



Management Report

Second Half 2016

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We've built a Bank that supports Colombia's economic development, assists companies in reaching their objectives, provides solutions to make customers' lives easier, supports productive projects and entrepreneurship, strengthens its presence, develops technological innovation, and leads initiatives to foster inclusion and banking services.

This sum of efforts is the result of our employees' commitment and dedication. They work day in and day out so that Colombians identify Banco de Bogotá as their financial ally.

Alejandro Figueroa Jaramillo
President



Ronco de
Jogotá

Chapter 1

Our Bank

We are there at the most important moments of Colombians' lives. Each day, we work to provide greater benefits and better financial solutions that make our clients' lives easier.

Let's Build

Banco de Bogotá 

1. Our Bank

In 2016, we continued to strengthen our universal banking business model and getting closer to our clients and stakeholders.

During this time, we kept our position in the Colombian banking sector, facing major challenges and empowering sectors that showed the best performance, and performing a more comprehensive monitoring of those that were slowing down.

Committed to transforming our processes and improving the client service model, we maintain our position as the financial leader in Colombia and Central America.

Moreover, we are strengthening the client service channels available to our customers, making them safer, more intuitive and easier to access for the public, with the goal of attaining multi-channel coverage that serves

to address the financial needs of our clients and users of the financial system.

This set of efforts and responsibilities is part of our way to address our social responsibility and the ethical commitment we have assumed since day one to make our Bank sustainable over time, being aware of the importance of a management focused on promoting initiatives that generate joint value to our stakeholders.

The transformation of our processes, focused on the client, **has allowed us to offer products that are increasingly safer, more intuitive and easier to access.**

Standing from left to right: Juan María Robledo Uribe, José Fernando Isaza Delgado, Sergio Arboleda Casas, Ana María Cuéllar Jaramillo, Alfonso de la Espriella Ossio and Alejandro Figueiroa Jaramillo. Seated from left to right: Jorge Iván Villegas Montoya, Álvaro Velásquez Cock, Guillermo Perry Rubio, Luis Carlos Sarmiento Gutiérrez, Sergio Uribe Arboleda and Carlos Arcesio Paz Bautista.



Banco de Bogotá, an International Bank



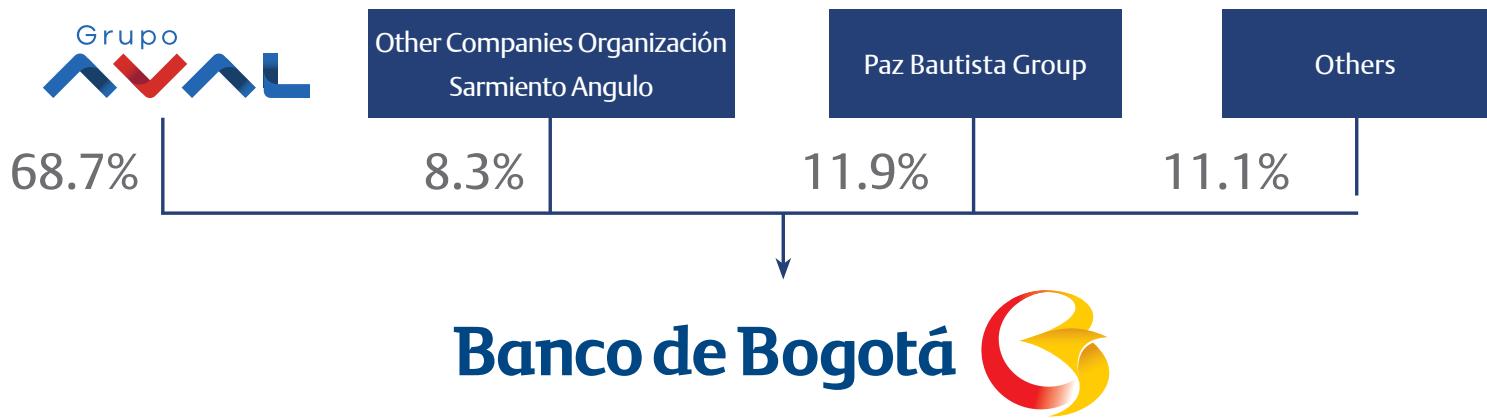
Corporate Governance

The corporate governance structure, consolidated throughout these 146 years of history, is one of our greatest strengths for the generation of sustainable results for our shareholders, clients, employees and other stakeholders.

General Meeting of Shareholders

This structure is based on three levels of governance, topped by our General Meeting of Shareholders, the uppermost body that charts the course of the Bank's operations and guides the principles on the basis of which they are undertaken.

