credomatic, which receives the payment instructions and redirects them to Banco de Bogotá.
- **Larger collection network:** Thanks to the partnership established between the Bank and MóvilRed, we can now offer collection agencies a further network with 3,300 points for the receipt of user payment.
- **Billing Portal:** In 2015, we launched a web platform designed to ease the client's payment management to their suppliers. This allows bills to be paid in the times required by the company. Besides offering enhanced security in operations, the portal enables the elimination of operating charges and the provision of greater discount opportunities therein.
- **Fácilpass:** In the second half-year, we consolidated our status as a leader in Grupo Aval in the payment of electronic tolls, increasing collections by 433% by enrolling 295 clients for the service, with more than 4,540 vehicles registered.

Public Sector and Institutional Banking

We continue to consolidate as one of the most important allies of the Government and Institutional sector, supporting the development of their projects and driving different initiatives with a significant social component, which has allowed us to transfer resources to increasing numbers of beneficiaries. Of the agreements entered into in 2015, the following stand out:

- Agreement with CASUR for the payment of Armed Forces pension-holders, through which we expect to make 30,000 new payments in 2016 and to accrue COP 27,000 million in new services.
- Increase in transfers by the Colombia Mayor consortium, enabling payment of the senior citizen subsidy nationwide and increasing the number of bi-monthly payments from 6,000 to 19,000 through our network of branches.
- Collection agreement with the Integrated Information System on Fines and Sanctions for Traffic Offenses (SIMIT, for the Spanish original) signed with the Federation of Municipalities, placing our network of branches at the service of Colombians for the payment of their traffic tickets.

Given the above, Public Sector and Institutional Banking closed with a balance of COP 9.6 trillion in deposits, contributing a significant volume to the Bank's funding, and COP 1.6 trillion in loans.





Regional and Decentralized Entities

In the second half of the year, we focused our commercial strategy on strengthening Territorial and Decentralized Entities, both current and potential clients. Accordingly, we opened 1,742 liability products worth more than COP 20,000 million.

Moreover, with our clients in mind, and in support of the progress of different regions in the country through projects that benefit their communities, we disbursed more than 172 credit operations worth COP 140,000 million.

To get even closer to our clients, providing them with better service, we expanded our local presence in five departments such as Sucre, Cundinamarca, Boyacá, Casanare and Guajira, with one Director, one Area Manager and five Specialized Government Banking Managers. At present, we have two Public Sector Banking Management areas, six Zone Managers, 27 Public Sector Banking Managers, 27 Commercial Executives and six Cash Management Consultants to serve more than 2,500 territorial and decentralized entities across the country.

Bolstering our service model, we took part in the 81st Governor's Summit, held in November 2015 in Villavicencio. More than 50 Governors from across the country (both current and

elected) took part, and were directly attended by our specialized Managers, thereby allowing us to tighten commercial bonds with our clients.

Meanwhile, out of awareness of the needs and importance of child education in Colombia, we invited more than 1,000 underprivileged children from the Coastal, Antioquia and Central areas to the Divercity recreation and learning center, where they enjoyed a fun educational session as part of the world celebration of Savings Week in August.

In addition, as part of our commitment to the communities, we delivered 20,000 Christmas kits to underprivileged children nationwide.

With a goal of bringing Colombians closer to activities that highlight the country's cultural diversity, we sponsored more than 60 events, including the Fiestas Patronales de San Pacho in Quibdó, Fiestas Institucionales de la Naranja in Copacabana, Feria de la Hortaliza in Cota, Festival del Retorno in Acacias, Festival Minero y Agrícola in La Jagua de Ibirico, Festival Araucano de la Frontera in Arauca, Festival de Yopal, Festival Internacional de la Cultura in Tunja, and Feria Bonita in Bucaramanga, all major regional events.

Social Banking

We believe in the care sector

In the interests of offering a highly differentiated product for the care sector, we continue innovating with regard to our Afinity debit card to ensure the continued value offering that the care sector requires by offering a portfolio of products and services to their partners or affiliates.

In 2015, we enabled the new online activation and international internet purchasing functionality. At the close of the year, we recorded 251,421 active cards, a rise of 4,967 from the end of 2014; profit from this product, before tax, rose by 9% to COP 3,247 million, with an annual margin of COP 12,914 per card.

Agreement with the Colombian National Coffee Growers' Association

At the close of 2015, we connected 355,629 coffee growers – holders of the old Smart Coffee Grower's Card – to the banking system through the Coffee Grower's Saving Account, which is associated with a Visa Electron debit card; this provides coffee growers with the identification required by the Association, as well as the means of carrying out all required transactions and access to our channels, in a way that has traditionally been true of Individual Banking clients.

The main transactions carried out by coffee growers in 2015 are outlined below:

Transaction	Description	Quantity	Amount (billions of COP)
Credit	Coffee Purchases	15,907	20,882
	Bank Payments/Deposits	48,085	100,317
	Transfers	18,159	25,337
	Other Loans	2,889	10,093
Debit	Withdrawals	335,434	157,660
	Cash Withdrawals	321	188
	Purchases	36,592	11,027
	Collections	18,237	2,070
	PSP	5,508	737
	Transfers	44,297	14,488
	Cellphone Credit	7,260	29
	Other Debits	2,185	4,490
	Queries	508,923	-
Total		1,043,797	347,317

Services provided to members of the National Coffee Growers' Association

In the second half of 2015, we continued to involve and serve coffee-grower clients nationwide, delivering more than 42,500 Smart Coffee Grower's Cards; aided by the formation of new Coffee Grower service groups and teams, we provided more than 3,300 credit and savings products in rural areas over these six months.

In addition, we established more than 800 new businesses in coffee-growing areas, whereby coffee growers benefited from the use of their Smart Coffee Grower's Card.



SME Banking

We support Colombia's engine for economic development

We seek to be the number one ally of our clients, for which we constantly work to offer them tools that contribute to the consolidation of their business, in keeping with market trends.

In line with the above, in the second half of 2015 we held conferences for more than 220 builders in Bogotá, Medellín, Cali and Barranquilla, focusing on bio-sustainable construction trends that stand out for their compliance with environmental responsibility and efficiency parameters in terms of costs and use of materials.

Alongside Fiduciaria Bogotá, we developed a Contractor outreach strategy through conferences, in which those in attendance had the opportunity to learn the detailed provisions of

the Public Private Alliances Law enacted by the Colombian government, which seeks to attract private capital to infrastructure projects not just in productive sectors such as transport, but to infrastructure works in social sectors, such as public buildings, schools, hospitals and jails, among others. These events took place in August and September in the cities with the greatest impact regarding this type of project: Barranquilla, Medellín, Bucaramanga and Bogotá. There were more than 200 participants, with whom we are now engaged in new trust fund administration and loan business opportunities.

In the second half of 2015, we continued with our commitment to supporting the growth and development of SMEs in the country; accordingly, and as a means of recognizing the



Ganadores Premio MisiónPyme Gacela 2015

outstanding work of entrepreneurs, we sponsored the Mission Gazelle SME Award for the ninth consecutive year. This award, which has become a benchmark and an incentive for our entrepreneurs, recognized 18 companies on a regional level and five on a national level between September and October, covering the cities of Bogotá, Medellín, Barranquilla, Cali, Bucaramanga and Pereira.

For this edition, awards were given in the categories of: Strategic Management, Innovation, Internationalization, Human Talent and Technological Leadership. Our participation in this award allowed us to tighten our links with more than 600 of the Bank's clients.

Moreover, given that one of the main focuses of SME Banking is to win new clients, in September the commercial structure was reinforced through the formalization of the role of four Inclusion Managers in the cities of Bogotá, Medellín, Barranquilla and Bucaramanga, who are charged with serving high-potential areas.

In addition, and with a view of guaranteeing alignment between the sector's objectives and commercial management, we made adjustments to the action model for Cash Specialists, in order to guarantee the focus on high-impact business.

Through our transformation scheme, we seek to improve the internal processes related to winning new Business, Commercial Loan and post-Sales clients, guaranteeing the reduction in response times and facilitating the commercial management of our teams.

Finally, in the months of November and December we launched our "There's Always a Reason for Saving" campaign, in which we provide incentives to our clients to increase the balance of their savings accounts and maintain them for three months. More than 1,000 clients took part in this campaign, increasing their balances by more than COP 20,000 million.





Microenterprise Banking

A gateway to a lasting relationship

Out of commitment to the country's micro-entrepreneurs, 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 micro-entrepreneurs and their businesses.

Bearing in mind that microenterprises represent a high percentage of the national economic base, and are currently the largest job creators, in the second half of 2015 we provided more than COP 90,000 million in financing across more than 7,500 microcredit operations, strengthening the corporate growth of more than 6,000 clients belonging to the commerce, industry, service and farming sectors.

We provide our microenterprise clients with different financing options, which allows them to execute investment plans or to leverage working capital in lines such as: Ordinary, Factoring, Leasing and Treasury, or rediscounting lines with special rates and conditions offered by Findeter, Bancóldex and Finagro, enabling us to support the growth and development of our clients.

In an effort to continue getting closer to our clients, we took part in fairs and events across the country, organized in conjunction with unions, chambers of commerce, commercial as-

In the second half of the year we granted more than **COP 2 trillion in Commercial Loans to microentrepreneurs.**

sociations, and public entities, with a view to promoting financial inclusion and strengthening the economic growth of the agriculture, healthcare, commercial, industrial and construction sectors, among others.

