



José Quintero. Manager of Guirnaldas Verdíssimo Group, Business Client. Tocancipá – Cundinamarca.

Chapter 4

Our Bank at the service of customers

We have built a bank where our clients are the core, the inspiration, and the purpose of our everyday efforts.

Let's **Progress**

Banco de Bogotá 



Business Banking Team, Banco de Bogotá's Headquarters.

4. Our Bank at the service of customers

Business Banking

Out of commitment to strengthening our long-term relationships, we are present in the projects of our corporate and business clients, thereby supporting their development and the country's growth. We work alongside companies through our Client Development Team, which focuses on understanding, analyzing and proposing a portfolio of commercial solutions to suit evolving markets and emerging needs.

New Clients

The client engagement strategy continues to yield excellent results. Our analysis and understanding of value chains has led to our successfully delivery of comprehensive offerings to 185 clients who signed on to our portfolio of products and services during the first half of 2016.

During the half year, we contacted more than 6,982 clients from this segment on more than 52,000 occasions, and won 185 new clients.

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Different Lines of Credit

Our clients still recognize Revolving Credit as an easy-access, short-term financing option, in that they can use this product line quickly and easily through our Business and Corporate Portal.

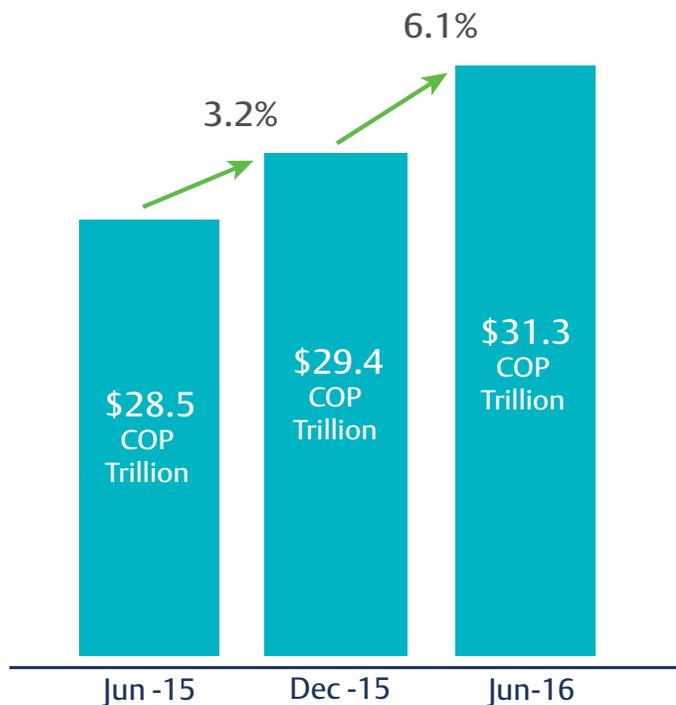
At the close of June, more than 1,300 clients were using the product, up 10% compared to the same period in the previous year. During this half-year, we generated 55 new Revolving Credit lines worth more than COP 17,600 million.

Evolution of Loan Portfolio Balances

Our lines of credit are constantly growing, with the portfolio balances up 6.1% in relation to December 2015. The sectors that have contributed the most to this increase are: Investment (26.7%), Food and Drink (17.5%) and Commerce (17.4%). This result owes to the constant use of our lines of credit by more than 4,000 clients in the segment.

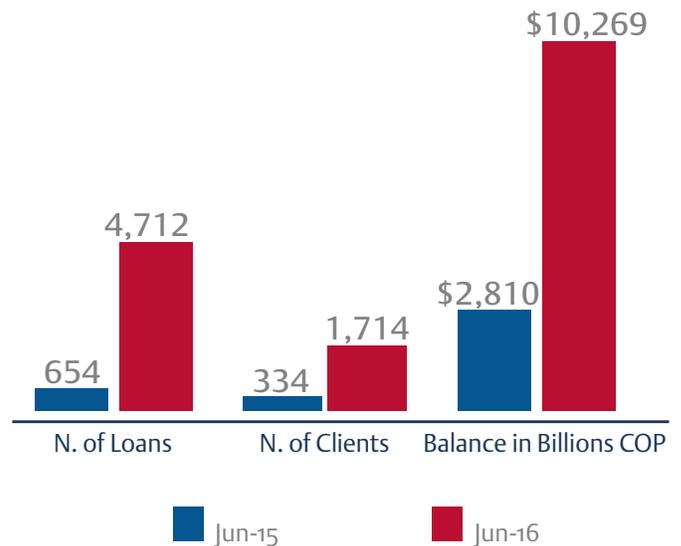
Commercial Teams in the segment carried out 129,845 disbursements through which the Medium Companies segment accounted for 74% of operations.

In addition, at the close of June, the Commercial Teams in the segment carried out 129,845 disbursements through the different lines of credit, of which the Medium Companies segment, with 4,300 clients, accounted for 74% of operations. We ended the half year with a Commercial Loans Portfolio balance of COP 31.3 trillion.



Furthering our strategy of maintaining a competitive portfolio of products and services with a value proposal adapted to market conditions and the performance of the economy, in the first half of 2016 we increased the size of the Reference Banking Rate portfolio, achieving a total amount of COP 10.3 trillion across more than 4,700 operations involving 1,714 clients; this represents a 265% increase in the balance compared with the same period of the previous year.

Evolution of the Reference Banking Rate Portfolio



Moreover, based on the situation of exchange rates and interest volatility in the first half year, more than 6,900 foreign trade and interest rate operations were hedged over the period, distributed across more than 1,000 clients and covering the different exposures to market risk.

Modernization, Competitiveness and Growth

One of the priorities of our Business Banking segment is to support our clients by helping them grow and become more competitive in the market; to this end, we offer financing lines through leases, an attractive option for the medium- and long-term acquisition of fixed assets. In this period, by way of this solution, we recorded 29% growth over the same period of the previous year, attaining a portfolio balance of COP 1.9 trillion.

Construction, the sector that supports Colombia's growth and development

Our Constructor line of credit continues to go from strength to strength as a financing option for housing or commercial projects.

For the first half of 2016, the Constructor loan portfolio from the business segment grew by 25% from the first half of 2015, amounting to a balance of COP 253,000 million for the financing of 34 new projects, mainly in the housing sector, thereby contributing to its vitality and to job creation in Colombia.

Meanwhile, the Rediscount Banks and our organization contribute to the growth of the health, metallurgical and agroindustrial sectors by way of specific lines.

As such, in the first half year we disbursed more than COP 400,000 million, attaining a balance of COP 637,000 million and 52.5% growth in rediscount lines in pesos and dollars compared with June the previous year.

In the first half year, the Business Banking segment *disbursed more than COP 400,000 million in Rediscount Lines.*

Cash Management focused on ascertaining and deepening the transactions of our clients

During the first half of 2016, the Cash Management areas have focused on managing the design and deployment of Commercial Intelligence tools, the main objective of which is to improve the scoping of high-value clients through in-depth knowledge of transactions and account operations, thereby ensuring that our offerings are aligned to clients' actual needs and opportunities.

We closed June with 26% of our clients holding Savings Accounts, and 76% with Checking Accounts, and more than 25 million in payment and collection transactions.

Management of payment products has been oriented to the analysis and development of client Supplier Chains; this task was conducted with the participation of the entire commercial team. The aim of this activity is to encourage internal payments by reducing costs for clients and increasing the flow of funds through accounts held at our Bank. Moreover, this initiative seeks to create a payment ecosystem that improves product efficiency.

Collaborators Bucaramanga





Alfonso Bonilla Aragón Airport, Cali – Valle del Cauca

During the half-year, we also continued with the migration plan to our new Online Connection Portal, with 504 clients trading via this route. As to the invoicing lines, we are developing invoice payment solutions through an online platform in which the Bank has integrated with different ERP systems, allowing us to enter new client segments.

At the close of the half year, 504 clients had traded *through our new Online Connection Portal.*

We Support Our Clients

Aerocali

We supported the Alfonso Bonilla Aragón Airport expansion and remodeling works by granting a loan worth COP 23,000 million, paid out to Aerocali (the concessionaire in charge of collecting income from ground services and airport, commercial, parking and publicity fees). Through this project we created a new point of entry to the city that boasts pleasant and organized spaces, which serve to boost the economy of the Western Region all the more.

Our relationship with Aerocali attest to our work alongside our subsidiaries, given that Fidubogotá has been tasked with managing these resources.



Clínica Bonnadona, Barranquilla.

Clínica Bonnadona

The Clínica Bonnadona, located in the city of Barranquilla, specializes in the provision of medical services in the areas of hematology, oncology and clinical laboratory. It has a payroll of 700 employees, including both medical and administrative staff. Since 2011, users have had access to a Mixing Center, or a special place for the selection and preparation of medication for each patient, thereby enabling a higher-quality and more personalized service. It specializes in treating patients with cancer, but also offers care at levels 2, 3 and 4. Recently, the institution built a new dormitory, at a total cost of COP 27,000 million.

For the execution of this project, we granted a loan worth COP 8,000 million. The construction has 12 floors and allows the clinic to expand its bedding capacity from 220 to 330; this project will boost employment in the coastal capital through the creation of 300 new jobs.

Notable among all the teamwork accomplished by our commercial force is that in the first half of 2016, through our electronic system, the Clínica Bonnadona carried out more than 15,470 payroll and supplier payment transactions.

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Governmental and Institutional Banking

Our Governmental and Institutional Banking segment continues to support our clients in their project development by way of innovative solutions that facilitate their processes, seeking to build ever-closer relationships. Accordingly, in the first half of 2016, we were able to forge new commercial partnerships.

In this period, we supported the Public Services Superintendence by becoming their main Bank through a collection agreement with this entity; the purpose of this agreement is to collect penalties paid by public service providers who fail to comply with the regulations that govern them.

Moreover, we entered into a commercial partnership to assist the District Finance Secretariat in staging the 5th World Summit of Mayors (United Cities and Local Governments, UCLG), the biggest event of its kind in the world, gathering together almost 3,000 local and regional leaders from around the world, including mayors, international entities, and public and private actors of the highest level. We were the only registration fee collection channel for this event through the acquisition contract, thereby underlining our support of District initiatives.

Likewise, we supported the humanitarian efforts of the Colombian Red Cross on *Día de la Banderita* (Little Flag Day) by equipping both our network of branches and wireless dataphones for fund collection, thus supporting the organization's charitable activities for the more than three million Colombians living in conditions of extreme poverty and vulnerability.

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Monthly Pension Payments

We remain Colombia's biggest bank for monthly pension payouts. In the first half year we disbursed 552,420 pension payments, of which 166,525 were transferred to accounts and 385,895 were given out at the bank counter, thus supporting our strategy to include these clients in the banking system.

In addition, during this period we were present at different events concerning this segment, such as: Congreso de Asobancaria, Asofiduciarias, Confecámaras, Asofondos and Asobolsa, thereby strengthening knowledge regarding the trends and innovations of the different sectors.

Meanwhile, at the close on June 30, total deposits in the Public Sector and institutional Banking segment were COP 10.6 trillion, while the portfolio balance at the same closure date stood at COP 1.4 trillion.





Diversity Barranquilla

Regional and Decentralized Entities

At Banco de Bogotá, we recognize the importance of elections for new territorial governments, and so support new administrations during the early stages by contributing to transition plans for newly-elected representatives. As such, we gathered together more than 1,110 participants from 446 municipalities, establishing a presence at 26 branches across the country, where we reinforced knowledge of Public Sector Banking and provided training to good governance. Through this strategy, we won new clients and offered new products that facilitate the administration of these entities.

We seek to be as close as possible to our public representatives, and so our commercial team was present at the National Congress of Mayors, held in March in the city of Cartagena. More than 1,000 mayors and public officials attended the event, accompanied by our Public Sector Banking Specialist Managers.

