



Cambiando

Contigo



# MANAGEMENT AND SUSTAINABILITY Report 2 0 2 2

# Banco de Bogotá

# About this Report

[GRI 2-1][GRI 2-2][GRI2-3][GRI 2-4]

In 2022, we strengthened our sustainability strategy with the purpose of promoting prosperity in a sustainable and inclusive manner, leading changes that translate into the well-being of humans and the planet. Through our actions, we generate positive impacts on society and on the environment, managing our business in an ethical, transparent and responsible manner, creating value for our stakeholders and accompanying them in the process of transitioning to a low-carbon economy that contributes to the strengthening of a prosperous and sustainable society.

To achieve this objective, we defined two pillars on which we base our sustainability strategy, contributing to development; on the one hand, i) to promote climate action, articulating and endorsing high impact projects, especially through the reduction of *Greenhouse Gas Emissions - GHG* and, on the other hand, ii) to promote sustainable progress, with actions that allow us to build a more diverse and inclusive society.

This report presents the main actions, initiatives, and financial<sup>1</sup> and non-financial results, aligned with this strategic focus; it describes the most outstanding achievements in Colombia, as well as those of our subsidiaries in Colombia: *Fiduciaria Bogotá*, *Almaviva* and *subsidiaries*, *Megalínea* and *Aval Soluciones Digitales* and those of our subsidiaries abroad: *Multibank*, *Banco de Bogotá Panamá* and our agencies in Miami and New York.

In the description of the Bank in Colombia, we adopted and adapted the guidelines of the *GRI Standard* in its 2021 version (*Global Reporting Initiative*) for corporate sustainability reporting, complying with the essential "in accordance" option. We also incorporated new reporting standards such as the *Sustainability Accounting Standards Board (SASB) indicators*, the *Task Force on Climate-related Financial Disclosures (TCFD)* and *ESG* measurements such as *Morgan Stanley Capital International (MSCI)*. Through these standards, we provide information on the strategic sustainability fronts we have established, identify and prioritize our stakeholders, and transparently disclose the results of our *ESG (Environmental, Social and Corporate Governance)* management.

Likewise, we integrate other standards into our sustainability strategy, such as the *Sustainable Development Goals (SDGs)*, to guide our actions and contribution to poverty reduction, environmental protection, and sustainable development. Also, we follow and commit to the guidelines of the *Global Compact Principles* and the *Dow Jones Sustainability Index*, and we adopt the framework of the *Principles for Responsible Banking (PRB)*, *Net Zero Banking Alliance (NZBA)* and *Asobancaria's Green Protocol* for our environmental, social and climate management.

To provide greater understanding of our contribution and alignment with these standards, our compliance is noted throughout the report through graphic references that allow its identification, such as [\[GRI 102.1\]](#), [\[SASB FN-CB-240A.3\]](#), [\[MSCI.1\]](#) [\[DJSI\]](#), or the iconography of the *SDGs*, which facilitate understanding and are evidence of tangible commitment.

Finally, it is important to highlight that some of the *ESG* indicators mentioned have been reviewed and verified by *Ernst and Young -EY-*, the firm that issued the *Independent Assurance Report* that corroborates the veracity of the information presented and whose text is included for consultation at the end of this document. For further information, please refer to the *ESG Table* attached to this document.

For more information about this report, please contact:

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<sup>1</sup> Absolute 2022 figures are not strictly comparable with 2021, due to the spin-off of 75% of BHI carried out in March 2022 and the BHI IPO carried out in December 2022.

# Letter from the CEO [GRI 2-22]

Dear shareholders, employees, and customers,

I am pleased to address you after a year of good results both for the country and for the Bank and for our subsidiaries and associates.

In 2022, economic growth in Colombia was 7.5%, a result that places the country among the fastest growing economies not only in Latin America, but globally. In fact, this result is even more meritorious if we consider that growth in 2021 was 11%. If we compare 2022 figures with those for 2019 (looking to eliminate the effect of the drop in activity resulting from the Covid-19 pandemic), we observe an average annual growth of 3.4%, returning to the path of potential GDP.

Something similar occurred in Panama, where *Multibank* and *Banco de Bogotá Panamá* operate. The *International Monetary Fund* estimates a growth of 9.0% for 2022, also among the highest worldwide and leaving Panamanian activity at higher levels than in 2019. This recovery has been generalized at the sectoral level, including financial intermediation activities.

For 2023, economic activity is expected to grow by 1.5% in Colombia and 4.0% in Panama, which would be the third consecutive year of expansion in both geographies.

## 2022 for Grupo Banco de Bogotá

Now, I would like to comment on what the last year meant for our organization, which has 17,557 employees, 9 million active customers, and presence in Colombia, the United States and Panama, not only in the banking industry but also in other lines of business through investments in our subsidiaries and associates, which we call *Grupo Banco de Bogotá*.

My thanks to all our employees and congratulations on the results achieved, striving every day to provide an excellent service to our customers and moving towards the consolidation of a more sustainable Bank that generates value for all.

I would like to highlight the multiple recognitions that the Bank received throughout 2022. We were chosen by *Euromoney* and *Global Finance* as the *Best Bank in Colombia* for the fourth and seventh consecutive year, respectively. These publications highlighted the soundness of our results and the strength of our brand, in addition to underscoring our commercial strategy, focused on customer service with initiatives in both traditional products and digital portfolio offerings. The important role we played in the recovery of economic activity after the pandemic was also recognized.

I am very proud that *Banco de Bogotá* is in the top 5% of the most sustainable banks in the world, which is why we are part of the *S&P Global Sustainability Yearbook*, for the third consecutive year. This result reflects our commitment to integrate sustainability as an essential part of our corporate strategy, as I will explain below. We also received, for the third consecutive year, the certification as a great place to work from the *Great Place To Work* institute.



Alejandro Figueroa Jaramillo  
CEO

## BHI's Spin-off and takeover bid

I would like to mention 2 relevant transactions that were performed during 2022. In March, the spin-off of 75% of the shares of *BAC Holding International Corp (BHI)* in favor of the Bank's shareholders took place, as announced since the end of 2021.

In addition, in December we participated in a takeover bid for 25% of *BHI* from *Esadinco S.A.* The result of the takeover bid was the sale of a 20.89% stake, leaving the remaining 4.11% as an investment available for sale, which will probably take place in March 2023.

Both transactions improved the Bank's solvency and liquidity ratios, contributing to higher portfolio growth and a lower cost of funds.

## Sustainability, the greatest commitment

2022 was consolidated as a year of multiple advances in sustainability, mainly in the path towards a more responsible and low-carbon economy. We boosted our sustainability strategy, strengthening climate action with the incorporation into the Bank's operations of climate change risk management and alignment with the *Paris Agreement*. We also continued to promote our social action by implementing more and more initiatives to support the country's business fabric.

Global warming represents a major global challenge. Therefore, we focus our climate action strategy on four fronts: resource mobilization through our portfolio of green products, Climate Change Risk Management, Environmental Management through Carbon Neutrality and the Net Zero strategy, to capture business opportunities by supporting customers in the transition to a low-carbon economy.

At the end of 2022, we became a member of the *Net Zero Banking Alliance*, committing to portfolio decarbonization goals by 2050 or earlier in the sectors with the greatest impact, using guidelines and scenarios developed within the framework of the alliance. We also adhered to the *Principles for Responsible Banking (PRB)*, which commit us to deepen our sustainable practices and promote a culture of responsible banking. On the other hand, we produced our first report using the recommendations from the *Task Force on Climate-related Financial Disclosures (TCFD)*.

We also reinforced our commitment to reducing the carbon footprint of our credit portfolio. Thus, in 2022 we defined our *Net Zero* strategy and the decarbonization roadmap for the coming years. This strategy, aligned with international standards, will initially cover the sectors that are most material for the Bank by offering solutions to accompany energy transformation, promote the generation and use of renewable energies, and finance high-impact projects that reduce carbon emissions.