The Bank's main shareholders at the close of December 31, 2016 were as follows:



Our shareholders have accompanied us throughout our progress and development; by the end of December 2016, the Bank had 12,184 shareholders. For further details, the information on shareholders holding a share of more than 1% of the Bank's capital is available in the Securities Market Comprehensive Information System, which is available to the public on the Financial Superintendence of Colombia website (www.superfinanciera.gov.co).

In the second half of 2016, Banco de Bogotá held three Meetings of Shareholders, one ordinary and two extraordinary, with an average attendance of 87%.

At the Ordinary General Meeting of Shareholders on September 13, 2016, the issues included on the agenda published in the announcement's terms were addressed. The agenda included the review and approval of the Board of Directors and CEO's Management Report for the first semester of 2016; review and approval of the Internal Control System Management Report; approval of the end-of-year Separate Financial Statements with their corresponding notes and attachments for the first semester of 2016; review of the Statutory Auditor's report; assessment and approval of the Profit Distribution Project for the period that ended on June 30, 2016; analysis of the proposal to merge Leasing Bogotá S.A. Panama with Banco de Bogotá Colombia; and the proposal to amend the Bank's Bylaws; and the appointment of the Financial Consumer Advocate, Financial Consumer Advocate alternate, and allocation of the budget for the Financial Consumer Advocate Office. In addition, the following proposals were approved: i) authorization to make donations up to the sum of COP 11,400 million from October 2016 until funds last, and ii) appropriation of reserves.

Extraordinary General Meetings of Shareholders addressed topics pertaining to approval of the Bank's consolidated financial statements at June 30, 2016, and considerations of the Shareholders Meeting Regulation and Bank Bylaws amendment.

Board of Directors

The second level of our Corporate Governance structure is represented by our Board of Directors, made up of members with extensive experience in the financial sector and committed to the efficient management of the Bank's strategy.

The Board of Directors has a Credit Committee, a Credit and Treasury Risk Committee, and an Audit Committee.

The Board, primarily comprised of independent members, is the maximum administrative body. Its decisions guide the administration along the course of our Governance and management, assuring an internal control system that takes into account the ongoing development of the activities we engage in.