In the first half of 2016, we focused our commercial strategy on strengthening Territorial and Decentralized Entities, both current and potential clients. In this way, we launched new liability products worth more than COP 21 billion, and asset products in excess of COP 64 billion, which contribute to the progress of different regions of Colombia through the implementation of projects that benefit communities.

Additionally, to facilitate the payment and collection of taxes both to and from our clients, we launched a campaign aimed at Colombian municipalities, intended to promote public awareness of the payment options offered by Banco de Bogotá and usage of our service channels.

Moreover, 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 March.

We also gave out 25,000 school kits to underprivileged children throughout the country, and 15,000 kits to farmers in celebration of Farmer's Day.

At the same time, as part of our commitment to give Colombians greater access to activities that highlight our cultural diversity, we supported more than 100 events including the following: the Vallenato Festival, the International Joropo Tournament, the Bambuco Festival in (San Pedro), among other activities of great importance in different regions of the country.

Social Banking

We work as strategic partners of Colombia's solidarity and cooperation sector, developing value proposals that allow us to strengthen our commercial relationships. Accordingly, in the first half of 2016, we focused on:

Management of liquidity fund resources

As per the recommendation issued by Fogacoop in November 2015 concerning the immediate liquidity to be possessed by the appropriate resources in liquidity funds, and regulated by legislation issued by the Solidarity Economy Superintendence through Article 6, Decree 790 / 2003, we offer options for channeling, increasing and retaining investment options for secure and profitable entities in the sector.

Training for solidarity sector clients

With a view to strengthening commercial relationships and capturing potential clients, we have carried out different training and refresher activities on macroeconomic topics and those of general interest to clients in the solidarity sector.

We continued strengthening our Afinidad (Affinity) debit card

We worked on the development of new functionalities that allow cardholders to make online purchases at Colombian retail establishments. Moreover, we forged new commercial partnerships so that cardholders benefit from the discounts agreed by the Bank and the different establishments participating in the Visa Tuesday program and other benefits at stores such as Tania, Presto, etc.

Along these lines, we ran campaigns with cooperative entities to promote our product through activities aimed at their associates, in order to promote the multiple benefits of the product and boost card usage among affiliates.

At the close of June, we had 144 agreements in place and 252,537 active cards, including new agreements with Fedejohnson, Mutual Bienestar Asociación, and the Fondo de Empleados de Porvenir.

At the close of the first half year, ***we had 144 agreements in place and 252,537 active Afinidad debit cards.***





Smart Coffee Grower's Card beneficiaries, Pereira - Risaralda

Agreement with the Colombian National Coffee Growers' Association

At the close of June 2016, we had included 371,452 coffee growers in the banking system, through the Coffee Grower's Savings Account, which is associated with a Visa Electron debit card and can be used by coffee growers as a form of ID with the National Coffee Growers' Federation of Colombia.

The Coffee Grower's debit and ID cards give farmers the means of accessing our different channels to conduct all transactions, as Personal Banking clients have traditionally been able to.

The main transactions carried out by coffee growers in the first half of 2016 are outlined below:

Transaction	Description	Accumulated Jan – Jun 2016	
		Quantity	Amount (COP)
Credit	Coffee Purchases	8,159	\$12,597,223,999
	Bank Payments/Deposits	27,292	\$59,338,239,916
	Transfers	11,502	\$14,496,158,896
	Other Loans	2,039	\$5,214,146,688
	Total Credits	48,992	\$91,645,769,499
Debit	Withdrawals	148,988	\$51,565,713,197
	Cash Withdrawals	249	\$167,378,822
	Purchases	19,406	\$6,104,261,048
	Collections	9,484	\$1,039,155,191
	Psp	2,274	\$353,591,477
	Transfers	19,041	\$6,200,118,876
	Mobile top-ups	2,245	\$8,180,000
	Other Debits	720	\$3,280,938,670
	Total Debits	202,407	\$68,719,337,281
	Queries	193,638	****
Total	445,037	\$160,365,106,780	

The use of ATMs by 62.39% of coffee growers stands out as the most used channel to access Bank resources, followed by the network of branches, at 20.47%, and the dataphone network installed in commercial establishments, at 8.92%.

Channel	Accumulated Jan – Jun 2016		% Share
	Transactions	Amount (COP)	
Atm	277,665	\$45,828,512,953	62.39%
Banking Correspondent	18,410	\$5,407,606,852	4.14%
Internet	6,649	\$5,750,313,714	1.49%
Branches	91,083	\$85,725,445,145	20.47%
Portal / Coffee channel	8,467	\$12,762,668,485	1.90%
POS	39,700	\$4,311,789,952	8.92%
Servilínea	2,331	\$64,106,000	0.52%
Mobile Banking	732	\$514,663,679	0.16%
Total	445,037	\$160,365,106,780	100.00%

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SME Banking

At Banco de Bogotá we seek to become major allies of our clients, and so each day we reinforce the knowledge of our SME commercial team on international and domestic banking issues, thereby improving the advice offered so as to truly support the growth and development of this sector. In the first half of 2016, we significantly reinforced risk management skills through a comprehensive analysis of clients in the segment, through which we seek to expand the portfolio and our market share nationwide.

Moreover, in line with the update of the International Financial Reporting Standards “IFRS for SMEs,” and based on the premise of financial reporting that seeks to correctly represent the financial situation of a given company, we have provided a number of training sessions in Bogotá, Medellín, Cali and Barranquilla in order to promote the new parameters established and thereby provide support to our clients in their management and decision-making.

SME Client, Bogotá D.C. - Cundinamarca

Moreover, we generated value for our SME Banking clients by sharing issues of great importance for their corporate activities: innovation, economic perspectives, real estate sector, among others. In this context, the fifth edition of the SME World Fair took place in Medellín from March 1 to 3, where we provided free training to more than 2,000 entrepreneurs from the region, who also benefited from special conditions for our products.

We are committed to the economic growth of Colombia, in order to reach the next level.



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 our network of branches, which allows us to provide solutions to suit the dynamics of their companies and businesses.

Micro-enterprises account for a high percentage of the economic base of Colombia and are the largest job creators. Therefore, in the first quarter of the year, we strengthened our presence in major and medium-sized cities and in remote areas through our sales channels. We have financed more than COP 26,000 million, benefiting more than 2,300 microentrepreneurs representing sectors such as commerce, industry, service-provision, and agriculture.

Since furthering our commercial links with micro-enterprises remains one of our most important pillars, we have implemented a new workflow to guarantee the establishment of product portfolios at any one time, with differential rates and discounts.

In addition, we offer different financing options for our micro-enterprise and small business clients, and continue to strengthen lines to implement investment plans or leverage working capital: Revolving Credit, Factoring, Rediscount

Credit under the special conditions offered by Findeter, Bancóldex and Finagro — entities with which we have entered into partnerships to reinforce knowledge and benefits of our lines in the eyes of clients and the commercial team. We also support the growth and development of our clients by financing their projects; as such, in the first quarter, we granted around COP 200,000 million in credit in the Commercial Loans Portfolio.

In continuation with our client outreach, we participated in events across the country organized in conjunction with unions, chambers of commerce, commercial associations and public sector bodies. We gathered together more than 4,000 potential clients pertaining to the agricultural, healthcare, commerce, industrial and construction sectors, among others.

We have benefited more than 2,300 micro-entrepreneurs pertaining to different economic sectors.

Iván Khalilia Khalilie. Shawarma House Restaurant's Manager, Micro-enterprise Banking Client. Barranquilla – Atlántico.





Luz Miryam Mendoza. Owner of Ferrielectricos La Luz. Microfinance Banking Client, Bogotá, D.C. – Cundinamarca.

Microfinance Banking

We continue to make progress with our coverage strategy

To get closer to our clients by providing better service, we continue to expand our presence in different municipalities across the country. At the close of the first half year, we were present in more than 660 municipalities, increasing our coverage by more than 10% from the previous year, having brought our offering to more than 73 municipalities such as Lloró (Chocó), Hatonuevo (La Guajira), El Tablón de Gómez (Nariño), Maní (Casanare) and Úmbita (Boyacá), among others.

We have provided more than 88,000 families with microfinance credit facilities, more than 50% of them headed by women. To ensure service coverage for microenterprises in the municipalities, we draw on a team of more than 350 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 of generating dignified sources of employment across Colombia's regions.

We continue working on the expansion of the Rural Microcredit project. With our specialized agro-industrial credit and saving product offering, we have gained more than 2,200 small producer clients in the areas of Antioquia, Quindío, Huila, Tolima, and Tunja, providing funds amounting to more

than COP 8,200 million and benefiting families whose livelihood depends on crop production and livestock rearing for sale. Through this initiative, we continue to improve our methodologies and to offer constant support to our clients, establishing direct contact with them and contributing to the growth of their goals.

We continue to strengthen our Insurance Portfolio by providing protection to our clients in case of severe illness, permanent or total disability, and even death. In the first half year, we assisted more than 12,000 micro-entrepreneurial families with this protection, thereby helping improve the quality of life of this population segment.

Since 2009, when we rolled out the Microfinance Model, we have provided more than COP 476,000 million in resources distributed across more than 160,000 microcredits for amounts of less than COP 3.6 million, whereby 10.6% of microenterprises accessed the financial system for the first time.

Through the portfolio, we have disbursed a total of COP 10,416 million since the start of the program. To complement this portfolio, in the first half of 2016, we have reached out to enti-



La Uñería, Microfinance Banking Client. Bogotá, D.C. - Cundinamarca

ties that are not overseen by the Financial Superintendence, offering more options for the consolidation of our clients' debt.

With our *EmprendeAhorro* deposit account, developed based on the advice of Banca de las Oportunidades, we continued to foster a culture of saving across more than 57,000 microenterprises, which have received exclusive benefits, given that the offering is the only one of its kind on the market.

Through Rural Microcredit
*we have involved
more than 2,200 small
producers in Colombia.*

Financial Inclusion

Continuing with the Financial Inclusion strategy, we succeeded in expanding our coverage in urban and rural areas nation-

wide by implementing new client involvement strategies and strengthening existing ones.

As at June 2016, our coverage had increased in medium-sized cities and rural areas through our focus on new niche market areas that were formerly overlooked by traditional banking. Thereby, we are positioning savings products with special benefits, credit products that address the needs of small-scale farmers, traders, manufacturers and service-providers. Moreover, clients in special financial inclusion segments have access to a wide range of products depending on their profile, notable among which is insurance for micro-enterprises.

Inclusion in Rural Areas

In the development of the Rural Microcredit project, we continued with the provision of saving and loan products for small producers, accompanied by our commitment to financial education. By strengthening our coverage and commercial offering in these areas, clients and potential clients receive direct support from our commercial advisors from our network of branches, and from special Microfinance advisors.

During the first half of 2016, we gained 667 clients, bringing our total to 2,216 small-scale producers in the areas of

Antioquia, Quindío, Huila, Tolima and Tunja. In these areas, we have developed and implemented product analysis and approval methodologies focused on ascertaining the agricultural activities in each area.

Disbursements of more than COP 8,200 million have been made to these new clients, benefiting 2,216 families who depend on their crops and livestock to earn a living.

We have disbursed
**more than COP 8,200
million, thereby
benefiting 2,216
families.**

Services provided to members of the National Coffee Growers' Association

As part of our alliance with the National Coffee Growers' Association of Colombia, the priority has been to assist coffee growers by way of our Smart Coffee Grower's card, which

serves as both a form of union ID and a means of access to major benefits for business development.

In the first half year, we provided regional training on the use of our service channels (ATMs, Banking Correspondents, SMS Mobile Banking, and Servilínea). Through these initiatives, we seek to promote greater uptake of the union member's savings account by highlighting the ease of access to the product and the savings in transaction costs it enables.

Over the period, we continued to include and serve coffee grower clients across the country, giving out more than 14,200 Smart Coffee Grower's Cards. At the close of June, there was a total of 360,000 Smart Coffee Grower's Cards and more than 2,800 products in the following categories: Microcredit, Credit, Savings and Current Accounts, CDs, and Credit Cards.