Moreover, different financial education strategies were promoted, thereby fostering the culture of saving within Colombian microentrepreneurs, which allowed for the inclusion of more than 8,000 companies.

Microfinance Banking

Expansion of coverage and creation of employment sources

At the close of the second half-year, the Microfinance model was consolidated as one of our main banking inclusion channels, providing clients from social strata 1, 2 and 3 with the prospect of accessing financial products in accordance with their profile;

this constitutes a unique value offering that provides support during their financial education and guarantees adequate inclusion in the banking system.

We have provided more than 83,000 families with credit facilities, more than 50% of them headed by women. To serve microentrepreneurs in the municipalities, we draw on a team of more than 370 expert advisors in Microfinance methodology, all of whom are local residents in the areas where they work, in fulfillment of our commitment to corporate social responsibility and to generating dignified sources of employment across Colombia's regions.

We are present in more than 650 municipalities, reaching more parts of the country.

Through this specialized methodology we have a presence in more than 650 municipalities throughout the country, expanding our coverage by more than 23% from the previous year; this means bringing our offer to more than 130 municipalities, mainly in the departments of Chocó, Cauca, Casanare, Santander, Antioquia and Magdalena.

In addition, with the new Microenterprise Insurance product launched in May 2015, we provide our clients with protection in case of serious illness, permanent or total disability and even death. At the close of the second half-year, we assisted more than 12,000 micro-entrepreneurial families with this protection, thereby improving the quality of life of this population segment.

Since 2009, when we rolled out the Microfinance Model, we have provided more than COP 400,000 million in resources distributed across more than 150,000 microcredits for amounts of less than COP 3.5 million, whereby 10.5% of microenterprises accessed the financial system for the first time. The current loan portfolio sustains an indicator of the quality of past due loans of 4%, a figure below the industry average.

With our *EmprendeAhorro* deposit account, developed based on the advice of the Opportunities Banking area, we have fostered a culture of saving across more than 47,000 microenterprises, which have received exclusive benefits related to our market-exclusive product.





Financial Inclusion

Continuing with our financial inclusion strategy, we have won clients in rural and urban areas by applying methodologies appropriate to this segment. We have also expanded our coverage and inclusion of small producers located in areas remote from the Bank's physical branches.

Inclusion in Rural Areas

In development of the Rural Microcredit project, we continued with the provision of saving and loan products for small producers, accompanied by financial education.

We have won almost 1,000 producer clients in the areas of Antioquia, Quindío, Huila, Tolima, and Tunja, providing resources worth more than COP 5,500 million and benefiting more than 1,900 families whose livelihood depends on crop production and livestock rearing for sale.

We also continued strengthening our methodologies and the constant support we provide through our Specialized Commercial Advisors, establishing direct contact with these clients and contributing thereby to the growth of small producers.

Microenterprise clients using the channels and their debit cards for commerce

In order to encourage the use of our debit card in retail establishments, we ran campaigns that promoted their use among our microenterprise clients, thereby promoting a culture of switching from the use of cash to cards. As a result of these campaigns, the number of purchases made with a debit card increased by 12% approximately and the total value of purchases by 14%, from the previous six months.

In turn, the use of self-management channels to respond to client requirements, such as balance inquiries, payment of public utilities, and transfers for this segment increased by 27% from the previous half-year.

Personal Banking

Our commercial strategy seeks to create differentiated value proposals for our clients and users on the market, so as to include, retain, consolidate and monetize them throughout their life cycle; to this end, we developed and improved products geared toward the child, youth, personal, and experience segments.

Out of an understanding of the importance of bringing financial entities closer to children, 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. In the second half of 2015, our clients acquired more than 2,300 Boxes of Dreams worth a total of more than COP 500 million.

In addition, with a view bringing us ever closer to children, we have 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.

Likewise, we continued to strengthen communication with Colombia's youth through the website www.mibancajoven.com, where clients from this segment can find financial education and advice, as well as information and requests for student loans, credit cards and youth savings accounts. In the second half of 2015, around 15,000 visits to the site were registered, and more than 2,000 applications were made for these products.

Between July and December 2015, we supported more than 3,500 youth in their undergraduate and post-graduate education at different universities in Colombia and abroad in association with Colfuturo by backing the "Scholarship-Loans"





programs, resulting in more than COP 17,000 million in loan disbursements aimed at supporting higher education.

Between July and December 2015, ***we continued supporting more than 3,500 youth in their university education.***

Having strengthened the value proposal for clients from the personal banking and experience segment, our 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. From July to December 2015, more than 11,400 portfolios were created for individuals.

Accordingly, with the aim of supporting our clients' projects, during the second half of 2015 we offered clients requesting housing loans a complete portfolio of consumer loans and savings products, at the time they received their housing loan proposal. By December 2015, we had supported more

than 2,000 individuals through a complete housing portfolio, complemented with products such as credit cards, revolving credit, overdraft limits, savings accounts and checking accounts, amounting to offers worth more than COP 300,000 million.

In addition, we strengthened the value proposal for those clients with different consumer products, such as all-purpose loans, crediservice, liability substitution, and vehicle loans, resulting in more than COP 1.4 trillion in disbursements in the second half of the year — a 13% increase from the previous year, leveraged by improvements in technological processes and changes in product policies.

Our clients also possess savings and checking account products that allow them to manage their money, carry out electronic transactions and save across different types of accounts based on their needs. During the second half of 2015, we awarded clients who used their savings accounts with the Bank, helping them increase their savings by more than COP 70,000 million, through the campaign “There’s always a reason to Save.”

In this way, we continue to position ourselves 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

The importance of clients in the Preferential Segment, in terms of volume and profitability, has led us to develop a robust model to cover each and every one of their needs. Taking this into account, in parallel we have been working on how we engage with clients and develop strategies that allow us, as well as meeting a financing need, to generate experiences that foster identity and a sense of belonging, thereby building long-term relationships.

As part of our service model, we seek to serve clients in the Preferential Banking segment based on service standards and a value offering in line with their profile, utilizing a personalized service model, differentiated channels and preferential access, targeted communications in line with the client profile, and a portfolio of special products and alliances.

Premium Banking

With continuous growth and greater access to Premium clients, in October we opened our new Premium office, Banco de Bogotá Tower in the city of Barranquilla, thereby expanding our coverage throughout the country to a total of 13 of-

fices with 47 Premium Managers and 13 Investment Managers in six major cities, allowing us to provide our clients with more exclusive experiences.

Moreover, as part of our intention of advising clients on the completion of their financial projects, we provided them with constant support in the definition, management and follow-up of their needs. Therefore, we strengthened our private banking value proposition with specialized Investment Managers, an alliances and experiences program, and preferential service in our network of branches throughout the country.

Furthermore, we offered our Crediservice clients options with special rates, activating more than 6,000 clients that were not making use of their limits with disbursements of more than COP 70,000 million. This implementation arose as part of the Premium client consolidation strategy, both in terms of consumer and commercial loan products, which, along with the Premium Plus credit analysis methodology, has been underpinning the growth of the segment portfolio. By December 2015, the segment's consumer portfolio had recorded an annual growth of 35% per year, while the commercial loans portfolio posted annual growth of more than 18%.





Products and Services

Debit Card

At the close of December 2015, we had more than 2,200,000 active debit cards, which generated an 8.3% growth in net income from commissions; this was one of the most important areas in the generation of income for the Bank, while contributing significantly to the profitability of the business.

In the second half-year, we carried out activities aimed at promoting client loyalty, incentivizing the use of debit cards through differential value offerings. In addition, in October we launched the Covered Campaign (Campaña Amparada) to encourage debit card use among our clients; this strategy allowed us to increase the base of authorized cards by 64% from the 2014 inventory. It is worth noting that in the same month, the International Internet

Purchases functionality was activated, on account of the security card printed on the reverse of cards and the implementation of a dynamic system of limits for these purchases.

Prepaid Cards

At the close of the second half of 2015, there were more than 190,000 active prepaid cards, up 18% 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 bank. This creates tax benefits and helps to control organizations' expenditures. Accumulated invoicing increased by 17% compared with 2014.



Relationship Marketing

Compras Felices

The special benefits program for our Debit and Credit Card clients, allowing the partnerships, discounts, and benefits to be ascertained close to where the users of this platform are located. By December 2015, the Compras Felices (Happy Shopping) app had been downloaded 40,533 times (12,000 new downloads in the last six months); these results are outstanding given that this solution has only been available for download for less than two years.

In addition, in the second half of the year, the “Compras Felices” program was singled out in the *Guía Ocio* magazine in Bogotá, having published the discounts and benefits that our clients have accessed to through the use of their cards. To strengthen the Compras Felices program, activities were held in shopping malls and via advertising displays in Colombia’s major cities.