At the end of 2022, we have a robust portfolio of green products for our corporate and retail customers, including the Sustainable Development Line, Sustainable Construction Credit, Sustainable Financial Leasing, Project Finance, Sustainable Housing and Housing Leasing, Sustainable Used Housing, and Electric and Hybrid Vehicles.

We began incorporating climate change risk into our credit risk management framework. We began measuring the emissions we finance and developed methodologies to identify and assess transitional and physical risks. With these tools, we stand in a better position to help our clients manage, mitigate and adapt to climate change.

We were the first Colombian bank to be certified Carbon Neutral by *Icontec*. This achievement reflects a strategy to mitigate *Greenhouse Gas* emissions in our operation, in which we have focused on reducing electricity consumption, implementing energy efficiency initiatives, and promoting the use of renewable energies in our premises. By the end of 2022, we had more than 500 solar panels installed in 18 branches and 2 administrative offices, and we certified 100% of our energy consumption with *Renewable Energy Certificates*.

We undertook environmental compensation measures with social impact by reforesting the Amazon region hand-in-hand with indigenous communities in the municipalities of Puerto Nariño and Leticia, benefiting 22 communities who are in charge of planting and caring for the trees, which represents an important economic income for the more than 240 families that are part of the project. With contributions from the Bank and from the *Amazonía* card' customers, which reached 88 thousand cardholders at the end of the year, we have managed to reforest through the planting of more than 80 thousand trees in different regions of the country.

Our commitment to sustainability in 2022 included the promotion of initiatives that foster inclusion and employment. We disbursed \$216 billion to support microenterprises, which represents a 26% annual growth, reaching 756 municipalities.

We have strengthened a diverse, equitable and inclusive culture, consolidating our position as a sector benchmark thanks to the progress in labor inclusion of people with disabilities, the results of female empowerment programs and the promotion of spaces free of discrimination, among others. Thus, we were recognized as the *Colombian Market Leader in Inclusion and Diversity* according to *Euromoney*, we obtained the *Silver Seal Certification for Labor Age* from the *United Nations Development Program -UNDP-* and the *Ministry of Labor*, and we entered the top 10 in the *National Ranking of Inclusive Companies of the National Consulting Center* and the *LGBT Chamber of Commerce*.

In social impact programs, I would like to highlight the *Unicef* card, with close to 300 thousand customers, through which we donated over \$586 million in 2022, to promote access to education for Colombian children and adolescents in vulnerable situations. Also, it is worth emphasizing the *Mujeres Cambiando la Moda (Women Changing Fashion)* program in alliance with *Inexmoda*, which aims to accelerate high-potential ventures led by women in the fashion sector, a major job generator in the country, who incorporate sustainability criteria in their businesses. Additionally, I must mention that with the financial education program, we have benefited more than 356 thousand people with tools for making responsible financial decisions.

In March 2023, we expect to place our first Sustainable Subordinated Bond for US\$230 million, with the participation of the multilateral banks *IDB Invest*, *Findev Canada*, *Finance in Motion* and *IFC*. The financing term will be 10 years and the proceeds will be used to finance a portfolio with a social and environmental focus. This bond will enable the Bank to strengthen its capital and is a sign of support from multilateral banks to our sustainability strategy.

## 6C's strategy

In 2022, we successfully continued executing our corporate strategy, seeking to maximize benefits for all *Banco de Bogotá's* stakeholders. In this sense, our 6C's plan continues to define our direction in the face of the trends that marked the year, always focused on the customer, our main reason for being.

Now, let me walk through each of the achievements in our six strategic focuses.

## Customer, the center of our strategy

The customer is at the center of our strategy and guides our actions. In 2022, we continued to work to provide a memorable experience for our customers. As a result, our *Net Promoter Score (NPS)*, which measures our customers' recommendability, improved for the third consecutive year to 49.4.

In addition, through our *Experience Management Center*, we made significant progress in predicting and containing events that could generate negative experiences for our customers. We developed methodologies and tools for the proactive detection of cases, which allowed us to reduce the filing of claims and complaints by 28%.

Aware of the importance of our customers' opinions, in 2022 we listened to 1.3 million of them, identifying areas for improvement in their experience and taking timely measures to solve their problems. We also strengthened training on financial consumer protection, with the participation of 6,379 employees and 744 hours of training.

In the search for a better experience for our customers, we have end-to-end flows for 100% digital disbursements in free destination, car, microfinance, and mortgage loans, as well as smart rates, according to the customer's profile, for digital free destination, mortgage and payroll loans.

Furthermore, we have made progress in our inclusion and accessibility strategy in branches, adapting spaces for people with disabilities and implementing sign language interpretation in 60 branches nationwide.

In terms of customer service channels, in 2022 we focused on their transformation and efficiency through the implementation of new functionalities, redesigning and improving processes to facilitate our customers' interaction. This work was carried out in all our remote channels (*Servilínea*, *Social Networks* and *WhatsApp*), as well as on physical, electronic and digital channels. As of 2022 *WhatsApp* became a new sales channel for credit operations.

In our physical channels, we continued to transform branches under a more digital concept and renovated a total of 58, including 2 offices for SME clients. We offered virtual appointments and attention turns in 334 offices through our queue management tool and improved waiting times at the cashier's desk, for inquiries and for migration, with the *Workforce Management* tool.

Regarding the digital channel, digital adoption reached 67.1% for retail customers with a 6% annual growth, reaching more than 2.3 million digital users, a figure 20% higher than last year. In *Mobile Banking*, we have positioned ourselves as the best rated banking *App* in the Colombian stores, with a rating of 4.7 stars in the *Play Store* and 4.8 in the *App Store*, evidencing our robust portfolio of transactions.

I would also like to highlight the new functionalities of our digital channels. One example is *Transfiya*, an alliance that allows sending and receiving money to and from other entities at zero cost. Likewise, *Personal Financial Management*, which helps customers keep track of movements in their accounts and credit cards, visualizing each month's expenses.

Other initiatives include the *Digital Help Center, CAD*, which provides information on the Bank's contact points, locating the closest ones and generating digital appointments and attention turns; *Grupo Aval's Cel2Cel* functionality, to transfer money using the cell phone number or by accessing the contacts on the phone; and the automatic debit in digital piggy banks, to support achievement of savings goals and improvement in financial habits.

## Sustainable Growth

It is fundamental for the Bank to support the growth of our clients, promoting economic prosperity in an inclusive and sustainable manner.

In addition to what I have mentioned above about the progress of our sustainability strategy, I would like to add the following:

In terms of rediscount lines with development and second-tier banks, we continued channeling resources to strategic sectors of economic activity. Through *Bancóldex*, *Findeter* and *Finagro*, we supported more than 1,400 public and private companies. We were recognized as the best strategic ally for *Bancóldex* in 2022 with the placement of loans for more than \$644 billion.

In the construction sector, we actively participated in the National Government's initiatives to facilitate the reactivation of construction and access to housing. In terms of housing construction, we supported the financing of 345 projects under construction, disbursing \$1.6 trillion over the course of 2022. Of the total number of projects, 56% are *Social Interest Housing (VIS)* and/or *Priority Interest Housing (VIP)*, confirming our commitment to low-income housing.

To promote economic reactivation and job creation among the young population, we participated in government programs such as the *Formal Employment Support Program (PAEF)* and incentives for the creation of new jobs, reaching disbursements of more than \$100 billion.

## Analytical Capacity and Digital Transformation

Our Data and Analytics strategy continues to deliver excellent results, building on what has been achieved in recent years on this front.

As a result of this effort, we placed 1.3 million digital loans in 2022, with a total balance of \$4.4 trillion. This represents a 92% growth compared to 2021. Among these products, I would like to highlight the increased participation of the digital channel in the opening of Time Deposits, which increased from 23% in 2021 to 41% in 2022.

