

NOTES TO FINANCIAL STATEMENTS

June 30, 2011 and December 31, 2010
(Expressed in million of pesos)

1. REPORTING ENTITY

Banco de Bogotá ("the Bank") was incorporated as a private commercial bank by Public Deed 1923 of November 15, 1870. The Bank has its Corporate office in Bogotá, D.C. The Financial Superintendency last renewed its operating license on September 24, 1993 in Resolution 3140. According to its Articles of Incorporation, the Bank's legal existence will expire on June 30, 2070, but this term may be reduced by dissolution or increased by extension. The business of the Bank is to perform all operations and enter into all contracts permitted for commercial banks, subject to the requirements and limitations of Colombian law.

Recent significant changes to the Bank's Articles have been:

- The absorption of Banco del Comercio S.A. in a merger (Deed 3594, December 30, 1992)
- Approval that dividends should be declared in equal amounts for all paid shares (Deed 1722 June 5, 1997)
- Updating of corporate functions of the directors and management, giving them specific functions related to the approval, disclosure and control of provisions of the Code of Good Government (Deed 891, April 11, 2002)
- The merger of the Bank with Banco de Crédito y Desarrollo Social MEGABANCO S.A. (Deed 3690, November 7, 2006).
- Formalization of the merger of Leasing Bogota into the Bank (Deed 4608, May 24, 2010).

At June 30, 2011 the Bank had 7,564 full-time employees, 286 on traineeship agreements and 1,175 temporary staff. A further 3,388 staff were engaged by outsourcing. There were 560 offices, 5 Corporate Service Centers, 3 SME Service Centres, 45 payment centers, 18 Business Advisory units, 12 own-code cash extensions, 100 cash extensions with no own code, 14 Office Extensions, 6 Premium offices, 21 round-the-clock Service Centers, 83 non-banking correspondents, 13 Servicaja points and 4 Basic Offices; an Agency in New York and an Agency in Miami. It also owns 100% of foreign subsidiaries Banco de Bogotá S.A. Panamá and Banco de Bogotá Finance Corporation, Cayman Islands, and Leasing Bogotá S.A. Panamá, which includes BAC Credomatic GECF Inc. Other subsidiaries and investments are detailed in Note 6.

The attached financial statements combine the assets, liabilities and results of Colombian offices and the New York and Miami Agencies, but do not consolidate the financial statements of the Bank with subsidiaries. Consolidated accounts are prepared separately.

Banco de Bogotá is a subsidiary of Grupo Aval Acciones y Valores S.A.

BAC Credomatic GECF Inc.

On July 15, 2010 GE Consumer Finance Central Holdings Corp and General Electric Capital Corporation signed an agreement with Grupo Aval Acciones y Valores S.A. to convey all the BAC Credomatic GECF Inc shares to Grupo Aval or one of its subsidiaries. On August 11 Grupo Aval had completed all legal and contractual requirements and assigned the agreement to Leasing Bogota S.A. Panamá, a wholly-owned subsidiary of Banco de Bogota.

On December 3, 2010, Colombia's Financial Superintendency authorized Banco de Bogota to act through the subsidiary Leasing Bogotá S.A. Panamá and make an indirect investment in BAC Credomatic GECF Inc, the holding company of the Central American financial group BAC Credomatic.

In a letter of December 2, 2010 the financial Superintendency authorized a capital increase for Leasing Bogota S.A. Panamá by Banco de Bogota for \$3,090,000 so that it would have the funds to buy all the shares of BAC Credomatic GECF Inc. now BAC Credomatic Inc.

On December 9, 2010, Leasing Bogotá S.A. Panamá completed the purchase of all shares of BAC Credomatic GECF (now BAC Credomatic Inc.) as stipulated in the share purchase agreement.

2. SUMMARY OF ACCOUNTING POLICIES

a) Basic Accounting Policies

The accounting policies and the preparation of the financial statements of the Bank are in accordance with accounting standards established by the Colombian Financial Superintendency and otherwise with accounting principles generally accepted in Colombia.

b) Cash equivalents

Money-market assets positions and similar items are considered to be cash equivalents for the purposes of reporting cash flows

c) Asset and Liability Positions in Money Market Operations

This account records interbank operations, repos, simultaneous operations and temporary transfers of securities:

Ordinary interbank funds.

These are funds received from or placed by the Bank in or from another bank directly with no agreement to transfer investments or loans. These are operations related to the banking business agreed at terms of up to 30 days provided and their purpose must be to place excess liquidity or fund shortages of liquidity. This also includes overnight operations with banks abroad, using Bank funds.

Yields are credited to earnings.

Operations not paid off in the term given are legalized and recorded as loans, unless the operation is with Banco de la Republica.

Repos

A repo is an operation in which the Bank acquires or transfers securities in exchange for cash, with the commitment to re-transfer the ownership of the securities to the "disposer" that day or subsequently at a set price with securities of the same kind and characteristics.

The initial amount may be calculated with a discount on the market price of the securities. It may be agreed that during the course of the operation the securities initially delivered may be exchanged for others and that restrictions may be placed on the mobility of the securities involved.

Yields are recorded in this account, calculated exponentially during the term of the operation, and are then recorded in the earnings statement.

Securities transferred in repo operations are placed in contingent debtor or creditor accounts depending on whether the repo is open or closed.

Simultaneous operations

A simultaneous operation takes place when the Bank acquires or transfers securities in exchange for cash, assuming the commitment to transfer or acquire ownership again on the same day or subsequently at a set price, with securities of the same kind and characteristics.

The initial amount may not be calculated with a discount on the market price of the securities, and it may not be agreed that initial securities may be exchanged for others, and no restrictions may be placed on the mobility of the securities.

Yields accrued by the acquirer are recorded in this account as paid by the disposer as the cost of the simultaneous operation, during the course of the same.

The difference between the present (cash) value and the future (final transfer) value is treated as a financial yield calculated exponentially during the term of the operation, and are then recorded in the earnings statement.

Amounts transferred in a simultaneous operation are recorded in contingent debtor or creditor account as asset or liability positions, as appropriate.

Temporary transfers of securities

The Bank transfers ownership of certain securities with an agreement to re-transfer them on that date or subsequently. At the same time the counterpart transfers ownership of other securities or cash for the value of the securities engaged in the operation, or more.

d) Investments

This account includes investments acquired by the Bank for secondary liquidity, for the acquisition of direct or indirect control of a company in the financial sector or engaged in technical services, or to meet requirements of law or regulation, or solely to eliminate or reduce market risk affecting assets, liabilities or other items in the financial statements.

The various types of investment are classified, valued and recorded as described below:

Classification	Term	Characteristics	Valuation	Recording
Trading	Short term	Acquired to make profits from price fluctuations.	<p>Uses fair prices, reference rates and margins published daily by the Stock Exchange BVC.</p> <p>Investments in public or private debt issued abroad by foreign issuers are valued on the basis of checked generic dirty prices published by a reputable information platform at 4.00 p.m. Colombian time.</p> <p>On days when a valuation price is not to be found or cannot be estimated, the valuation is made exponentially based on the internal rate of return.</p> <p>Valuations are made daily.</p>	<p>The difference between book and market value is charged or credited daily to the value of the investment with a credit or charge to earnings.</p> <p>This procedure is followed daily.</p> <p>Following Superintendency Circular 14/2007, investments are valued at market after acquisition and therefore the changes recorded refer to the current market value compared to acquisition price.</p>
Held to maturity	Until maturity	<p>Securities of any type that the Bank seriously, wishes to hold to maturity or redemption and has the legal, contractual and financial capacity to do so.</p> <p>These investments may not be part of liquidity operations, repos or simultaneous operations or temporary transfers of securities</p>	<p>Exponentially based on the IRR calculated at the time of purchase.</p> <p>Valuations are made daily</p>	<p>Present value is calculated as an increase to the value of the investment and the difference with the previous value is recording in the earnings statement.</p> <p>This procedure is followed daily.</p> <p>Yields payable and pending collection are recorded as an increased value of the investment.</p>

Classification	Term	Characteristics	Valuation	Recording
Debt securities available for sale	1 year	<p>except where they are also mandatory investments subscribed in the primary market and the counterpart in the operation is the Central Bank, the Ministry of Finance or the Colombian Treasury or entitles subject to Superintendency supervision.</p> <p>Likewise, they may be delivered in guarantee at a central counterparty risk clearing house to secure compliance with operations accepted by the clearing house for clearing and settlement.</p> <p>Securities and in general any type of investment that the Bank seriously, wishes to hold to maturity and has the legal, contractual and financial capacity to do so for at least a year after classification into this category.</p> <p>On the first business day following completion of that year, the investment may be reclassified as Trading, or Held to Maturity.</p> <p>Otherwise they will continue to be classified as "available for sale".</p> <p>Investments in this category may be used as guarantees for derivative operations where the counterpart is the Central Counterpart Risk Clearing House.</p> <p>Securities classified as investments available for sale may be delivered in guarantee to a central counterparty risk clearing house to support operations accepted by it for clearing and settlement.</p> <p>These investments may also be used for liquidity operations, repos, simultaneous operations and temporary transfers of securities.</p>	<p>Using fair prices, reference rates and margins published daily by the Stock Exchange.</p> <p>Investment in public debt or private debt issued abroad by foreign issuers are valued on the basis of verified information of the generic dirty price published by a reputable information platform at 4 p.m. Colombian time.</p> <p>On days when it is not possible to find or estimate a valuation for the security, it is valued exponentially based on its IRR.</p> <p>Valuations are made daily</p>	<p>Changes to the value of low/minimum turnover or unquoted securities are recorded as follows:</p> <ul style="list-style-type: none"> - The difference between present value on valuation date and the existing book value is recorded as an increase to the value of the investment, which is credited to earnings. - The difference between market value and present value is recorded as an unrealized accumulated gain or loss in the equity section. - This procedure is followed daily

Classification	Term	Characteristics	Valuation	Recording
Capital securities available for sale	None	Investments by which the Bank becomes co-owner of the issuer. They include high, medium low and minimum turnover or unquoted securities, held by the Bank as parent or controlling interest in Colombia or abroad.	<ul style="list-style-type: none"> Equities listed on the Securities and Issuers Register (RNVE): These are valued at the price published by Superintendency-authorized agents. If there are no operations to set a price, the variation in equity values is used. Unit funds and securitizations are valued at the unit value calculated by the fund manager on the day prior to valuation Equities listed only on foreign exchanges: Valued at the closing price or failing that, the most recent quotation reported by the exchange in the last five dealing days. If there are dealings on more than one exchange abroad, the value in the market of origin is taken, and converted to pesos Equities listed on foreign securities quotation systems authorized in Colombia: These are valued at the price given by Superintendency-authorized agents in Colombia. Equity securities not listed on stock exchanges: Unlisted equities are valued monthly using values of financial statements not more than 3 months old. Acquisition cost is adjusted upwards or downwards by the percentage share held in subsequent variations in the value of the issuer calculated on the basis of certified financial statements at June 30 and December 31 each year, or more recent statements if available. 	<p>Low/minimum turnover or unquoted</p> <ul style="list-style-type: none"> The difference between latest updated market value and current book value is recorded as follows: If the new market value is higher, the difference is used to reduce any provision or downward adjustment made until it is exhausted, and any excess is then recorded as a revaluation surplus If the new market value is lower, any surplus is reduced until exhausted, and any excess is recorded as a downward adjustment. If dividends or profits are distributed in kind, including those corresponding to the capitalization of the equity revaluation account, are recorded as income for the portion recorded as a revaluation surplus, charged to the investment and the surplus is reversed. If dividends or profits are distributed in cash, the amount recorded as valuation surplus is treated as income, reducing the surplus, and the amount of dividends that exceeds this is recorded as a reduction in the value of the investment. <p>High and Medium Turnover</p> <p>The updating of the value of high- and medium-turnover securities or securities listed on internationally-recognized exchanges abroad is recorded as an accumulated unrealized gain or loss in the equity section, and credited or charged to the investment.</p> <p>This process is effected daily.</p>

Classification	Term	Characteristics	Valuation	Recording
				Dividends or profits distributed in cash or in kind, including those derived from the capitalization of the equity revaluation account, are recorded as income for up to the amount corresponding to the investor in respect of dividends or the equity revaluation of the issuer recorded by the latter from the date of acquisition of the investment, charged to accounts receivable.

Repurchase rights for investments

This account corresponds to restricted investments which represent the collateral for investment repurchases.

The Bank retains economic rights and benefits associated with the security, together with all other inherent rights and risks, although, in legal terms, ownership is transferred when the repo is closed.

These securities are valued daily and differences are recorded in the balance sheet and in earnings using the methods and procedures applicable to trading investments held to maturity and available for sale.

Investments delivered in guarantee

These are in investments in debt securities delivered to guarantee derivatives operations, which can be settled in cash as established in the agreement or regulations of the securities dealing system, the recording system for securities operations or the system for offset or settlement.

These securities are valued daily and recorded in the balance sheet and earnings statement as required by the methods and procedures for investments classed as "available for sale".

As of January 1, 2010 these securities are included as investments, as instructed by Superintendency Resolution 1420/2008 and Circular 66/2009.

Provisions or Losses due to Credit Risk Classification

Unrated securities or provisions:

Category	Risk	Characteristics	Provisions
A	Normal	Satisfies the terms agreed in the instrument, with sufficient capacity to pay capital and interest.	None.
B	Acceptable	Issues which involve factors of uncertainty which may affect the capacity to continue to comply with debt-servicing obligations. Also, financial statements and other available information show weaknesses that may affect the financial situation.	Net value may not be more than 80%.