FacilPass

At present, more than 360 clients have signed up to FacilPass, who make an average of 43,800 stops or uses of the service at participating toll points, resulting in average monthly takings of COP 1,300 million. Moreover, with the entry into operation of the new toll points along Sector 2 of the Ruta del Sol in May, we extended our coverage from Puerto Salgar (Cundinamarca) to San Roque (Cesar), representing an increase of 543 kilometers.

Smart Coffee Grower's Card beneficiaries, Pereira - Risaralda



Personal Banking

In the first half of 2016, we assisted our personal banking clients with their needs, in line with the life stage and cycle of each of them. In this way, we seek to offer an experience that makes the difference through a value proposition for each client group.

Our Children Segment constitutes a value proposition for this group. The core part of this strategy is promoting a culture of saving. To this end, we offer Mi Caja de Sueños (My Box of Dreams) product with financial education, fun, and disciplined saving, in addition to lessons and good practices aimed at children's caregivers. In the first half year, we opened around 4,500 savings accounts associated with Cajas de Sueños, representing COP 7,000 million in savings for our children.

In turn, we sought to keep in touch with children in environments conducive to their development; as such, we offer learning and recreation spaces in alliance with Divercity and schools across the country, which allows us to reach out to the Children Segment through a channel that differs from traditional branch-based banking.

For young people, we continued to strengthen our Youth Banking segment. Through the www.mibancajoven.com portal and the leveraging of events at universities, over the period we endeavored to reach out to young people with a complete offering made up of student loans, credit cards, and savings accounts. Throughout the half year, we were in contact with more than 25,000 youths who saw us as a means through which to pursue their dreams; we supported 14,000 of them via student loans, financing their undergraduate or graduate studies at participating universities across Colombia. We also financed those who studied abroad through the Colfuturo line, with around COP 700 million in disbursements.

The Children and Youth segments are fundamental to the Bank's inclusion strategy, while the Personal and Experience segments support the development of those clients who seek not only inclusion but specialized advice on different fronts. Through our commercial teams we offer a comprehensive portfolio of products, which gives our clients access to all products at the same time, as well as discounts on individual rates. In 2016 to date, we have reached a total of 9,700 Comprehensive Service Portfolios for all our personal banking clients.

Banco de Bogotá's Headquarter Collaborators





Piedecuesta - Santander Branch

In addition, we seek to support our clients at the most important stages of their lives. Therefore, when it comes to home financing, we offer a complete portfolio of massive consumer products such as credit cards and Crediservice, as well as investment products such as savings and current accounts with overdraft facilities. At June, we had made offers worth more than COP 8,000 million. Thanks to our complete loan offering for our clients, in the first half year we recorded around COP 1 trillion in disbursements.

This segment also includes products catering for the management and administration of client resources, such as savings and checking accounts. We offer a wide range of savings accounts to suit the profile of each client and what they need from the product, with conditions ranging from handling fees, withdrawals, and free transactions.

In this period, we successfully positioned our balance increase strategy *Tu Meta es Ahorrar 2016* (Your Goal is to Save). This is

the third iteration of the campaign, which resulted in the collection of approximately COP 90,000 million in new balances and rewards for more than 5,000 clients for their savings with us.

Through our products and the strategies concerning them, our sales force gained more than 26,000 new clients while keeping almost 3 million others active, with an average penetration of two products per client.

Thanks to our complete loan offering for our clients, in the first half year we recorded around COP 1 trillion in disbursements.

Preferential Banking

The experiences, feelings and needs of our preferential clients are our starting point in designing and positively transforming their experience in all of their interactions with us. Clients in this segment have a monthly income equivalent to between 10 and 30 times the minimum monthly wage (whether by way of salaries, pensions or independent earnings). At present, we have more than 130 thousand clients, with a penetration level of 2.23 products per client.

Therefore, in the first half of 2016, we reinforced the following components of the value proposition for the segment through the development and implementation of strategies oriented to completely meeting their financing and investment needs:

- We took actions for the ongoing training of our employees, enabling their internalization of the entire value proposition structured for preferential clients and their specialization in serving them.
- We have developed a new service model in which preferential clients now have access to a specialized team in which the Trust Company Manager supports and advises them in putting together a complete investment portfolio.

- We gave out Platinum debit cards to clients in this segment as an access key to preferential services across all Bank channels. This product provides special benefits offered by Visa, and identifies these clients as preferential across our network of branches.

- We equipped more than 600 of our branches across the country with lines for preferential counter service, which are available to all clients who show their Platinum debit card.

- We provided specialized 24/7 telephone responses to client requests through the Preferential Line, as well as new services such as online submission of supportive documents and redemption of points accumulated using credit cards, in order to increase the percentage of first-rate solutions.

- We designed special alliances with commercial establishments that cater to clients' lifestyles, guaranteeing coverage for those living in medium-sized cities.

In this way, we seek to build long-lasting relationships by providing preferential benefits based on client habits, while also increasing their level of penetration and profitability.

Premium Branch, Bogotá D.C. - Cundinamarca





Premium Banking

From January 1, 2016, we developed the new Premium Banking structure; this responds to our growth dynamic and expectations to generate the best-possible support for our clients, providing them with a value proposition based on a global perspective of the market while strengthening our relationship with our subsidiaries. Moreover, we continued to work on strengthening the client relationship model, guaranteeing that our Premium clients are served based on a special scheme consisting of the following: 13 Premium offices nationwide, 47 Relationship Managers; and 13 Investment Managers; supported by a supervision structure (a Premium Commercial Director and 6 Area Managers) to enable better support and special attention for clients in the segment.

In pursuit of a more robust value offering for our clients, we have implemented several initiatives that allow us not only to improve our Premium service, but also to transfer that service to our other channels and our traditional branches:

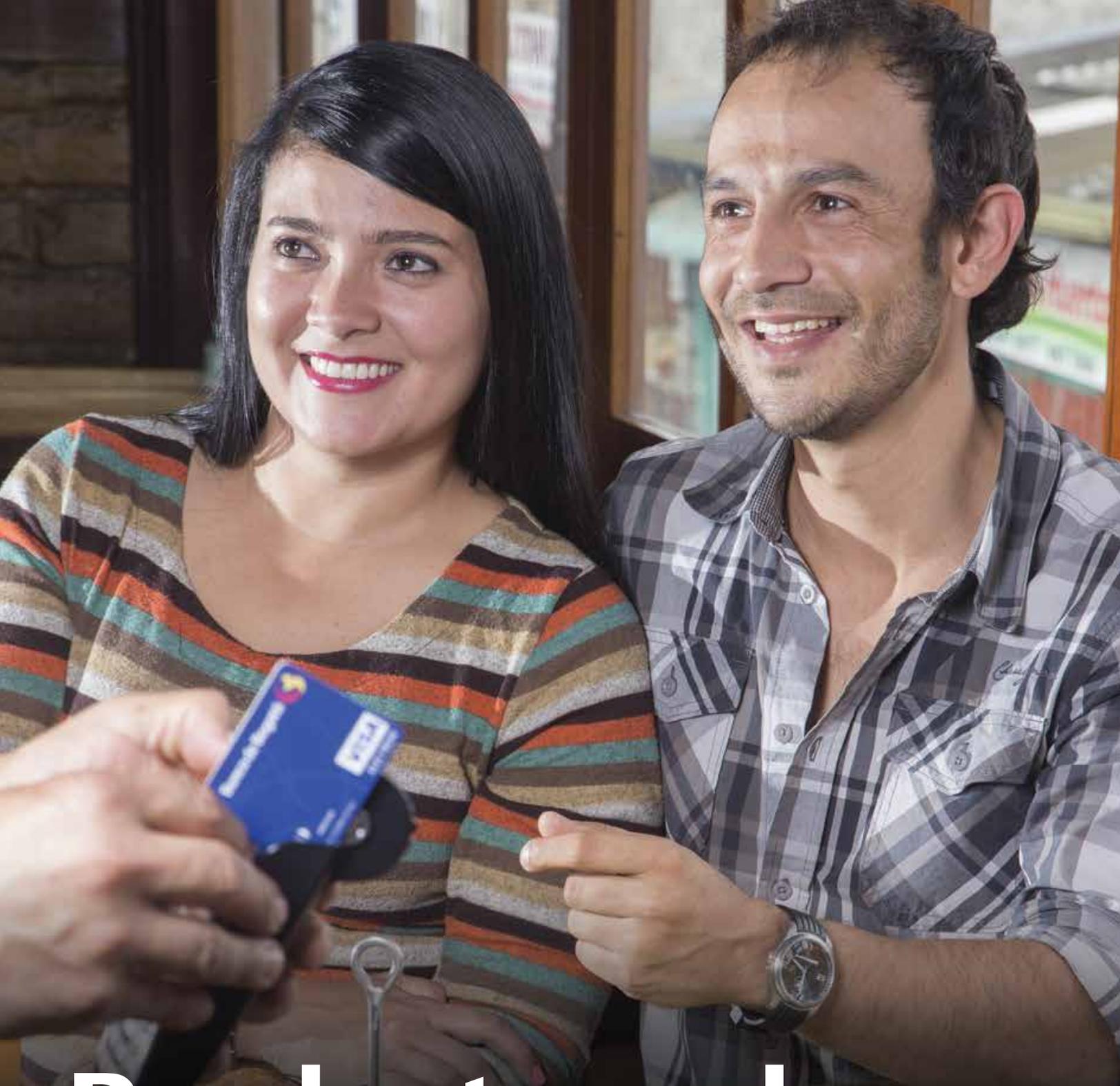
- Preferential Line, where our clients can request advice on products and services, with a higher rate of resolution at the first point of contact.

- More than 600 preferential lines in place at our traditional branches to provide preferential service to our clients outside the premium branches.

- With a view of identifying our clients, we are giving out the Infinite debit card, which as well as certifying them as Premium clients, provides them with benefits, assistance and coverage, giving them access to preferential service at traditional branches.

These initiatives have allowed us to provide the same personalized service for those clients based in cities and rural areas that are not covered by Premium offices, thereby guaranteeing that, irrespective of the geographical location of our clients, we keep our service promise.

We are giving our Premium clients the Infinite debit card, **which comes with special benefits.**



Products and Services

Debit Card

In the first half of 2016, there were 2,283,177 active credit cards, 3% more than in the same period of the previous year. COP 63,287 million in income was generated from net commission, which, as one of the Bank's main income sources, contributes significantly to the profitability of the business.

In May, we began a campaign to promote the Platinum and Infinite debit cards for Preferential and Premium segment clients, highlighting the benefits of assistance, insurance and preferential service at our branches and via our service line to earn the loyalty of this group of clients. At the close of June, this campaign has resulted in the distribution of 10,260 new cards.

For the month of June, we activated the option of registering the Bank's debit cards in Aval Play. This was made possible by the three-digit security code printed on our cards for remote purchasing, as well as the dynamic system of limits to control

the daily value of such transactions. These new functions allowed our clients to handle a total of COP 2,554 million across 35,301 transactions during the first half of the year. Finally, to increase the use of contactless payment, a pilot project was initiated in the city of Barranquilla in April with the Paywave debit card. By the close of the half year, there were a total of 7,000 active cards with this functionality.

Prepaid Cards

We closed the first half year with 207,931 active Prepaid Cards, up 16% compared to the same period in the previous year. Moreover, between January and June we invoiced a total of COP 23,046 million, generating COP 525 million in income from commission.

Additionally, starting from June we optimized our cash loading process through the 7X22 option, resulting in improved file loading times and quicker cash access for our clients. This process is currently being piloted.



Relationship Marketing

Compras Felices

At the close of June 2016, we recorded 47,168 downloads from our Compras Felices (Happy Shopping) application, resulting in more than 7,000 new users over the last six months and attesting to the good reception of this option by our clients.