We incorporated the use of analytical models to define offerings and to direct commercial forces to those customers with a higher propensity to engage. The contribution in disbursements through digital channels has continued to increase, achieving a placement and use of more than \$5.8 trillion in 2022.

During the year we opened new low-cost web channels (*links* and *QR*), which were positioned within our allies to allow them to increase their productivity by not depending on tablets, achieving a participation of 70% of the disbursements of *Crediconvenios* and 15% in credit cards.

Also, we are moving forward with the implementation of *Facial Recognition* for the acquisition of digital products.

Thus, more than 2.2 million customers were able to validate their identity without going to a branch. Our *Facial Recognition*, developed 100% *in-house*, continued to evolve and implement artificial intelligence to detect fraudulent images, making it one of the most reliable and secure mechanisms in the Colombian financial sector.

In addition, we built 20 *Machine Learning* models that add to the stock in production, generating more than \$789 billion in increased placements, deposits and insurance sales.

These and other advances in digital matters allowed us to receive three awards from *Global Finance* magazine: *Best Innovation*

*Lab* working with *startups* and *scaleups*, *Best Bank in User Experience (UX)* and *Best Bank in Digital Credits*, making us a benchmark in digital banking in the country.

## Risk Control

Risk control is a determining factor to generate the greatest harmony and consistency between growth and profitability. In this sense, we identified high risk segments in consumer products, generating approval and exposure restrictions by considering a potential deterioration due to macroeconomic conditions, allowing us to accompany portfolio growth with a strict control of delinquency.

We have been venturing in the use of agile methodologies that seek to speed up initiatives focused on our integral growth and customer service, obtaining early gains and optimizing resources. These initiatives include the generation of new models through advanced analytics, as well as the use of non-conventional alternative data.

Regarding the commercial portfolio, three emerging risks were identified: interest rate increase, import costs' increase and impact from devaluation on companies.

These risks were evaluated by the Portfolio Evaluation Committee, which defined the corresponding adjustments in limits, ratings and monitoring frequency.

In addition, we established work plans to guide solutions to cybersecurity incidents and guarantee safety of our information systems. In fact, in 2022 we obtained *SWIFT's Customer Security Program (CSP)* certification, which establishes the security controls that financial institutions that use the services of this business platform must comply with.

On the interest rate and liquidity risk front, I would like to draw attention to the initiatives associated with compliance with the *Net Stable Funding Ratio (NSFR)*, an indicator that wants to ensure that credit institutions maintain a stable funding profile in relation to the composition of their assets.

Finally, we refined our analysis tools. Thus, in 2022 we included climate change risk in our *Environmental and Social Risk Management System (ESRMS or SARAS for its acronym in Spanish)*, in line with our commitment to reduce the environmental and social impact that may result from our clients' activities. In 2022, 361 *ESRMS* analyses were conducted, including loan applications and renewals, totaling an evaluated number of potential approvals of \$23.4 trillion.



Lobby – Corporate Headquarters, Bogotá

## Expense Control and Operational Excellence

Like risk control, expense control and operational efficiency represent a powerful tool for generating value for our shareholders.

On this front, in 2022 we implemented the country's first electronic signature for legal entities, providing a better experience for entrepreneurs, reducing the tasks of the commercial team by nearly 20%.

In 2022 we evolved our process factory to the *XCenter*, a multidisciplinary team that looks to simplify customer interactions with products and channels. Among the optimization and efficiency initiatives led by this team, we have the construction of the first digital *E2E* solution for granting vehicle loans, achieving more than 2,500 applications through this flow and reducing nearly 240 minutes of operational burden per operation.

On the other hand, during this year we continued to progress in the rationalization of the Bank's branch footprint and in the optimization of logistical processes, achieving a reduction in mobilization time and effort.

## Employees and Society.

Behind the Bank's results, there is an exceptional team of employees, which I am proud to lead.

For the third consecutive year we were certified as a Great Place to Work by the global consulting firm *Great Place to Work* thanks to our strategies for the well-being and development of our employees and their families.

Other certifications received by the Bank in 2022 include the *Family-Responsible Company* certification from the *Más Familia Foundation* of Spain. Additionally, in *Merco Talento* we are positioned in the benchmarking of people management in 1<sup>st</sup> position at the sector level and in 2<sup>nd</sup> position at the general *Merco* level.

In the area of financial education, we continue to promote the *Finanzas Contigo* program, that develops values, knowledge, skills, and behaviors necessary to make responsible and conscious financial decisions.

## Results 2022

2022 marked another year of solid results at the consolidated level. These figures were achieved as a result of the implementation of our strategies, seeking to grow profitably and always keeping the customer at the center of our priorities.

I would like to describe the main consolidated financial results obtained by the Bank during 2022:

- Our consolidated loan portfolio reached \$95.3 trillion.
- Deposits represent 74.4% of total funding as of December 2022 and the ratio of deposits to net loans was 0.97x.
- The Bank recorded a net income of \$2.8 trillion, with an average return on assets (ROAA) of 1.9% and an average return on equity (ROAE) of 15.9%.
- Market share in the Colombian financial system was 11.4% for gross loans and 11.7% for deposits. Market share for net income was 15.8%.
- Taxes paid by the Bank and its subsidiaries totaled \$593 billion.

I would especially like to thank Luis Carlos Sarmiento Gutiérrez, CEO of *Grupo Aval*, and all its employees, for the guidance and support we had in the execution of the strategies we developed in 2022. Thanks to their permanent support, we achieved the results described in this report.

I would also like to express my gratitude to each of the members of our Board of Directors for their dedicated work and in-depth analysis of all the initiatives in our strategic plan, the execution of which made it possible to achieve the results presented. Their knowledge and preparation have been fundamental for our institution.

To each and every shareholder, I extend a word of thanks for your continued support and confidence in our Bank. On our side, we will continue to focus on offering financial services that contribute to building a better society.