Continues

Category	Risk	Characteristics	Provisions
C	Appreciable	Issues with high/medium probability of default in capital and interest payments. Also, financial statements and other available information show weaknesses in the financial situation which compromise the recovery of the investment.	Net value may not be more than 60%. For debt securities, the recorded value may not be more than 80% of face value net of amortizations
D	Significant	Issues in default of agreed terms, in which the financial statements and other available information contain serious shortcomings in the financial situation such that the probability of recovery is very low.	Net value may not be more than 40%.
E	Uncollectable	Issues for which the financial statements and other available information suggest that recovery is impossible; and issues for which no financial statements have been available dated less than six months prior to June 30 and December 31, each year.	Full provision

Securities of issuers/ externally-rated issues.

Long-term rating	Max. value %	Short term ratings	Max value %
BB+, BB, BB-	90	3	90
B+, B, B-	70	4	50
CCC	50	5	0
DD, EE	0	5 y 6	

Estimates of provisions against Term Deposits under this section use the rating of the issuer.

Provisions against investments held to maturity for which a fair market price can be established in the terms applicable to trading investments or investments available for sale, represent the difference between book value and the fair price established.

e) Loans and Leasing Operations

These accounts record loans made by the Bank in the various modes permitted by local rules and regulations. Loans are funded by the Bank's own capital, public deposits and other internal and external sources.

Loans are recorded at their face or disbursement value, except for factoring operations, where portfolios are recorded at cost.

The loan portfolio contains four classes of loans:

Commercial Loans

A "Commercial Loan" is a loan made to an individual or corporate entity for organized economic activity other than a micro-business.

Consumer Loans

“Consumer Loans” are credits granted to individuals to finance the purchase of consumer goods or payment of non-commercial or business services, other than microcredit.

Home Mortgage Loans

These are housing loans to individuals for the purchase of new or used housing, or the construction of individual houses. Under Law 549/1999, these are denominated in pesos or constant-value units (UVR) and collateralized by a first mortgage on the property acquired. Term is between 5 and 30 years. These loans may be prepaid at any time without penalty. In the case of partial prepayments the debtor may choose between a reduction in the monthly installment and a reduction in the total term of the loan. Further, interest is payable on the outstanding peso or UVR balance of these loans, payable in arrears and not subject to capitalization. The loans may be for up to 70% of the purchase price or a professional valuation made not more than six months before the granting of the loan. In the case of loans for “social interest housing” the loan may be for up to 80% of the price. All properties financed in this way must have fire and earthquake insurance.

Micro-credits

This is the group of loans referred to Article 39 of Law 590/2000 as amended and loans to microbusinesses where the principal source of repayment is the revenues earned by the business.

The balance of debt may not exceed 120 SMLM (approximately US\$30,000) at the time of approval of the loan. The “balance of debt” is the sum of financial debt in the debtor’s name on databases consulted by the lender, excluding home mortgage loans and including the amount of the proposed new loan.

A microbusiness is an active economic unit formed by an individual or a corporate entity engaged in urban or rural business, farming, industry, trade or services with not more than ten workers or not more than 500 SMLM (approximately US\$125,000) of assets.

Evaluation Criteria – Credit Risk

The Bank permanently evaluates credit risk on its loans, both when granting them and along their life, including restructurings. Its Credit Risk Management System (SARC) is composed of credit risk policies and administrative procedures, reference models to estimate or quantify expected losses, a system of provisions to cover credit risk and internal control processes.

Loans are granted on the basis of knowledge of the borrower, capacity to pay, characteristics of the agreements, including financial terms, guarantees, sources of repayment and macroeconomic conditions that might affect the outcome.

The process of loan approvals involves a series of variables for each portfolio to select the borrowers who match the Bank’s profiles, as a basis of classification. The methods and procedures used enable credit exposure to be monitored and controlled for each individual portfolio and for the overall loan portfolio, avoiding excessive concentration by debtors, sectors, groups, risk factors, etc.

The Bank constantly monitors and classifies credit operations in the terms on which they were originally processed, which are based, amongst other things, on the historical comportment of the portfolios and individual loans, particular characteristics of debtors, loans and supporting guarantees; credit record with other institutions and financial information from the sector to establish the debtor’s financial situation; and sector and macroeconomic variables that may affect the normal course of an operation.

The evaluation of the capacity to pay of regional government agencies complies with the terms of Law 358/1997, Law 550/1999, Law 617/2000 and Law 1116/2006.

Evaluation and Reclassification of Loans

The Bank evaluates loans and changes classifications when a fresh analysis or new information justifies it.

The Bank complies with this regulatory requirement by considering the credit record of the debtor in other institutions, and in particular if at the time of evaluation the debtor has restructured operations reported in credit bureaus or other sources. Client credit performance is updated monthly for part-payments, full payments, write-offs and ageing of arrears.

If a loan falls into arrears again after a restructuring, it must be reclassified immediately.

Classification of Credit Risk

The Bank classifies credit operations based on the above criteria, using the following categories of credit risk and minimum objective conditions:

Category	New	Existing Commercial	Existing Consumer
"AA"	New loans classed AA when approved	Existing loans up to 29 days past due	Loans classed AA by the MRCO method
"A"	New loans classed A when approved	Existing loans 30-59 days past due	Loans classed A by the MRCO method
"BB"	New loans classed BB when approved	Existing loans 60-89 days past due	Loans classed BB by the MRCO method
"B"	New loans classed B when approved	Existing loans 90-119 days past due	Loans classed B by the MRCO method
"CC"	New loans classed CC when approved	Existing loans 120-149 days past due	Loans classed CC by the MRCO method
"Default"		Existing loans over 150 days past due	Loans more than 90 days past due

The Bank applies the following table to indicate equivalences in indebtedness and recording in the financial statements:

Group Category	Report Category	
	Commercial	Consumer
A	AA	AA
		Arrears now 0-30 days
B	A	Arrears now over 30 days
	BB	BB
C	B	B
	CC	CC
	C	C
D	D	D
E	E	E

When the Bank classifies clients "Default" under the Superintendency reference model, the equivalences are as follows:

Group E = Defaulting clients are considered to have a probable loss of default of 100%

Group D = Other clients classified as in default.

For the purposes of equivalence in consumer loans, current arrears as shown in the table above, should be understood as the maximum recorded by the debtor in aligned products.

For debtors not classified as "Default" on a classification date, Consumer Reference Model users apply the following model, depending on the segment. The model produces a score which is a product of the particular characteristics of the individual debtor from the following equation:

$$score = \frac{1}{1 + e^{-z}}$$

Where z varies depending on the debtor's segment. The score is then matched to the Superintendency's table, shown below.

Classification	Scores up to		
	Automobiles	Other	Credit Card
AA	0.2484	0.3767	0.3735
A	0.6842	0.8205	0.6703
BB	0.81507	0.89	0.9382
B	0.94941	0.9971	0.9902
CC	1	1	1

The Bank is required to classify debtors into a higher risk category if there are additional elements of risk to justify it.

Home Mortgage and Micro Loans are categorized as follows:

Category	Micro	Home Mortgage
"A" Normal	up to 1 month past due	up to 2 month past due
"B" Acceptable	1- 2 months past due	2-5 months past due
"C" Appreciable	2-3 months past due	5-12 months past due
"D" Significant	3-4 months past due	12-18 months past due
"E" Unrecoverable	Over 4 months past due	Over 18 months past due

Restructuring processes

The restructuring of a loan is held to be an exceptional mechanism formalized by a legal instrument designed to change the original conditions so that the borrower can still service the debt in the face of some real or potential deterioration in his capacity to pay. There are also the mechanisms of Law 550/1999, Law 617/2000 and Law 1116/2006 as amended or supplemented, Special Restructurings and Novations

Fiscal Restructuring (Law 617/2000)

The restructurings under the Fiscal and Financial Recovery Program in Law 617/2000 introduced sovereign guarantees cover loans made to regional government by financial institutions supervised by the Financial Superintendency, subject to certain requirements, one of which is that the regional government entity must sign a fiscal adjustment agreement by June 30, 2001. The guarantee covers 40% of loans outstanding at December 31, 1999 and 100% of new loans made for fiscal restructuring.

The features of this type of restructuring allow reversal of reserves against debt which is part of the operation for the portion with Government guarantees. The portion not so covered retains the classification at June 30, 2001.

If the restructuring agreement is not performed, the borrower's classification returns to that of the higher risk which applied prior to the restructuring.

The debtor must have complied with all the terms of a restructuring operation in order to improve his rating.

If a regional government agency goes into default, any debt outstanding at the time of default and not covered by a sovereign guarantee must be reclassified to "E".

Special Restructurings

In special restructuring operations under Superintendency Circular 39/1999 and up to December 31, 1999 the Banks could reverse provisions or improve the classification of a restructured debtor if it deserved to be classified "A" or had serviced at least two installments of interest or made one repayment of capital, and had obtained a certificate of compliance with a Performance Agreement and has the capacity to pay in accordance with the terms of the agreement.

Restructuring Agreements

Up to the effective date of Law 550/99 operations, as of the date on which negotiations begin, the Bank ceases to accrue interest and may maintain the classification then given to the debtor. But if the client is classified "A", he must be reclassified at least to B and the entire balance of accounts receivable is provisioned.

If negotiations fail, the loans is classified "E- unrecoverable".

If a client is admitted to restructuring under Law 1116/2006, the Bank suspends the accrual of yields and classified the client in accordance with his situation at the time. If that situation then deteriorates or it is evident that the agreement proposed does not match the bank's expectations, the classification is reviewed and the debt is reclassified, If no agreement is reached or a court orders liquidation, the client is classified as being in default.

Special Rules for the Reclassification of Restructured Loans

Restructured loans may be restored to their previous classification provided that the agreement brings about an improvement in the borrower's capacity to pay and/or reduces the likelihood of default. If grace period are allowed for the repayment of capital, the classification is only retained if such a period does not exceed one year from the date of signature of the agreement.

Loans may improve their classifications or the "default" conditions may be changed after a restructuring only if the borrower has a proven record in repaying capital regularly and effectively and in accordance with normal performance and his capacity to pay is maintained or improved.

f) Loans Written Off

A loan may be written off if, in the opinion of management, it is unrecoverable or offers remote or uncertain recovery and has been the object of a full provision; and after exhausting all possible means of collection and with the favorable opinion of legal counsel and debt collection agencies.

The fact that a loan is written off does not relieve management from having approved or managed it nor from the obligation to continue efforts to collect.

The Board is the only organ competent to approve write-offs considered to be losses.

g) Loan and Receivable Provisions

The Bank covers credit risk with a system of provisions calculated on outstanding balances applying the commercial (MRC) and consumer (MRCO) reference models. In the case of Home Mortgage and Micro loans the provision is made as a function of the length of arrears of payment.

Commercial and Consumer Loans

The Bank has adopted the Superintendency's Reference Model to calculate provisions.

Expected losses (provisions) are calculated as:

$$\text{EXPECTED LOSS} = [\text{Probability of default}] \times [\text{Exposure at the time of default}] \times [\text{Loss given default}]$$

The process of segmentation and discrimination of loans portfolios and related potential borrowers should be the basis for estimates of expected losses in the reference model for commercial loans (MRC), based on segments reflecting asset level:

Classification by asset level		
Size	Nivel de Activos	Approx US\$ equiv. (million)
Large	15,000 SMMLV	>3
Medium	5,000 y 15,000 SMMLV	1-3
Small	Under de 5,000 SMMLV	<1

The model also includes a category of "Personal Loans", which covers all private individuals who have commercial loans.

The consumer reference model (MRCO) loans are based on segments by products and the financial institutions granting them in order to preserve the specialty market niches and the underlying products.

The Bank has defined the following segments for the reference model MRCO:

- General – Automobile. Loans made by finance companies other than consumer finance companies to purchase vehicles.
- General- Other. Loans made by finance companies other than consumer finance companies to purchase items other than vehicles. Credit card purchases are not included.
- Credit card. Revolving credit for the purchase of consumer goods through plastic cards.

The commercial and consumer reference models allow the components of a loss to be defined, through the following parameters:

a. Probability of default

This represents the probability that debtors in a given segment will lead to a classification of default in consumer loans in the next 12 months.

The Superintendency's matrices for the probability of default are as follows:

Commercial

Classification	Large		Medium		Small		Personal	
	Matrix A	Matrix B	Matrix A	Matrix B	Matrix A	Matrix B	Matrix A	Matrix B
AA	1.53%	2.19%	1.51%	4.19%	4.18%	7.52%	5.27%	8.22%
A	2.24%	3.54%	2.40%	6.32%	5.30%	8.64%	6.39%	9.41%
BB	9.55%	14.13%	11.65%	18.49%	18.56%	20.26%	18.72%	22.36%
B	12.24%	15.22%	14.64%	21.45%	22.73%	24.15%	22.00%	25.81%
CC	19.77%	23.35%	23.09%	26.70%	32.5%	33.57%	32.21%	37.01%
Default	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Consumer

Classification	Matrix A			Matrix B		
	Automobiles	Other	Credit Card	Automobiles	Other	Credit Card
AA	0.97%	2.10%	1.58%	2.75%	3.88%	3.36%
A	3.12%	3.88%	5.35%	4.91%	5.67%	7.13%
BB	7.48%	12.68%	9.53%	16.53%	21.72%	18.57%
B	15.76%	14.16%	14.17%	24.80%	23.20%	23.21%
CC	31.01%	22.57%	17.06%	44.84%	36.40%	30.89%
Default	100.0%	100.0%	100.0%	100.00%	100.00%	100.00%

Thus, each debt-segment in the consumer portfolio has the probability of migrating from his current classification to Default status in the next 12 months following the general cycle of comportment of credit risk.

b. Loss given default (LGD)

This is defined as the economic loss if any event of default takes place. The loss given default for borrowers in the "default" category will undergo a slow increase as a function of the days elapsed since classification into that category.