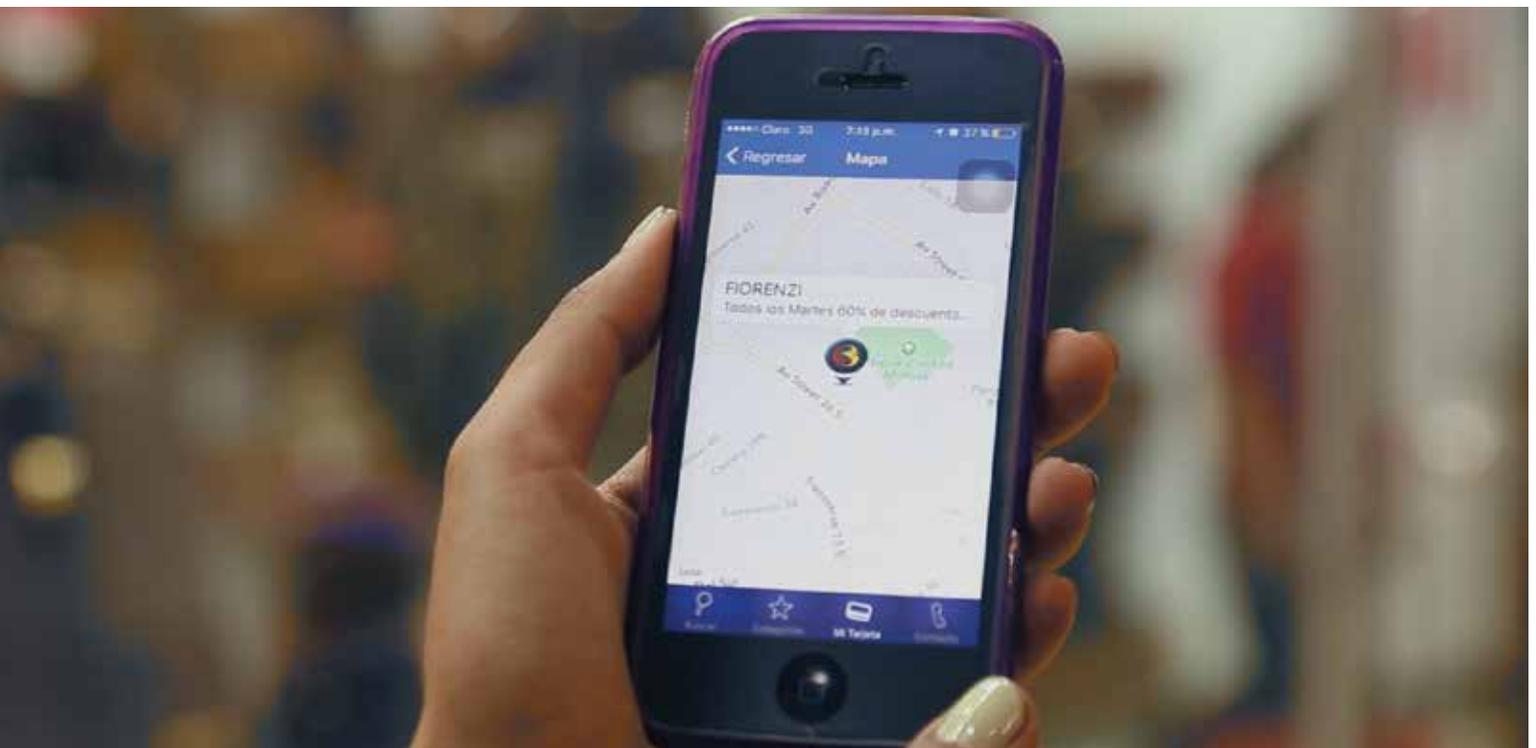
Moreover, from December 19 to 23, 2015, the Bogotá is Ours initiative was carried out, in which the Bank had a presence in Bogotá’s five busiest shopping malls to promote the use of the Compras Felices app among visitors to these establishments. This initiative involved the participation of 100 of our employees, reaching 1,000 potential clients and increasing transac-

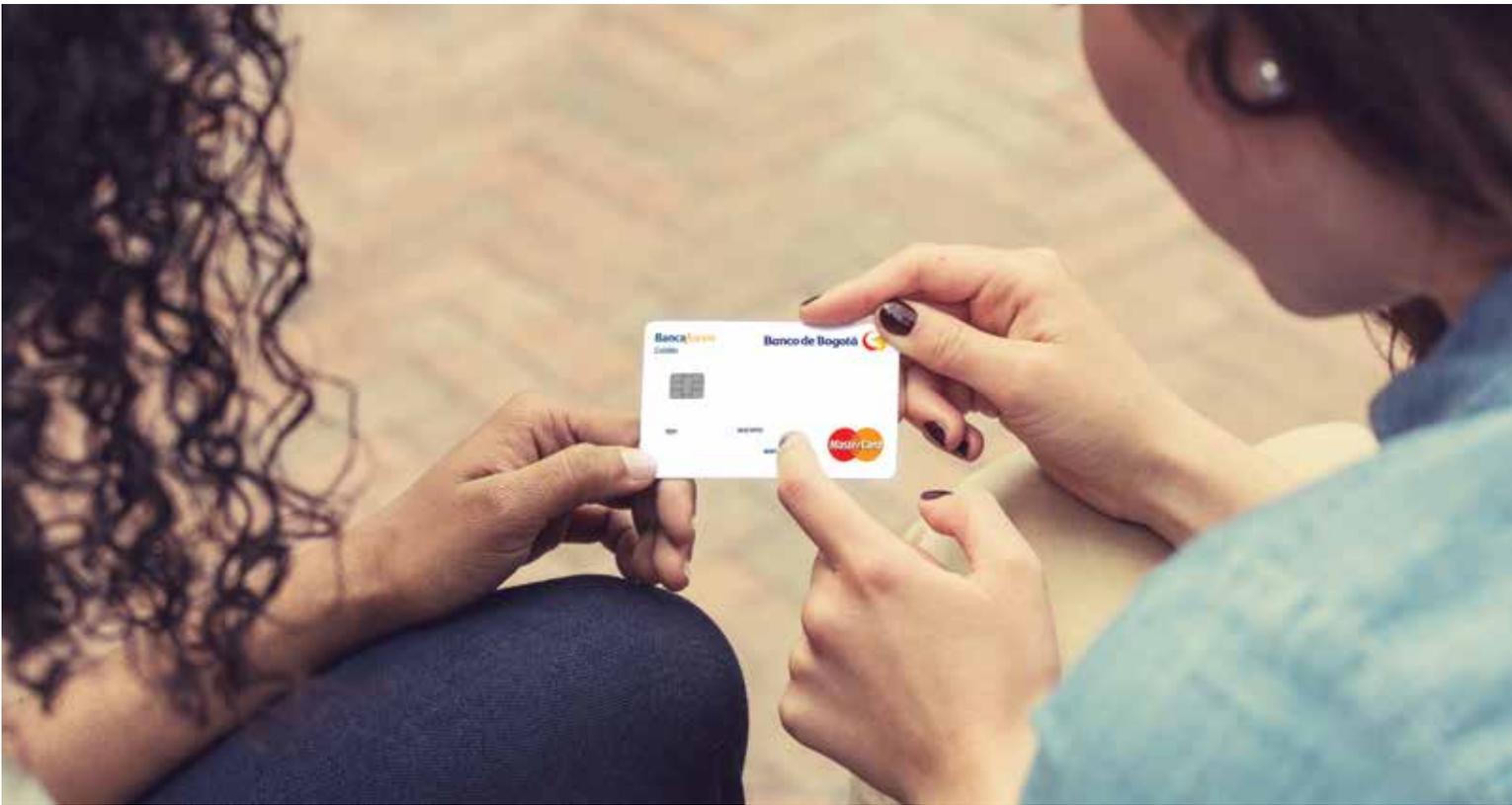
tions among existing clients through the use of the Bank’s channels and in invoicing with debit and credit cards.

In addition, we participated at events such as Legis and the SME World Fair in Cali, stages where participants were informed of the advantages and benefits of involvement in the Compras Felices program, helping cement its status as a commercial tool for attracting and retaining clients, as well as maintaining their loyalty.

Moreover, in November 2015 we launched the “It’s Great to Win” competition for cardholders. This campaign allowed us to award those clients who made the best use of their card for purchases. In November and December, there was a 13% increase in invoicing from the previous year.

The growth of the program and the contribution of our allies can be seen in the December 2015 results, where accumulated commissions for the year from debit card invoicing generated a 14% growth from 2014. Client billing grew by more than 12%, and the number of transactions carried out increased by more than 8.2% compared with the previous year.





Credit Cards

We rewarded the good performance of our Millennials

With youth in mind, who now account for 24% of the Colombian population, we generated strategies for attracting and retaining this segment. We have designed a strategy to recognize those university students who are about to graduate for the good use of the card we provide them with at the start of their studies. In this way, we offered a product from the Personal Banking portfolio with greater benefits.

We strengthened our partnership with Andrés Carne de Res

The Bank's ongoing efforts to position the Andrés Carne de Res® Credit Card achieved excellent results in terms of the increase in the number of approved cards; this result is owed to different strategies applied such as the relaunch of the product, greater involvement by the sales force, and the offer of special benefits, all of which helped us close 2015 with more than 2,000 clients.

We brought our clients closer to their dream of traveling

We continued working toward helping our clients realize their dreams of traveling. To achieve this, we developed campaigns that provide clients with additional benefits related to the use of their products. Given this objective, we entered into an alliance with Despegar.com, one of the most widely used portals on the market, so that our clients can purchase airline tickets and hotels with the benefit of 0% interest rates.

Moreover, through our LANPASS portfolio we have reached out to Colombians and their families, providing them with additional miles for the enjoyment of their vacations.

New payment experiences

Aware of the importance of innovating and acting proactively in a world of constant change, we joined the Grupo Aval initiative related to the Aval Pay digital wallet so as to offer our clients a different and secure payment experience from their cell phone.



Mortgage Banking

We know that one of the most important achievements in the lives of Colombian families is home ownership; therefore, we support the attainment of this objective through our home-financing product portfolio.