In the same period, the Compras Felices program was again featured in the *GO Guía del Ocio* magazine in Bogotá, through publication of the discounts and benefits that our clients have access to through the use of their credit and debit cards in the related commercial establishments.

In addition, in May we staged an event called “Central es Nuestra,” which assured us of a presence in major shopping malls in central Colombia, as well as in medium-sized cities such as Mosquera, Villavicencio, Ibagué, Neiva and Florencia. Fifty-five of our Bank’s employees participated in this initiative, through which they provided information on the application and the differential benefits that our clients can access through this solution.

Through this activity we were able to reach out to more than 200 potential clients while promoting usage of the Bank’s channels to existing ones, with a view to increase their transactions and invoicing using credit and debit cards.

Moreover, we were present at events such as Feria Mundo Pyme in Medellín (February 29 to March 3) and Expocafé Armenia (May 20 to 22) where we promoted the advantages and benefits of involve-

ment in the Compras Felices program, which we have positioned as a commercial tool for attracting and retaining our business clients.

Worthy of note is that in the first six months of the year, we delivered more than 120 prizes in a competition for debit card holders known as *Que Bueno Es Ganar* (It’s Great to Win), which allowed us to identify those clients who use their cards the most for purchases. This campaign helped us increase our invoicing by 14% between November and December 2015 and January 2016, compared with the previous year.

The growth in the program and the segmentation strategies for increasing debit card invoicing is reflected in the results for the close of June 2016, in which year-to-date commissions from POS involving (retail establishments) represented more than COP 13,800 million, a 15.67% increase from 2015. Moreover, client billing increased by 15.83% and the number of transactions carried out rose by 13.4% on the year-to-date total for June 2015.

There were 47,168 downloads of our Compras Felices app, *with more than 7,000 new users in the last six months.*





Credit Cards

The first business Platinum credit card for SMEs.

We have worked on strengthening our portfolio of business cards and continue to contribute to the growth of our clients, which now number more than 26,000 SMEs, allowing us to gain their loyalty and contribute to corporate growth. Therefore, in response to the potential of small and medium-sized companies in the Premium category and with the aim of addressing this market niche, in June we launched the Banco de Bogotá *Élite Negocios* credit card in alliance with Visa, the purpose of which is to be used by business owners and their executives on corporate trips.

We launched the *Élite Negocios credit card*, for entrepreneurs to use on business trips.

New spaces to continue supporting our 'Millennials'

As part of our aim to include Colombia's youth population in the banking system, in alliance with the Colombian Securities Ex-

change we supported the Bolsa Millonaria initiative, which seeks to measure knowledge and skills on the stock market, with a presence at more than 118 universities nationwide. Through this space we promoted financial education and highlighted, through different social networking dynamics, the benefits of our Joven credit card designed especially for this segment.

We support our clients in their dreams of traveling

With the LATAM Pass portfolio, we bring Colombians even closer to their dreams of traveling. To this end, in May we launched the LATAM Pass Clásica credit card, aimed at the clients in the mass segment who seek new tourist experiences and adventures.

We facilitate tax payment

During the second quarter of 2016, we offered our clients preferential rates for tax payment, thereby facilitating and encouraging compliance and prompt payment.

More Colombians trust in our credit cards

We achieved an annual growth of 29% in the first half of 2016, coming ever closer to Colombian households. Our objective has always been to accompany current and potential clients throughout all of their life stages by creating special strategies for them.



Housing

Through our portfolio we have succeeded in making the home-owning dreams of millions of families come true through a personalized service model to which all Colombians can access through our more than 700 branches nationwide; Specialized Home Centers (CEV, for the Spanish original) in the major cities (Bogotá [2], Cali, Medellin, Barranquilla, and Bucaramanga); and Home Corners (EV, for the Spanish original) in 17 medium-sized cities, where we provide support from the start to the end of the process.

At present, we are able to offer our clients the Bank's entire portfolio through the simultaneous approval of housing credit or residential leasing, by way of asset products such as Credit service, credit cards and overdraft limits, thereby promoting loyalty and a long-term commercial relationship.

Following the increase in the interest rate benchmarks by the Central Bank of Colombia with a view to reduce demand for loans and controlling inflation, the market has responded in like manner to the rise. In this context, our interest rates remain competitive and are accompanied by preferential client service that sets us apart, allowing us to continue to increase our market share in the portfolio balance market (going from 3.8% to 4.1% as of May 2016).

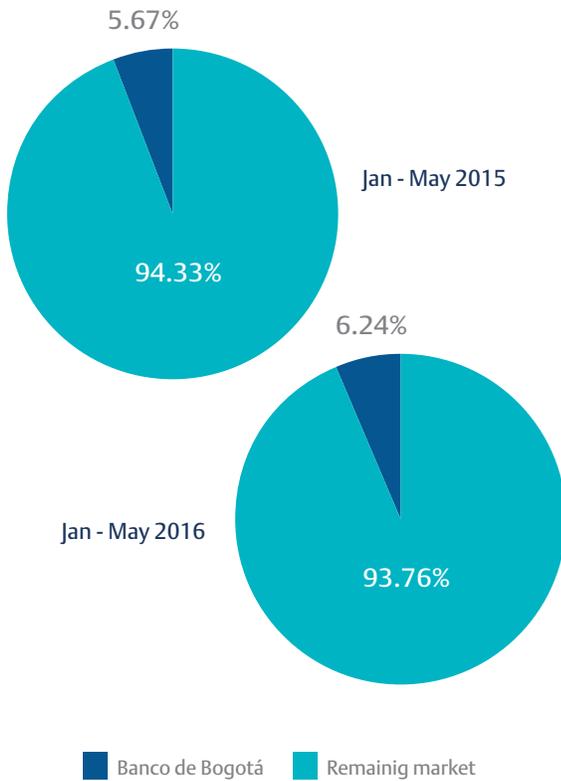
In addition, the Colombian government continues to support the sector through the 'Mi Casa Ya' (My Home Now) program, the aim of which is to provide interest rate hedging of up to seven years for Priority Housing (VIP, for the Spanish original), Affordable Housing (VIS, for the Spanish original) and non-VIS housing so as to promote home ownership.

We have made the *home-ownership dreams of thousands of Colombian families come true.*

Construction Loans

We continue to consolidate our position on the construction project financing market; therefore, as at June 30, 2016, our clients made applications amounting to COP 1.67 trillion, of which we approved a total value of more than COP 718,000 million for the construction of 7,600 properties.

As part of the construction line of credit, between January and May 2016 we disbursed more than COP 523,000 million, allowing us to continue increasing our market share from 5.67% to 6.24%.



Source: Asobancaria

This had a positive impact on the Construction Portfolio balance, allowing us to close the first semester of 2016 with a balance of more than COP 619,000 million and increase our market share in the financial system as follows:

	June 30, 2015 Balance	June 30, 2016 Balance
Banco de Bogotá	\$ 423,500	\$ 619,300
Total System	\$ 7'389,700	\$ 9'106,200
Market Share	5.73%	6.80%

Source: Asobancaria. Calculations by Housing Banking Management (figures in millions of COP)

As to the free housing programs run by the national government, we approved two construction loans of a total value of more than COP 6,974 million for the development of 260 residential units in the municipalities of Miranda and Padilla in Cauca, through which we financed a total of 11 projects worth COP 53,635 million to build 3,206 housing units. In the case of the *Casa Ahorro* (Savings House) program (VIPA), in the first half year we approved two loans totaling COP 18,400 million for the construction of 704 units, thereby bringing

the total number of projects financed to 23 at an overall credit value of COP 224,053 million, for the development of 8,126 residential units.

We have approved more than **COP 718,000 million** for the construction of 7,600 properties.





Individual Loans (Housing Loans and Residential Leases)

In the first half year, we disbursed COP 302,851 million in housing loans to 3,154 families. Meanwhile, we disbursed COP 55,346 million in residential leases to 252 families who now own their homes. These disbursements represented a total portfolio balance of COP 2.08 trillion.

Moreover, we participated actively in housing fairs held by real-estate sector associations throughout Colombia. In so doing, we were able to reach out to future home-owners. Indeed, in the first half year we took part in 12 fairs in the same number of cities, reaching a base of more than 2,700 clients equating to more than COP 241,000 million in potential loans.

In the case of the 'Mi Casa Ya' program, we disbursed: COP 23,520 million (311 operations) for non-VIS housing; COP 1,168 million (46 operations) for VIP (priority housing); COP 4,201 million (184 operations) for Housing for Savers (VIPA, for the Spanish original); and COP 10,219 million (210 operations) for VIS housing.

During the half year, we also participated in the *Vuelve la Vivienda a Bogotá* fair — organized by the Vice-Presidency of Colombia, the Ministry of Housing, and the Mayor's Office of Bogotá — as an initiative to stimulate house acquisition with the support of National government programs. There, we offered special rates, as well as extending the benefits of the Mortgage Portfolio Stability Reserve Fund (FRECH, for the Spanish original) for eight extra years in the cases of VIS, No VIS, Pipe 2.0, and *Mi Casa Ya* (My House Now).

In the first half year,
we disbursed COP 302,851 million in housing loans to 3,154 families.

Insurance Banking

During the first half of 2016, the Insurance Banking Program continues to build an extensive and distinctive portfolio that extends our penetration in specific segments. Over the period we developed two additional insurance products aimed at pensioners from the Armed Forces and Public Sector officials who acquired payroll loans. In addition, we changed the way that clients collect the premium, thereby enhancing our competitiveness. This new group of products seeks to meet the specific needs of each client, taking into account the different stages of the life cycle.

To complement this offering, we have activated the sale of a personal accident insurance product linked to a savings account, aimed at armed forces personnel who do not have payroll loans with the Bank but who do require protection and insurance due to their occupational activities.

This year we have ventured into the world of life insurance with the market launch of *Vida Ahorrador* (Life Saver), the first voluntary product of its kind, to encourage our clients to save while covering them in case of total permanent disability or death. With this new insurance product, the greater the client's savings, the greater the potential benefits received.

With a view to backing our clients at potentially difficult points of their lives, we have protected more than 113 thousand individuals against unemployment, disability, serious illness, fraud, and so on.

We protected what our clients value most and backed them with our Insurance Portfolio.

Interbank Business

In the first half of the year, we bolstered our Bank's coverage and structure across all commercial channels to increase the creation of new payroll loan, payroll and factoring agreements with the aim of increasing our market share. In so doing, we reinforced our presence as regards clients in the Business and SME segments by offering their employees all the benefits of our portfolio.



Factoring

In this half year, we further consolidated factoring in our product portfolio while strengthening the knowledge of our sales force.

Moreover, our portfolio grew by an average of 45% and the balance by 21% compared to the same period in 2015. Moreover, we have contributed to the growth of our clients by improving their liquidity and strengthening commercial relations with their suppliers.

We have also made progress by automating the technology platform for managing invoices, offering our clients a more efficient and streamlined process; at present we have five agreements in place that are successfully operating via this channel.

Finally, we have four specialists nationwide who advise, accompany, train, and mobilize the sales managers in each

segment on product placement and entering into new agreements that contribute to the Bank's commercial loans portfolio's growth.

Payroll

In the first half year we advanced in our objective of attracting new clients, increasing the base of active payroll accounts and savings deposits; during the period, more than 28 thousand new accounts were created each month, generating 11% growth in average payroll account balances.

As part of our commitment to financial education, through the conference "The Seven Keys to Managing Money Smartly" we held more than 25 training sessions at companies in Bogotá and its surrounding areas, Bucaramanga, Medellín, and the coffee-growing region, impacting more than 976 clients.

Cali - Valle del Cauca Branch





Payroll Loans

Private Payroll Loans

In the first half year, we disbursed more than COP 300 billion in resources, benefiting almost 18,000 people who accessed free investment loans for their projects through the advantages of payroll discount. In addition, we generated more than 830 new payroll loan agreements with large, medium-sized and small companies, which allowed us to increase our presence and penetration in Colombia's business sector.