The related guarantees must be taken into account in the calculation of expected losses upon default, and hence, for making provisions.

For the Bank, an "admissible" guarantee is one that has been formalized and has a value established by objective technical criteria, acting as legally effective support for payment of the obligation guarantees and with reasonable ease of execution.

The evaluation of this support and the possibilities of execution consider the nature, value, cover and liquidity of the guarantee itself; and the potential costs of execution and legal requirements for enforcement.

The expected loss by type of guarantee is the following:

Commercial

Type of security	Loss on default	Days default	New loss on default	Days default	New loss on default
Unsecured	55%	270	70%	540	100%
Subordinated loans	75%	270	90%	540	100%
Admissible financial collateral	0 – 12%	-	-	-	-
Commercial and residential property	40%	540	70%	1080	100%
Property leasing assets	35%	540	70%	1080	100%
Non-property leasing assets	45%	360	80%	720	100%
Other collateral	50%	360	80%	720	100%
Collection rights	45%	360	80%	720	100%
No guarantee	55%	210	80%	420	100%

Consumer

Type of security	Loss on default	Days default	New loss on default	Days default	New loss on default
Non-admissible security	60%	210	70%	420	100%
Admissible financial collateral	0-12%	-	-	-	-
Commercial and residential property	40%	360	70%	720	100%
Property leasing assets	35%	360	70%	720	100%
Non-property leasing assets	45%	270	70%	540	100%
Other collateral	50%	270	70%	540	100%
Collection rights	45%	360	80%	720	100%
No guarantee	65%	180	85%	360	100%

In order to assess the equivalences of guarantees under loan agreements as applied to the above, the Bank makes the following classification by groups:

1. Unsecured/Inadmissible guarantee: this includes, amongst others, co-debtors, endorsers or guarantee by payroll deductions.
2. Admissible financial collateral includes:
 - Cash collateral deposits, LGD of 0%
 - Standby letters of credit, LGD 0%
 - Credit insurance, LGD 12%
 - Sovereign guarantee, Law 617/2000, LGD 0%
 - FOGAFIN and similar funds, LGD 12%.
 - Pledge of financial sector paper, LGD 12%.
3. Collection rights:
 - Escrows.
 - Pledges of regional government and other decentralized agency revenues.
4. Property and residences: as follows:
 - Mortgage trusts.
 - Real property guarantee.
5. Real estate leasing assets are classified as follows:
 - Real property.
 - Residential.
6. Non-real estate leasing assets:
 - Machinery and equipment
 - Vehicles.
 - Furniture and fittings.
 - Vessels, trains and aircraft.
 - Computer equipment.
 - Livestock.
 - Software.

7. Other collateral is classified as follows:

- Pledges on processed inventories.
- Pledges on raw materials – commodities.
- Pledges on equipment and vehicles.
- Warehouse warrants or bonds.

8. No guarantee: This category contains all guarantees not classified under any of the above or without any form of guarantee.

Thus, each debtor has a different LGD depending on the type of guarantee that supports the operation.

Since guarantees are an important factor in the calculation of expected losses, there follows a description of the Bank's policies and criteria in relation to them:

Policy for the admission and administration of guarantees

Guarantees are additional support that the Bank requests of clients in order to reduce the inherent risks of lending. Guarantees are not considered to be an instrument of payment.

Policy for requiring additional guarantees:

- When the regulations require them, in terms of credit limits.
- When the loan is for more than 3 years it should preferably have admissible guarantees.
- The guarantees may not be shared with other creditors of the client unless they have the same ranking as Bank subsidiaries abroad with affiliates or in syndicated loans.

Formalities for establishing guarantees and granting loans

- The guarantee documents must be written as drafted by the Bank's Legal Department.
- The valuation of assets in guarantee must be recent and must be made by valuers authorized by the Bank.

Administration of guarantees

- The debtor must ensure that the guarantee is properly maintained; the Bank's commercial officer for the account is responsible for compliance:
 - Supervision of the establishment of the guarantee,
 - Verification of the existence and validity of the insurance policies, and
 - Review of documentation and information required and supervision of filing
- The Guarantees Control System assists this work as follows
 - Information on insurance policy expiry; and
 - Information on documents.
- The Document Administration Center is responsible for the custody of guarantees

Distribution of guarantees

- A loan may be supported by a guarantee of the debtor, or of someone other than the debtor.
- Guarantees are allocated to complete 100% of loan balances.

Open guarantees

- If the guarantee covers several debtors, the allocation is made as a priority to those with the greatest potential LGD.
- If several loans have the same LGD because they are for account of the same debtor, priority is given to that with the highest balance.
- Guarantees available are allocated in ascending order of LGD.
- For loans with no deferred income, the guarantees are allocated to the exposed balances as capital, interest and other, for distribution.
- For loans with deferred income guarantees are allocated to the exposed balance after deducting the deferred income.

Closed guarantees

These guarantees only cover up to 100% of the balance of a loan balance up to the legal limit of the guarantee.

c. Asset value exposed

In the Commercial and Consumer Reference Models, the asset value exposed is the outstanding balance of capital, interest, and receivables for interest and other items.

Home Mortgage Loans and Microloans

General Provision

There is a provision of at least 1% of total gross Home Mortgage and Micro loans.

The Bank maintains provisions at least at the following minimum levels against outstanding balances:

Category	Micro		Home mortgage		
	Capital	Interest and other	% secured	% not secured	Interest and other
A – Normal	1	1	1	1	1
B – Acceptable	3.2	100	3.2	100	100
C – Appreciable	20	100	10	100	100
D – Significant	50	100	20	100	100
E – Unrecoverable	100	100	30	100	100

In Home Mortgage Loans, if an account has been in Category E for more than 2 years, the provision must be raised to 60.0%; and if it remains there for a further year, the provision is raised to 100.0%.

The Effect of Security on Individual Provisions

Security on loans covers only the capital sum. Therefore, the amortizable balance of secured loans is provided against for the percentage corresponding to the category of loan, applied as follows:

- For Home Mortgage loans, the unsecured portion is the difference between the unpaid balance and 100% of the value of the security.
- For microloans, the difference between the unpaid balance and 70% of the value of the security. In these cases, depending on the nature of the security and the length of time the account has been past-due, account is taken only of a percentage of the total value of the security held, as follows:

Non-mortgage security	
Arrears	% cover
0-12 months	70%
12-24 months	50%
over 24 months	0%

Mortgage or escrow guarantee	
Arrears	% cover
0-18 months	70%
18-24 months	50%
24-30 months	30%
30-36 months	15%
over 36 months	0%

Rules of Alignment

The Bank aligns debtor classifications with the following criteria:

- Prior to making provisions and harmonizing classifications, the Bank effects internal alignment for each debtor monthly, reallocating loans of the same to the same debtor to a higher risk category.
- The Bank is required to consolidate its financial statements and therefore allocates all loans of the same kind to the same debtor to the same category of risk.

h) Acceptances, Spot Operations and Derivatives

Bank Acceptances

An acceptance is a commercial transaction in which the bank signs a bill as acceptor, undertakes that it will, after a defined term, pay a third party (beneficiary) a bill drawn by one of its clients (requester) as a result of a sale of goods for a certain sum.

Bank acceptances have a maximum term of one year and are only issued as part of import and export transactions, or for the purchase and sale of movable goods within Colombia.

At the time of accepting a bill, the amount is entered as an asset and a liability as "Current Bank Acceptances". If not presented for payment at maturity, it is reclassified as "Non-Current". If unpaid at maturity by the purchaser of the goods, it is reclassified to a loan account "Bank Acceptances Covered".

After maturity, acceptances are subject to cash reserve requirements for demand liabilities for payment within 30 days.

Derivatives and Spot Operations

Spot operations must be settled within three working days of the day on which they are closed.

The Bank records derivatives, whose main characteristic is that the fair price of exchange depends on one or more underlying assets and settlement or satisfaction takes place subsequently. These operations have a number of objectives, including the following:

- To offer products tailor-made to client needs which, amongst other things, will act as hedging for financial risks;
- To structure portfolios for the Bank, taking advantage of arbitrage between different curves, assets and markets to obtain good profitability at low levels of commitment of capital;
- The Bank undertakes derivatives operations to hedge asset and liability risk positions on the balance sheet, or to act as intermediary for clients or to capitalize opportunities for arbitrage of exchange rates or interest rates on domestic and foreign markets.

Types of Derivative

At June 30, 2011 the Bank had engagements in the following types of derivatives:

- Forwards (COP/USD, other currencies, securities)
- Basic and combined Options
- Swaps (cross currency, interest rate)
- Futures (Standard BVC operations –notional bond and peso exchange rate futures)
- Standard foreign market operations (Exchange rate futures, EUR/USD futures).

The Bank employs a range of strategies by combining basic derivatives (forwards, call/put options and swaps) or these operations and other financial instruments. They can be instrumented and sold as a “product”, thus providing a wide choice of solutions with different functions of cost and results within established limits and without involving risk factors other than those authorized.

The combinations and strategies are valued, managed, controlled and recorded in accordance with their basic components.

At the beginning of 2011 the Bank started to train Miami and New York Agency staff in forwards and these operations began to be recorded on the books in February. Training in swaps and futures was also given to the Agencies and the Panama subsidiaries with a view to starting operations in these products in the second half of the year.

■ Forwards

A forward is a tailor-made derivative in which the two parties agree to purchase/sell a specific quantity of an underlying asset at some future date. The basic conditions are established – mainly, price, date and mode of delivery of the underlying. At due date the operation is liquidated by the delivery of the underlying asset or through settlement of differences, depending on the underlying asset and the mode of delivery agreed. This latter condition may be changed during the term of the agreement through mutual agreement of the parties.

With Superintendency 004/2010, derivatives dealt on the OTC market may be offset and settled in the Central Counterpart Risk Clearing House (CRCC) which intervenes as a counterpart under Decree 2893/2007.

■ Options

An option is an agreement that allows the holder the option or right - but not the obligation- to buy or sell a specific quantity of assets at a certain price and on a certain date, or over a certain period of time. The agreement binds the other party to buy or sell the asset on the date on which the holder exercises the option on conditions of quantity, quality and price contained in the agreement.

■ Swaps

A swap is a financial agreement between two parties who agree to exchange a series of cash flows on certain contracted conditions, to be settled on specific dates agreed at the beginning of the operation.

The purpose of these operations is to reduce the risk of exchange rate variations and interest rate variations. In general, they aim to cover long-term operations with more than one residual flow.

Swaps may refer to interest rates, or they may refer to contracts for cash flows paid by both parties in the same currency; or they may be exchange rate or currency swaps in which operational flows are denominated in different currencies.

There are two kinds of swap: fixed/floating and floating/floating.

An interest rate swap (IRS) is made between two parties who wish to exchange interest on payments or receipts of future flows held on different modes of interest. In this type of swap, the principal sum is not transferred and is expressed in the same currency.

A cross currency swap (CCS) is made between two parties who wish to exchange principal sums in two different currencies for a certain period of time. During that time each party pays the interest on the principal amount received. On amortization dates and at final maturity the principal amounts are exchanged for the currency which the parties originally held, using the spot rate on the date the operation began.

There are three types of currency swap: fixed-fixed, floating-floating and fixed-floating.

■ Futures

These are standardized contracts for settlement dates, size or face value, the characteristics of the underlying assets, and the place and manner of delivery (cash or kind). They are negotiated on the Central Counterpart Risk Exchange. The parties agree to buy or sell an underlying asset at some future date (due date) at a price agreed at the time the deal is struck.

Decree 1796/2008, Decree 1797/2008 and Decree 2893/2007 and Superintendency Circulars 025/2008, 031/2008 and 049/2007 initiated the standardized financial derivatives as of September 1, 2008, to be traded on the stock exchange BVC, which in turn has set rules for dealing and membership of the market. The BVC manages the dealing system, which is called X-Stream.

The Central Counterpart Risk Exchange manages the settlement and control of operational risks. It also acts as the central counterpart for BVC-dealt standardized derivatives.

When an operation is registered on the dealing system, the Risk Exchange comes between the parties to act as simultaneous buyer and seller of all open positions in the market. This makes it easier for the Bank to handle calculations of Gross Leverage Positions.

The Bank acts as a Settlement Member of the Risk Exchange to support its own operations, those of Non-Settlement Members and Third Party Non-Settlement Members under agreements.

At June 30, 2011 there was only one such agreement, with Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A.

The Bank uses the requirements of functioning of the organized market for standardized derivatives of the Risk Exchange to structure two types of financial service. One supports its own position as an investor with an own position to deal in standardized derivatives; and the other uses its condition as a Settlement Member for individuals and corporate entities (Non-Settlement Members) to administer guarantees and conduct settlement processes and clearing with the Central Counterpart Risk Exchange.

In this capacity, it records contracts for Notional Future Bonds and Dollar/Peso Exchange Futures. The general conditions of these operations are:

	Notional bond future	Exchange rate future
Underlying asset	TES Fixed-rate (COP)	Superintendency TRM for the day
Contract size	COP250 million	US 50.000
Contract generation	Quarterly March / 3 maturities	Quarterly and monthly cycle, next 3 months / 6 maturities
Settlement	Physical delivery	Financial, no physical delivery
Last dealing day	Wednesday of the first week of the month	Tuesday of the second week of the month
Maturity	Friday of the first week of the month	Thursday of the second week of the month

Recording and valuation of derivatives:

Following Superintendency Circular 025/2008, Resolution 1420/2008 and Circular 066/2009, financial derivatives are classified in terms of the purpose of the business:

- Hedging risks of other positions
- Speculation, for profit, or
- Arbitrage in the market.