In 2015, the Colombian government has maintained its policy of stimulating the construction sector, thanks to the positive impact it has had on the economy. As part of this perspective, we support Ministry of Housing programs by financing projects such as Free Housing (Vivienda Gratuita), Savings House (Casa Ahorro, VIPA) and My House Now (Mi Casa Ya), while offering the benefits of subsidizing the FRECH interest rate, as part of the value offering for home-purchase financing through housing loans and residential leases.

In the second half of 2015, we approved two construction loans worth more than COP 16,000 million as part of the Free Hous-

ing program, which correspond to the development of 1,447 residential units. As far as the VIPA program is concerned, we approved nine projects worth more than COP 87,000 million for the construction of 4,225 housing units.

In the same period we disbursed loans to more than 350 home buyers within government programs, for a value exceeding COP 15,000 million.

Construction Loans

We believe in the development of our country, and to this end, the financing of construction projects constitutes a fundamental element of our growth strategy, as well as being an important means of financing housing loans or residential leases among home buyers.

This is reflected in a growing dynamic in the approval of construction loans, with a 44% increase as compared with the previous half-year.

As to construction loan disbursements, in the second half-year we provided more than COP 270,000 million in resources across almost 130 projects.

This dynamic has allowed us to continue improving our market share, which rose from 6.15% in June 2015 to 7.47% in December 31, 2015.

We understand the importance of home ownership, **so in 2015, we continued supporting Colombian families.**

Moreover, continuing with the positioning of Construction Loans, we participated in different trade association events, which opened up academic spaces and allowed our sales force to engage with the biggest constructors in the country:

- Camacol National Congress
- Construction Activity Seminar, Camacol Bogotá and Cundinamarca
- Biocasa 2015 International Forum, Camacol Valle
- Economic and sectoral forum, Camacol Antioquia
- Construction Activity Seminar, Camacol Bogotá and Cundinamarca
- Working breakfast, Camacol Boyacá
- Economic and sectoral forum, Camacol Bolívar

Individual Home Financing

Between July and December 2015, we financed the home purchases of close to 3,500 families through housing loans or residential leases. This represents the disbursement of more than COP 370,000 million in resources, which has allowed us to continue increasing our market share in the housing loan balance from 3.66% in June to 3.88% in December 2015.

In the second half of the year, the comprehensive consumer portfolio (Free Investment Loan and/or Crediservice and/or Credit Card) was implemented at the same time as the approval of housing loans or residential leases, thereby contributing to the Bank's strategy of consolidating our home-financing clients, providing them with further options to finance expenses associated with the purchase of new homes (usually unforeseen at the time of the decision to buy), such as notary fees, new furnishings, etc.

In addition, in this period we participated in 11 real estate fairs in as many cities, which had given us a presence throughout much of the country. These events have brought us closer to clients interested in buying a new house, with more than 2,500 potential clients.

Through our Savings to Promote Construction (Ahorros para el Fomento de Construcción, AFC), the number of savers that obtain tax benefits has continued to rise. In the second half of the year, the number of accounts opened increased by 27%.

Financing of construction projects is a fundamental element of our growth strategy





Insurance Banking

We provide protection for what our clients value most

In the second half of 2015, we continued to consolidate the Insurance Portfolio, which seeks to meet the needs of our clients according to the segments they correspond to, thus achieving greater market penetration and strengthening long-term relationships.

In this period, we included more than 900,000 credit cards in the Debtor Life Insurance Loan, thus ensuring further benefits for our clients, in that, as well as the usual Life and Permanent Total Disability coverage; they are now covered for Unemployment, Temporary Total Disability and Theft.

In August 2015, we implemented a new tool for making claims, through which the network of branches can swiftly process the situations presented by our Voluntary and Mandatory insurance clients. This development has enabled the improvement of response times for clients, and the centralized management of information on claims.

Out of recognition of the commercial results, we held the fifth edition of the insurance Banking Convention, which awards those employees who, given their management and commitment to protecting and backing their clients' assets, finances and lives, are able to place the most policies.

At the end of the second half of the year, **our commissions grew by more than 18%** compared with the same period of 2014.



Payroll Loans

Interbank Business

In the second half of 2015, we strengthened our coverage and the structure of our Bank with the support of all commercial channels, increased payroll loan disbursements, and generated more payroll business, strengthening our market share. Thereby, we reinforced our presence across companies and SMEs, offering their employees the benefits of our portfolios.

Payroll

In the second half of the year, we strengthened the base of active payroll accounts, representing a 23% increase in balance over the same period. In addition, with our payroll client retention strategies, we have achieved a net growth of more than 11,500 loan products.

As part of our commitment to financial education, through the conference “The Seven Keys to Managing Money Smartly” we held more than 40 training sessions in companies in six different Colombian cities, impacting more than 1,200 clients.

Private Clients

In the second half of 2015, we disbursed more than COP 280,000 million in resources, benefiting more than 18,000 people, who accessed free investment loans for their projects with the payroll discount. Moreover, we entered into more than 700 new payroll loan agreements with large, medium and small companies by considerably increasing the presence and penetration of the country’s business sector, with an increase in new agreements of more than 400% compared with the first half of 2015.

It is worth noting that to facilitate access to the product and its sale in the Substitution of Liabilities and Payroll Loans, we now offer our clients improved financing, providing them with the highest amount that can be loaned to them rather than just the amount they have requested.

In addition, we launched the Banco de Bogotá Payroll Loan agreement to offer an exclusive product to our employees with special rates and benefits. At the close of December 2015, more than COP 20,000 million in loans were given.

Government Payroll Loans

In 2015, we strengthened our value proposition for the different sectors we serve through our Payroll Loan Unit; to this end, we highlight the launch of the following products:

- Payroll loans for retirees with financing terms of up to 120 months (10 years).
- Launch of mortgage loans through payroll loans with competitive conditions, through which our clients can authorize the discount of the monthly installment from the payroll directly, without having to worry about making transfers or payments in branches.
- Launch of the Covered Debit Card aimed at family members of the Armed Forces.
- Creation of the Payroll Account for Armed Forces and the Police, with personalized debit cards (launched in January 2016).

Financial Education for our clients

In addition, we were present in more than 12 departments across the country through our Mobile Classroom, holding sessions on financial education on site at the different companies that have a payroll loan agreement with our Unit, through which more than 2,436 people were trained.

Department	Number of trained people
Cundinamarca	1,022
Guaviare	366
Tolima	311
Meta	236
Atlántico	156
Norte de Santander	153
Sucre	140
Bolívar	121
Nariño	112
Santander	92
Huila	65
Magdalena	36
Total	2,810



Retirees, a strategic segment for our unit

We continue to develop our retirement segment consolidation strategy by running client enrollment campaigns at pay points. Between July and December 2015, we held more than 15 events at centers of payment, through which we established contact with retirees who use the different funds that we have agreements with.

Disbursements by Segment - Second Half of 2015

Segment	Operations Number	Balance (millions of COP)	% Share
Military Forces	18,636	519,191	75%
Retirees	4,568	92,336	16%
Official	1,223	45,962	8%
Private	239	4,748	1%

Loan portfolio by Segment - Second Half of 2015

Segment	Operations Number	Balance (millions of COP)	% Share
Military Forces	80,337	1,695,369	77%
Retirees	20,925	336,338	15%
Official	5,873	161,808	7%
Private	1,068	14,338	1%
Total	108,203	2,207,852	100%

Vehicles Unit

In the Vehicles Unit, we continued forging partnerships with the main dealerships in Colombia, seeking greater participation in the financing of both new and used vehicles.

In the second half-year, we disbursed 6,046 operations worth COP 254,973 million, of which 1,358 corresponded to commer-

cial operations and 4,688 to consumer operations, closing the year with 34,280 clients.

For this period, the used vehicle market continued its upward trend, which led us to strengthen our value proposition, primarily seeking a greater share in the units of recent models. To this end, our share in the financing of used vehicles grew by 10% compared with the close of 2014, while our share of the new vehicles market also rose. These are the main market indicators:



Market share in the financing of new units

	2014	2015	% Var Last Year
New units sold	327,478	284,916	↓ -13%
Financed units sector	212,889	184,553	↓ -13%
% Units financed	65%	65%	→ -0.4%
BB Units financed	12,205	10,914	↓ -10%
% BB Market share	5.73%	5.91%	↑ 0.2%

At the close of the year, our share in the financing of new vehicles was 5.91% of all units financed, compared with 5.73% recorded in the same period of 2014 (source: RUNT).