Sincerely yours,

**Alejandro Figueroa Jaramillo**  
CEO

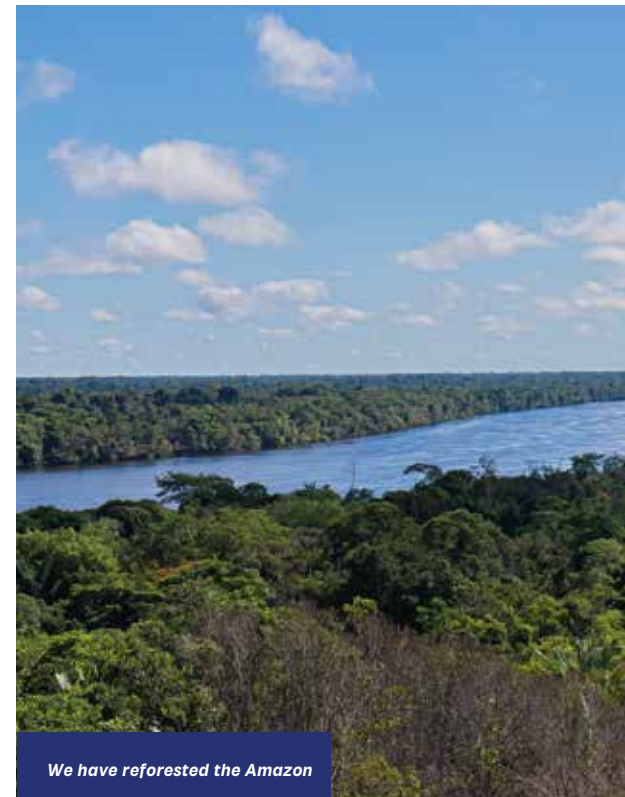




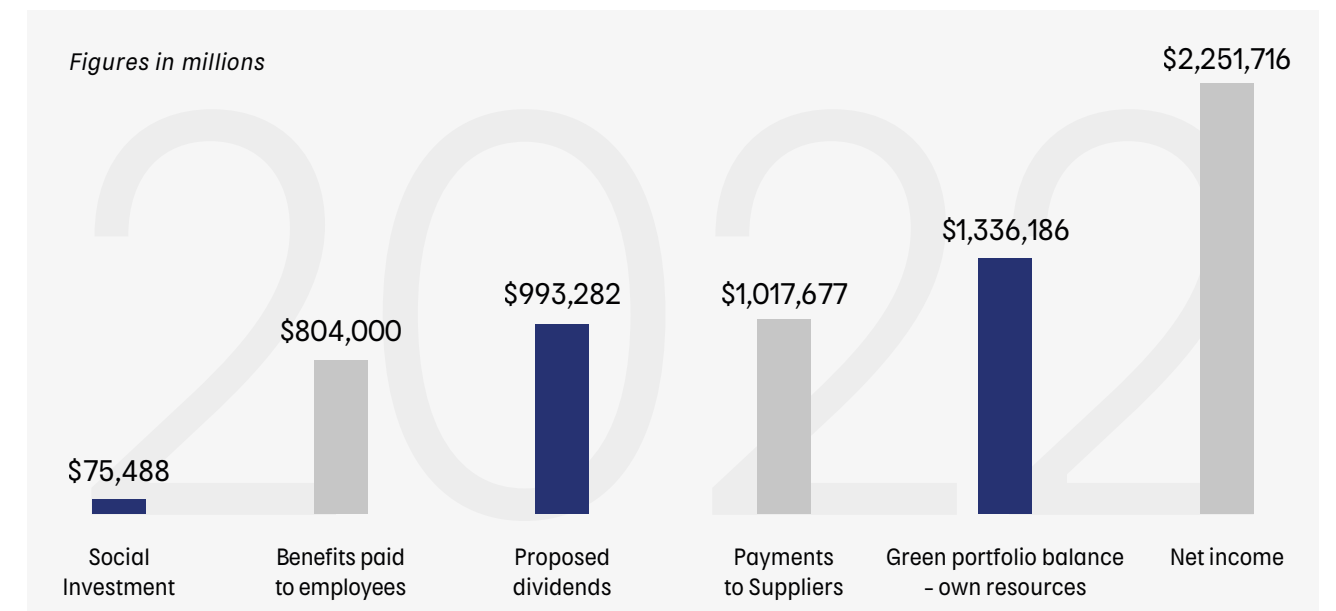
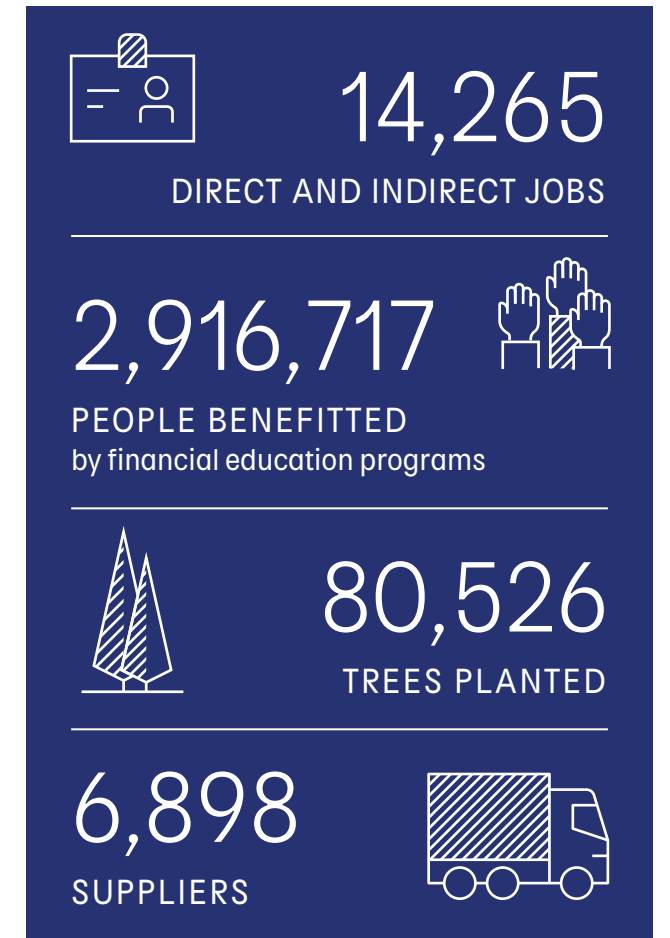
Management and Sustainability Report  
2022

# Our ESG impact

Relevant figures for stakeholders – *Banco de Bogotá's* separate financial information.



We have reforested the Amazon





# Corporate Governance

[GRI 2-11, 2-12<sup>a</sup>, 2-12C, 2-14B, 2-17, 405.1]

→ *Banco de Bogotá* is committed to a Corporate Governance model where transparency and equitable treatment for our shareholders, customers, employees, and all stakeholders are paramount.



In 2022, we moved forward in the alignment of our strategy with ESG criteria, to strengthen our contributions to social welfare, climate change reduction and mitigation, and the country's sustainable development. This was achieved with the support of a solid corporate governance structure that progressively adapts to best practices and provides confidence in the development of strategic objectives.

To improve the implementation of good practices of our Corporate Governance model, we carried out different tasks considering the principles that govern the Bank's activities, among others, the following:

- We coordinated the execution of the Ordinary Shareholders' Meeting and the extraordinary meetings required for the distribution of dividends, the approval of the spin-off of 75% of *BAC Holding International Corp (BHI)* and management of conflicts of interest disclosed by the directors in the approval of the Bank's participation in the tender offer on *BHI*' shares.

- We continued our positive path in complying with the 148 recommendations of the *Código País*, reaching 90.5%. Thus, we demonstrated our commitment to the adoption of corporate governance practices as leaders in the Colombian financial sector. The *Código País* is available in our web page <https://www.bancodebogota.com/wps/portal/banco-de-bogota/bogota/investor-relations/corporate-governance/codigo-de-pais-suvero>.

- In 2022, *Banco de Bogotá* hired *Governance Consultants*, an independent firm expert in corporate governance issues, for the external evaluation of the Board of Directors and the Support Committees.

- We approved the reform of the Board of Directors' Rules of Procedure to update the risk functions required by the *Integral Risk Management System*.

In the Annual Corporate Governance Report, which is included as Annex 2 of this Report, we provide further information on progress on these matters during 2022.



Luis Carlos Sarmiento Gutiérrez  
Board of Directors' Chairman

Luis Carlos Sarmiento Angulo  
Board of Directors' Advisor

## Governing Bodies

[GRI 2-9, 2-13AYB, 2-12B, 2-11, 2-10]

### General Shareholders' Meeting

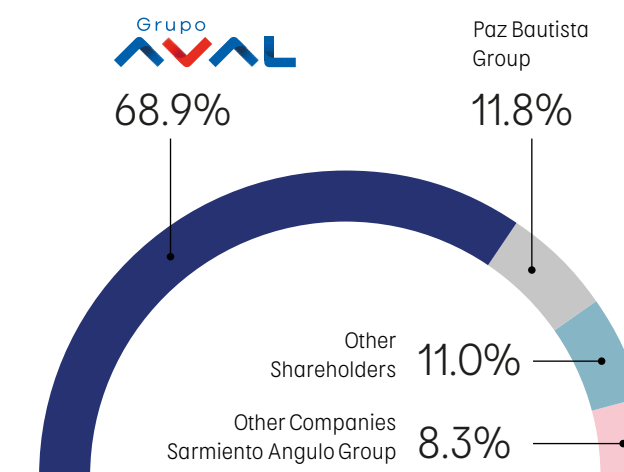
Our corporate governance structure is headed by the General Shareholders' Meeting. This supreme body allows shareholders to exercise control over the Bank's management and the performance of the Board of Directors. In preparation for the meetings, the Bank uses its website ([www.bancodebogota.com](http://www.bancodebogota.com)) as the main mechanism for providing information to shareholders.