The recording of derivatives depends on the purpose of the operation. In addition to speculative purposes, the Bank recorded derivative financial instruments to hedge foreign currency assets and liabilities, as authorized by the Directors on October 26 and December 28, 2010.

At June 30, 2011 hedging and speculative operations continued, with the following consolidated purchases and sales at the close:

Hedging		Speculation	
Rights	\$ 1,192,028.0	Rights	\$ 11,431,689.6
Obligations	(1,124,093.8)	Obligations	(11,385,661.9)
	\$ 67,934.2		\$ 46,027.7

The purpose of these operations is to protect the balance sheet from exchange risks arising from structural positions of subsidiaries and agencies abroad.

As of January 1, 2010, regardless of the purpose of the operation, derivatives which provided a positive fair market price, that is, favorable to the bank, were recorded as assets, separately from the value of the right and the obligation, except in the case of options, where all entries were made in a single account. Those which produced a negative price, that is, unfavorable to the bank, should be recorded as liabilities, separated in the same way. Equally, no netting is done between favorable and unfavorable balances from different operations, even if they are of the same type.

1. Derivatives engaged for speculative purposes

These operations appear on the balance sheet, from the date they are closed, at the fair market price. When at the initial date the value of the contracts is zero, that is to say, no physical payment or delivery is made between the parties, earnings are not affected. In the subsequent valuations, variations in the fair market price are recorded in earnings.

On the settlement date, the balances appearing on the balance sheet are cancelled, and any difference is recorded as a profit or a loss, as applicable. If the accumulated balance of the directive on that date is positive, it is recorded as income, and if negative, as a loss. This procedure is conducted independently for each instrument, and for each settlement.

The Bank values its derivatives daily, from the day the operation is closed onwards, using methods, parameters and sources chosen by the Bank, technically supported documented and approved by the Risks Committee; at the same time, the Superintendency issued a statement of "no objection" on September 26, 2008, in Communication 2008057950-002-000.

Operation type	Valuation and accounting
Securities forwards	In these operations the right is calculated as the value of the security at fair market price, and the obligation is the present value of the amount agreed for the purchase. In forward sales of securities, the right is calculated by obtaining the present value of the amount agreed for the sale, and the obligation is the fair market price of the security.
Currency forwards.	The method of valuation for forward and spot currency operations used by the Bank is based on bringing future flows (obligations and rights) involved in the operation to present value; usually, one of these flows is expressed in USD, and the other in COP. Each flow is brought to present value by using market discount rates for dollars and pesos for the remaining term of each operation. These present values are calculated using continuous compound rates. Once the present value of the flows is established, it is a re-expressed in pesos using the Superintendency's market reference rate (TRM) The Interest rates used are those of the market, based on average devaluations in the Colombian market.

Continues

Operation type	Valuation and accounting
Options.	<p>The determination of the fair market value of a currency option closed by the Bank is estimated using the Black and Scholes methodology.</p> <p>The information to be used in the model for the valuation of options is obtained from financial information systems which currently provide prices for the variables involved (volatilities, risk-free rates and foreign rates).</p> <p>The initial recording corresponds to the premium effectively paid and variations in the fair price with regard to the initial value effectively paid, recorded in the earnings statement. Rights and obligations are recorded as contingent accounts.</p> <p>When the Bank buys a call or put option the accounts for the premium paid and the daily variations to the fair market price are recorded in assets.</p> <p>If the Bank sells an option, the accounting entry for the premium received and the daily variations to the fair market price are recorded as liabilities.</p> <p>On the contract settlement date, balances corresponding to the right and the obligation cancelled out, and any difference is recorded as a profit or loss on valuation of derivatives.</p>
Swaps	<p>The valuation of swap consists of bringing each of the future flows to present value (discounted), and turning them into the base currency of account. In order to value a swap, the Bank updates market information (interest rate curves, exchange rates), and depending on the particular characteristics of each operation, it breaks down the swap into future cash flows and calculates the total flow on each settlement date.</p> <p>The sum of the present values of the flows received is accounted as a right, and the sum of the series of flows delivered is accounted as an obligation.</p> <p>The result of the valuation on the day the business is closed is recorded as a deferred item. As of the following day and through to the settlement date from the operation, the amortization of the deferred account is effected against the valuation.</p>
Futures	<p>In this kind of derivative there is a daily calculation of profit and loss. The CRCC daily communicates the results of the settlement between participants, and proceeds to debit or credit them with the profits or loss realized.</p> <p>In the case of futures of the notional bond, if the bank has a short position it will advise CRCC of the security with which it wishes to perform its obligation, in accordance with the specifications of the basket of deliverables, and it transfers made a transfer of skirt is made through the securities deposit (DCV or DECEVAL), who confirm to CRCC that those securities have been transferred.</p> <p>For dollars/peso exchange rate futures, the settlement is made against the underlying TRM published for the last dealing day, against the underlying price.</p> <p>The value of the obligation to be recorded by the seller in his balance sheet (the right of the purchaser) in pesos and it corresponds to the price of each unit of the futures contract reported on the valuation date by the BVC, multiplied by the number of contracts and by the face value of each contract.</p>

Continues

Operation type

Valuation and accounting

Novated Forwards involve derivatives dealt on the OTC market in which the counterparts agree to take the instruments to a counterpart clearing house for offset and settlement. The agreement is governed by a master contract signed between the parties up to the date on which the clearing house enters the operation as a counterpart. As of that time, the clearing house rules apply and the initial agreement between the parties to the deal ceases to operate. The clearing house is required to provide the Superintendency with information on this kind of operation upon request.

The accumulated balance at the time the clearing house effectively accepts the operation is carried to an account payable or receivable, as the case may be, in the name of the clearing house. The account is cancelled in the process of offset and settlement following the CRCC rules.

Book balances at June 30, 2011 and December 31, 2010 are as follows for currency and securities futures:

	June 30	December 30
Sales rights	\$ 2,606.3	57,157.1
Sales obligations	(2,606.3)	(57,187.1)
Purchase rights	709,962.9	87,469.2
Purchase obligations	(709,962.9)	(87,469.2)

2. Hedging instruments

At December 31, 2010 the Bank implemented special accounting treatment for derivatives following Chapter 18 of the Superintendency's Basic Accounting Circular, to cover the Bank's exchange risk in its investments in subsidiaries and agencies abroad.

These operations are designed to protect foreign currency assets and liabilities from exchange risk generated by structural positions of subsidiaries and agencies abroad.

The primary position hedged is the investment.

The recording of hedging derivatives depends on the specific type of cover involved. To hedge foreign currency assets and liabilities:

- The accumulated profit or loss of the derivative is recorded in a profit and loss subaccount provided that its value does not exceed the amount of the accumulated variation of the primary position covered, attributable to movements in the exchange rate from the time that cover began, recorded in the exchange profit and loss accounts.
- If the accumulated profit or loss of the derivative exceeds that amount, the positive or negative difference is recorded in the equity section as "Accumulated unrealized profit or loss on hedging instruments – foreign currency asset or liability hedging".
- On the date that cover ends, the accumulated result of the derivative instrument used for this type of hedging, which appears in the equity section account "Accumulated unrealized profit or loss on hedging instruments – foreign currency asset or liability hedging" is transferred to the profit and loss accounts for derivatives.

Further, the primary positions hedged are recorded as follows:

- a. The primary position is still recorded at its face value for each date in the same accounts in the balance sheet and profit and loss accounts, with the same methods and dynamics as if the hedging operation had never existed.
- b. From the date on which cover begins with derivative instruments, the present value of the primary position appears in Memorandum Accounts

Derivative instruments designated as hedging instruments are peso/dollar forwards with several maturity profiles. At June 30, 2011 and December 31, 2010 the Bank recorded 54 and 34 forwards as hedging operations respectively.

Although these derivatives cover the exchange risk, they generate volatility in the profit and loss section given the variation in the other associated risk factors such as the dollar/peso curve (interest rate differential). The purpose of the method of accounting derivatives is to isolate the effect of volatility in the profit and loss accounts, caused by variations in risk factors other than exchange risk, recording only income or expense due to exchange re-expression in the profit and loss section and putting the portion of variation in the fair price of exchange caused by other factors (devaluation, the passage of time, etc.) into the equity section of the accounts.

i) Foreclosed assets leasing returned assets, assets not used in the business

The Bank records the adjusted value of foreclosed assets received in payment of unpaid loans in this account.

Real property received in payment is recorded on the basis of a professional market valuation. Movable assets, shares and similar capital interests are recorded at market value.

The following criteria apply to the recording of foreclosed assets:

- The initial value recorded is that specified in the court award or as agreed with debtors.
- If the property received in payment is in an un-saleable condition, its book value is increased by expenses incurred in putting it into a saleable condition.
- If the proceeds of sale leave a balance over and above the value agreed with the debtor, that difference is recorded as an account payable. If the proceeds of sale are insufficient to cover the total debt, the difference is recorded as a provision.

Leasing assets returned are assets recovered from clients who are in default or who do not exercise the purchase option. These assets are not subject to depreciation.

Assets not used in the banking business are assets owned by the Bank but no longer in use. They are depreciated until sold and they form part of the fixed assets for the purposes of Basic Legal Circular Chapter 7 Section 1.2 Title 1.

j) Provision Against Foreclosed Assets, Returned Leasing Assets and Assets Not Used in the Business

Real Property

Individual provisions for real property were made in accordance with the Bank's model, approved by the Superintendency. The model estimates the maximum expected loss on the sale of foreclosed assets, taking account of the history of assets sold in the past, the inclusion of expenses incurred in the receipt, maintenance and sale of those assets and grouping into common categories in order to estimate the basis for provisions. The rate is adjusted monthly until reaching 80.0% of provision, depending on the group:

For assets received less than two years ago and assets received after October 1, 2003: an adjustment function is applied over 48 months until reaching provisions of (80.0%).

Movable Assets

For movable assets, a provision equal to 35.0% of acquisition value is made during the year following receipt and a further 35.0% during the second year to a total of 70.0% of book value before provisions. If after these 2 years no extension is granted, the provision rises to 100.0% of book value. If an extension is granted, the balance of 30.0% of value will be amortized over the life of the extension.

In addition to these rules on provisions foreclosed assets in the form of investment securities must be valued using the criteria in Chapter I of the Basic Accounting and Financial Circular, including classifications as Trading, Available for Sale or Held to Maturity.

Provisions made against foreclosed assets or returned leasing assets may be reversed when the assets are sold for cash, or they are placed in financial leasing operations or as loans. The profits earned from placement in loans or under leasing agreements is deferred over the term agreed for the operation.

Rules on Time Allowed for Sale

Foreclosed assets must be sold within two years of acquisition, but they may be reclassified as fixed assets if they are required for the normal course of business, within the maximum parameter for investments in assets.

The Bank may ask the Superintendency for an extension of time for disposal. The request must be presented prior to the expiry of the initial two years.

The request to the Superintendency must show that due diligence has been exercised in attempting to effect a disposal but that disposal has not been possible. The Superintendency may grant an extension for up to two years from the expiry of the initial term, during which efforts at disposal of these non-productive assets must be continued.

k) Property and Equipment

This account records tangible assets acquired, constructed or in the process of importation or construction and permanently used in the course of the Bank's business whose useful life exceeds one year. Values include direct and indirect costs and expenses incurred up to the time that the asset is in a usable condition.

Additions, improvements and non-routine repairs which significantly prolong the useful life of the assets are capitalized. Payments for routine maintenance and repairs are charged to expense in the period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The annual rates used are:

Buildings	5%
Equipment, furniture and fittings	10%
Computer equipment	20%
Vehicles	20%

The Bank records acquisition cost and other costs incurred in import operations for leasing assets as "property, plant and equipment" even if it has not yet been received.

l) Branches and Agencies

This account records the operations between the Head Office, the Branch and the Agencies and between offices in Colombia and the Agencies abroad.

Balances are reconciled monthly and pending items are adjusted within 30 calendar days.

On the closing date, the Bank reclassifies net balances representing branch and agency transactions, which are then reclassified to asset or liability accounts and the respective income or expense is recorded.

m) Prepaid Expenses and Deferred Charges

Prepaid expenses are payments made in the normal course of business, the benefits of which are recovered over more than one period and are recoverable assuming continuous delivery of services.

Deferred charges are costs and expenses which benefit future periods and cannot be recovered. Amortization is calculated from the date which they contribute to the generation of income.

Accruals and amortizations are made as follows:

Prepaid Expenses

- Interest, during the period prepaid.
- Insurance, over the life of the policy.
- Rent, over the period prepaid.
- Equipment maintenance, over the life of the contract;
- Other prepaid expenses, over the period services are received.

Deferred Charges

- Remodeling charges are amortized over a maximum of two years.
- Software is amortized over a maximum of three years.
- Stationery is amortized as and when consumed.
- Improvements to rented property are amortized over the shorter of the remaining life of the lease not including extensions, and the probable useful life of the improvements.
- Deferred income taxes (debtor) represent timing differences to be amortized in accordance with tax regulations.
- Contributions and affiliations are amortized over the period prepaid.
- Taxes, over the fiscal period prepaid.
- Advertising. Normally amortized over the period; but in the case of product launches or change of image, amortization may be effected over up to three years.
- Other items are amortized over the period in which it is estimated that the expense will be recovered or expected benefits will be realized.

n) Intangibles

As of October 9, 2006, the Bank adopted the provisions of Superintendency Circular 34. With this, the balance of goodwill pending amortization was amortized exponentially over 20 years. At the same time, goodwill was allocated to specific lines of business. These lines are subject to testing for deterioration in which book value including the goodwill for each line of business is

compared with valuation studies prepared annually by independent experts. If there is a loss due to deterioration, the goodwill allocated to that line of business must be amortized for up to the expected value of the loss.

o) Assets pending placement under leasing agreements

This account records new assets acquired by the Bank, pending placement under leasing agreements

p) Trust Rights

This account records the rights arising from the execution of a trust agreement which gives the trustor or beneficiary the opportunity to exercise them in accordance with the trust deed or the law.