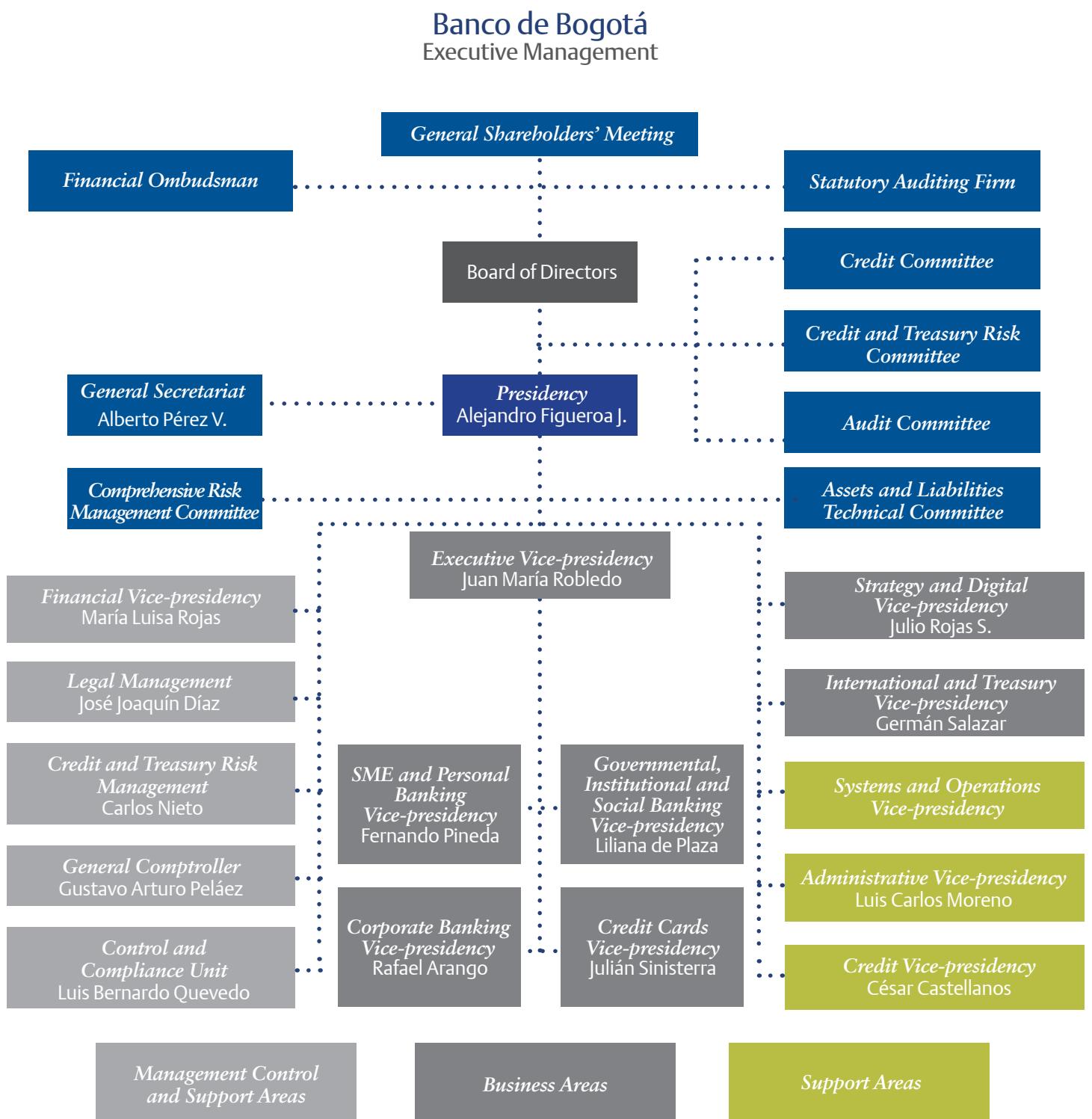
Primary Members	Alternate Members
Luis Carlos Sarmiento Gutiérrez	Guillermo Perry Rubio
Sergio Uribe Arboleda	Jorge Iván Villegas Montoya
Alfonso de la Espriella Ossío	Ana María Cuéllar Jaramillo
Carlos Arcesio Paz Bautista	Sergio Arboleda Casas
José Fernando Isaza Delgado	Álvaro Velásquez Cock
Board of Directors Advisor	
Luis Carlos Sarmiento Angulo	
General Secretariat	
Alberto Pérez Vélez	
Statutory Auditing Firm	
KPMG Ltda.	
Represented by:	
Pedro Ángel Preciado Villarraga	T.P.30723-T
Financial Ombudsman	
Octavio Gutiérrez Díaz	

During the semesters ending on December 31, 2016 and June 30, 2016, fees were paid to the directors in the amount of COP 458 million and COP 392 million, respectively, for their attendance at board and committee meetings.

There were no changes in the Bank's Board of Directors in the second half of 2016. The Board members' professional backgrounds are detailed on the Bank's website: www.bancodebogota.com, in the Investor Relations section.

Senior Management

Finally, the Senior Management is the third level in the Corporate Governance structure, which undertakes the daily management and monitoring of the Bank's activities by following the guidelines of the Board of Directors to achieve the expected results in accordance with the specified business plan.





The Corporate Governance structure is based on the standards that govern our actions, framed by the ethical principles that guide the Bank's activities.

The general policies can be found in the document "Banco de Bogotá Corporate Governance Practices," which is comprised of: Bylaws, Corporate Governance Code, Code of Ethics and Conduct and Audit Committee Rules of Procedure¹.

We continually seek to adjust our Corporate Governance model to best practices, including the guidelines established in the Financial Superintendence of Colombia's Bulletin 028 / 2014, which enshrines the principles of the new Código País. At the request of the Financial Superintendence of Colombia, the Best Business Practices Implementation Report was submitted on January 31, 2017. Said report is published on our website www.bancodebogota.com, on the Investor Relations / Corporate governance / Código País Survey section.

Our Corporate Management System is guided by policies aimed at the attainment of economic objectives and the consolidation of our role as leading players in the development of the countries in which we operate, as well as their financial sectors, providing transparent and fair treatment to all of the Bank's shareholders and clients.

Our Investors

We consolidate relations of trust with our investors through clear and transparent information. At Banco de Bogotá, transparency in the disclosure of information has been a fundamental tool to continually strengthen our links with all stakeholders.

Thus, on a permanent basis, we seek to improve our communication with investors and analysts who continuously monitor the Bank's performance.

Grounded in the principle of transparency that guides Banco de Bogotá's corporate governance, we continue working on the timely generation and disclosure of information.

The Bank's recognition on the securities market, both in Colombia and abroad, is evidenced in the monitoring conducted by Colombian and international analysts, allowing investors and shareholders to permanently receive information on the Bank's results.