At the end of 2022, our capital was represented by a total of 355,251,068 outstanding common shares owned by 13,017 shareholders.

Shareholders were summoned to the Ordinary Shareholders' Meeting held on March 29<sup>th</sup>, 2022. This Meeting, which had a quorum of 93.5%, attended all the items included in the Agenda, which was published on our website along with all the necessary information for decision making, in accordance with our corporate governance guidelines and in compliance with current regulations.

Extraordinary General Shareholders' Meetings were held on January 18<sup>th</sup>, April 26<sup>th</sup>, May 20<sup>th</sup> and December 1<sup>st</sup>, with an average quorum of 91.9%.

The shareholder composition of *Banco de Bogotá* at the end of 2022 is as follows: *Grupo Aval*, *Paz Bautista Group*, Other shareholders, Other companies – *Sarmiento Angulo Group*.



Further details on the Bank's shareholder structure are published on our website and are also available in the *SIMEV*, of the *Superintendencia Financiera de Colombia* [www.superfinanciera.gov.co](http://www.superfinanciera.gov.co)



Digital Zone – Banco de Bogotá Branch

## Board of Directors

The Board of Directors is the Bank's highest administrative body and plays a key role in determining policies to manage and carry out our operations. In this regard, the Board of Directors:

- Contributes to the Bank's strategic leadership and oversees management's administration of the Bank's strategic direction.
- Ensures the proper functioning of the internal control system, establishing the governance and control architecture, as well as the main risk management and organizational development policies.

*Banco de Bogotá's* Board of Directors is formed by important professionals with wide experience in the financial and indus-

trial sector, who fully comply with the criteria established by the Bank for their election. The election took place at the Ordinary Shareholders' Meeting held on March 29<sup>th</sup>, 2022.

The structure of our Board of Directors includes five principal members and their personal alternates, with two lines represented by independent members, in accordance with the independence criteria established in local regulations and a few additional conditions regarding the relationship of independent Directors with *Banco de Bogotá* and other *Grupo Aval* entities. The evaluation process of candidates nominated to the Board of Directors does not include discrimination criteria and our governance model does not contemplate the presence of executives as members of the Board of Directors.

## Board of Directors

Principal Members	Alternate Members
Luis Carlos Sarmiento Gutiérrez	Jorge Iván Villegas Montoya
Sergio Uribe Arboleda*	Sergio Arboleda Casas*
Alfonso de la Espriella Ossio	Ana María Cuéllar Jaramillo
Carlos Arcesio Paz Bautista	Álvaro Velásquez Cock
José Fernando Isaza Delgado*	Carlos Ignacio Jaramillo Jaramillo*

\* Independent Members

<b>Advisor to the Board of Directors</b>	Luis Carlos Sarmiento Angulo
<b>General Secretary</b>	Juanita Cubides Delgado
<b>Statutory Auditor</b>	KPMG S.A.S. Represented by: Diana Alexandra Rozo Muñoz (T.P. 120741-T)
<b>Financial Consumer Ombudsman</b>	Álvaro Julio Rodríguez Pérez

## Principal Members

Luis Carlos Sarmiento Gutiérrez



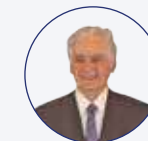
CEO of *Grupo Aval Acciones y Valores S.A.* since 2000. Chairman of the Board of Directors of *Banco de Bogotá* since 2004. Chairman of the Board of Directors of *Corficolombiana S.A.* since 2006. Before *Grupo Aval*, he was CEO of *Cocelco S.A.* and Executive Vice-president at *First Bank of the Americas*, Analyst and Financial Manager at *Procter & Gamble's* corporate headquarters. Magna Cum Laude in Civil Engineering from the *University of Miami* and MBA with emphasis on Finance from *Johnson Graduate School of Management* at Cornell University.

Sergio Uribe Arboleda\*



Principal Member of the Board of Directors of *Banco de Bogotá* since 1989, and previously an alternate member since 1987. Member of the Boards of Directors of *Banco de Bogotá S.A. Panamá*, *Refocosta S.A.* and *Ditransa S.A.* Currently Vice-president of Corporate Affairs at *Valorem S.A.* Previously acted as General Manager of *AT&T Latin America Colombia* and CEO of *AV Villas*, *Corficolombiana S.A.* and *Industrias e Inversiones Samper S.A.* Economist from *Universidad de los Andes*.

Alfonso de la Espriella Ossio



Principal member of the Board of Directors of *Banco de Bogotá* since 1988. Currently serves as member of the Board of Directors of *Almaviva S.A.* Was previously Chairman of the Board of Directors and CEO of *First Bank of the Americas* and held different positions at *Banco del Comercio*, which merged with *Banco de Bogotá* in 1992. Graduated in Law and Political Science from *Universidad La Gran Colombia*. Studies in Currencies and Banks at *Tulane University*, New Orleans and in Banking Supervision at the *Federal Reserve Bank*, Baton Rouge.

## Alternate Members

Jorge Iván Villegas Montoya



He has been an alternate member of the Board of Directors of *Banco de Bogotá* since 1988. Member of the Boards of Directors of *Corficolombiana S.A.* and *Fidubogotá S.A.* He has been Vice-minister of Communications, Minister Plenipotentiary of the *Universal Postal Union*, and CEO of *Corficolombiana S.A.* and *Fedeleasing*. Graduated in Law and Economics from *Universidad Javeriana*, with a Specialization in Business Law from *Colegio Mayor Nuestra Señora del Rosario*.

Sergio Arboleda Casas\*



He has been an alternate member of the Board of Directors of *Banco de Bogotá* since 1990. Member of the Board of Directors of *Banco de Bogotá S.A. Panamá*, Chairman of the Board of Directors of *Fundación Gimnasio Campes- tre*, member of the Board of Directors of *Casa Editorial El Tiempo S.A.* Previously was the CEO of *Fonade*, Director of *Bogotá's District Planning Department*, Manager of *Noticiero 24 Horas* and Chairman of *Asomedios*. Graduated in Civil Engineering from *Universidad de los Andes*.

Ana María Cuéllar Jaramillo



Alternate member of the Board of Directors of *Banco de Bogotá* since 2007. Member of the Board of Directors of *BAC Credomatic*. Independent consultant specialized in financial control systems and procedures. She was previously the Director of the *Dirección de Impuestos y Aduanas Nacionales - DIAN*, and held different positions at *Citibank*. She graduated in Accounting from *Universidad Jorge Tadeo Lozano*.

\*Independent members

## Principal Members

Carlos Arcesio Paz Bautista



Principal Member of the Board of Directors of *Banco de Bogotá* since 1990, and he was previously an alternate member since 1989. Was the General Manager of *Consultorías de Inversiones S.A.* and of *Harinera del Valle S.A.* Member of the Boards of Directors of *Corficolombiana S.A.*, *Promigas S.A.* and *BAC Credomatic*. Business Administrator from *Escuela de Administración y Finanzas EAFIT – Medellín*. Master's degree in Marketing Management from *Icesi – EAFIT – Cali*.

José Fernando Isaza Delgado\*



Principal member of the Board of Directors of *Banco de Bogotá* since 1997. Was a member of the Boards of Directors of *Corficolombiana S.A.*, *E.T.B.* and *Isagen*. He also served as CEO of *Compañía Colombiana Automotriz S.A.*, Minister of Transportation, CEO of *Empresa Colombiana de Petróleos S.A. (Ecopetrol)*, General Manager of *Instituto de Fomento Industrial* and Consultant for the *University of the United Nations* and the *World Bank*. Electrical Engineer, Summa Cum Laude, from *Universidad Nacional de Colombia*; Master's in Physics, Summa Cum Laude, from the same university; Master's in Mathematics, Summa Cum Laude, from the *University of Strasbourg (Louis Pasteur Institute of Technology)*; and Doctor Honoris Causa from *Universidad Nacional* and *Universidad de Caldas*.