Market share in the financing of used units (transfers)

	2014	2015	% Var Last Year
New units sold	643,973	729,567	↑ 13.29%
Financed units sector	58,704	62,845	↑ 7.05%
% Units financed	9.12%	8.61%	↓ -5.51%
BB Units financed	3,029	3,594	↑ 18.65%
% BB Market share	5.16%	5.72%	↑ 10.83%

We strengthened our value proposition and our participation in sector events

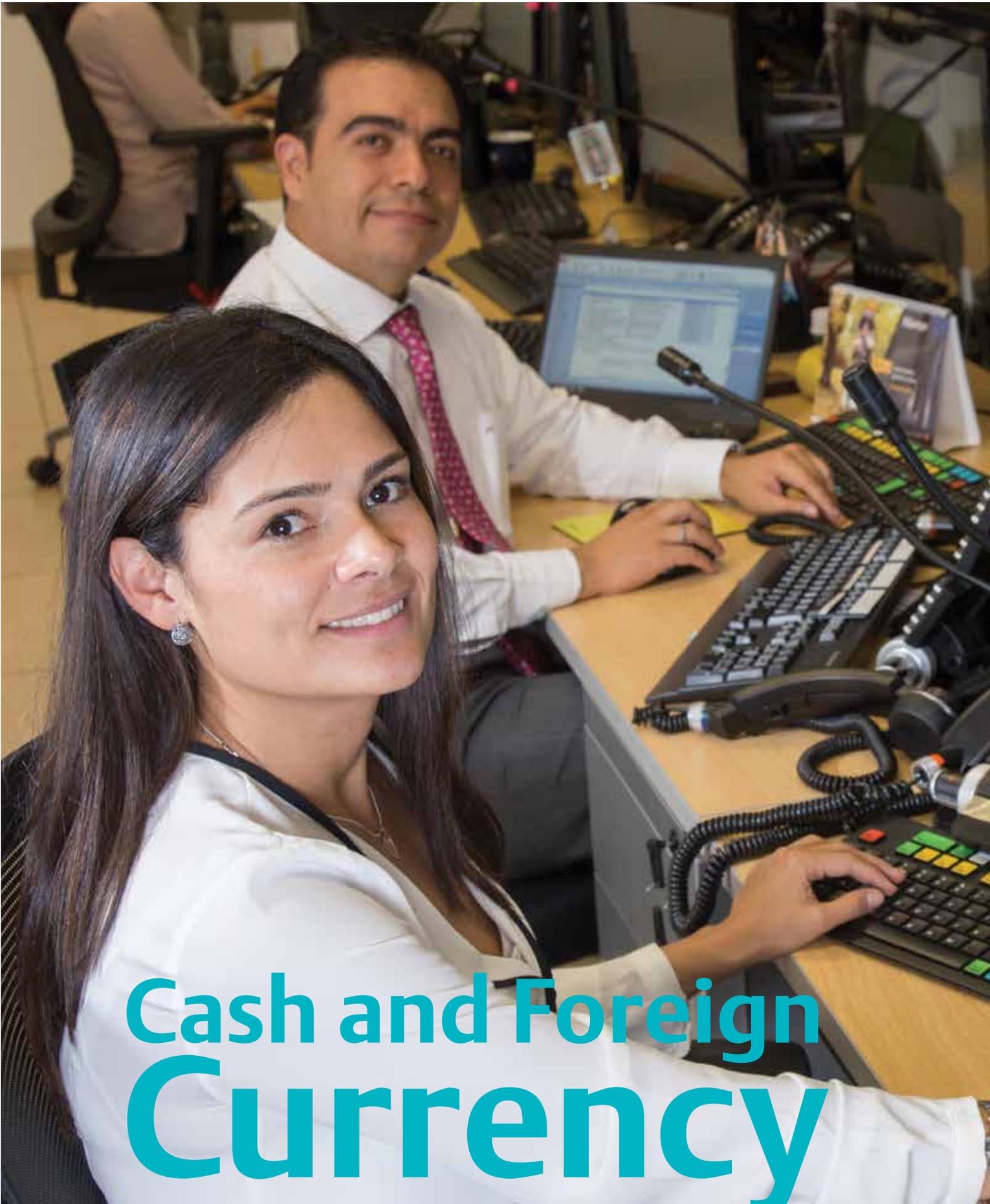
In the second half of the year, we launched the new portfolio of financing plans, both for used and new vehicles (we offer 14 financing plans: eight for new and four for used vehicles), adjusting our policies so as to offer these financing options for the most-sold vehicles in Colombia.

Moreover, in this period we took part in important automobile fairs organized by Fenalco. We also held 101 events with our dealership partners, supporting their initiatives and proactively developing activities that increase the flow of clients through salesrooms; foremost among these are: Expocar in Medellín; Jeep al Parque, Colwageton and CarExpo in Bogotá; and Sobreruedas in Cúcuta, Neiva and Santa Marta.

Factoring

Between July and December 2015, our portfolio grew by 82% compared with the same period in 2014, contributing to the liquidity of our clients and improving the commercial relationship with their suppliers. To generate new business, we created more than 180 new Factoring credit lines and 10 new agreements to guarantee the continued growth of the product from month to month.

In order to offer our clients a more agile and efficient invoice management process, we automated our technological platform for managing invoices.



Cash and Foreign Currency



Cash and Foreign Currency

Fixed Income Investment Portfolio

Our Fixed Income Investment Portfolio has been created 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 second half of 2015, Fixed Income investments rose to COP 4.85 trillion, 14.5% below the second half of 2014. This breaks down as 91% corresponding to Colombian operations, and 9% to the portfolio of agencies in the United States and the Panama branch office. In terms of primary issuers, 65% of the portfolio corresponded to public debt securities, most of which are treasury securities (TES, for the Spanish original).

In the second half-year, 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 transpired with greater impact as of August. In this context, the securities maturing in July 2024 increased from 7.21% at the end of June to 8.27% at the close of the half-year. Factors behind these trends included the deterioration in the fiscal outlook due to the lower oil price, as well as the upward path of domestic inflation and the monetary policy adjustment by the Central Bank of Colombia.

In the foreign currency Fixed Income portfolio, we continued with a strategy of focusing on the short - and medium - term corporate bond curve yields by conducting exchange rate hedging. Foremost among the most relevant events in the external markets in the second half-year were the downgrading of Brazil's credit rating to speculative grade (September) and the first increase in the Federal Reserve's interest rate, to a range of 0.20%-0.50% (December). The impact of these events was mitigated for the limited duration of the portfolio and the solid loan portfolio of issuers that comprise it.

Operations in the Foreign Exchange Market and Derivatives

Our Foreign Exchange and Derivatives Trading Table performed very positively throughout 2015, generating significant profit for the Bank in all the markets in which we operate, without exceeding the risk exposure authorized by our Board of Directors. Despite the high volatility of the local exchange rate, we sustained a competitive position for our clients in the different

segments. We also remained a benchmark in terms of prices for our institutional and offshore counterparts, as providers of liquidity in the different products we offer and maintaining high service standards through our team of traders.

Throughout the year, we supported and monitored the derivatives operations of our real-sector clients to a sufficient degree, as well as giving these clients the opportunity to take part in our training sessions in the major Colombian cities. Our participation in the foreign currency and derivatives market for 2015 was approximately 18%, with a notable presence in operations involving currencies other than the dollar and forwards.

Treasury Operations

Our Treasury remains committed to the transition process toward greater involvement of the Reference Banking Rate (IBR, for the Spanish original) in its banking products. It is in our interest to support the sales force and our clients in the process of learning and using the indicator, considering its qualities of transparency and reliability. It is important to point out

our participation as members of the IBR Training Scheme and Steering Committee.

Our presence on the money market is also evidenced through our participation in the Public Debt Market Makers Scheme, operating actively in the simultaneous market.

In the second half of the year, we offered our institutional and government clients Certificates of Term Deposits overseen by the Treasury, with terms ranging from 90 days to 10 years, as well as fixed and indexed rates, and evidence of a greater appetite for securities indexed to the IBR in the short term and to inflation in the long term.

Our **market share** in the foreign currency and derivatives market is estimated at 18%.



Financing in Foreign Currency

Our funding alongside Foreign Correspondent Banks has continued to grow stronger, allowing us to support working capital and foreign trade portfolio operations with competitive rates. Despite the uncertainty and volatility of the financial markets, throughout 2015 we retained permanent access to external resources, which allowed us to remain active across different lines of business in foreign currency. In the second half of the year, we conducted the initial funding operations in dollars to place loans in pesos, taking advantage of the Central Bank of Colombia's regulatory changes and the windows of opportunity opened by this market.

Agencies and Branch Office Abroad

Our agencies in Miami and New York and our Panama branch office ended 2015 with a balance of USD 1,812 million in assets, remaining ahead of other Colombian entities with operations in

the United States. Our strategy remains focused on preserving the high operating standards required by the states of New York and Florida and the government of Panama, and on providing support through a suitable offering of loan and deposit products for our corporate, institutional and business clients.

Through the International Sales area, the New York Agency obtained more than USD 500 million in foreign investment funds — a 35% increase from the second half of 2014, which adequately reflects the confidence that foreign institutional investors have in our Bank.