We also furthered our Banco de Bogotá Payroll Loans agreement, an exclusive product for our employees featuring special rates and benefits, attaining a portfolio of more than COP 30,000 million in the first year.

Public Sector Payroll Loans

We continued to work on strengthening our commercial partnerships and on expanding our portfolio of products so as to achieve our goals of increasing our market share and entering into new agreements.

New Armed Forces Payroll Account

We developed a new payroll account featuring a personalized card for armed forces and police personnel; through this product we attracted 1,949 members of the armed forces in the first half year, achieving a total of COP 29,800 million in savings account deposits.

New Financial Product: “Medical Board Advances”

Having listened to the needs of our armed forces and police, we are proud to present a product designed for Colombia's heroes that gives them the option of advances, through the Bank, of 40% of the value of compensation occasioned by occupational health problems, assuring them of access to all of the resources allocated by the armed forces to this end.

We launched the Medical Board Advance option, through which armed forces personnel can receive **up to 40% of the value of compensation** occasioned by occupational health problems.

New Personal Accident Insurance Portfolio

In order to meet the needs of our clients who do not have loans with the Bank, we strengthened our loyalty program by adopting a personal accident policy charged to individual accounts. At the close of June 2016, we had approved 263 PA policies.



Pension Segment Penetration Strategies

With the aim of strengthening our commercial relations with the National Police Retirement Fund, we supported the welfare events program developed by the entity for its affiliates; in the first half year, we held our first event with the Tolima Government to provide a different experience to pension-holders, with the participation of approximately 450 attendees.

Moreover, through our agreement with Colpensiones, we established a presence in ten payment centers nationwide, offering a range of activities for the wellbeing and convenience of pensioners and thereby strengthening relations with them through better service.

Moreover, we entered into a partnership with the Marco Fidel Suarez School of Aviation in Cali to project digital infographics on the institution's screens, designed especially to promote our products of payroll loan, payroll account, Amparado debit card and housing loans through payroll loans; these images are projected at the school every day, with the aim of tightening commercial relations and providing information of interest that impacts our current and potential clients.

At the close of June, as a result of the above strategies, the armed forces portfolio had a total balance of COP 1.8 trillion, with a 77% share of the entire COP 2.3 trillion portfolio pertaining to the unit and 108,991 clients served.

Segment	No. of operations	Total Loans June 2016 Loan Balance (billions of COP)	Share%
Armed Forces	80,305	\$1,783	77.16%
Retired	21,864	\$349	15.11%
Other Segments	6,822	\$179	6.35%
Total	108,991	\$2,310	100.00%

Financial Education Sessions

Though the conference entitled “How to Manage your Money Efficiently and Improve your Financial Health,” given as part of the Financial Education for Life program organized by the Social Responsibility management area, we impacted 1,899 officials of public bodies and members of 17 different armed forces and police institutions across seven departments via sessions provided during the first half of this year.

Department	No. Attendants
Tolima	430
Cundinamarca	416
Putumayo	348
Antioquia	300
Quindío	258
Casanare	75
Santander	72
Total Attendants	1,899

Vehicles

We continue making developments to optimize our point-to-point processes so as to enhance our customer service, seeking to become ever-more competitive and thus increase our market share.

As at June 30, the Vehicles Unit reported a portfolio balance of COP 863,000 million and 34,125 clients served. This represented an increase of COP 48,000 million from the same period of the previous year.

Commercial Partnerships

We continued strengthening commercial relations with 210 partner dealerships, whereby we disbursed a total of COP 199,000 million across 4,721 operations during the first half year.

Moreover, we participated in a number of auto shows where we offered special benefits; of particular note was our presence at the International Transport, Logistics, Mobility, and Infrastructure Exhibition, Expo Transporte in Medellín. This event is considered the most important in the Antioquia transport sector, and the latest edition featured more than 300 exhibitors and 13,000 visitors.

Moreover, we were present at Colwageton in Bogotá and Fenalco in Cúcuta, and staged more than 100 events alongside dealerships,

supporting their initiatives and providing various activities with a view to increasing the amount of clients visiting showrooms.

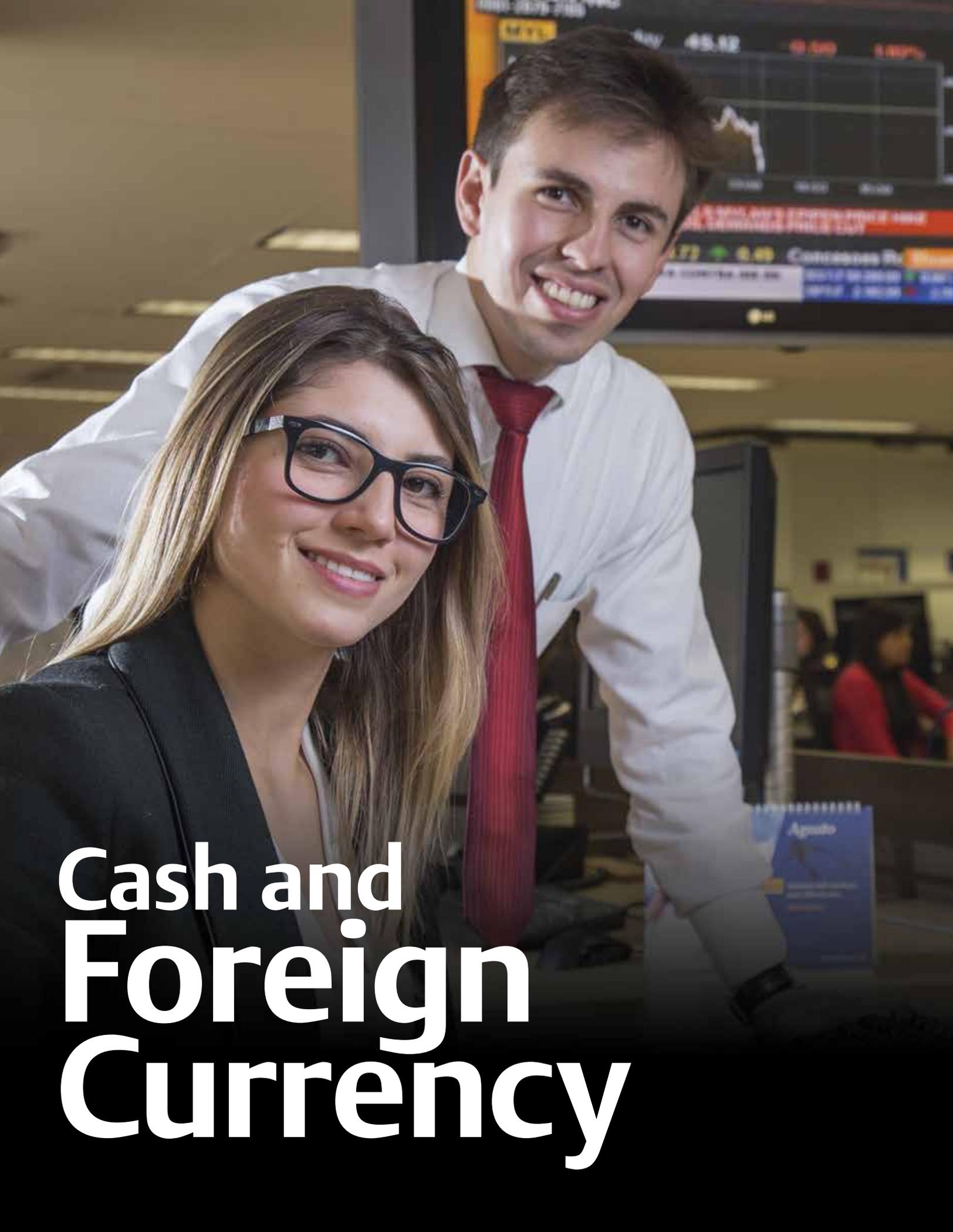
Vehicle Financing

At the close of June, we had a 4.65% share of the private vehicle financing market, with 3,142 of a total of 67,523 units financed. As to vehicles used for production, we had a market share of 9.46%, equating to 918 units of a total of 9,701 units financed.

During the first half of the year, the automobile sector underwent a 13.67% decrease in sales of new cars compared with the same period of the previous year.

	Particular Vehicles June 2016	Productive Vehicles June 2016	Total Productive Vehicles June 2016
New units sold	98,459 units	18,696 units	117,155 units
Financed units sector	67,523 units	9,701 units	77,224 units
% Financed units	67.6% <small>financed by a pledge</small>	42.8% <small>financed by a pledge</small>	63.67% <small>financed by a pledge</small>
Financed units BB	3,142 units	918 units	4,060 units
Market Share BB	4.65%	9.46%	5.26%





Cash and Foreign Currency



Cash and Foreign Currency

Fixed Income Investment Portfolio

At the close of the first half of 2016, fixed income investments rose to COP 4.70 trillion, 18.0% down in relation to the close of the second half of 2015. Colombian operations corresponded to 92.9%, and 7.1% to the portfolios of the agencies in the United States and the Panama branch. As to issuers, 65.8% of the portfolio corresponded to public debt securities, primarily treasury securities (TES, for the Spanish original), the composition of which has remained stable in recent years.

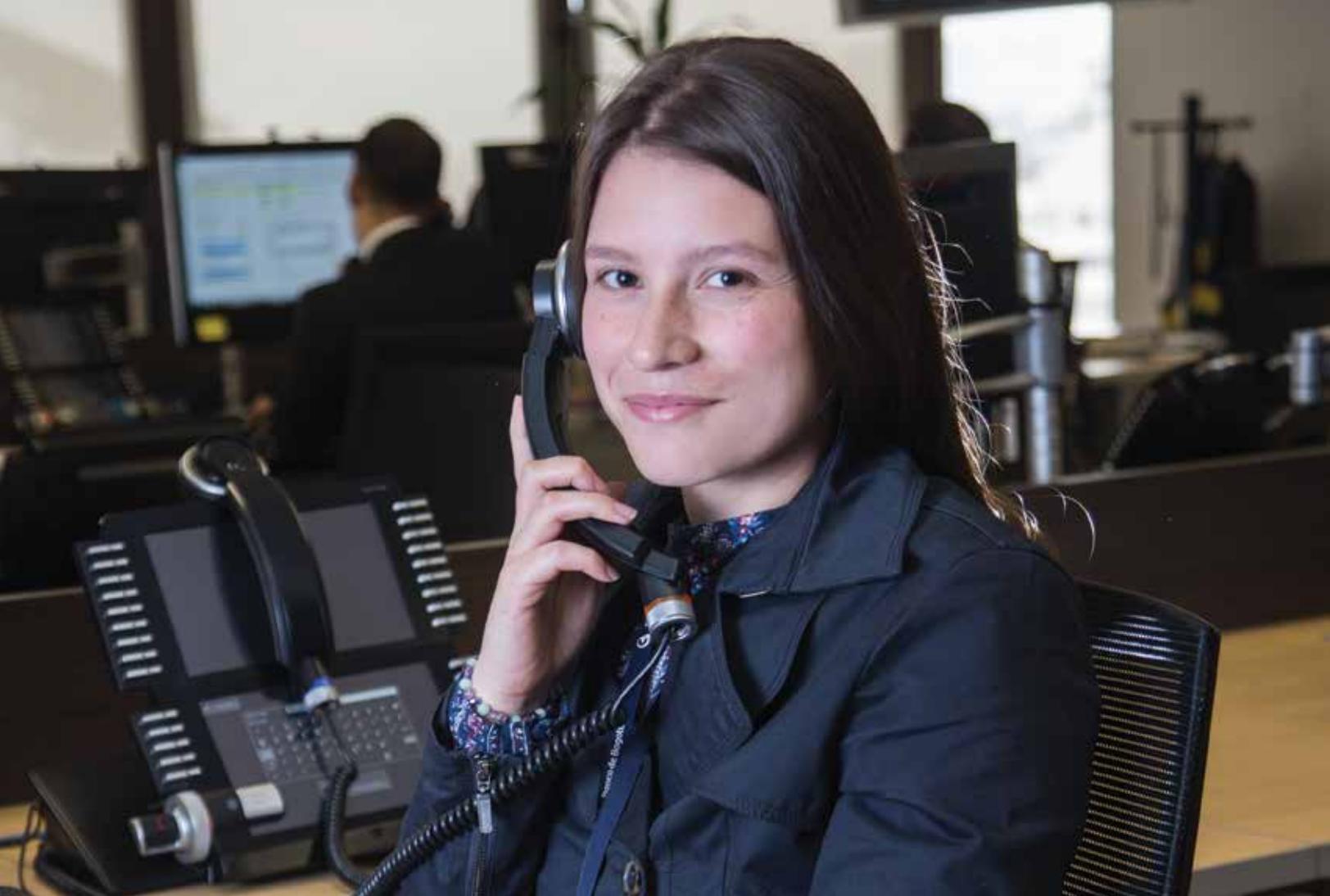
During the first quarter of the year, factors such as the lower petrol price (WTI dropped to USD 26/barrel) coupled with the rise in domestic inflation and the consequent monetary policy rate adjustment by the Central Bank of Colombia led to an increase in local yield curves.