At present, the Bank is covered by the following analysts:

- Credicorp.
- UBS
- J.P.Morgan.
- LarrainVial.

We continually strengthen
our links with investors, local
and international analysts.

¹ These documents are published on the Bank's website, www.bancodebogota.com, in the Investor Relations / Corporate Governance section

Banco de Bogotá in International Markets

Banco de Bogotá maintains a presence in international markets with fixed-income issuances. In November 2016, the Bank completed a successful USD 500 million reopening of the international placement carried out in May 2016.

The following table describes in detail the fixed-income issuances still in effect:

Issuance	Date of Issuance	Amount
Issuance of Ordinary Bonds, 2017 Maturity	December 19, 2011	US\$600 million
Issuance of Subordinated Bonds, 2023 Maturity	February 11, 2013	US\$500 million
Issuance of Subordinated Bonds, 2026 Maturity and its reopening	May 12, 2016 November 4, 2016	US\$600 million US\$500 million

To strengthen our relationship with the holders of these securities, the Bank participated in the following international forums in 2016:

- JP Morgan 7Th Annual Global Emerging Markets Corporate Conference. Miami, February 2016.
- XIV Andean Investor Conference Credicorp Capital. Lima, September 2016.

Through these events, visits and other personalized meetings, over the course of 2016, we attended approximately 230 inquiries from investors and analysts.





Our Communication Channels

In keeping with best Corporate Governance practices, we made constant improvements in disseminating the Bank's information so that our investors and other stakeholders can make informed decisions.

We have strengthened this contact through Investor Relations providing relevant, timely, and truthful information about the Bank via the following channels, in addition to personalized service:

- Conference calls on results: Each quarter we hold conference calls to disclose our results and the Bank's financial progress. In this way, we have generated an additional

channel of communication with the Bank's management, for investors and analysts.

- Website: Our website provides links to information on Investor Relations, which serve as a fundamental tool for achieving our objectives related to transparency in the disclosure of information.

Because of our commitment to transparent and timely information disclosure, Banco de Bogotá retained the IR Recognition granted by the Colombian Securities Exchange (BVC), which stressed the implementation of best practices related to information disclosure and investor relations.

Moral Commitment

Ethics are fundamental pillars of our corporate identity, and they are built from the elements of our organizational culture. Through them, we promote principles, values and behavior to instill these great ideals in our employees.

These initiatives are based on corporate governance, and their purpose is to ensure efficient and proper management of the resources we manage.

These initiatives are implemented through:

- The mission, vision, corporate values and defined strategic objectives.
- The Code of Ethics and Conduct that sets out the values and principles guiding the daily activities of executives and employees.
- Senior management's official decision on the basic principles that govern our Bank, as set forth in the Corporate Governance Code and the various internal regulations, manuals and standards published in full and available to all employees through the Bank's intranet.
- Procedures that enable employees at all levels of the organization to have the knowledge, skills, attitudes and values necessary to perform their duties within an effective internal control framework.

Our mission, vision and corporate values are the compass that charts the course we wish to follow, maintain and project. We thus define each of the criteria and premises that make up our organization's identity.

Ethics Hotline

We implemented an Ethics Hotline that allows our employees, clients, suppliers and third-parties to communicate or report any event that violates the provisions established in our Code of Ethics and Conduct. To that end, we have the following media channels available:

- Direct line in Bogotá: 3275808, or switchboard of the Bank's General Management: 3320032, extension: 2700.

- Written communication to the Bank's Security Department: Calle 36 N° 7 - 47, 10th floor, Bogotá
- Email: lineaetica@bancodebogota.com.co
- Link to the Banco de Bogotá Ethics Hotline or Aval Ethics Hotline, located on the intranet of Banco de Bogotá.

Through these mechanisms, any employee who reports or wishes to communicate a case of fraud, corruption, or anti-ethical conduct will have the right to do so anonymously and confidentially. The identity of the person who reports the case, if ascertained, along with the information and evidence submitted in the report will remain confidential.



- To be the leading bank in Colombia and Central America, growing with the progress of its customers, human resources, shareholders and country.
- To be the benchmark in universal banking for outstanding customer service, greater efficiency and innovation in Colombia.