The transfer of one or more assets made by the trustor or beneficiary to the trustee must be recorded for accounting purposes at adjusted cost such that delivery makes no profit for the trustor and profits will only come to affect results upon formal sale of the asset(s) in trust to third parties.

q) Valuation gains

- Valuation gains on investments available for sale in capital securities are recorded on the basis of equity variations of the issuer.
- Valuation gains on real property are composed of the difference between net cost of the property and the market valuation provided by independent professional valuers. If a property loses value, a prudent individual provision is made.
- Works of art and culture are valued taking account of their condition, originality, size and technique; and quotations for similar works.

r) Income received in advance

This account records deferred income and income received in advance in the course of business, which is amortized over the period in which they are accrued or services are rendered.

s) Pensions

At June 30, 2011 the Bank applied the provisions of Decree 4565 of December 7, 2010 which changes the method for determining the proportion of the actuarial calculation to be amortized. The annual provision is linear and at December 31, 2029 100.0% of the actuarial calculation will have been amortized; as of that date amortization will be maintained at that level.

At June 30, 2011 the Bank had amortized 88.6% of the actuarial calculation.

Pension payments are charged to the provision.

t) Accruals and Provisions

The Bank records provisions to cover estimated liabilities, where:

- The Bank has acquired a right, and therefore an obligation;
- Payment may be demanded or is probable; and
- The provision is justifiable, quantifiable and verifiable.

This account also records estimates for taxes, contributions and affiliations.

u) Mandatorily Convertible Bonds

Represents the face value of bonds issued by the Bank, giving the right to holders to convert them into Bank shares

Discounts given at the time of issue are charged to subaccount 192037 (Discount in placement of mandatorily convertible bonds) and the premium to subaccount 272010 – Bond placement premium.

v) Foreign Currency Conversion

Operations in currencies other than dollars are converted into dollars and then expressed in Colombian pesos at the average Market Reference Rate (TRM) for the last business day of the month, as published by the Superintendency. At June 30, 2011 the rate was \$1,772.32 (pesos) and at December 31, 2010 the rate was \$1,913.98 (pesos).

w) Recording of Financial Yields and Lease payments

Interest income from loans and leasing operations is recorded by the Bank as and when accrued:

Suspension of accruals

Loans cease to accrue interest, monetary correction, exchange difference and other income when in arrears for more than the following time:

Mode	Arrears over
Commercial	3 meses
Consumer	2 meses
Micro	1 mes

These financial yields are controlled in Memorandum Accounts and are recorded as income only when collected.

Where as a result of a restructuring or other agreement, interest recorded in Memorandum Accounts or balances written off (capital, interest, other items) are to be capitalized, these items are treated as “deferred credits” and they are amortized against earnings in proportion to sums actually received.

Special Rule for Receivables Provision (interest, monetary correction, lease payments, exchange adjustment, other)

When the Bank suspends accruals of yields, monetary correction, exchange adjustment, lease payments and other income from them, a full provision was made for these items accrued and unpaid.

x) Wealth tax

The tax reform of Law 1370 (December 2009) created a wealth tax for the years 2011-2014, payable by corporate entities and individuals at the rate of 6% of net worth at January 1, 2011.

For accounting purposes, the Bank adopted a policy of recording the entire tax liability, payable in eight instalments between 2011 and 2014 against deferred charges, which are being amortized in 48 monthly instalments (Decree 514/2010, supplementing Article 78 of Decree 2649/1993).

At June 30, 2011 the detail of the tax is as follows:

Wealth tax declared	274,253.2
Amortized in the first half of 2011	(34,281.6)
Balance of deferred charges to be amortized	239,971.6

y) Contingent Accounts

These accounts record operations in which the Bank acquires rights or assumes obligations conditioned by possible future events of varying degrees of probability. Contingent debtors include financial yields and the financial component of lease payments as of the time that accruals are suspended, and accruals under the loan or leasing operation are suspended.

These accounts also contain active leasing operations. The current portion consists of lease payments and purchase options due within the next 12 months: lease payments and purchase options due after 12 months are recorded as non-current.

Debtor and creditor contingent accounts also contain securities transferred under a repo or simultaneous operation.

z) Memorandum Accounts

These accounts record third-party operations whose nature does not affect the financial situation of the Bank. They also include tax memorandum accounts which record the figures used in preparing tax returns and memorandum accounts used for internal control or management information.

aa) Net profit per share

At June 30, 2011 and December 31 net earnings per share were calculated on the average number of shares outstanding, from July 1 to December 31, 2010 and January 1 to June 30, 2010, which was 268,332,406 and 238,229,762 shares respectively. Net earnings per share were \$1,888.2 and \$1,650.4 respectively.

3. PRINCIPAL DIFFERENCES BETWEEN SPECIAL REGULATIONS AND ACCOUNTING PRACTICES GENERALLY ACCEPTED IN COLOMBIA

The special regulations of the Superintendency of Banks in some cases depart from accounting practices generally accepted Colombia. Examples are:

Capital Investments Available for Sale

A loss on valuation (a negative difference between book and market value) in low or minimum turnover or unquoted capital investments available for sale, reduces the value of the asset and its corresponding entry in the equity section. The general rules require that a provision be made and expensed. For high- or medium-turnover capital investments available for sale, the updated book value of the asset is reduced along with the accumulated unrealized profit or loss in the equity section.

Property, Plant and Equipment

Generally accepted practice requires that the net value of property plant and equipment whose inflation-adjusted value exceeds 20 SMLM (approximately US\$4,000) at the close should be adjusted to present or market value, recording revaluations or reserves as necessary. The special regulations contain no such requirement.

Share Premium

Special regulations require that share premium be credited to Legal Reserve. Generally-accepted practices assign it to a separate account in the equity section.

4. CASH AND DUE FROM BANKS

The detail of cash and due from Banks in local currency and foreign currency expressed in local currency is the following:

Figures in million COP	June 30	December 31
Local currency:		
Cash	665,960.3	753,921.6
Banco de la República	2,097,784.2	1,386,620.4
Banks and other financial institutions	52,566.1	112,621.3
Clearing	1,520.8	645.5
Remittances in transit	1,762.4	1,779.6
Provision against cash	(46.4)	(96.8)
	<u>2,819,547.4</u>	<u>2,255,491.6</u>
Foreign currency expressed in local currency:		
Cash	2,322.2	880.3
Banco de la República	17.2	29.6
Banks and other financial institutions	167,172.6	283,217.0
Remittances in transit	2,689.0	2,364.0
	<u>172,201.0</u>	<u>286,490.9</u>
	<u>2,991,748.4</u>	<u>2,541,982.5</u>

Provision against cash

The following is the movement of the provision against cash:

Figures in million COP	June 30	December 31
Opening balance	96.8	82.2
Plus: Provision expensed	46.4	31.8
	<u>143.2</u>	<u>114.0</u>
Less		
Recovery of Provision	11.3	17.2
Written off	85.5	-
Closing balance	<u>46.4</u>	<u>96.8</u>

Cash and Banco de la Republica deposits are part of the mandatory cash reserve held on client deposits.

At June 30, 2011 and December 31, 2010, reconciliation items outstanding for more than 30 days totalled \$46.4 and \$96.8, and there were related provisions of \$ 46.5 and \$96.8.

There are no other restrictions on cash

5. MONEY MARKET AND RELATED OPERATIONS: ASSET POSITIONS

The following is the detail of interbank funds sold and reselling commitments

Figures in million COP	June 30		December 31	
	Balances	Rate	Balances	Rate
Local currency interbank funds	32,000.0	4.22%	46,000.0	2.97% *
Foreign currency interbank funds	164,383.5	0.27%	65,634.3	0.28% **
Overnight operations	0.0		19,139.8	0.50% ***
Investment transfer commitments				
Simultaneous operations	75,595.6	4.15%	83,873.0	3.18%
	<u>271,979.1</u>		<u>214,647.1</u>	

* Weighted average local currency rate for operations current at the close.

** Weighted average rate in New York and Miami Agencies for operations current at the close.

*** Weighted average rate for foreign currency operations current at the close.

There are no restrictions on interbank funds sold and reselling commitments.

6. INVESTMENTS

Trading, debt securities

Figures in million COP	June 30	December 31
Sovereign public debt issues or guarantees:		
TES	44,011.8	481,786.9
Bonds: Solidaridad para la Paz	521.2	1,241.9
Bonds: para la Seguridad	0.0	0.7
Debt Reduction issues ^{1/}	95,146.3	116,030.4
CPI-linked issues	0.0	8,726.3
TES-UVR	18,620.1	17,349.8
TES notional bond cover	0.0	18,909.2
	<u>158,299.4</u>	<u>644,045.2</u>
Mortgage loan securitization issues:		
TIPS	<u>33,860.1</u>	<u>49,092.5</u>
Non-mortgage loan securitization issues:		
Patrimonio Autónomo Transmilenio	<u>6,084.6</u>	<u>0.0</u>
Issued, guaranteed, endorsed or accepted by Financial Superintendency supervised institutions:		
Bank acceptances		
Bonds BANCOLDEX	1,747.2	0.0
TERM DEPOSITS	4,007.0	10,082.3
IBR-linked bonds	630.5	5,915.6
CPI-linked bonds	21,371.8	11,150.6

1/ Mandatory investments.

Continues

Figures in million COP	June 30	December 31
Bonds:		
Bonds BANCOLOMBIA	10,852.9	0.0
CMR Falabella S.A.	1,012.2	1,013.5
Patrimonio Autónomo Transmilenio	0.0	8,114.2
	<u>39,621.6</u>	<u>36,276.2</u>
Issued by institutions not supervised by the Superintendency:		
Convertible bonds:		
Datos y Mensajes S.A. ^{2/}	16.6	16.6
CPI-linked bonds Empresas Públicas de Medellín	0.0	16,702.8
	<u>16.6</u>	<u>16,719.4</u>
Issued, endorsed or guaranteed by multilateral lenders:		
Bonds: CAF	0.0	13,636.7
Bonds: CABI	0.0	5,736.1
	<u>0.0</u>	<u>19,372.8</u>
Sovereign external debt issues, endorsements or guarantees:		
Bonds Tesorería General de la Nación in dollars	0.0	5,692.7
Other public debt:		
Bonds:		
CPI-linked bonds ISA	4,269.5	0.0
CPI-linked bonds Empresas Públicas de Medellín	3,161.0	0.0
EEB International Ltd.	56,670.5	10,672.8
TGI International Ltd.	27,933.3	21,747.6
EPM	124,529.7	3,367.4
	<u>216,564.0</u>	<u>35,787.8</u>
Issued, endorsed, guaranteed or accepted by banks abroad:		
BRADESCO	7,187.6	3,947.5
Banco Santander Chile	0.0	3,866.1
	<u>7,187.6</u>	<u>7,813.6</u>
Bonds Pacific Rubials Energy	7,278.0	44,924.4
ECOPETROL	0.0	10,059.1
ENDESA	0.0	14,268.8
	<u>7,278.0</u>	<u>69,252.3</u>
	<u>468,912.0</u>	<u>884,052.5</u>

2. Full provision made.

Held to maturity

Figures in million COP	June 30	December 31
Sovereign internal public debt issues or guarantees:		
Debt Reduction issues	244,721.5	238,028.3
Sovereign external debt issues:		
TES – dollar issues	9,228.1	9,955.4
Issued, endorsed, guaranteed or accepted by Financial Superintendency-supervised institutions:		
Term deposits:		
Financiera de Desarrollo Territorial – FINDETER	122,978.1	122,935.8
Agricultural Development Bonds:		
Class “A” *	381,922.5	353,143.4
Class “B” *	584,472.0	543,421.3
	1,089,372.6	1,019,500.5
Issued, guaranteed or accepted by foreign governments:		
US Treasury bills	9,002.9	9,930.8
	1,352,325.1	1,277,415.0

* Mandatory investments acquired alter September 2, 2002.