Commitment to Foreign Trade

In a year in which foreign trade slowed due to changes in the prices of commodities and lower external demand, the



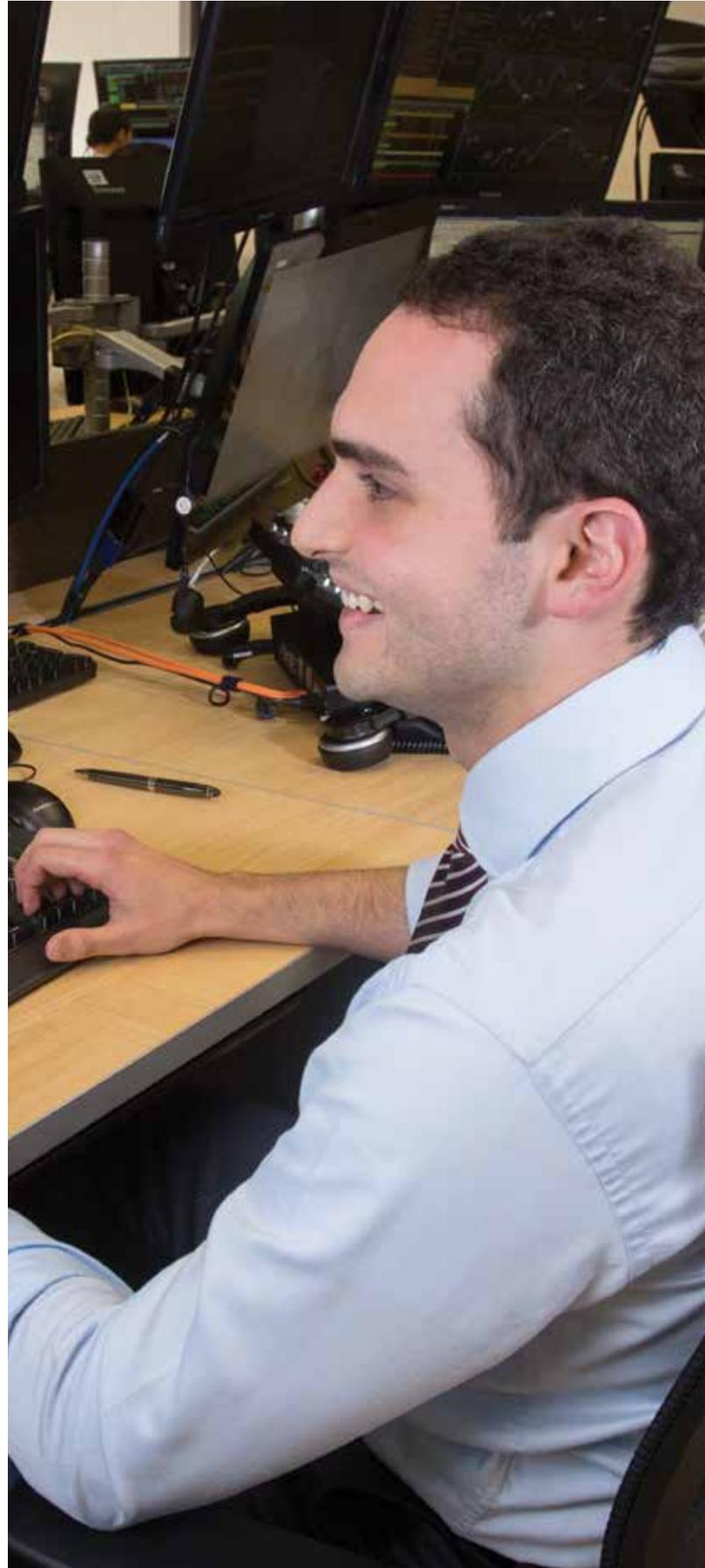
support provided by our Foreign Trade advisors to our clients proved decisive. Drawing on their professional pedigree, our specialists, alongside the companies, structured the most efficient use of loans, investments and payment methods for our clients' local business and for their foreign ventures.

The availability of permanent advice on foreign exchange has made us key strategic allies of exporters and importers. In the second half of the year, we oversaw more than 2,500 operations related to foreign trade, tailored to the specific needs of each client.

Since holding a secure foreign account is now a necessity for companies with international business, through our agencies and subsidiaries we offer a robust technological platform with high security standards for making and receiving payments to and from clients and suppliers around the world. The pattern of opening new accounts held firm in the second half of 2015, and we succeeded in increasing the facilities for monitoring account movements in real time through our website.

Moreover, our clients have access to specialized service channels when they structure an operation in foreign currency. Through telephone, chat and online service channels, in the second half of 2015 we addressed more than 17,000 inquiries, allowing us to come closer to our clients and to provide timely support in their operations. In addition, over the same period we provided training to 1,200 companies on the foreign exchange system, international payment methods and the global economy.

The efficient channeling of the payment of foreign trade, investment and external debt operations through our channels not only gives peace of mind to our clients in their compliance with obligations and with regulatory requirements, but generates substantial income for the Bank through foreign currency commission, reaching a new record in 2015.





Service Channels

Physical Channels

In the second half of 2015, we extended our coverage to new municipalities and increased our participation in strategic areas, facilitating access for current and potential clients and contributing to the Bank's growth strategies and to the country's economic development.

We increased our coverage

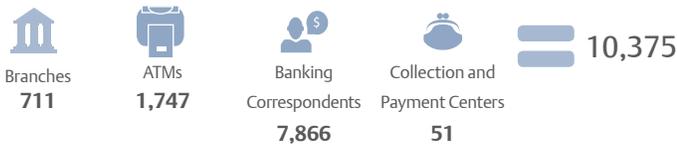
By December 2015, we were operating in 767 municipalities around the country, a figure that represents national coverage of 68%.

Continuing with our service points growth strategy, in the second half of 2015 we opened five new branches, one of which is

in the municipality of Ricaurte (Cundinamarca), an area that did not previously have access to this channel.

Our coverage of 10,375 service points nationwide includes seven new branches and ten new ATMs compared with the previous year, while the number of Banking Correspondents has fallen due to network renovations carried out by our ally, Movil Red⁵.

10,375 service points at the end of 2015

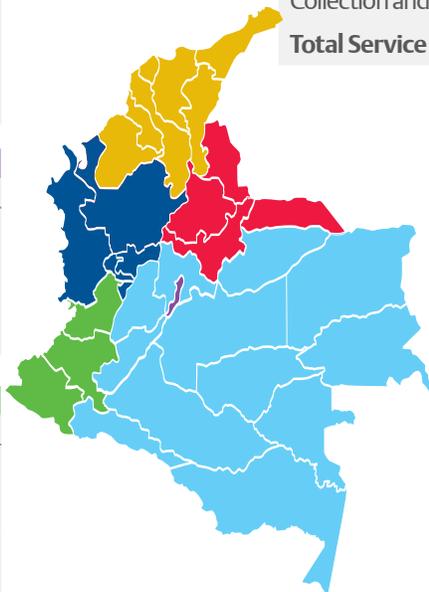


Region	Colombia		
	Dec -14	Dec -15	Var
Branches	704	711	7
ATMs	1,737	1,747	10
Banking Correspondents	10,093	7,866	-2,227
Collection and Payment Centers	51	51	-
Total Service Channels	12,585	10,375	-2,210

Region	Antioquia		
	Dec -14	Dec -15	Var
Branches	125	125	-
ATMs	335	306	-29
Banking Correspondents	871	720	-151
Collection and Payment Centers	9	9	-
Total Service Channels	1,340	1,160	-180

Region	Bogotá		
	Dec -14	Dec -15	Var
Branches	183	189	6
ATMs	458	471	13
Banking Correspondents	5,074	3,842	-1,232
Collection and Payment Centers	18	18	-
Total Service Channels	5,733	4,520	-1,213

Region	West		
	Dec -14	Dec -15	Var
Branches	101	101	-
ATMs	238	238	-
Banking Correspondents	1,231	856	-375
Collection and Payment Centers	8	8	-
Total Service Channels	1,578	1,203	-375



Region Includes San Andrés	Coast		
	Dec -14	Dec -15	Var
Branches	89	93	4
ATMs	251	267	16
Banking Correspondents	654	515	-139
Collection and Payment Centers	5	5	-
Total Service Channels	999	880	-119

Region	East		
	Dec -14	Dec -15	Var
Branches	63	61	-2
ATMs	162	167	5
Banking Correspondents	748	620	-128
Collection and Payment Centers	5	5	-
Total Service Channels	978	853	-125

Region	Central		
	Dec -14	Dec -15	Var
Branches	143	142	-1
ATMs	293	298	5
Banking Correspondents	1,515	1,313	-202
Collection and Payment Centers	6	6	-
Total Service Channels	1,957	1,759	-198

4 Branches include: branches, 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.

5 Movil Red directly administers its banking correspondent points. (from 8,088 service channels at Dec-14 to 5,433 at Dec-15)

Branches

We continue making progress in strengthening our brand through the implementation of our new image across the network of branches. By December 2015, 169 of our branches across the country were renovated and ready to attend the needs of our clients and users.

ATMs

We offer our clients the service of the entire ATH network of ATMs, which totaled 3,808 units at the close of 2015. The Banco de Bogotá's ATMs account for 46% of these machines, and process 51% of all network transactions.

At the close of 2015, more than 48 million transactions had been carried out across 1,747 ATMs. During this period we relocated 41 units to busier areas, including tourist sites, shopping malls, health centers, and so on.



December 2014

1,737

June 2015

1,726

December 2015

1,747

In the second half of the year, as a result of this strategic location and relocation, we achieved a 15% increase in the volume of commissions compared with the same period of the previous year.





Self-Service Zones

In the second half of 2015, our Bank opened 14 Self-Service Areas in major shopping malls throughout the country, resulting in a total of 43 Self-Service Zones in operation located in: Bogotá, Medellín, Bucaramanga, Cali, Barranquilla, Cartagena, Cúcuta, Santa Marta, Ibagué, Neiva, Pereira, Armenia, Manizales, Barrancabermeja, Montería, Piedecuesta, Floridablanca and Yopal.

Through this channel, our clients can 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 cards, loans, savings and checking accounts statements.

Financial Services Bus

By way of the Financial Services Bus we brought the Bank's services to places where there is a need to encourage, provide training and strengthen the use of electronic and virtual channels.

We visited our clients in eight different parts of Colombia: Housing Fair en Cali, the Colombian-Venezuelan border in Cúcuta, the Microfinance Team in Pitalito and Garzón, and Expoartesánías in Bogotá.

43 Self-Service Zones in operation throughout the country.





Banking Correspondents



Dec 2014	Jun 2015	Dec 2015
10,093	10,519	7,866

At the close of December 2015, we have 7,866 correspondent points nationwide through partnerships with supermarkets, stores, pharmacies and other businesses, increasing our coverage in strategic locations that are frequently visited by our clients and users.