Vision

Mission

- To be a leading bank in Colombia in the business and individual banking markets, and in the social, government and institutional sectors.
- To be a bank that is always at the forefront in offering its customers solutions that allow them to enjoy a satisfactory banking experience.
- To provide the best support for the growth and progress of its customers, because it values them and is willing and available to advise them, while providing them with quick, timely, friendly and high-quality service.
- To be a bank that achieves leadership objectives in terms of the efficiency, profitability, earnings and value generation that shareholders expect.
- To be a bank that boasts a group of talented team members who work with ingenuity, dedication, efficiency, speed, commitment and loyalty, who are goal-oriented and motivated by the pride of belonging to an institution that provides them with wellbeing and enables them to grow.
- To be a bank that, by example and through support, proves its commitment to develop and internalize its values, generating growth, harmony and benefits for the community's wellbeing.

Commitment

We identify with our Bank and feel we are an integral part of its success.

Honesty

We act in an ethical and responsible manner, building trust among our customers.

Respect

We value ourselves and accept each other's integrity.

Corporate Values

Efficiency

We use resources in an optimal and intelligent manner.

Service

We consider service to be principle of life.

Leadership

We work with enthusiasm.

Banco de Bogotá and its group of consolidated affiliates



President: Alejandro Figueroa Jaramillo

Universal bank with a wide product and service portfolio in Colombia and abroad, through international affiliates and agencies.



President: Rodolfo Tabash

Central American Financial Group, with banking operations and credit cards in every Central American country



President: Miguel Largacha Martínez

Pension and Severance Funds Management



President: César Prado Villegas

Legally compliant Corporate Fiduciary Agreements and Trusteeships



President: Juan Camilo Samacá

General Warehouse, Customs Agent and Comprehensive Logistics Operator



General Manager: Adriana Cuervo Barreto

Technical and Administrative Services Company



General Manager: José Alberto Santana Martínez



General Manager: María Fernanda Blanco Hernández

Entities with International Licenses to carry out banking business abroad.



General Manager: Alfonso García



General Manager: John Kennedy

Entities authorized to carry out international Banking Operations abroad with a focus on serving Banco de Bogotá's Corporate, Institutional, SME and Individual clients.



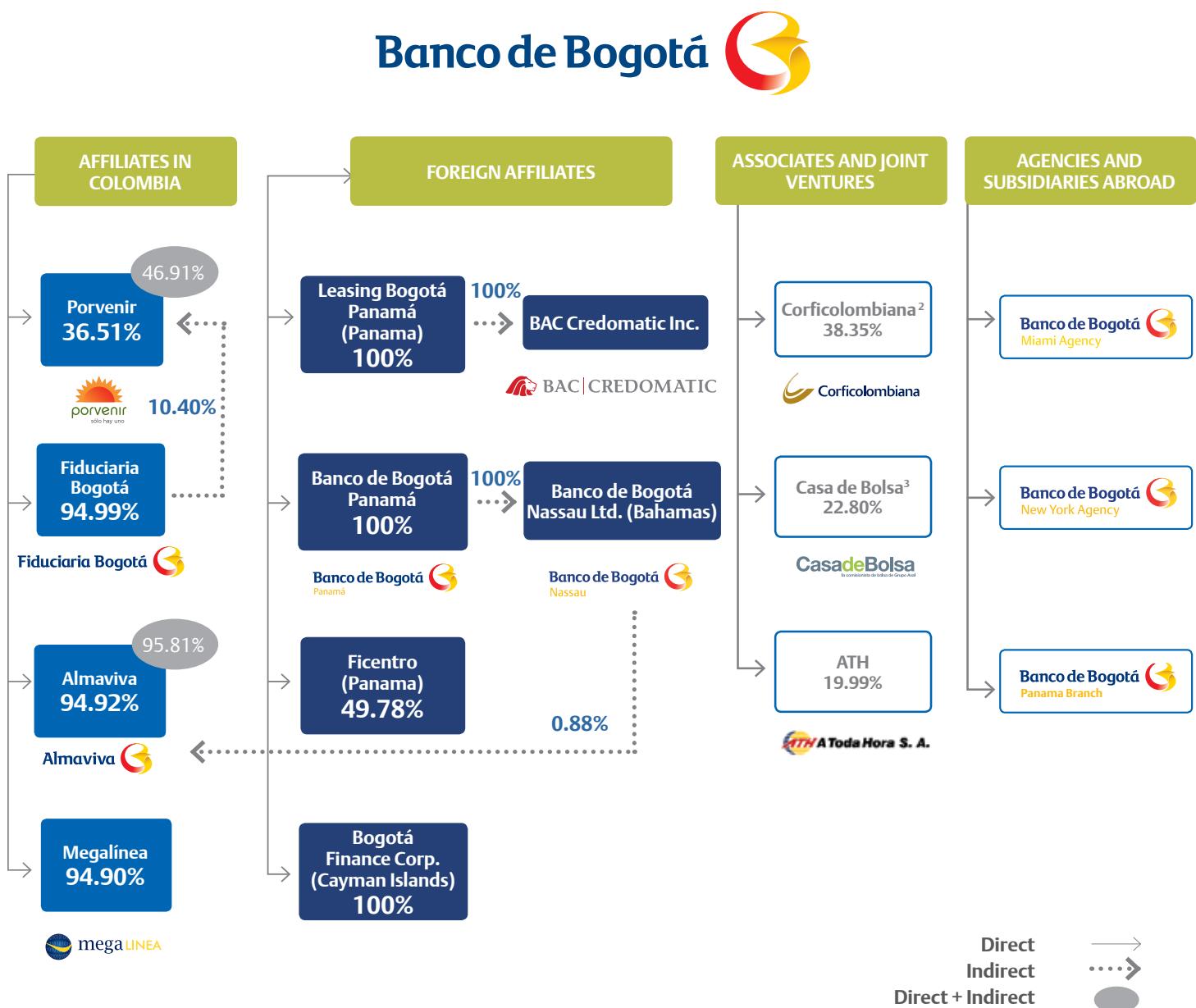
General Manager: José Alberto Santana Martínez