\*Independent members

## Alternate Members

Álvaro Velásquez Cock



Alternate member of the Board of Directors of *Banco de Bogotá* from 1983 to 1988 and since 2001. Was an advisor for *Grupo Ethuss* from 1994 until 2009. He has been Dean of the Economics Faculty of *Universidad de Antioquia*, Head of the *Departamento Nacional de Estadística - DANE*, CEO of *Pedro Gómez & Cía. S.A.* and member of the Advisory Committee of the *Financial Superintendence*. Member of the Board of Directors of *Corficolombiana S.A.*, *Grupo Aval Acciones y Valores S.A.*, *Banco de Bogotá Panamá* and *BAC Credomatic*. Economist from *Universidad de Antioquia* and candidate to MS at the *London School of Economics*.

Carlos Ignacio Jaramillo Jaramillo\*



He has been an alternate member of the Board of Directors of *Banco de Bogotá* since 2018. *Supreme Court Justice - Civil Chamber*, Associate Justice at the *Supreme Court*, Arbitrator at the *Arbitration and Conciliation Center of the Chamber of Commerce of Bogotá*, International Arbitrator, General Director of Insurance at the *Banking Superintendence of Colombia*, Deputy Banking Superintendent for Insurance and Capitalization, Dean and Professor at the Legal Sciences Faculty of *Universidad Javeriana* and Professor at *Universidad de Salamanca*. Lawyer from *Universidad Javeriana*, Master's in Insurance Law and Economics from *Leuven University* and PhD in Law from the *Universidad de Salamanca*.

To support the Board of Directors in its functions, a work schedule is established annually, which includes planned meetings for the Board of Directors and its support Committees. These committees, which support the Board in the fulfillment of its responsibilities and act under its direction and dependence, are:

- Credit Committee.
- Audit Committee.
- Integral Risk Management Committee.
- Sustainability Committee.
- Corporate Governance Committee.
- Remuneration and Compensation Committee.

In addition, as a second level of committees, the Board has defined the operation, under administrative responsibility, of other committees that meet the guidelines set forth by the Board and by current legislation.

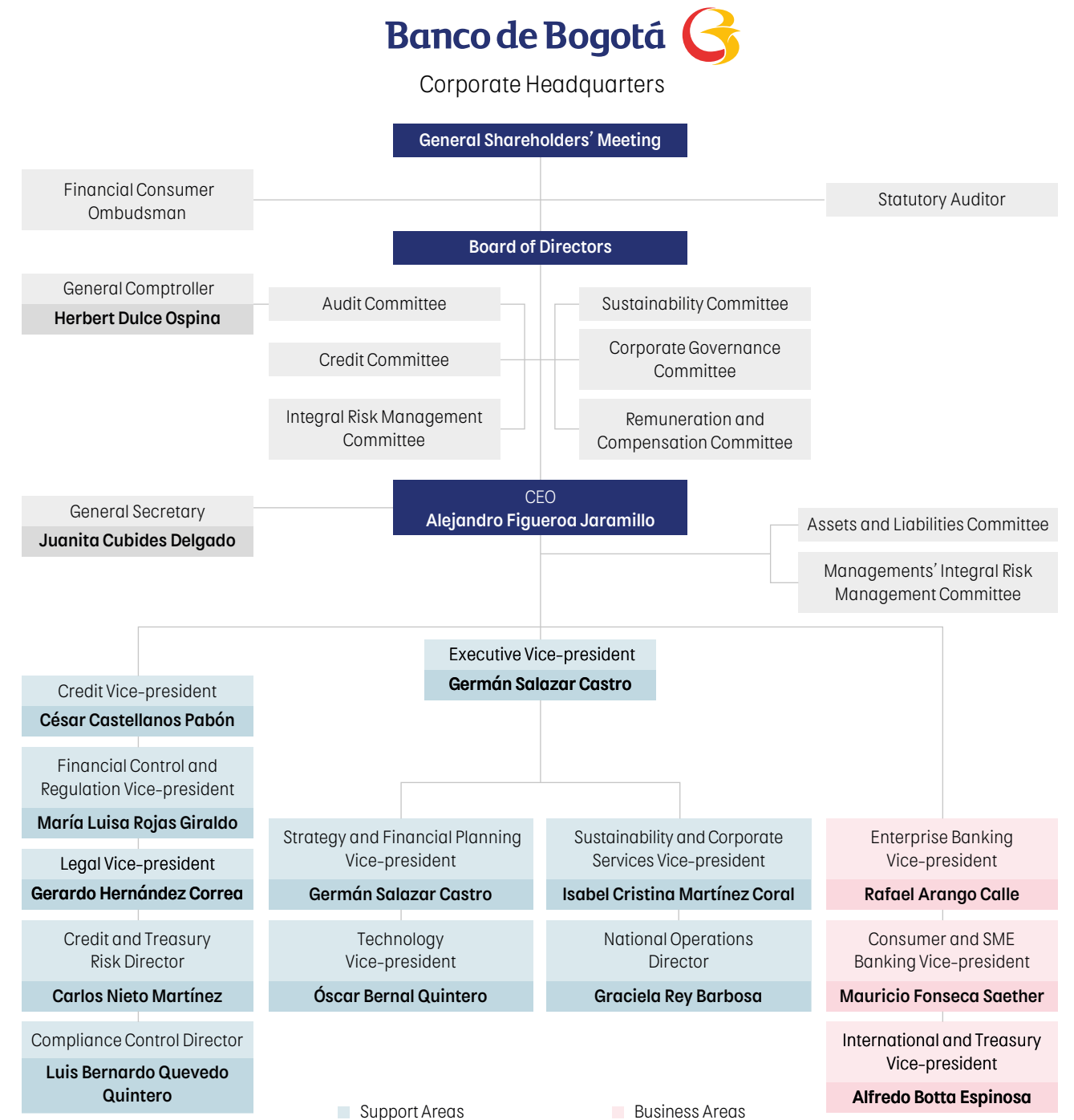
During 2022, fees were paid to directors for \$1.6 billion for attendance to Board' and Committee' meetings. The biographies summarizing the professional trajectory of the Directors of *Banco de Bogotá* are available on the website: [www.bancodebogota.com](http://www.bancodebogota.com)

## Senior Management

Senior Management represents the third level in our Bank's corporate governance structure. It oversees the ordinary course of business and the conception, execution and follow-up of objectives and strategies, following the guidelines set forth by the Board of Directors. In 2022, there were no changes in the structure of Senior Management.

A summary of the professional history of our Senior Management is available on the website [www.bancodebogota.com](http://www.bancodebogota.com)

The Corporate Governance structure of *Banco de Bogotá* is illustrated below:



Alejandro  
Figueroa  
Jaramillo



CEO of *Banco de Bogotá* since 1988. He has been with the Bank since 1973, holding the positions of Executive Vice-president and Financial Vice-president. Previously held the position of Vice-minister of Economic Development of Colombia and CEO of *Almaviva S.A.* He is a principal member of the Board of Directors of *Grupo Aval Acciones y Valores*, Chairman of the Board of Directors of *Porvenir S.A.* and member of the Board of Directors of *Corficolombiana S.A.* Civil Engineer from *Universidad Nacional de Colombia*, Master's in Economics and Ph.D. candidate in Economics from *Harvard University*.

Germán  
Salazar Castro



Executive Vice-president and Strategy and Financial Planning Vice-president, since September 2021. He has held various positions at *Banco de Bogotá* since 1979, including Vice-president of the International and Treasury Division, Vice-president of *Banco de Bogotá Trust Co New York* and President of *First Bank of the Americas*. He is a member of the Board of Directors of *Fidubogotá S.A.*, *Casa de Bolsa S.A.* and of the *Asociación Nacional de Instituciones Financieras S.A. ANIF*. Economist from *Universidad Javeriana* with postgraduate studies in Banking Credit and Finance from *Chemical Bank* and in Finance from *New York University*.