The fixed-rate TES expiring in 2024, an important market reference, reached 9.08%, the highest rate in the last five years. Then, throughout the second quarter this trend was reversed when the economic outlook was boosted through the influx

of foreign investors, attracted by the high levels of Colombian public debt in comparison with rates that are negative or close to zero in the world's major economies. The 2024 fixed-rate TES were at 7.30% at the close of June. These circumstances were capitalized upon through the assumption of moderate positions in the local currency public debt portfolio, always subject to the guidelines of our Board of Directors and the market risk management policies.

Meanwhile, as regards our foreign market operations, the expectation of low international interest rates for a prolonged period and greater risk appetite increased the value of the foreign-currency portfolios.

The Federal Reserve kept its reference rate in the 0.25% - 0.50% range, leading the market to an understanding that future rate increases will be gradual and moderate; this translated into a marked decline in the US Treasury rates, with the 10-year rate falling from 2.27% to 1.47%.



Meanwhile, despite Brazil's delicate political and economic situation, the emerging sovereign and corporate credit spreads were compressed. Investors have made progress in risk differentiation between these assets, allowing credits such as those of Peru, Chile, and Colombia to remain fully accepted. Of course, even after the change in Colombia's public debt outlook by S&P in February, the EMBI closed the half-year by falling from 321pts to 245pts.

In addition, the result of the referendum in the United Kingdom, which points toward that country's departure from the European Union (Brexit), prompted considerable volatility, though the markets have since adjusted their expectations regarding the actual impact on emerging markets.

In this context, the foreign-currency fixed-income portfolio continues to focus on short- to medium-term securities in the case of corporate and sovereign bonds, with exchange-rate hedging.

As such, our fixed-income investment portfolio serves its main purpose of supporting the balance sheet structure, the liquidity strategy and profit diversification.

Our share in the foreign currency and derivatives market *is estimated at 17%.*

Operations in the Foreign Exchange Market and Derivatives

The foreign trade slowdown and exchange rate volatility prompted a slackening of volumes traded on the foreign currency and derivatives markets, to which our Bank was not exempt. However, our Foreign Exchange and Derivatives Trading Table obtained COP 36,715 million in net income, very close to the forecast budget execution.

We go to great lengths to continue operating competitively in each of the markets in which we have a presence and to hold on to our market share, which currently fluctuates between 16% and 17% but exceeds these levels in products such as options and currency trading.

Although offshore operators also saw a downturn in their results, we remain one of their reference counterparts as a diligent provider of liquidity with high service and security standards in our transactions.

As to the real sector, our team of traders directed its efforts toward serving clients who are exposed to derivatives, some of whom sought to adjust their positions in response to the new level of the dollar and the forward curve.

Treasury Operations

In general, the liquidity and market-access situation was not favorable throughout the first half year, taking into account all traditional sources of funding duly enabled at market prices.

Developing and furthering the Reference Banking Rate (IBR, for the Spanish original) through active participation as a member of the IBR Training Scheme and Steering Committee, remains an important task for our Treasury. The creation of the 6-month IBR indicator was another standout development in the first half year, which in the future will enable us to offer greater variety in payment options for products indexed to this reference. 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.

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.

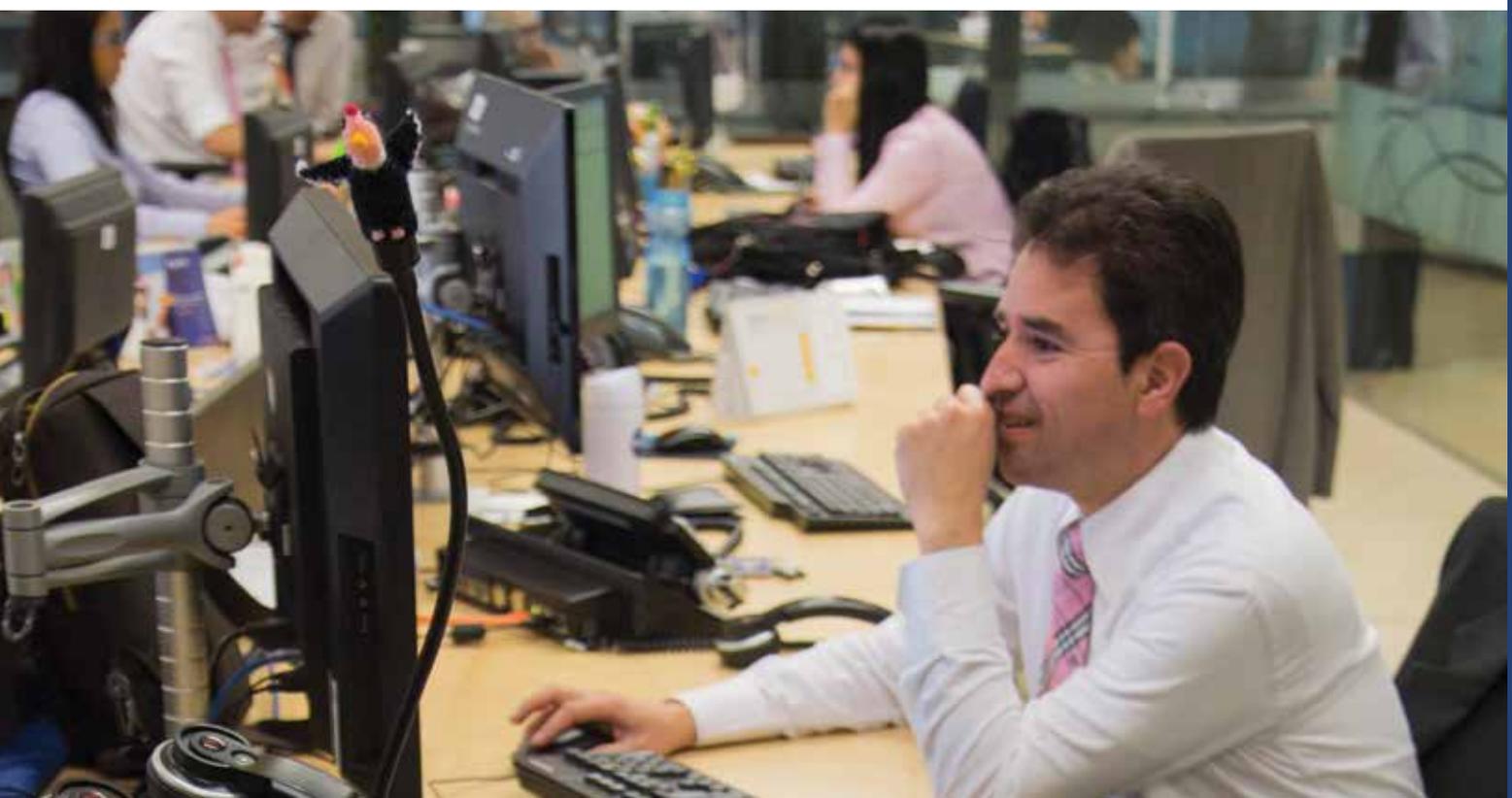
In the first half year, our institutional and public-sector clients had access to time-deposit certificates offering overseen by the Treasury, with terms from 90 days to three years. In the case of rates, those that are indexed, such as the IBR and CPI, made more of a short-term impact in light of the domestic inflation circumstance and the contractionary monetary policy.

Meanwhile, the demand for fixed-rate terms over two years was substantial. Despite the greater response of the FTD to the Central Bank of Colombia's adjustments during this rising trend, demand for FTD-indexed securities continues to wane.

Financing in Foreign Currency

Our funding using external sources continues to show a favorable trend, giving us access to resources to finance our active operations in both local and foreign currency. Our strategic placement between investors and correspondent banks has allowed us to continue to draw on significant resources while exploiting arbitrage between domestic and external curves.

Our bond placement was a success *with demand twice that of the original supply.*



In May, we successfully placed Subordinated Bonds on the global markets, with demand outstripping the original supply and resulting in the nominal issuance of USD 600 million at a face rate of 6.25% and a price of 98.183%. The securities have terms of ten years and expire on May 12, 2026. These resources are used as foreign-exchange hedges for our investment in BAC Credomatic.

Agencies and Branch Office Abroad

Our strategy of high operating and security standards, an extensive product offering, and an appropriate transaction platform continue to help us post consistent results in our operations in foreign agencies.

At the close of June, we were still the top Colombian organization operating in the United States, in terms of volume and number of clients. Our Miami and New York agencies and our Panama office closed the first half of 2016 with a balance of USD 2,076 million in assets, USD 264 million up from the close of 2015. As stated above, despite the downturn in world trade dynamics affecting companies' business flow, the institutional sector — which we provide priority service through these channels — remained highly active during the first half of the year, having administered significant foreign-currency funds.

The International Sales area retained foreign investment funds worth more than USD 400 million for the New York agency, a

considerable figure given the greater risk perception in relation to emerging markets that prevailed during much of the last half year.

Innovating in our International Trade Services

According to the National Department of Statistics (DANE, for the Spanish original) as at May exports and imports had fallen by 28% and 22%, respectively, with a 12% drop in non-petroleum exports. Although this performance was translated into a lower volume of foreign-currency loan disbursements, as well as a decline in services related to foreign trade, we successfully met the needs of more than 6,000 clients in the first half of 2016. Through products such as guarantees, financed transfers and export prefinancing, we continue to support our clients' international trade operations and facilitate the placement of Colombian products on the world market.

Despite the world economic slowdown
we act in alliance with our clients in their international operations.





In addition, in the first half year, we worked alongside Bancóldex on the placement of funds from special foreign-currency lines, with our Bank achieving a 29% share of the total available line over the period.

Our team of more than 50 international trade specialists structures products for all company types, with a special emphasis on exchange rate efficiency and security pursuant to Colombian legal requirements. The more than 50,000 transactions carried out by our clients were backed by comprehensive advice, allowing them to strengthen their relations with their trading partners abroad.

Our agencies and subsidiaries include a major portfolio of Colombian companies that administer their accounts abroad through our dynamic transaction portal, which effectively reduces administrative costs and the risks associated with foreign exchange penalties. Through our mobile banking, our clients can make instant payments to their suppliers, thereby bolstering their competitiveness in the international arena.

At present, our clients are in the process of migrating to the new International Portal, and by the end of the year we expect to have around 3,000 clients carrying out transactions and making enquiries via this channel. To this end, we are in the process of distributing tokens through the regional service centers in Colombia's major cities.

Our product innovations include, as of January this year, client communication by way of the Swift platform as part of the

product portfolio at our Miami agency. This tool allows the secure sending of payment instructions regarding accounts in dollars, as well as receiving statements on movements made using such accounts.