Available for sale, debt securities

Figures in million COP	June 30	December 31
Sovereign Internal debt issues or guarantees:		
TES	1,251,429.4	2,286,611.9
TES UVR	351,233.9	312,856.6
	1,602,663.3	2,599,468.5
Mortgage securitization issues:		
TIPS	84,595.6	0.0
Other public debt:		
Bonds:		
EEB International Ltd.	0.0	8,715.5
Ecopetrol	0.0	13,650.9
	0.0	22,366.4
Issued, guaranteed or endorsed by banks abroad:		
Bonds:		
Banco Bradesco	0.0	7,789.3
	0.0	7,789.3
Other securities:		
Bonds:		
Pacific Rubiales Energy	0.0	25,389.7
	0.0	25,389.7
	1,687,258.9	2,655,013.9

Available for sale in capital securities

Name	June 30								
	Capital	% Held	Adjusted cost	Equity value	Valuation gain	Valuation loss	Provision	Accum. unrealized gain	Classif.
Mow/mínimum turnover or unquoted:									
Investments abroad									
Banco de Bogotá S.A.									
Panamá	US\$ 49,395.3	100.00	87,544.3	92,493.8	4,949.4	0.0	0.0	0.0	A
Bogotá Finance Corporation	50.0	100.00	88.6	146.3	57.7	0.0	0.0	0.0	A
Corporación Financiera Centroamericana S.A									
FICENTRO	778.5	49.78	686.8	27.9	0.0	0.0	686.8	0.0	E
Leasing Bogotá S.A. Panamá *	1,648,180.0	100.00	2,925,554.6	3,007,543.3	81,988.7	0.0	0.0	0.0	A
	US\$		3,013,874.3	3,100,211.3	86,995.9	0.0	686.8	0.0	
Investments in Colombia									
Almacenes Generales de Depósito ALMAVIVA S.A.	\$ 349.3	94.92	29,741.2	133,574.4	103,833.2	0.0	0.0	0.0	A
Fiduciaria Bogotá S.A.	20,276.7	94.99	80,566.7	118,369.7	37,803.0	0.0	0.0	0.0	A
A Toda Hora S.A.	333.3	20.00	264.2	1,324.0	1,059.8	0.0	0.0	0.0	A
Casa de Bolsa S.A.	15,223.0	22.79	3,939.6	5,822.6	1,883.0	0.0	0.0	0.0	A
Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A.	71,454.6	35.28	175,374.6	249,211.1	73,836.5	0.0	0.0	0.0	A
ACH Colombia S.A.	6,594.8	11.91	1,138.5	2,194.1	1,055.6	0.0	0.0	0.0	A
Pizano S.A.	648.0	16.85	11,591.6	36,344.8	24,753.2	0.0	0.0	0.0	A
Deceval S.A. Depósito Centralizado de Valores de Colombia	12,050.9	1.61	553.5	873.9	320.4	0.0	0.0	0.0	A
Cámara de Compensación de Currency	2,500.0	3.19	79.7	83.2	3.5	0.0	15.9	0.0	B
Megalínea	110.8	94.90	1,475.9	1,592.8	116.9	0.0	0.0	0.0	A
Redebán Multicolor S.A.	10,119.5	2.44	965.5	1,519.6	554.1	0.0	0.0	0.0	A
Cámara de Riesgo Central de Contraparte S.A.	34,000.0	1.08	456.4	344.0	0.0	112.3	0.0	0.0	A
Gestión y Contacto	800.3	2.04	76.9	110.3	33.4	0.0	0.0	0.0	A
			306,224.3	551,364.6	245,252.5	112.3	15.9	0.0	
High Exchange turnover or unlisted:									
Corporación Financiera Colombiana S.A.	1,863.1	37.50	2,375,582.1	2,375,582.1	0.0	0.0	0.0	1,687,501.2	A
	\$		5,695,680.7	6,027,158.0	332,248.4	112.3	702.7	1,687,501.2	

* On December 9, 2010 Leasing Bogotá S.A. Panamá, was capitalized in order to acquire the BAC CREDOMATIC financial group. New capital totalled US\$ 1,642,999,985.

Name	December 31								
	Capital	% Held	Adjusted cost	Equity value	Valuation gain	Valuation loss	Provision	Accum. unrealized gain	Classif.
Low/minimum turnover or unquoted:									
Investments abroad									
Banco de Bogotá S.A.									
Panamá	US\$ 49,395.3	100.00	94,541.7	103,208.3	8,666.7	0.0	0.0	0.0	A
Bogotá Finance Corporation	50.0	100.00	95.7	157.3	61.6	0.0	0.0	0.0	A
Corporación Financiera Centroamericana S.A. FICENTRO	778.5	49.78	741.7	30.0	0.0	0.0	741.7	0.0	E
Leasing Bogotá S.A. Panama *	1,648,180.0	100.00	3,159,391.5	3,158,766.0	0.0	625.6	0.0	0.0	A
	US\$		3,254,770.6	3,262,161.6	8,728.3	625.6	741.7	0.0	
Investments in Colombia									
Almacenes Generales de Depósito ALMAVIVA S.A.	\$ 349.3	94.92	29,741.2	131,702.3	101,961.1	0.0	0.0	0.0	A
Fiduciaria Bogotá S.A.	20,277.0	94.99	80,566.7	120,154.6	39,587.9	0.0	0.0	0.0	A
A Toda Hora S.A.	333.0	20.00	264.2	1,254.6	990.4	0.0	0.0	0.0	A
Casa de Bolsa S.A.	15,223.0	22.79	3,939.6	6,386.1	2,446.5	0.0	0.0	0.0	A
Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A.	68,921.9	35.28	156,969.2	221,194.0	64,224.7	0.0	0.0	0.0	A
ACH Colombia S.A.	6,595.0	11.91	1,138.5	2,633.4	1,494.9	0.0	0.0	0.0	A
Pizano S.A.	648.0	16.85	11,591.6	35,096.3	23,504.7	0.0	0.0	0.0	A
Deceval S.A. Depósito Centralizado de Valores de Colombia	12,051.0	1.61	553.5	1,102.4	548.7	0.0	0.0	0.0	A
Cámara de Compensación de Divisas	2,500.0	3.19	79.7	82.2	2.5	0.0	15.9		B
Megalínea	110.8	94.90	1,475.9	1,552.9	77.1	0.0	0.0	0.0	A
Redebán Multicolor S.A.	10,119.5	2.44	965.5	1,617.6	652.1	0.0	0.0	0.0	A
Cámara de Riesgo Central de Contraparte S.A.	34,000.0	1.08	366.7	273.4	0.0	93.2	0.0	0.0	A
Gestión y Contacto	800.3	2.04	30.7	78.7	47.9	0.0	0.0	0.0	A
			287,683.0	523,128.5	235,538.5	93.2	15.9	0.0	
High-turnover or unquoted:									
Corporación Financiera Colombiana S.A.	1,808.2	37.50	2,327,339.8	2,327,339.8	0.0	0.0	0.0	1,711,391.5	A
Other Títulos									
VISA INC CLASE A - C			9,259.4	9,259.4	0.0	0.0	0.0	3,632.7	A
	\$		5,879,052.8	6,121,889.3	244,266.8	718.8	757.6	1,715,024.2	

At June 30, 2011 and December 31, 2010, the valuation of low exchange turnover shares was effected on an equity basis, using certificates issued by the Statutory Auditor, Accountant or Legal Representative, dated no earlier than March 31, 2011 and October 31, 2010 respectively

Transfer rights for investments available for sale in debt securities

The detail of investment repurchase rights is the following:

Figures in million COP	June 30	December 31
Available for sale in debt securities		
Sovereign internal public debt issues or guarantees:		
TES	1,460,886.5	121,275.2
TES-UVR	24,642.7	0.0
	<u>1,485,529.2</u>	<u>121,275.2</u>
Investments delivered in guarantee		
Available for sale in debt securities		
Internal public debt issues or guarantees:		
TES	<u>29,798.8</u>	<u>18,909.2</u>

At June 30, 2011, the Bank evaluated all debt securities held except sovereign issues and guarantees, issues of Banco de la Republica and FOGAFIN issues and guarantees. All were found to be "A" – Normal Risk except for the convertible bonds of Datos y Mensajes S.A., classed as "E" – unrecoverable.

There are no legal or economic restrictions on investments except for repurchase rights and securities delivered in guarantee to counterparts in liability repo operations and to the CRCC, respectively.

Investment maturities

Figures in million COP	June 30						Total
	0-30 days	31-60 days	61-90 days	91-180 days	181-360 days	Over 360 days	
Trading investments, debt securities	7,820.0	4,162.5	4,210.0	22,619.0	52,564.2	377,536.3	468,912.0
Held to maturity	198,417.0	31,268.1	0.0	243,952.0	536,145.2	342,542.7	1,352,325.1
Available for sale, debt securities *	0.0	0.0	0.0	0.0	0.0	3,202,587.0	3,202,587.0
Available for sale, capital securities	0.0	0.0	0.0	0.0	0.0	5,695,680.8	5,695,680.8
	<u>206,237.0</u>	<u>35,430.6</u>	<u>4,210.0</u>	<u>266,571.0</u>	<u>588,709.4</u>	<u>9,618,346.8</u>	<u>10,719,504.8</u>

Figures in million COP	December 31						Total
	0-30 days	31-60 days	61-90 days	91-180 days	181-360 days	Over 360 days	
Trading investments, debt securities	5,219.5	4,362.1	4,369.5	22,426.7	31,965.5	815,709.1	902,109.6
Held to maturity	192,317.2	346.2	0.0	268,483.1	470,482.2	345,786.3	1,545,897.1
Available for sale, debt securities *	0.0	0.0	0.0	0.0	0.0	2,795,198.3	2,795,198.3
Available for sale, capital securities	0.0	0.0	0.0	0.0	0.0	5,879,052.9	5,879,052.9
	<u>197,536.7</u>	<u>4,708.3</u>	<u>4,369.5</u>	<u>290,909.8</u>	<u>502,447.7</u>	<u>9,835,746.6</u>	<u>10,835,718.6</u>

* Includes securities recorded as repurchase rights and as delivered in guarantee forming part of the portfolio of investments available for sale in Debt securities.

Provision against investments

The following is the detail of the movement of the provision against investments:

Figures in million COP	June 30	December 31
Opening balance	774.2	773.9
Plus: Provision expensed	26.8	51.0
Less: Recoveries of investment	81.7	50.7
Closing balance	719.3	774.2

Qualitative information

Objectives

The Bank Treasury follows policies and limits set by the Directors and local regulations, seeking to maximize the relations between risk and return on treasury portfolio, optimize risk-return ratios on portfolios managed, maximize relationships with clients and take advantage of opportunities detected in the markets where the Bank operates.

There is permanent follow-up of internal and external economic factors under the monitoring and control of the Risks Units, in order to ensure that Treasury objectives are achieved.

Markets in which the Bank's Treasury operates

- Internal public debt
- Private debt
- Public and private fixed-yield, foreign currency
- Currency
- OTC derivatives
- Standardized derivatives
- Money market

Risk philosophy:

The Directors and Senior Management of the investment and risks area, supported by a range of tools, with well-defined processes and qualified staff secure appropriate management of risks to which the Bank is exposed.

Further, permanent follow-up of risk limits and Treasury business results and constant coordination and effective investment decision-making has meant that strategies are implemented within the approved budget and in accordance with the general policy to manage the Bank's assets and liabilities.

Strategy

After a fairly optimistic beginning to the year, markets began to lose traction as they began to see that economic showing a less robust performance, and a more complex sovereign debt situation in Europe. At the same time, higher commodity prices pushed inflation up in most countries, and had a negative effect on economic performance. In particular, the United States economy slowed down along the year, after having started with some vigour and, while total inflation rose moderately. Even so, high installed capacity and housing and employment helps to the pressure on prices down, and with it, the underlying inflation rate. In this context, the Federal Reserve completed its

Quantitative Easing programme as planned; but the expected rise in rates was put off, and there is perhaps the general feeling that there will be no movement before 2012. Further, there was an even growth between countries in Europe, with Germany leading the dynamics of the economy, and the peripheral characters reporting weak performance. As in the rest of the world, inflation began to rise, and in this case encourages the European Central Bank to raise its rates. These adjustments supported the performance of the euro, which gained ground against the dollar despite the situation in Europe as a whole. Finally, in the emerging countries, central banks continued or began interest rate adjustment cycles, as and when economic growth started back on an upward path, and inflation began to rise in most countries. Along with the interest rate adjustment, central banks also introduced a number of exchange measures, in order to reduce the tendency of the characters to appreciate against the dollar.

Markets-fixed yield

Treasury activity in the first half of 2011 continued to be focused on time deposits for 18 months-three years, mainly in the form of IBR-indexed securities, where there was a noticeably greater appetite in the market, given the monthly repricing of the securities in this category.

In the money market, activity was steady, with recourse to the central banks expansion window as the main tool, given the high liquidity of the market which concentrated on TES in accounts with the central bank, in advance of coupon and principal payments of May 2011-dated TES.

In the first half of 2000, there was a continuous and strong demand for foreign currency investments, and consequently, there was an increased use of correspondent and multilateral credit lines, exploring new possibilities of funding with development plans, which are still in the process of study and approval.

The Treasury continued to increase its internal public debt positions, principally in the portfolio of investments available for sale, following Board directives.

The fixed-yield portfolios were managed together with hedging operations such as emotional bond futures, short sales, and forwards with delivery for TES.

In Banco de Bogota Colombia, the foreign currency investment portfolio continued to contract, taking fewer than straights. There were no new investments, since the proceeds of returns on dollar investments plus the implied devaluation of hedging operations offered very low returns.

In the agencies outside Colombia, some dollar positions were liquidated, taking advantage of lower interest rates. Positions were taken in Colombian corporate bonds payable in dollars and denominated in pesos which, together with the hedging operations, generated high yields.

Currency and derivatives

As part of the role of the Treasury, the Currency and Derivatives Desk works hand-in-hand with the commercial function, offering its products to all segments, and supporting work with training and accompaniment, and innovating and renewing products in order to add value for customers.

Further, the Currency and Derivatives Desk is responsible for exchange cover of dollar assets, represented in the investment in subsidiaries abroad. So, since the beginning of the end of 2010, the bank implemented a special accounting treatment for hedging operations designed to cover exchange exposure which the agencies and affiliates abroad are present for the balance sheet.

Banco de Bogota undertakes derivatives operations to cover asset and liability risks on its balance sheet, and for intermediation with customers. Likewise, it undertakes operations to capitalise on opportunities for interest rate or exchange-rate arbitrage in local and foreign markets.

Derivatives portfolios are combinations of types of basic contract such as forwards, option for swaps, in which the original risk is covered by money market instruments or another type of derivative. For example, an exchange rate option contract generates exposure to factors such as exchange rates and interest rates at home and abroad, and these are covered with forward operations and money market interest instruments, and for other factors such as the volatility of the exchange rate, which can only be covered with option contracts.