Rafael  
Arango Calle



Enterprise Banking Vice-president at *Banco de Bogotá* since 2012. He has held different positions at *Banco de Bogotá* since 1999 in the Credit and Commercial divisions. Previously served as a consultant to *Bogotá's Mayor's* office, as President of *Colcorp S.A.*, and in different positions at *Bancolombia*. Economist from *Universidad Javeriana*, with studies in Management and Strategic Leadership at *Universidad de los Andes* and in *Inalde's* Management Development Program.

Mauricio  
Fonseca  
Saether



Consumer and SME Banking Vice-president at *Banco de Bogotá* since October 2019. Previously served as Vice-president of Consumer and Wealth Management at *Scotiabank Colombia* and held different positions at *Citibank Colombia*. Industrial Engineer from *Universidad de los Andes* and MBA from *Esade Business School*, Spain.

Alfredo  
Botta Espinosa



International and Treasury Vice-president since October 2021. Previously served as Financial Vice-president at *Banco Popular*, Subsidiaries' Vice-president at *Banco Corpbanca - Helm*, President of *Helm Fiduciaria*, Financial Executive Vice-president at *Helm Bank*, Treasury and Derivatives Marketing Vice-president at *Citibank Colombia*, Treasury Manager at *Banco Unión Colombiano* and International Finance Manager at *Banco de Colombia*. Business Administrator from *Universidad de los Andes*, with studies in Business Administration at *London Guildhall University*, in Management at *Kellogg School of Management* and in Management Leadership at *Inalde*.

María Luisa  
Rojas Giraldo



Financial Control and Regulation Vice-president at *Banco de Bogotá* since March 2018. She has held different positions at *Banco de Bogotá* since 1984, including Financial Vice-president, Director of Financial Planning and Control, Investment Banking Executive and Credit Analyst. Economist from *Universidad de Los Andes*, with postgraduate studies in Financial Management from *Stanford University* and in Economic Development from *Boston University*.

César  
Castellanos  
Pabón



Credit Vice-president at *Banco de Bogotá* since 2012. He has held different positions at *Banco de Bogotá* since 2002 as Credit Officer and Commercial Director for different business segments. Previously he served as Corporate Banking Manager at *Banco Standard Chartered Colombia*, as Business Manager at *Corporación Financiera del Pacífico* and as Commercial Director at *Multileasing*. Economist from *Universidad Santo Tomás* and Business Administrator from *Institución Universitaria Politécnico Gran Colombiano*.

Gerardo  
Hernández  
Correa



Legal Vice-president since May 2021. Previously served as Co-Director of *Banco de la República*, *Financial Superintendent of Colombia*, Secretary of the Board of Directors and Executive Manager of *Banco de la República*, Vice-minister of Labor and Social Security, Head of the Business Development Unit of the *National Planning Department*, Advisor to the Representative Director of Colombia and Peru before the *Inter-American Development Bank* and the *Inter-American Investment Corporation*, as well as different positions in the *Ministry of Finance and Public Credit* and the *National Institute of Renewable Natural Resources*. Lawyer from *Universidad de los Andes*, with specialization in Administrative Law from *Universidad del Rosario* and participation in *IMF* programs on Central Banking.

Isabel Cristina  
Martínez Coral



Sustainability and Corporate Services Vice-president since September 2018. Has held several positions at the Bank since 2017, previously serving as Transformation Director and Administrative Vice-president. She was Commercial Vice-president, Mobile Services Manager and Business Development and Transformation Manager at *ETB*. Priorly, she held different positions at *Movistar Colombia*, *Telecom* and *Cintel*. Electronic Engineer from *Universidad del Cauca*, with specialization in Mobile Telecommunications from *Universidad Distrital*, Negotiation Program from *Harvard Law School*, Program in Diversity and Inclusion from *Stanford University* and Master's Degrees in Telecommunications Economics from *UNED* and in Business Administration from *Universidad de los Andes*.

Óscar  
Bernal  
Quintero



Technology Vice-president of *Banco de Bogotá* since December 2019. He has held other positions at *Banco de Bogotá* since 2018, including National Systems Director and Director of Research and Technological Innovation, among others. Previously, he served as National IT Manager at *Megabanco* and as Development Coordinator at *Coopdesarrollo*. Systems Engineer from *Universidad Distrital* and MBA from *Universidad de los Andes*.

Carlos  
Fernando  
Nieto Martínez



Credit and Treasury Risk' Director at *Banco de Bogotá* since 2009. Previously, he worked at the Bank as Analyst of the Credit Vice-presidency, Risk Analyst and Credit Risk Manager. Industrial Engineer from *Universidad de los Andes*, with a Master's in Business Administration from *Inalde Business School*.

Juanita  
Cubides  
Delgado



General Secretary of *Banco de Bogotá* since May 2019. She has held different positions at *Banco de Bogotá* since 1989, among them Legal Advisor to the Enterprise Banking Vice-presidency. Between 1992 and 2007 she was Legal and Administrative Vice-president of *Fiduciaria del Comercio S.A.*, today *Fidubogotá S.A.* She is currently a member of the Board of Directors of *Almaviva S.A.* Lawyer from *Universidad Javeriana* with postgraduate studies in Capital Markets Law from the same university.

Graciela  
Rey Barbosa



Operations' National Director at *Banco de Bogotá* since 2017. She has been at the Bank since 1995 in different roles such as Organization and Methods Analyst, Team Leader for the Development and Implementation of Process Redesign and Automation Solutions. She is a member of the Board of Directors of *ATH* and *Megalínea*. Industrial Engineer from the *Universidad Distrital*, with a specialization in Finance from *Universidad Externado* and specialization in Internet from *Universidad de la Sabana*.

Herbert  
Francisco  
Dulce Ospina



General Comptroller of *Banco de Bogotá* since January 2018. Previously served as Internal Audit Manager at *Porvenir S.A.*, Corporate Comptroller Manager at *Grupo Aval Acciones y Valores S.A.* and in different positions at *Banco Santander Colombia*. Industrial Engineer from *Universidad Javeriana* with postgraduate studies in Corporate Finance at *CESA* and Advanced Financial Risks at *IFF - International Faculty of Finance*.