Moreover, those clients that use direct online transfers may now do so through the local transaction portal without the need for physical documents, thanks to the implementation of the digital signature. This new procedure streamlines operation fulfillment and facilitates the documentary and exchange rate review process through our operating areas.

Because our main concern is to provide timely support to our clients, we continued strengthening the different channels so as to respond to their concerns at each stage of their international operations. Our telephone channel, which addresses enquiries related to exchange rates and operation procedures, took more than 27,000 calls as well as responding to some 300 enquiries through our International Chat facility. Moreover, in the first half year we provided training on the exchange system and treasury products for more than 780 companies.

In this way, we worked continually to improve our service offering and to strengthen knowledge about foreign exchange and the operations required for our clients' internationalization processes. Despite diminished global trade activity, we believe in the capacity of our companies to keep on conquering markets and wish to play an active role in that process.



Service Channels

Physical Channels

During the first half of 2016, we extended our coverage, reaching new municipalities and enhancing our presence in strategic areas and thus coming ever closer to our clients while catching the attention of potential clients. The opening of our new branch in the Alamedas shopping mall (Montería) is a sign of that.

Municipalities where Banco de Bogotá has a Presence

Moreover, at the close of June, we were operating in 795 municipalities around the country with at least one channel, a figure that represents national coverage of 71%. At the close of the first half year, our clients and users had access to 10,420* points of attention across the country.

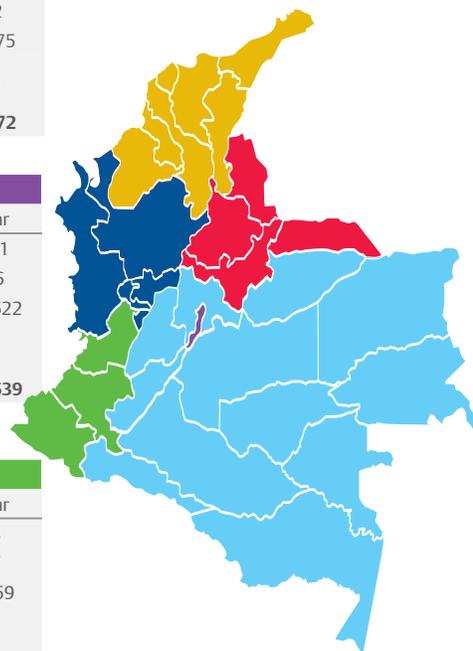


Region	Colombia		
	Jun -15	Jun -16	Var
Branches	705	705	-
ATMs	1,726	1,753	27
Banking Correspondents**	10,519	7,911	-2,608
Payment and collection centers	51	51	-
Total Service Channels	13,001	10,420	-2,581

Region	Antioquia		
	Jun -15	Jun -16	Var
Branches	122	123	1
ATMs	304	306	2
Banking Correspondents	938	663	-275
Payment and collection centers	9	9	-
Total Service Channels	1,373	1,101	-272

Region	Bogotá		
	Jun -15	Jun -16	Var
Branches	209	198	-11
ATMs	493	487	-6
Banking Correspondents	5,449	3,827	-1,622
Payment and collection centers	20	20	-
Total Service Channels	6,171	4,532	-1,639

Region	West		
	Jun -15	Jun -16	Var
Branches	96	99	3
ATMs	236	243	7
Banking Correspondents	1,280	821	-459
Payment and collection centers	8	8	-
Total Service Channels	1,620	1,171	-449



Region	Coast		
	Jun -15	Jun -16	Var
Branches	85	89	4
ATMs	251	267	16
Banking Correspondents	621	553	-68
Payment and collection centers	5	5	-
Total Service Channels	962	914	-48

Region	East		
	Jun -15	Jun -16	Var
Branches	75	77	2
ATMs	194	204	10
Banking Correspondents	896	828	-68
Payment and collection centers	5	5	-
Total Service Channels	1,170	1,114	-56

Region	Central		
	Jun -15	Jun -16	Var
Branches	118	119	1
ATMs	248	246	-2
Banking Correspondents	1,335	1,219	-116
Payment and collection centers	4	4	-
Total Service Channels	1,705	1,588	-117

* Branches include: Branches, Corporate and SME service centers, Businessman advice branches, centers specializing in housing, branch extensions, premium branches, basic branches, customer only branches, payroll loan service centers.



Branches

Meanwhile, we made progress in strengthening our brand through the modernization and implementation of our new image across our network of branches. At June 2016, 223 of our points of attention throughout Colombia (including traditional branches, teller extensions, payment and collection centers, among others) were totally renovated and made ready for serving our clients and users.

ATMs

We offer our clients the service and coverage provided by our network of ATH ATMs, which was comprised of 3,808 operating units at the close of June. The Banco de Bogotá's ATMs account for 46% of the machines, and process 51% of all network transactions.

At the close of the half year, almost 46 million transactions had been carried out across 1,753 of our Bank's ATMs. It is notable that during this period we relocated 46 units to busier areas, including tourist sites, shopping malls, health centers, and so on.



June 2015

1,726

December 2015

1,747

June 2016

1,753

In this same period, as a result of this strategic location and relocation, we achieved an 11% increase in the volume of commissions compared with the first half of 2015.

Self-Service Areas

In the first half of 2016, we opened 14 Self-Service Zones in major commercial centers throughout the country, resulting in a total of 57 in operation, located in: Bogotá, Medellín, Bucaramanga, Cali, Barranquilla, Cartagena, Cúcuta, Santa Marta, Ibagué, Neiva, Pereira, Armenia, Manizales, Barrancabermeja, Montería, Piedecuesta, Floridablanca, Yopal, Mosquera and Villavicencio. 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 corresponding to our Bank.



Banking Correspondents



	June 2015	December 2015	June 2016
	10,519	7,866	7,911

At the close of June 2016, we had 7,911 banking correspondents points distributed nationwide, located in supermarkets, stores, drugstores, and other retail establishments.

At present, we are operating in more than 750 municipalities, allowing clients and users to carry out financial transactions within lengthy opening hours and closer to their homes or workplaces.

The banking correspondents stand as the outstanding channel for supporting the strategies of the Public, Microfinance and Micro-enterprise sectors, contributing substantially to the financial inclusion of Colombians.



Evolution of Correspondent Bank Transactions

In the first half year, our transactions through this channel increased by 38%, accounting for more than six million transactions, as follows:

 Supermarkets, shops, drugstores and others.	I Half 2015	I Half 2016	Variation
	4,396,561	6,065,192	38%

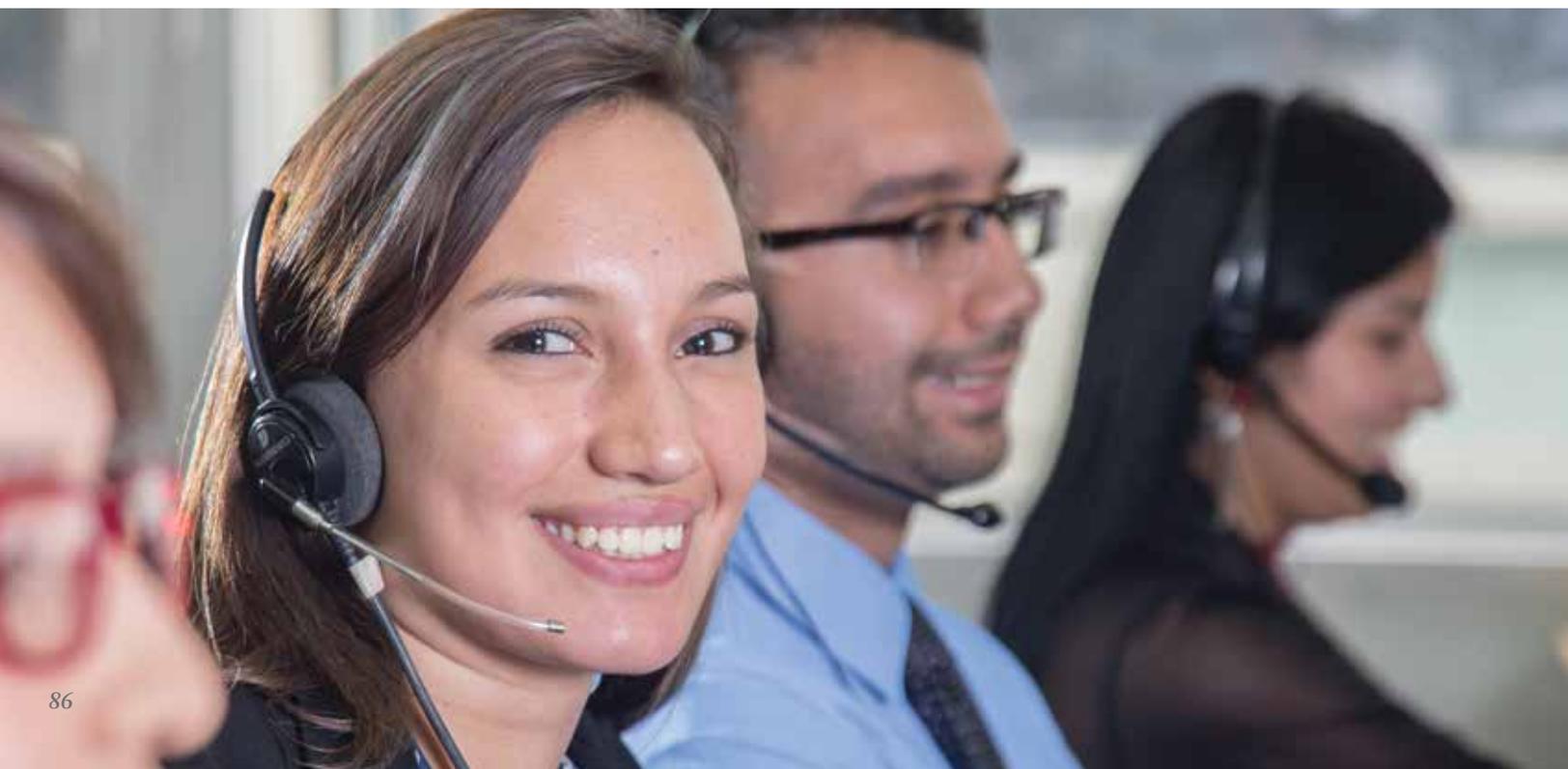
Servilínea and Call Center

Through the Servilínea, we worked so that clients can make enquiries, payments, transfers, and blockages, anywhere and at any time, both securely and swiftly. Moreover, we provided access to personalized and specialized service to address concerns without the need to go to a branch, thereby promoting and facilitating self-management and the service experience.

We continued conducting our sales management by telephone to offer consumer loans, thereby maintaining our share of sales via this channel at 25% for credit cards, and 5% for consumer credits, payroll advances and housing loans, promoting and placing more than 20,000 products, carrying out more than 1 million transactions, and taking 2.3 million calls from our clients during the first half of 2016.

Moreover, we retained 69% of our clients with savings accounts and credit cards through reminders of the benefits of using their products and cards and of the advantages of being our client.

More than 1 million transactions and 2.3 million calls taken from our clients during the first half of 2016.





Virtual Channels

We continued 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 for the management of their financial products whenever these are required.

Personal Banking Internet

During the first half of 2016, we continued working to ensure we are there for the everyday needs of our more than 650,000 clients by offering easy and secure channels and means of payment as well as innovative services, such as the self-generation of PINs when clients receive their debit cards at their homes, thereby promoting online self-management without the need to visit one of the Bank's branches.

Moreover, we enabled the sending of proof of payments and transfers by email, thus providing greater control and follow-up

More than 51 million transactions at the close of the first half of 2016.

of the more than 51 million personal transactions at the close of the first half of 2016.

Internet Businesses

Through this channel, more than 33,600 of our SME, Public Sector and Microenterprise clients make inquiries and transactions and manage their banking products.