The Bank has risk management policies and procedures which are generated by dealings in this type operation, with a defined framework of action in which business may be done.

In this way, maximum exposure to market risk or value at risk is defined for each operation and type of risk associated with each of the instruments forming various portfolios (sensitivities or effects on the portfolio value as a consequence of interest rate or other factor movements-impact on variations in fair price of exchange, and specific risk factors: interest rate (Rho), exchange rate (Delta), and volatility (Vega).

In addition, credit risk is a fundamental aspect considered when dealing in financial derivatives, and therefore models being developed to calculate credit exposure taking account of the potential future exposure of operations.

The result of the portfolio management strategy is evaluated by comparing the sources of revenue against sources of risk for each portfolio, in order to determine whether the profits are derived from the taking of positions (on exchange rates of interest rates), on the activities of intermediation, or on structure of portfolios (the passage of time).

Quantitative Information

Composition of Treasury Portfolios

Figures in million COP	June 30		
	Average balance January / June	Balance	Net income January / June
Financial investments			
Local currency:			
Trading:			
Trading And notional bond	287,470.4	164,669.5	12,339.5
Mandatory	104,887.0	95,667.5	3,149.7
Available for sale:			
Position	3,149,587.4	3,202,586.9	111,641.9
Held to maturity:			
Position Mandatory	1,289,698.0	1,334,094.1	12,747.5
Total Local currency	4,831,642.8	4,797,018.0	139,878.6
Foreign currency:			
Trading, foreign currency			
Market position			
Bond Dolares Corporate	0.0	0.0	131.5
Held to maturity			
Yankee bonds	9,332.7	9,228.1	(61.5)
Available for sale	0.0	0.0	(267.6)
Total Foreign currency	9,332.7	9,228.1	(197.5)

Continues

Figures in million COP	June 30		
	Average balance January / June	Balance	Net income January / June
Agencies:			
Investments Banco de Bogotá New York Agency	109,394.1	126,727.2	4,636.3
Investments Banco de Bogotá Miami Agency	81,811.2	90,850.2	11,203.0
	191,205.3	217,577.4	15,839.3

Quantitative Information

Composition of Treasury Portfolios

Figures in million COP	December 31		
	Average balance July / December	Balance	Net income July / December
Financial investments			
Local currency:			
Trading:			
Trading and noptional bond	285,122.1	526,772.2	9,019.4
Securities position	94,544.7	145,537.4	3,139.6
Mandatory	95,180.5	83,866.2	107.9
Available for sale:			
Position	2,488,899.1	2,739,652.9	127,879.4
Held to maturity:			
Mandatory Position	1,229,511.3	1,257,528.7	5,658.1
Total Local currency	4,193,257.7	4,753,357.4	145,804.4
Foreign currency:			
Trading, foreign currency			
Market position			
Corporate dollar bonds	36,236.1	16,406.0	4,679.9
Purchase/sale commitments	4,267.4	0.0	(0.0)
Yankee bonds	533.6	0.0	73.4
Held to maturity			
Yankee bonds	9,437.1	9,955.4	487.9
Available for sale	80,770.8	35,470.1	20,911.4
Total Foreign currency	131,245.0	61,831.5	26,152.6
Agencies:			
Investments Banco de Bogotá New York	101,860.0	95,228.0	4,341.0
Investments Banco de Bogotá Miami	70,522.0	44,823.0	2,329.0
	172,382.0	140,051.0	6,670.0
Other Treasury Portfolios			
Currency	2,605.8	7,622.5	9,774.0
Forwards			
Purchase contracts	3,276,964.1	2,543,517.4	125,518.1
Sale contracts	4,873,812.2	3,119,149.4	(132,947.2)
	8,150,776.3	5,662,666.8	(7,429.1)

Continues

Figures in million COP	December 31		
	Average balance July / December	Balance	Net income July / December
Swaps			
Currency	691,703.6	729,190.3	2,768.9
Interest rates	784,977.8	987,300.6	691.2
	<u>1,476,681.4</u>	<u>1,716,490.9</u>	<u>3,460.1</u>
Options			
Rights	253,016.1	295,049.6	(1,257.0)
Obligations	(248,182.3)	(270,562.1)	0.0
	<u>4,833.8</u>	<u>24,487.5</u>	<u>(1,257.0)</u>
Exchange rate futures- purchases	<u>0.0</u>	<u>0.0</u>	<u>(1,946.6)</u>
Exchange rate futures - sales	<u>0.0</u>	<u>0.0</u>	<u>(3,304.9)</u>
Securities purchases futures	<u>33,069.6</u>	<u>0.0</u>	<u>63.9</u>
Securities sales futures	<u>45,403.0</u>	<u>0.0</u>	<u>2,238.7</u>

NOTE: Banco de Bogotá engages in derivatives for speculation and as a line of business. Figures for averages and income given here valuation of derivative instruments and do not include primary positions hedged or the money market instruments used in the various lines of business.

Maximum, minimum and average portfolio values

Figures in million COP	June 30 Trading investments				
	Position	Mandatory	Trading US\$ Global	Trading Nacional	
Average Balance	115,282.8	72,704.3	394.9	219,510.8	19,204.9
Maximum Balance	130,043.5	81,317.0	1,587.7	556,989.1	44,979.9
Minimum	110,512.4	63,584.9	0.0	80,099.0	2,417.9

Figures in million COP	Investments held to maturity				
	Position	Mandatory	Trading US\$	Trading Nacional	
Average Balance	0.0	1,291,774.1	9,381.4	0.0	
Maximum Balance	0.0	1,333,701.7	9,611.7	0.0	
Minimum	0.0	1,259,590.8	9,211.4	0.0	

Figures in million COP	Investments available for sale in debt securities			
	Position	Mandatory	Trading US\$	
Average Balance	2,339,354.1	826,622.7	9,630.5	
Maximum Balance	2,417,313.9	938,212.4	34,678.1	
Minimum	2,250,228.1	554,294.4	0.0	

	Currency	Forwards	Swaps	Options	
Average balance	US\$	1,489.4	(389,909.6)	1,745,586.8	36,877.8
Maximum balance		3,589.4	(258,885.8)	1,788,788.5	24,283.8
Minimum balance		500.4	(638,920.1)	1,687,719.7	10,131.3

Maximum, minimum and average portfolio values

Figures in million COP	December 31 Trading investments			
	Position	Mandatory	Trading US\$	Trading Nacional
Average balance	285,122.1	94,544.7	95,180.5	36,769.6
Maximum balance	508,212.1	142,952.9	105,357.0	116,441.3
Minimum balance	121,249.4	77,736.5	85,413.5	10,608.7

Figures in million COP	Investments held to maturity			
	Position	Mandatory	Trading US\$	Trading Nacional
Average balance	0.0	1,229,511.3	9,437.1	0.0
Maximum balance	0.0	1,257,260.7	9,954.7	0.0
Minimum balance	0.0	1,185,003.1	9,116.2	0.0

Figures in million COP	Investments available for sale in debt securities	
	Position	Bonds
Average balance	2,455,786.6	33,112.5
Maximum balance	2,652,715.6	36,799.1
Minimum balance	2,201,308.7	18,893.0

	Currency	Forwards	Swaps	Options	
Average balance	US\$	2,605.8	(1,596,848.1)	1,476,681.4	4,833.8
Maximum balance		7,622.5	(6,166,838.8)	988,819.0	24,487.5
Minimum balance		1,008.7	(315,455.6)	758,240.0	312.6

The following are the values at risk for financial instruments contained in the Treasury portfolio at June 30, 2011 and December 31, 2010. Taken from Form 381 "Evaluation of interest rate risk", Form 383 "Offset and total risk for interest rates. Form 384 "Evaluation of share price risk" and Form 385 "Evaluation of exchange rate risk". These are calculated with an evaluation of the effect of probable movements in market curves on financial assets in portfolios managed by the Bank's Treasury.

Exposure levels

Important portfolios

Figures in million COP	June 30	December 31
Interest rate	319,205.6	307,329.9
Pesos	276,719.5	262,779.3
Foreign currency	10,203.1	4,230.5
UVR	32,283.0	40,320.1
Exchange rates	14,820.8	2,194.7
Share prices	239.3	1,475.2
Total value at risk	334,265.8	310,999.8

7. LOANS AND FINANCIAL LEASING OPERATIONS

The following is the detail of loans by mode:

Figures in million COP	June 30	December 31
Ordinary loans	21,092,962.2	18,842,084.4
Loans with third party funding	878,438.7	906,152.1
Non-recourse factoring	106,386.6	119,038.2
Letter of credit covered	155,080.9	97,338.7
Overdrafts	216,592.8	107,412.4
Discounts	128,132.6	127,348.9
Credit cards	987,604.9	925,878.8
Advance sale of export proceeds	180,959.5	282,026.4
Loans to SMEs	190,751.4	178,316.6
Microloans	206,449.1	198,479.2
Home mortgages	18,936.5	18,954.8
Reimbursable foreign loans	425.7	216.8
Real estate leasing	172,072.7	114,660.1
Leasing of movable assets	390,587.2	229,836.3
	24,725,380.8	22,147,743.7

The following is the detail of loans by economic sector:

Figures in million COP	June 30					% Share
	Sector	Commercial	Consumer	Micro	Mortgage	
Coffee	64,277.1	4,110.3	1,113.7	0.0	69,501.1	0.28
Cattle-breeding	86,112.1	28,303.1	1,299.5	0.0	115,714.7	0.47
Agriculture	683,316.8	48,266.6	2,790.3	0.0	734,373.7	2.97
Mining	1,107,681.2	2,371.2	22.3	0.0	1,110,074.7	4.49
Mineral extractiones	88,142.7	1,030.1	29.0	0.0	89,201.8	0.36
Food	931,601.9	11,037.2	4,540.1	0.0	947,179.2	3.83
Beverages and tobacco	162,718.9	665.8	104.3	0.0	163,489.0	0.66

Continues

Figures in million COP Sector	June 30					% Share
	Commercial	Consumer	Micro	Mortgage	Total	
Textiles	496,533.7	15,301.5	3,366.3	0.0	515,201.5	2.08
Paper	224,155.1	7,120.1	943.2	0.0	232,218.4	0.94
Chemicals	755,915.4	3,056.4	579.8	0.0	759,551.6	3.07
Oil	94,928.4	320.4	1.9	0.0	95,250.7	0.39
Mfr. non-metal minerals prod	320,214.3	1,007.4	385.9	0.0	321,607.6	1.30
Mfr. metal products	764,471.1	6,483.1	657.9	0.0	771,612.1	3.12
Mfr. of machinery	177,084.2	2,190.3	249.3	0.0	179,523.8	0.73
Mfr. of transport material	84,200.6	1,079.5	73.3	0.0	85,353.4	0.35
Manufacturing	138,606.7	9,926.5	2,148.9	0.0	150,682.1	0.61
Electricity, gas and water	1,051,474.9	382.0	25.6	0.0	1,051,882.5	4.25
Construction	1,351,178.2	30,070.0	1,292.1	0.0	1,382,540.3	5.59
Vehicles	383,141.5	18,119.0	2,966.6	0.0	404,227.1	1.63
Commerce	3,199,654.5	246,005.4	125,918.4	0.0	3,571,578.3	14.44
Hotels	90,238.9	23,846.1	8,546.5	0.0	122,631.5	0.50
Transport and communications	1,547,357.9	117,091.0	7,133.3	0.0	1,671,582.3	6.76
Services	3,626,607.2	139,546.7	7,047.4	0.0	3,773,201.3	15.26
Public administration	937,167.4	1,024.9	4.2	0.0	938,196.5	3.79
Health and education	905,469.6	36,517.8	1,869.1	0.0	943,856.5	3.82
Home mortgages	0.0	0.0	0.0	18,936.5	18,936.5	0.08
Other family	416,921.5	3,460,784.7	29,805.7	0.0	3,907,511.9	15.80
Other	297,255.3	297,911.0	3,534.4	0.0	598,700.7	2.42
	19,986,427.1	4,513,568.1	206,449.1	18,936.5	24,725,380.8	100.0

The following is the detail of leasing operations by economic sector

Figures in million COP Sector	June 30			
	Commercial	Consumer	Total	% Share
Coffee	164.0	0.0	164.0	0.0
Cattle-breeding	1,143.2	298.2	1,441.4	0.3
Agriculture	14,104.3	506.0	14,610.3	2.6
Mining	27,482.0	0.0	27,482.0	4.9
Mineral extractiones	2,532.4	0.0	2,532.4	0.5
Food	16,201.0	52.5	16,253.5	2.9
Beverages and tobacco	142.3	0.0	142.3	0.0
Textiles	20,204.6	87.7	20,292.3	3.6
Paper	11,682.4	112.7	11,795.1	2.1
Chemicals	15,712.9	72.6	15,785.5	2.8
Oil	1,334.0	0.0	1,334.0	0.2
Mfr. non-metal minerals prod	1,683.9	0.0	1,683.9	0.3
Mfr. metal products	26,451.0	151.1	26,602.1	4.7
Mfr. of machinery	6,781.1	0.0	6,781.1	1.2
Mfr. of transport material	1,386.0	0.0	1,386.0	0.2
Manufacturing	5,912.4	41.1	5,953.5	1.1
Electricity, gas and water	7,732.3	0.0	7,732.3	1.4