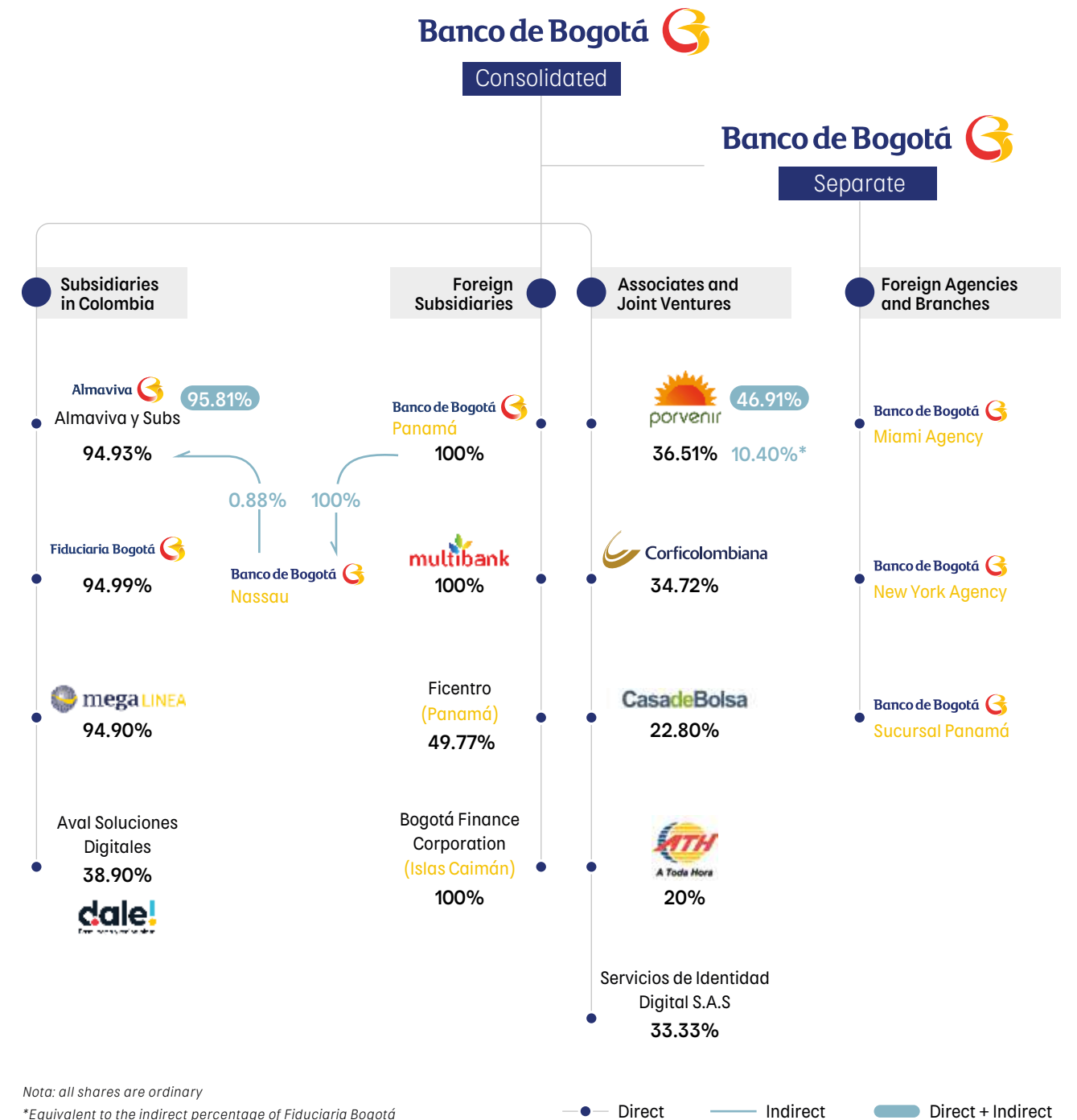
Luis Bernardo  
Quevedo  
Quintero



Compliance Officer and Director of the Bank's Compliance Control Unit since 1996. He has held different positions at *Banco de Bogotá* since 1981, including Regional and Administrative Comptroller and Head of the Security Department. Expert in the management of Money Laundering and Terrorist Financing Risks, Operational Risks, SOX Risks and Fraud Risks. Lawyer from *Universidad de los Andes* and Philosopher from *Universidad Nacional de Colombia*.

## Corporate Structure

*Banco de Bogotá's* consolidated company structure is led by the Bank's operation in Colombia, one of the most important entities in the Colombian financial system. It is complemented by the subsidiaries and associated entities in which the Bank has participation, through which we support different sectors of the Colombian and Central American economy, reflecting the diversification of our operation. In 2022, *Grupo Banco de Bogotá* carried out a corporate reorganization in which it reduced its participation in *BAC Holding International (BHIC)* to 4.11% through a spin-off process for 75% which took place in March, followed by a participation in the tender offer in December.



Ethics and Transparency [GRI 2-23<sup>a</sup>, 2-25, 2-26][SASB FN-CB-510A.2][MSCI 18]

→ Our actions are based on ethical and transparent practices, always striving to strengthen a culture based on corporate values framed in a responsible, sustainable, integral, equitable and inclusive management for all.



**Our Internal Audit**

Based on legal regulations, good control practices defined by *Grupo Aval* and international standards in this area, our General Comptroller's Office develops the risk-based audit plan for the Bank and its subsidiaries.

With the support of a complete interdisciplinary team, Internal Audit performs an objective and independent evaluation of the key controls established to mitigate the risks of greatest impact that may affect the business, people, and the environment, in the different processes and systems of the Bank and its subsidiaries, including the main outsourced activities.

In 2022, our comptroller's office conducted an evaluation of the corporate model developed by *Banco de Bogotá* and its subsidiaries to carry out an integral management of the risks to which they are exposed in the development of their activities, according to the guidelines of the *Superintendence of Finance*, applicable in the second half of 2023. Additionally, it

verified the existence of a methodology for the identification of emerging risks, which was already made known to the *Superintendence* and which has been consolidated in the last two years in accordance with the guidelines of *Grupo Aval*.

During this period, an external evaluation was conducted on the quality of the Internal Audit team's performance against the standards of the *International Framework for the Professional Practice of Internal Auditing (IFPPA)*, with outstanding results. This shows that this role contributes every day to strengthening the organization's internal control system, integral risk management and corporate governance.

*Banco de Bogotá's* Internal Control System, and that of its subsidiaries, permanently seeks to strengthen the efficiency and effectiveness of operations, to prevent and mitigate fraud, and to adequately manage those risks it faces while carrying out its activities, clearly defining the functions of Corporate Governance, Senior Management, as well as Supervision and Control.



Team at Banco de Bogotá

**Our Anti-Corruption Management** [MSCI 17]

→ We recognize corruption as an illicit conduct that weakens democracy, erodes trust, and facilitates the commission of criminal acts, undermining free competition, discouraging investment and trade, affecting development opportunities for vulnerable populations, hindering social inclusion, and fostering inequality in society.

Therefore, as part of our commitment to responsible banking and the principles of zero tolerance for any type of corruption, we conduct our business with the highest ethical standards in our interrelations with stakeholders, promoting a commercial conduct that adheres to our values, to the established rules, policies and procedures, and to ethical business conduct.

We have a strong *Anti-Bribery and Anti-Corruption Policy (ABAC)*, approved by the Board of Directors, which serves as a mechanism to promote the development of coordinated actions to prevent corruption, promote transparency in the management of the administration, deter misconduct and encourage the commitment of its stakeholders against corruption. Considering the above, the external audit conducted by *KPMG* in 2022 determined that the implementation status of our anti-corruption program is at a satisfactory level.

Additionally, our *Code of Ethics, Conduct and Transparency*, issued by the Board of Directors, promotes the principles of ethics and transparency, including policies and values that are

subject to legal regulations and principles that support sound banking practices. Likewise, the *Code of Ethics, Conduct and Transparency* provides guidelines for the management and follow-up of possible conflicts of interest identified within the entity.

Our *ABAC* policy establishes the structural elements as a framework to prevent, detect, investigate, and correct corruption events, through a corruption risk management system, which is continuously updated. It also establishes the conditions and procedures for granting donations, making public or political contributions, handling conflict of interest situations, granting sponsorships, giving and/or receiving gifts, hospitality, and gratuities, managing third party intermediaries, making acquisitions or joint ventures, managing social responsibility programs and other issues of particular relevance to the policy. Likewise, there is daily, monthly, and quarterly transactional monitoring of these operations, which are considered high risk for *ABAC*.



Welfare Zone at our Corporate Headquarters in Bogotá

The responsibilities of our Compliance Officer include: to constantly promote the adoption of corrective measures to the Internal Control System and the ABAC Program; to ensure the disclosure of the guidelines of the Internal Control System and the ABAC Program to employees; to represent the entity in matters related to compliance with the Internal Control System regulation and the ABAC Program; and to propose the updating of manuals to the Board of Directors.

In 2022, we developed a communication plan aimed at the Bank's employees and also directed to the subsidiaries, with the purpose of reinforcing each of the pillars of the policy; so that each entity, from its first, second and third line of defense, is aligned with the prevention of corruption events.



We are committed to fight against corruption and bribery, which is why we manage our business model based on the values of ethics and transparency, to promote sustainable growth and an increasingly equitable and inclusive society.