At present, we are operating in 700 municipalities, allowing clients and users to carry out financial transactions within lengthy opening hours and closer to their homes or workplaces.

Our Banking Correspondents stand as the outstanding channel for supporting the strategies of the Public, Microfinance and

Microenterprise Sectors, contributing substantially to the inclusion of more Colombians in the banking system.

In the second half of 2015, we recorded **a 28% increase in transactions** in Banking Correspondents, with more than **five million transactions**.

Transaction Evolution

In the second half of 2015, we achieved a 28% increase in transactions; thus:



Transactions First Half 2015	Transactions Second Half 2015	Variation %
4,396,561	5,239,687	28%

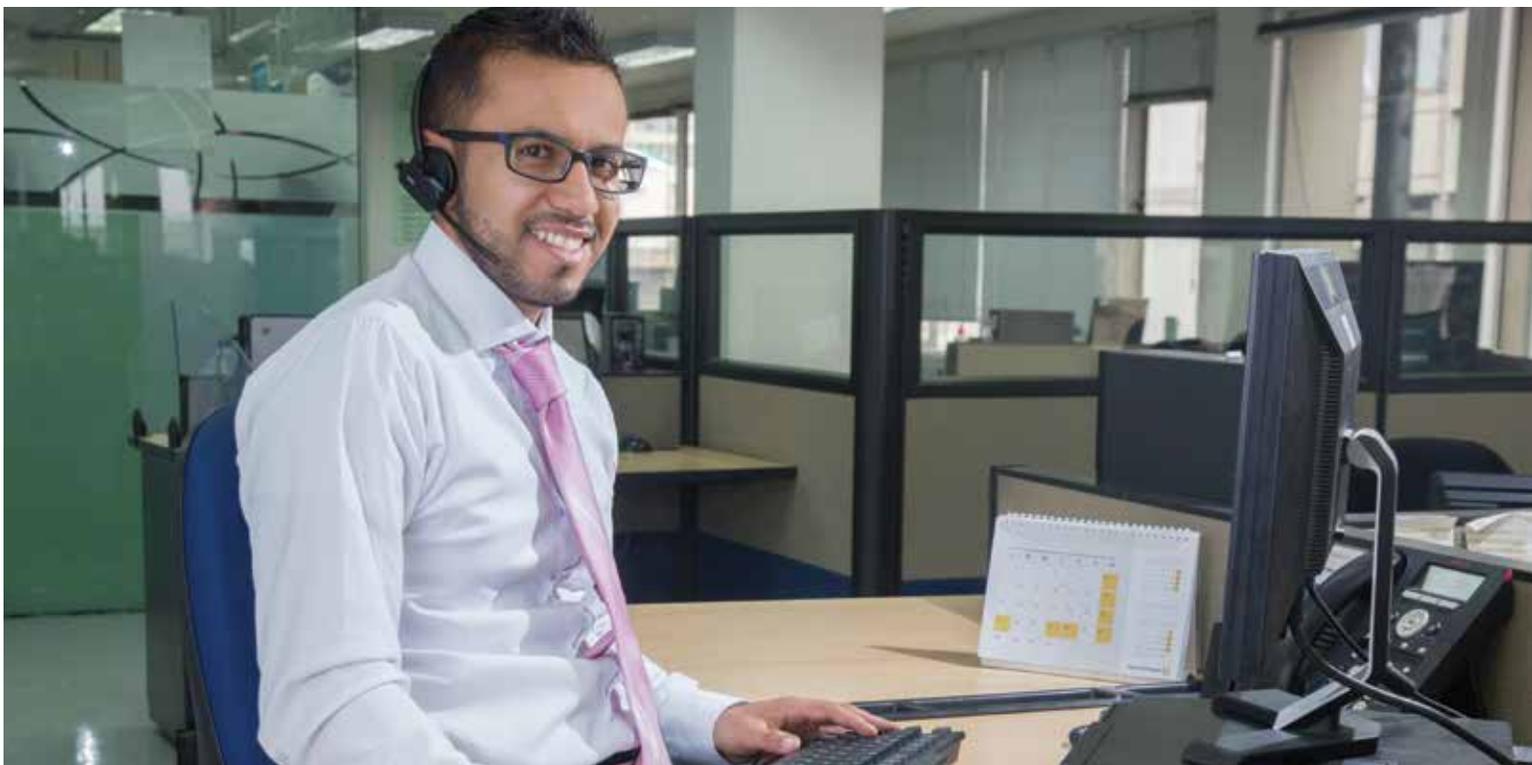
Servilínea and Call Center

We are working so that our clients can undertake their inquiries, payments, transfers and blockages in a secure and streamlined manner, while providing them with personalized and specialized service that addresses their concerns, as well as promoting and strengthening self-management and the service experience.

In addition, we continue to develop our telephone sales management to offer consumer credit products, such as: Credit Cards, Consumer Credit, Payroll Advance and Mortgage Loans, promoting and placing more than 20,000 products during the second half of 2015.

At the same time, we retained an average of 72% of clients regarding Credit and Debit Card products, by telling them about the benefits of upholding a relationship with our Bank.

2.6 In the second half of 2015, ***we received 2.6 million calls from our clients and 1.5 million transactions were carried out.***





Virtual Channels

We continue advancing our multi-channel strategy, which seeks to ease customers' lives by allowing them to carry out more transactions through different virtual channels.

We have developed new Internet and Mobile Banking services, which allow clients to perform transactions quickly and securely. Moreover, we are working to provide our clients with new innovative and user-friendly service channels that facilitate the management of their financial products whenever these are required.

Personal Banking Internet

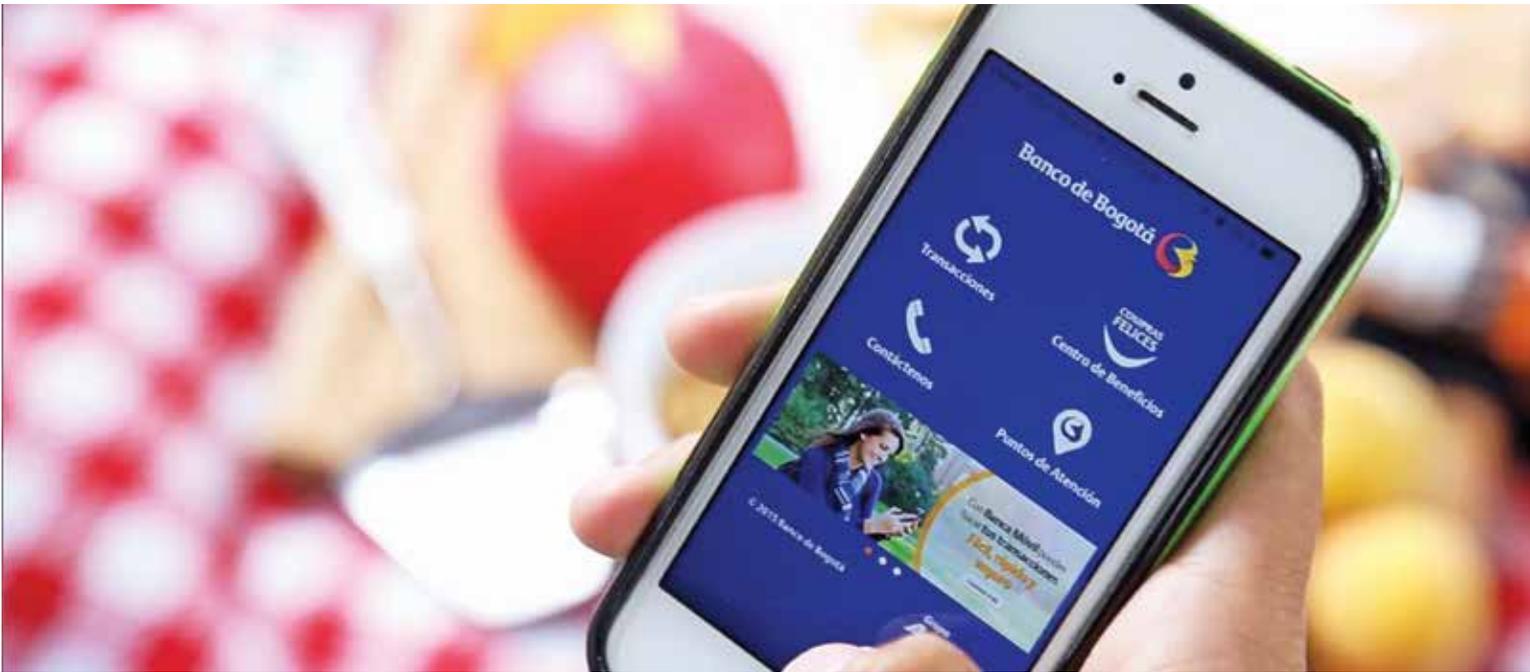
In the second half of 2015, we continue working on strategies that allow us to provide innovative, effective and streamlined financial solutions alongside a memorable user experience. Given this proposal, we redesigned our Bank's web portal, which has become one of the main channels for engaging with our clients, with more than 3 million visits and an average of 7 million transactions per month.

More than 86 million transactions in 2015

For clients that do not yet hold debit cards, we created the **Secure Password** for Servilínea and Banca Móvil, which, through the Internet channel, facilitates access and self-management. To this end, we also redesigned the transaction zone to make it more secure and intuitive.