Entity with Panamanian General License authorized to carry out banking business in the local market.

Banco de Bogotá

Investments in Subsidiaries, Associates and Joint Ventures

Direct and Indirect Share



NOTE: All shares are ordinary

² On June 30, 2016, Banco de Bogotá transferred control of Corficolombiana while maintaining its 38.35% share.

³ On December 31, 2016, Banco de Bogotá transferred control of Casa de Bolsa while maintaining its 22.80% share.

In 2016 Banco de Bogotá

was recognized as the best bank in Colombia



The Banker
Best Bank of the year in Colombia



Global Finance
Best Bank in Colombia
Best Trade Finance Bank in Colombia
Best Provider of Foreign Currency in Colombia



Euromoney
Best Bank in Colombia 2016



LatinFinance
Best Bank of the year in Colombia 2016

And our affiliate BAC Credomatic has been recognized as the
best bank in Central America:



Euromoney
Best Bank in Central America and the Caribbean 2016



Capital Finance International
Best International Commercial Bank in Central America 2016

Recognition of Our Work

The results of Banco de Bogotá, as well as the commitment of our shareholders and employees and the trust of our clients, has allowed us to continue to be recognized as the best bank in Colombia by renowned international publications.

These distinctions drive us to continue to be a leading institution that generates new proposals to promote the sustainable growth of our Bank in the twelve countries in which we operate.

The Banker
“Best Bank of the Year in Colombia”



For the sixth time, The Banker financial magazine recognized us with the “Best Bank of the Year in Colombia” award, showcasing the Bank’s stable growth despite the crisis affecting this region. In addition, it highlighted our financial results, stable shareholder’s equity and market strategy, to name a few.

Global Finance
“Best Bank in Colombia”
“Best Trade Finance Bank in Colombia”
“Best Foreign Exchange Provider in Colombia”



The Global Finance financial magazine awarded us the “Best Bank in Colombia”, taking into account factors such as growth in assets, profitability, strategic relations, customer service and competitive pricing.

For the fourth consecutive year, the magazine recognized Banco de Bogotá as Colombia’s “Best Foreign Exchange Provider 2017” and “World’s Best Trade Finance Bank 2017” in Colombia. These awards were based on transaction volume, global coverage, customer service and competitiveness in pricing and technological innovation, among other aspects.

Euro Money
“Best Bank in Colombia”



In its July 2016 edition, the English Euromoney Magazine granted the “Best Bank in Colombia” award to Banco de Bogotá for the ninth time, highlighting the growth of its assets and loan portfolio.

It also praised our financial results, principally in terms of profitability, asset quality and low cost of funding. It also took into account our market strategy, technological infrastructure, financial platform and management team.

LatinFinance
“Best Bank of the year in Colombia 2016”



In its November 2016 edition, British publication LatinFinance recognized us as “Best Bank of the Year in Colombia”, citing the growth of our assets in Central America, new business integration and strong solvency indicator. In addition to our efforts to consolidate ourselves in the current markets.

América Economía
“Second Best Bank in Latin America 2016”



The América Economía Magazine recognized Banco de Bogotá as the “Second Best Bank in Latin America”, basing its selection on the highest return on average assets and equity indicators.