During the first half year, we trained our sales team with the aim of improving customer service while reducing request response times.

We also conducted the self-management transaction for registration of PSE payments so as to give our clients greater security. Moreover, we implemented Trusteer Rapport software to assure the Bank's communication with clients and thus help prevent cyber attacks.

Finally, on the Bank's website we changed the point of entry to the Corporate Portal, giving clients access to their information and the means of carrying out transactions at a single click; almost 32 million transactions were completed via this channel at June 2016.

Mobile Banking

Continuing with the strengthening of our user experience strategy, we carried out transactions that allow us to support



their activities with their everyday needs, strengthening mobile financial services and guaranteeing our clients access without the need to go to a physical branch.

In the first half of the year, we activated temporary debit card blocking as well as blocking due to loss or theft, giving clients the means of instantly managing the security of their payment methods. Moreover, we launched the purchase protection program, allowing our Visa credit card-holding clients to activate or deactivate online and international purchases via the app; these solutions also enhance our security provision.

More than 27 million transactions, 253 thousand clients trading and 407 thousand downloads at the end of the first half of 2016.

At the end of the half year we activated PIN-free credit card advance transactions, through which we expect to increase the number of transactions carried out via the channel while contributing to the margin of the product.

Also, a clear trend of migration to this channel was still in evidence, accounting for 15.5% of all transactions carried out at the Bank compared with 11.4% for the same period of the previous year. In total, there were more than 27 million transac-

tions, 253 thousand clients trading and 407 thousand downloads at the end of the first half of 2016.

Social Banking - @TuitBdB

Colombia occupies the 14th spot in the ranking Twitter accounts per country, with a total of 17 million and 4.2 million active users who interact on the social network by sending 3 million tweets per day. This, and the fact that millennials are familiar with such tools, prompted us to develop our new service, @TuitBdB, which operates intuitively to ensure ease of access for everyone.

Balance enquiries, detailed balance enquiries, and certification requests are the services that can be accessed for free at @TuitBdB. We use Twitter's direct messaging channel to guarantee information confidentiality; all clients can access the service from any computer or mobile device on which the app is installed.

Through this development we hope to come closer to our clients via dynamic and modern solutions. It should be noted that our Bank is the first to offer financial services on social networks in Colombia, with 55,000 transactions and more than 9,000 followers during the first half of 2016.

PSE

Thanks to the Secure Online Payments (PSE) channel, which allows individual clients to carry out their purchases and payments immediately and securely, PSE transactions increased 46% compared to 2015, thereby obtaining a positive varia-

tion of 33% in commissions, reaching about 1.4 million transactions at June.

For business clients, we developed the self-management registration transaction through the Corporate and Business portal, so as to ensure our clients of greater security in their transactions.

Transaction Management

For the first half of 2016, the number of transactions carried out using channels other than branches increased by 20.7 million, which came as a result of the growth of channels such as Personal Internet, Mobile Banking and Banking Correspondents.

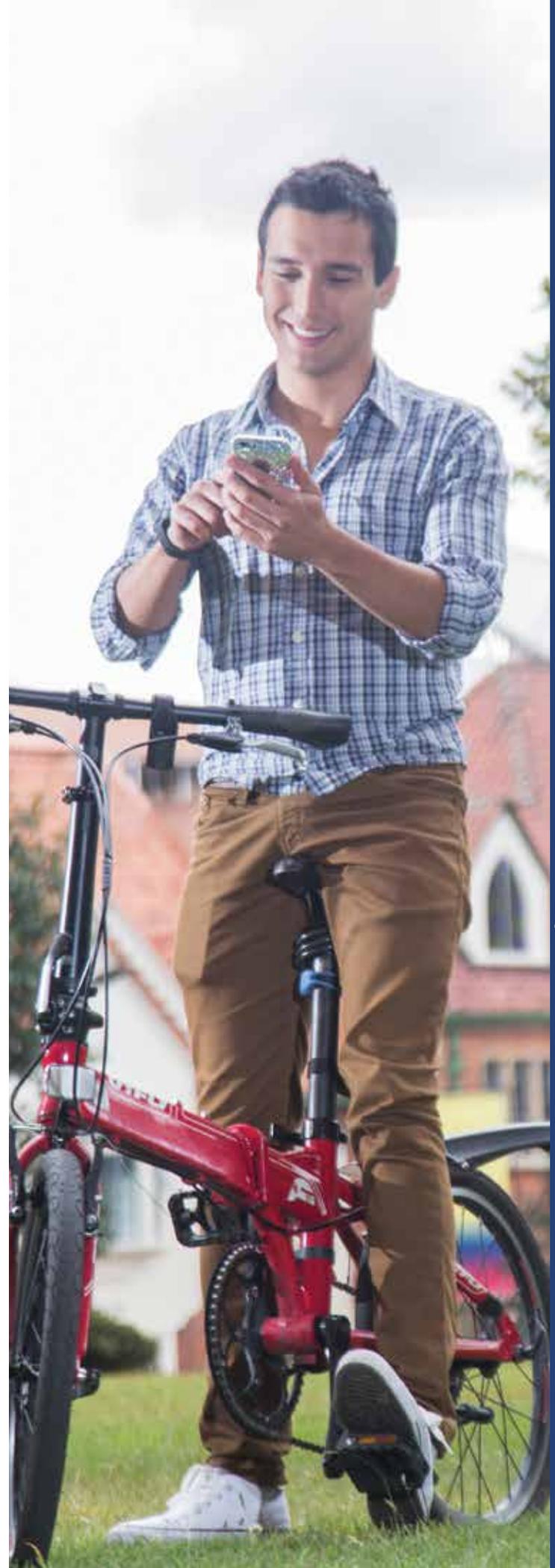
In addition, and thanks to the dedicated efforts made in the Transaction Migration project, the volume of transactions susceptible to migrations from branches to other channels decreased by 1.4 million compared with 2015, mainly due to migration of payment for private services, cash deposits, and pin pad withdrawals.

We carried out a number of activities to make this significant advance. Starting from February, we implemented the second promoters program at selected branches; as a result, at the close of the half year, 26 branches were assigned a specialist channel promoter, resulting in levels of migration of 11% - 6 points more than those branches without promoters. Moreover, we launched the first interactive module of channels for UVIRTUAL, resulting in the certification of 8,041 employees as at the close of June 30.

In response to the need to promote the channels and the practical use thereof, first of all, we continued with the round-tables with Service Supervisors at branches in Bogotá and other major cities, whereby we closely monitored those operations that caused the most congestion at tellers and platforms.

Secondly, we did so through the Multipliers Program, in which we trained 47 selected employees, and the Nationwide Internal Education Program on Channels, focused fundamentally on client experience at each point of contact. We covered approximately 385 employees — managers, service supervisors, and sales executives — demonstrating the importance of the usage of channels given commercial benefits and service quality.

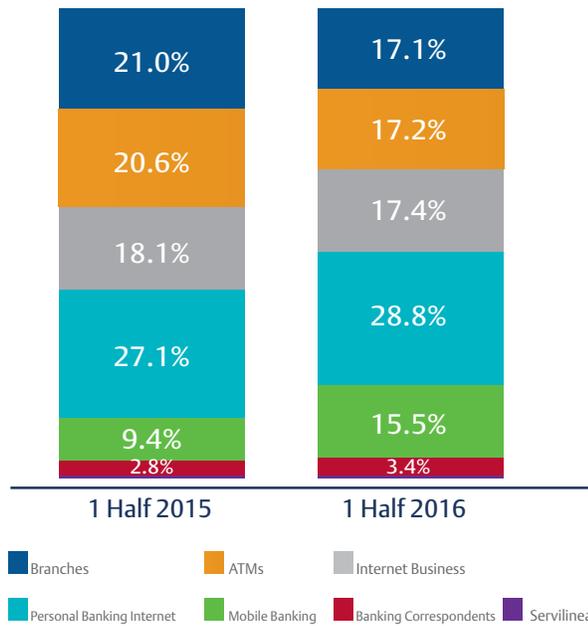
We also created education spaces regarding channels through activations in eight of the payroll accounts linked to the Bank, and trained 700 clients on the use thereof through this initiative.



Service Quality

Customer Service

Transaction Migration Evolution
Combination of Channels Jun-15 vs Jun-16



The graph shows the reduction in the number of branch transactions and the increase in those carried out using alternative channels such as Mobile and Personal Internet Banking.

During the first half year, with the support from a consulting firm with expertise in best international practices, we embarked on the path to ensuring that Personal Banking clients enjoy better experiences in each of their interactions with us.

We identified the current experience of clients in the Personal and Preferential segments, established what they think, feel, and experience each time they interact with the bank, and, following on from inter-disciplinary co-creation sessions, we developed 75 improvement initiatives, framed by the timeliness, proximity, support, ease and swiftness expected by our clients.

This exercise is part of our aim of building commercial relations that, as well as providing financial solutions, contribute to realizing personal, familial and professional dreams with products, services, and channels that make daily life easier.

To make our Bank more client driven, we have 30 leaders who in their areas serve as ambassadors of clients' needs and expectations; with their backing, we increased our base of employees by around 2,000, to ensure that clients experi-

Cali – Valle del Cauca Branch





Queremos escucharte
para saber qué necesitas

Bienvenido



Pereira - Risaralda Branch

ence exceptionally positive moments each time they need our services.

Moreover, we changed the management of the *Voz del Cliente* (Voice of the Client) model to make it more structured and schematic and facilitate the acquisition, analysis and management of opinions, perceptions, and comments by our financial consumers.

Through the quality management system and the commitment of all employees, our quality system was re-certified by ICONTEC, a certification body that assessed compliance with the requirements established in the ISO 9001:2008 standard. This re-certification found evidence of our ongoing improvement dynamic, whereby we work on our product and service processes with the aim of achieving customer satisfaction.

To continue consolidating a culture geared toward good service, respect and care of financial clients, we offer on-site training for more than 3,900 employees and online training for more than 1,200 on the main concepts of the Financial Consumer Service System and the client service protocol, with a view to promoting behavior oriented toward better client experience.

Finally, we adjusted the execution scheme for the Strategic Committee of the Financial Consumer Service System (SACF, for the Spanish original) with Senior Management participation, resulting in the execution of 14 strategic actions to impact clients and users related to: client service, optimization of response times to complaints and requests, fraud prevention, financial consumer protection, service monitoring and process optimization.



We promoted safe recreation for residents of

Santander

We have been operating in this part of the country for 75 years, during which time we have supported local residents and companies.

Santander has become a focus of investment for the construction and health sectors, which have led the way in job creation for the region. This impetus is backed by the financial sector. An example of this is the Bank's commitment to western Colombia, having supported businesspeople in the region in different local investment and development planes.

It is notable that the Bank has been working in this part of the country for 75 years, providing support to local residents and companies; moreover, we have a robust commercial and service structure to respond to the expectations of all clients.

A visible testimony to our commitment to the region can be seen in our promotion of housing projects, helping more Santander residents realize their dream of home-ownership. Such is the case of Julio César Bernal Zuleta, psychologist and client of the Bank, who took out a loan to finance the purchase of his apartment. "It is the bank that I have trusted for many years, I have my payroll account with them and they gave me the best option for my housing loan. My family and I are happy; I remember the day that the advisor called us and told us that our application had been accepted," he said.

The Bank counts 766 large companies and corporations in east central Colombia among its clients. Moreover, it has 77

branches, 204 ATMs, 828 banking correspondents and five payment and collection centers for residents and visitors in the area.

Furthermore, and to promote the sustainable development of Bucaramanga, the Bank promotes spaces that encourage healthy recreation and enjoyment; we supported the Acualago water park, thus promoting the good use of free time and boosting the department's tourism sector.

Issues such as job creation and environmental awareness are just some of the initiatives that the Bank supports in eastern Colombia.

We support the Acualago water park, promoting the good use of free time and boosting the department's tourism sector.