From the second half of the year, our clients with fiduciary assignments from the Fiduciaria Bogotá can make investments from their Savings or Checking Account.

In addition, we launched the Mobile Token app (replacing the traditional physical device) that enables registration of accounts to make online transfers and payments and update information easily using the code generated by the Mobile Token, thus guaranteeing the same functionality and level of security. Our Bank is the first fi-



nancial entity in the country to implement this technological development, reaching 45,000 downloads.

Internet Businesses

Through this channel, more than 31,900 of our SME, Public Sector, and Microenterprise clients make inquiries and transactions and manage their banking products.

More than 62 million transactions through our Business Portal at the close of 2015.

In 2015, we trained our sales-force in order to reduce the number of returns in registrations and in changes of product so as to reduce response times and improve service provision.

Mobile Banking

Continuing with the strengthening of our user-experience strategy, we developed world-class technological solutions such as Touch ID, created to access Mobile Banking by finger-

print. This functionality is available for iPhones with fingerprint readers (5S, 6, 6 Plus, 6S and 6S Plus models).

In addition, our Bank has pioneered the provision of client services such as making inquiries and emailing extracts of all financial products, tax certificates and the Annual Overall Costs Report.

Through this clear trend of migrating to mobile financial services, we aim to generate a comprehensive value proposition for our clients, guaranteeing access to the financial services of interest to them without having to visit a branch.

This channel had achieved a 14.8% share of all transactions carried out at the end of the second half of 2015, compared with a 6.7% share in the same period of the previous year.

More than 36 million transactions, 198 thousand clients trading and 391 thousand downloads at the end of the second half of 2015.

PSE

Thanks to the PSE (Pagos Seguros En-línea, for the Spanish original or Secure Online Payments) channel, which allows individual clients with a Token to carry out their purchases and payments immediately and securely, PSE transactions increased 37% compared to 2014, thereby obtaining a positive variation of 33% in commissions.

2.1 million transactions through the PSE platform in 2015.

Transaction Management

For the second half of the year, the number of transactions carried out using channels other than branches increased by 13 million, which came as a result of the growth of channels such as Mobile Banking and Correspondent Banks.

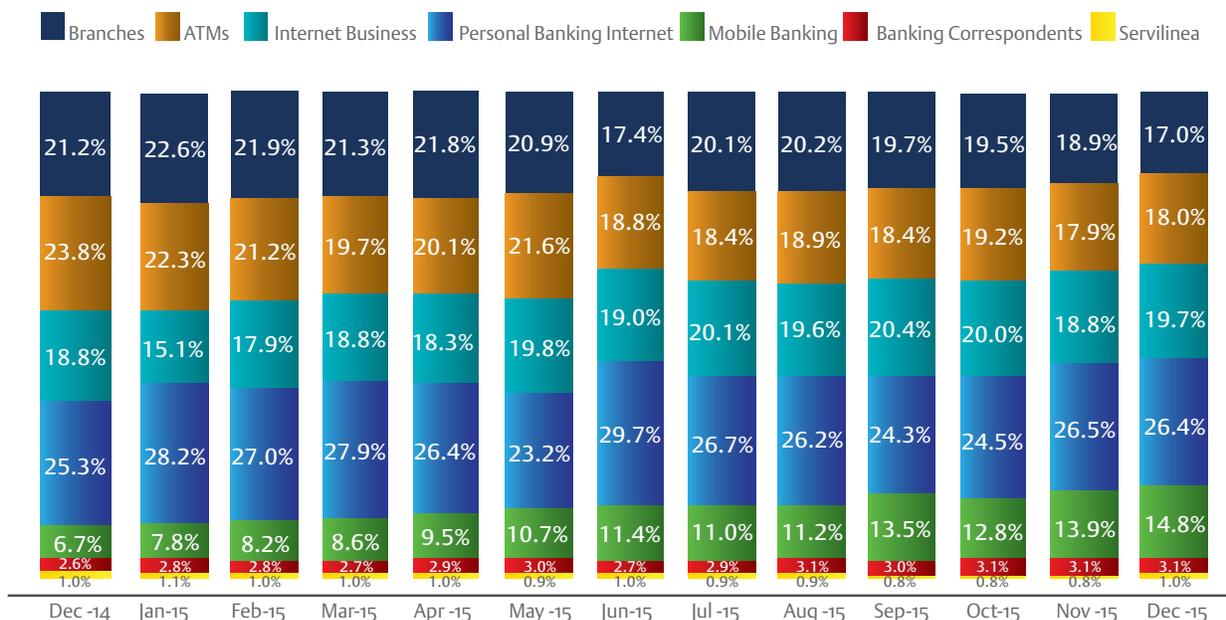
In addition, and thanks to the dedicated efforts made in the Transaction Migration project, the volume of transactions susceptible to migration in branches decreased by 1.2 million compared with 2014, reflecting improved service perception by our clients.

To achieve this significant progress, we held **round-tables with Service Supervisors** from several of our branches in Bogotá and other major cities, closely monitoring the operations where banking tellers and platforms were most susceptible to congestion. Secondly, through the **Multiplier Program**, 20 selected officials were trained.

In response to the need to promote these channels and the practical use thereof, we initiated the **Nationwide Internal Education Program on Channels**, showing the importance on the use of channels based on commercial benefits and service quality.

In addition, we strengthened the offer of self-service through the approval and installation of 150 Servilíneas at busy branches with high migration potential that did not previously have access to this channel. Moreover, forums for educating our clients on the channels were set up through activations in some of the payrolls registered with the Bank.

Transaction Migration Pilot Program Evolution - Combination of Channels, December 14 vs 15



The graph shows the decrease in the number of transactions carried out in branches, from 21.2% in December 2014 to 17.0% in December 2015, and the increase in transactions using alternative channels such as Personal and Business Internet Banking and Mobile Banking.

Customer Service

In the second half of 2015, to continue consolidating a culture oriented toward adequate attention, respect and service for Financial Consumers, the Financial Consumer Customer Service System (SACF, for the Spanish original), through the Strategic Committee in which Senior Management participates, established 20 Strategic Actions with an impact on clients and users in relation to: root-cause analysis of complaints and claims, fraud prevention, service monitoring, operating risk, process optimization, SAFC governance, service channel coverage and information quality.

To assure sustainability in the market and continue building on 145 years of tradition, experience and professional background, during this period, we designed the strategic approach that we will consolidate in 2016 to ascertain the Client Experience, with a cost-effective management outlook that is conducive to sustainable and profitable commercial relations.

To strengthen the development of a client-oriented organizational culture, during this half-year, we trained more than 1,400 employees through face-to-face events and more than 1,300 via virtual

sessions on all aspects related to the Financial Consumer Protection System, and on the basic standards of engagement and service to reinforce the adoption of behavior that promotes a favorable working environment and appropriate commercial relations.

Moreover, every week, we shared basic engagement tips with the sales force across the branch network as part of the 145-year institutional campaign “Working Together,” with a view of highlighting client recognition, quality of advice and accessible and streamlined interactions — all characteristics that we seek to apply in our relations with clients and users.

For Legal clients, we developed a self-service system with which we intend to guide the processing of their requests in an efficient and streamlined manner. In this way, we guarantee that their relationship with the Bank becomes increasingly fluid and focused on facilitating their everyday activities, constituting an integral part of their value chain. More than 300 types of different requests form part of this collection.

Finally, through the SAFC, we participated in the Financial Consumer Satisfaction Committee coordinated by Asobancaria, whose objective is to develop trade association strategies to offer services of greater quality, improve the image and reputation of the sector in the public opinion, and generate confidence in the market. The main projects we contributed to were: the analysis of the impact of Law 1748 on transparent pricing and the definition of a protocol for responding to complaints received directly by the Financial Superintendence.





Corpotex
Manufacturing
SUCCESS

With a firm desire to become an entrepreneur and the application of this urge in each task he undertook, 20 years ago Norman Parra Suárez founded Corpotex, a company engaged in the sale and distribution of underwear for men and women in strata 1 and 2. This was an uncertain and unfamiliar line of business for him, but one that has brought him great benefits.

Corpotex conducts its payroll payment with Banco de Bogotá and has credit lines with favorable interest rates.

“Banco de Bogotá has trusted in us and has contributed to the growth of our company.”

Norman started out running an informal business operating out of a small premises, which rapidly spawned two more stores; without knowing how to sew a garment, nor having much experience in the textiles field, he decided to turn to the Banco de Bogotá in creating a female underwear brand called Camilla (named after his eldest daughter), as well as an underwear brand for men bearing his own name.

“I have always dreamed of being successful, and my financial conditions while growing up did not stop me from growing as an entrepreneur and a person. Thanks to Banco de Bogotá my company provides great products to Colombians.”

In 2005, the company operated 10 sales points, and it now runs 22 fashion underwear stores, and exports to different cities and countries like New York and Ecuador, all with the support of Banco de Bogotá. “I have nothing but gratitude for this organization, which has trusted in us and has given us support in the growth of our company,” insisted Norman Parra Suárez, manager and founder.

Without fearing the competition, Corpotex is now working on the launch of a new more universal brand. This is Freeman, a brand of men’s underwear that will run exclusive stores in different regions of the country. “We have big plans for the future. We want to grow more and we know that with the support of Banco de Bogotá, we can do it,” concluded Parra Suárez.

*145 Years Changing Entrepreneurial Histories
Portafolio journal.*



*Norman Parra Suárez
CorpoteX’s manager and owner
Microenterprise Segment Client*

145 años
TRABAJANDO JUNTOS

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