CompassBranding
The most valuable Brand



According to the ranking of the “Top 50 Most Valuable Brands in the Service Sector 2016”, prepared by the firm CompassBranding, Banco de Bogotá’s brand took first place, placing it at the highest ranking for this evaluation. For the third consecutive year, the institution received this distinguished recognition.

Awards to our Affiliates

Second Half 2016

EuroMoney

BAC Credomatic “Best Bank in Central America

and the Caribbean 2016”

BAC San José “Best Bank in Costa Rica 2016”



In July 2016, the English publication Euromoney selected BAC Credomatic as the “Best Bank in Central America and the Caribbean” for the third consecutive year. The magazine recognized BAC Credomatic as the best bank in Central America, highlighting its presence throughout the region in countries like Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama and Mexico, as well as its growth and outstanding results, thanks to its unified operation in terms of business strategy, technological infrastructure, financial platform, and management team.

In addition BAC San José received the award for “Best Bank in Costa Rica 2016”.

LatinFinance

BAC San José “Best Bank of the Year in Costa Rica 2016”

BAC Panama “Best Bank of the Year Panama 2016”



In November 2016, the San José and Panama banks received the awards for “Best Bank of the Year”, granted by LatinFinance magazine to remark the diversity of their loan portfolios available to their corporate and large clients, and underscoring their market share in the competitive banking market.

Capital Finance International

BAC Credomatic “Best International Commercial Bank

in Central America 2016”



In August 2016, BAC Credomatic took the “Best International Commercial Bank in Central America 2016” award given by international magazine Capital Finance International. The publication highlighted BAC Credomatic for being the first to adopt principles of social responsibility; offer a complete range of financial services; have different service delivery channels; and also due to its stable, organic growth.

FUNDIBEQ⁴:

“Ibero-American Quality and Excellence in Management Award”



Porvenir received the Ibero-American Quality Award 2016 on October 28, 2016 directly from His Majesty the King of Spain Felipe VI and Colombian president Juan Manuel Santos. The award recognizes private companies ranked in the Gold category. This is the highest recognition in management awarded to an organization at the Ibero-American level.

⁴ Fundación Iberoamericana dedicated to improving excellence in management inside organizations and developing competitiveness

Corporación Publicitaria de Colombia S.A.: “First Place in Brand Recognition and Publicity in the Pensions and Severance Funds Category”

According to a brand tracking study conducted by Corporación Publicitaria de Colombia S.A., Porvenir held first place in brand recognition and publicity in the Pensions and Severance Funds category. Porvenir had a 28.6% annual recall score as at November 2016.



Great Place To Work® Institute: “Second Best Company to Work for in Colombia”



Porvenir S.A. was recognized as one of the best companies to work for in Colombia 2016, according to the Great Place To Work® Institute, in which the Company took second place in the “Company with Over 500 employees” category. With this result, Porvenir took first place among the financial institutions being recognized, and positioned itself as the only pension fund awarded at that instance.

Empresa BiciAmigable BiciAwards 2016:



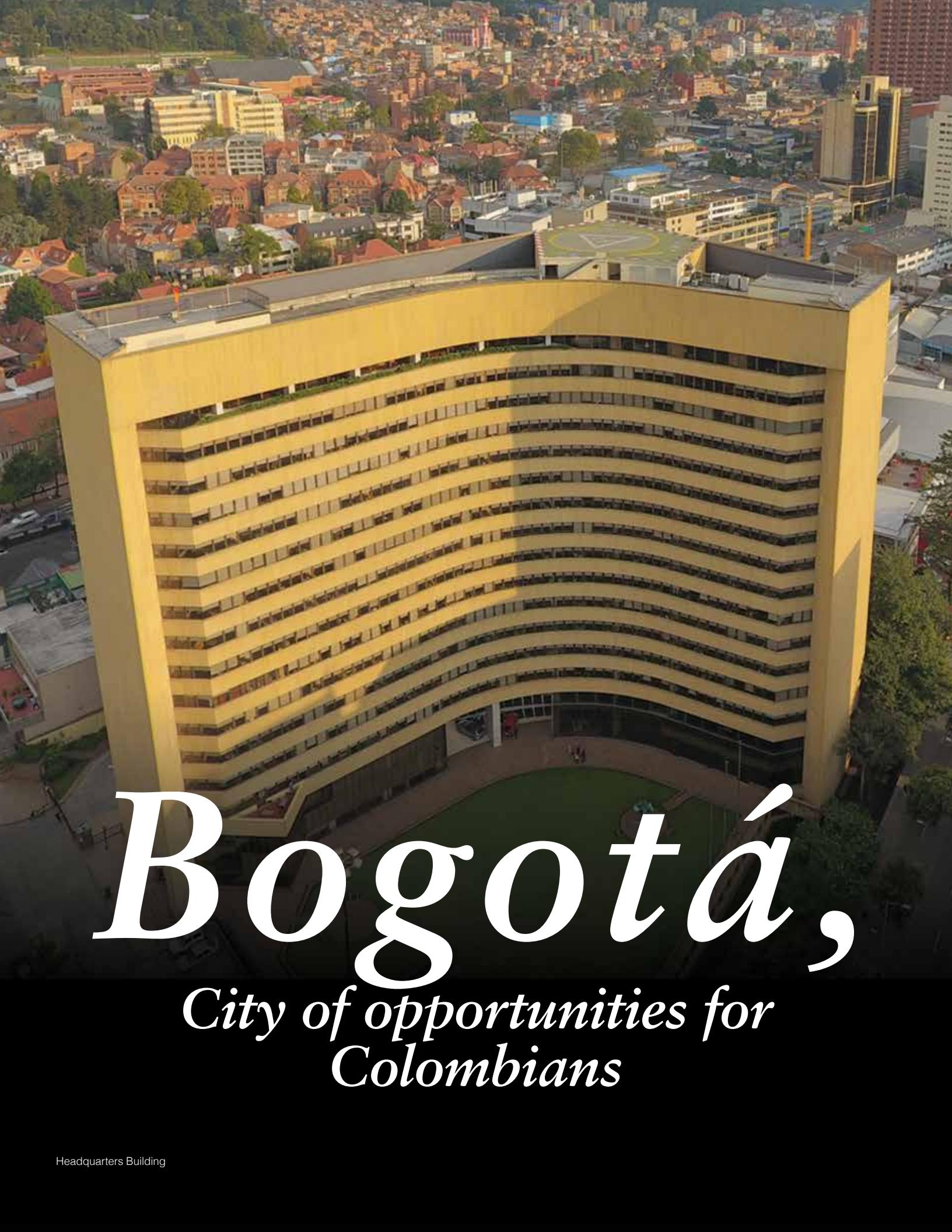
Every year Expobike recognizes initiatives that promote bicycle use in 13 categories, and this year it recognized Porvenir as the 2016 Bike-friendly Company. Activities like the Bogotá Bike Caravan, which was held in June 2016, the support of sustainable mobility and a culture of alternative transportation modes among employees contributed to attaining this important award.

Cámara Colombiana de la Infraestructura (Colombian Chamber of Infrastructure): “Corporate History Award”



The Colombian Chamber of Infrastructure awarded Fiduciaria Bogotá ‘The Medal for Corporate History Award’, a recognition for its 25 years of work in the sector, with outstanding services offered by the Company in managing mutual funds and trust company business.

These services contributed to Colombia’s development by implementing projects of national interest and products that promote investments and savings by Colombians. The event was held on November 25, 2016, during the 13th National Infrastructure Convention in Cartagena.



Bogotá, *City of opportunities for Colombians*

In Bogotá, the institution has 156 traditional branches, 463 automatic teller machines, and 3,145 banking correspondents. These channels are located all around the capital city.

Bogotá is one of Colombia's most dynamic cities, allowing its residents to enjoy new opportunities each day. Banco de Bogotá's history is closely tied to the development of the country's capital city.

Our Bank began its operations in Bogotá on November 15, 1870. It was the first financial institution created in Colombia. The first headquarters was located in the city center, at 266 Carrera Octava, formerly known as Calle Florán.

Since then and until today, the institution has been evolving, and currently with its Universal Banking model, it serves people, micro-entrepreneurs, small and medium sized companies, territorial entities and large corporations, providing guidance and a comprehensive array of products and services for their financial needs.

In Bogotá, the institution has 156 traditional offices, 463 automatic teller machines, and 3,145 banking correspondents. These channels are located all around the capital city.

Moreover, as part of our commitment to Bogotá, a city whose doors are open to all Colombians, the Bank supports and participates in the most important cultural events, sponsoring initiatives that foster creativity, coexistence and social inclusion. The list of cultural events is long, and includes the Ibero-American Theater Festival of Bogotá, the Opera season, the International Jazz Festival, ArtBo, the Sacred Music Festival, Expoartesanías, and others.

Banco de Bogotá will continue working to provide more financial solutions to the people of this great metropolis, helping them with services that foster their growth and driving them to fulfill their goals and dreams.