Continues

June 30				
Figures in million COP				
Sector	Commercial	Consumer	Total	% Share
Construction	106,610.8	398.3	107,009.1	19.0
Vehicles	13,372.3	105.2	13,477.5	2.4
Commerce	70,239.2	1,885.4	72,124.6	12.8
Hotels	668.3	87.0	755.3	0.1
Transport and communications	63,192.4	842.3	64,034.7	11.4
Services	72,666.1	2,412.1	75,078.2	13.3
Public administration	3,999.5	0.0	3,999.5	0.7
Health and education	25,140.7	815.5	25,956.2	4.6
Other family	15,897.2	5,391.0	21,288.2	3.8
Other	15,764.8	1,200.1	16,964.9	3.0
	548,201.1	14,458.9	562,659.9	100.0

The following is the detail of loans by economic sector:

December 31						
Figures in million COP						
Sector	Commercial	Consumer	Micro	Mortgage	Total	% Share
Coffee	59,180.0	34,870.6	1,302.7	0.0	95,353.3	0.43
Cattle-breeding	92,501.5	21,168.6	1,268.5	0.0	114,938.6	0.52
Agriculture	615,317.6	36,444.7	2,777.3	0.0	654,539.6	2.96
Mining	989,875.6	2,133.2	18.3	0.0	992,027.0	4.48
Mineral extractiones	30,787.2	872.1	10.1	0.0	31,669.4	0.14
Food	821,324.8	9,317.8	3,355.0	0.0	833,997.6	3.77
Beverages and tobacco	177,464.3	473.8	102.7	0.0	178,040.8	0.80
Textiles	493,184.8	10,808.5	2,389.3	0.0	506,382.6	2.29
Paper	249,712.4	5,484.3	935.1	0.0	256,131.8	1.16
Chemicals	748,020.6	2,499.8	504.0	0.0	751,024.4	3.39
Oil	60,015.2	291.9	0.0	0.0	60,307.1	0.27
Mfr. non-metal minerals prod	207,947.1	567.3	343.2	0.0	208,857.6	0.94
Mfr. metal products	739,916.2	3,464.9	657.6	0.0	744,038.7	3.36
Mfr. of machinery	245,330.8	2,266.0	339.5	0.0	247,936.3	1.12
Mfr. of transport material	135,540.2	6,283.2	1,307.9	0.0	143,131.3	0.65
Manufacturing	1,051,438.3	270.5	28.3	0.0	1,051,737.1	4.75
Electricity, gas and water	930,671.0	19,800.3	949.2	0.0	951,420.5	4.30
Construction	327,933.0	13,120.5	2,463.1	0.0	343,516.6	1.55
Vehicles	3,130,986.8	193,125.0	128,600.0	0.0	3,452,711.8	15.59
Commerce	79,130.2	17,817.2	5,405.8	0.0	102,353.2	0.46
Hotels	1,483,078.9	93,500.0	5,271.9	0.0	1,581,850.8	7.14
Transport and communications	2,837,887.4	89,226.5	7,105.2	0.0	2,934,219.1	13.25
Services	823,083.2	388.3	6.1	0.0	823,477.6	3.72
Public administration	819,939.3	24,400.9	1,453.1	0.0	845,793.3	3.82
Health and education	0.0	0.0	0.0	18,954.8	18,954.8	0.09
Home mortgages	378,034.5	3,264,161.9	29,132.1	0.0	3,671,328.5	16.58
Other family	0.0	0.0	0.0	0.0	0.0	0.00
Other	478,192.2	71,058.9	2,753.1	0.0	552,004.2	2.49
	18,006,493.1	3,923,816.7	198,479.1	18,954.8	22,147,743.7	100.0

The following is the detail of leasing operations by economic sector:

Sector	December 31			
	Commercial	Consumer	Total	% Share
Coffee	565.1	46.7	611.8	0.18
Cattle-breeding	173.1	50.4	223.5	0.06
Agriculture	3,544.6	213.8	3,758.4	1.09
Mining	16,763.2	0.0	16,763.2	4.87
Mineral extractiones	324.6	0.0	324.6	0.09
Food	15,502.7	57.3	15,560.0	4.52
Beverages and tobacco	179.7	0.0	179.7	0.05
Textiles	20,481.0	0.0	20,481.0	5.95
Paper	10,826.5	221.1	11,047.6	3.21
Chemicals	11,602.7	29.0	11,631.7	3.38
Oil	1,510.2	0.0	1,510.2	0.44
Mfr. non-metal minerals prod	907.4	0.0	907.4	0.26
Mfr. metal products	16,728.1	103.9	16,832.0	4.89
Mfr. of machinery	5,648.0	0.0	5,648.0	1.64
Mfr. of transport material	871.0	0.0	871.0	0.25
Manufacturing	5,287.7	0.0	5,287.7	1.53
Electricity, gas and water	5,015.2	0.0	5,015.2	1.46
Construction	39,843.0	278.3	40,121.3	11.65
Vehicles	11,444.5	53.5	11,498.0	3.34
Commerce	36,510.7	1,105.1	37,615.8	10.92
Hotels	585.2	45.9	631.1	0.18
Transport and communications	34,554.2	488.4	35,042.6	10.17
Services	66,261.5	966.4	67,227.9	19.51
Public administration	4,723.2	0.0	4,723.2	1.37
Health and education	17,734.4	169.4	17,903.8	5.20
Home mortgages	0.0	0.0	0.0	0.00
Other family	6,720.4	3,523.7	10,244.1	2.97
Other	2,300.8	534.8	2,835.6	0.82
	336,608.7	7,887.7	344,496.4	100.0

At June 30, 2011 and December 31, 2010, the Bank evaluated all loans, interest and other items.

The detail of loan classification is the following:

	June 30						
	Capital	Interest	Other items ^{1/}	Total	Provisions ^{2/}		Garantia Secured
					Capital	Interest and other	
SECURED:							
Commercial							
A - Normal	5,268,910.5	26,903.2	129.6	5,295,943.3	72,160.7	444.8	6,967,702.6
B - Acceptable	213,810.8	1,850.1	18.5	215,679.4	5,391.3	44.4	225,565.9
C - Appreciable	126,387.6	762.9	6.2	127,156.7	7,734.4	31.6	145,660.7
D - Significant	49,607.1	84.6	12.2	49,703.9	19,668.5	43.6	55,815.0
E - Unrecoverable	17,533.3	0.2	0.0	17,533.5	20,446.6	0.2	18,533.2
	5,676,249.3	29,601.0	166.5	5,706,016.8	125,401.5	564.6	7,413,277.4

1/ Other items includes: Payments for customer account, fees, commissions, staff advances and sundry receivables.

2/ At June 30, 2011 and December 31, 2010, loans include for capital and interest of \$15,904.7 and \$16,392.9 no provision is required, these items being recorded as defered income.

Continues

June 30							
Figures in million COP							
	Capital	Interest	Other items ^{1/}	Total	Provisions ^{2/}		Garantia Secured
					Capital	Interest and other	
Consumer							
A - Normal	675,876.9	5,996.5	151.5	682,024.9	10,125.0	89.4	1,230,340.6
B - Acceptable	7,382.0	121.5	19.2	7,522.7	359.3	6.0	10,115.2
C - Appreciable	5,050.3	17.7	2.1	5,070.1	769.6	3.2	7,034.7
D - Significant	12,264.1	17.0	1.7	12,282.8	6,826.1	8.5	16,084.2
E - Unrecoverable	1,020.8	0.0	0.0	1,020.8	1,020.8	0.0	1,658.8
	701,594.1	6,152.7	174.5	707,921.3	19,100.8	107.1	1,265,233.5
Micro							
A - Normal	53,036.8	201.2	0.7	53,238.7	530.4	2.0	73,742.9
B - Acceptable	628.9	0.0	0.0	628.9	20.1	0.0	656.4
C - Appreciable	381.9	0.0	0.0	381.9	76.4	0.0	381.9
D - Significant	379.8	0.0	0.0	379.8	189.9	0.0	393.5
E - Unrecoverable	2,126.0	0.0	0.0	2,126.0	2,126.0	0.0	2,147.9
	56,553.4	201.2	0.7	56,755.3	2,942.8	2.0	77,322.6
UNSECURED:							
Commercial							
A - Normal	13,247,789.8	115,076.8	58,401.5	13,421,268.1	206,404.4	3,591.2	0.0
B - Acceptable	654,341.2	9,684.2	198.0	664,223.4	31,021.1	971.5	0.0
C - Appreciable	199,469.5	15,023.8	407.7	214,901.0	43,023.2	5,741.2	0.0
D - Significant	122,100.9	7,852.5	2,947.7	132,901.1	85,066.4	9,923.8	0.0
E - Unrecoverable	86,476.4	4,550.8	6,532.2	97,559.4	80,262.0	10,506.0	0.0
	14,310,177.8	152,188.1	68,487.1	14,530,853.0	445,777.1	30,733.7	0.0
Consumer							
A - Normal	3,593,964.0	42,284.9	7,995.3	3,644,244.2	92,741.2	2,354.3	0.0
B - Acceptable	54,323.0	1,240.3	237.5	55,800.8	5,792.2	564.9	0.0
C - Appreciable	40,632.4	958.7	248.8	41,839.9	6,540.3	904.4	0.0
D - Significant	111,530.7	3,730.0	1,500.4	116,761.1	82,464.6	5,143.8	0.0
E - Unrecoverable	11,523.9	431.2	26,000.5	37,955.6	11,536.5	26,148.3	0.0
	3,811,974.0	48,645.0	35,982.5	3,896,601.6	199,074.9	35,115.7	0.0
Micro							
A - Normal	142,865.9	3,333.9	270.9	146,470.7	1,428.7	192.8	0.0
B - Acceptable	1,491.7	50.1	15.4	1,557.2	47.7	65.5	0.0
C - Appreciable	787.9	35.1	10.7	833.7	157.6	45.8	0.0
D - Significant	727.8	30.7	13.2	771.7	363.9	43.9	0.0
E - Unrecoverable	4,022.4	433.1	177.9	4,633.4	4,021.4	609.1	0.0
	149,895.7	3,882.9	488.1	154,266.7	6,019.3	957.1	0.0

1/ Other items includes: Payments for customer account, fees, commissions, staff advances and sundry receivables.

2/ At June 30, 2011 and December 31, 2010, loans include for capital and interest of \$15,904.7 and \$16,392.9 no provision is required, these items being recorded as defered income.

Continues

June 30							
Figures in million COP							
	Capital	Interest	Other items ^{1/}	Total	Provisions ^{2/}		Garantia Secured
					Capital	Interest and other	
Mortgage							
A - Normal	18,021.9	126.8	3.1	18,151.8	180.2	12.0	23,291.9
B - Acceptable	478.9	4.4	1.6	484.9	45.2	6.0	517.0
C - Appreciable	231.8	2.0	2.0	235.8	25.4	4.0	264.8
D - Significant	23.0	1.6	83.2	107.8	8.8	83.1	19.5
E - Unrecoverable	180.9	1.5	4.4	186.8	90.2	7.0	150.8
	18,936.5	136.3	94.3	19,167.1	349.9	112.3	24,244.0
General provision	0.0	0.0	0.0	0.0	2,253.8	0.0	0.0
	24,725,380.8	240,807.1*	105,393.7	25,071,581.8	800,920.1	67,592.5	8,780,077.6

1/ Other items includes: Payments for customer account, fees, commissions, staff advances and sundry receivables.

2/ At June 30, 2011 and December 31, 2010, loans include for capital and interest of \$15,904.7 and \$16,392.9 no provision is required, these items being recorded as defrred income.

* Includes interest of \$5,534.1 for lesasing operations.

The following is the detail of leasing operations classification:

June 30							
Figures in million COP							
	Capital	Interest	Other items ^{1/}	Total	Provisions ^{2/}		
					Capital	Interest and other	
SECURED:							
Commercial							
A - Normal	446,987.1	1,501.1	97.3	448,585.5	6,094.1		23.0
B - Acceptable	28,405.1	102.6	3.3	28,511.0	702.4		4.5
C - Appreciable	2,301.5	3.8	1.4	2,306.7	197.0		0.4
D - Significant	2,336.5	1.8	0.1	2,338.4	1,364.1		1.5
E - Unrecoverable	461.6	0.1	0.0	461.7	461.7		0.1
	480,491.8	1,609.4	102.1	482,203.3	8,819.3		29.5
Consumer							
A - Normal	11,466.8	54.3	26.9	11,548.0	204.1		1.6
B - Acceptable	144.3	0.0	0.0	144.3	10.2		0.0
C - Appreciable	85.8	0.0	0.0	85.8	9.0		0.0
D - Significant	35.6	0.0	0.0	35.6	16.0		0.0
	11,732.5	54.3	26.9	11,813.7	239.3		1.6
	492,224.3	1,663.7	129.0	494,017.0	9,058.5		31.1
UNSECURED:							
Commercial							
A - Normal	64,702.0	3,353.4	145.5	68,200.8	1,582.4		79.5
B - Acceptable	1,808.7	186.0	26.9	2,021.6	240.6		51.3
C - Appreciable	822.1	66.9	1.5	890.5	91.1		54.0
D - Significant	220.2	160.9	41.4	422.5	175.7		198.1
E - Unrecoverable	156.1	54.0	135.4	345.5	156.1		189.4
	67,709.1	3,821.2	350.7	71,880.9	2,245.9		572.3

1/ Other items includes: Payments for customer account, fees, commissions, staff advances and sundry receivables.

2/ At June 30, 2011 and December 31, 2010, loans include for capital and interest of \$15,904.7 and \$16,392.9 no provision is required, these items being recorded as defrred income.

Continues

Figures in million COP	June 30				Provisions ^{2/}	
	Capital	Interest	Other items ^{1/}	Total	Capital	Interest and other
Consumer						
A - Normal	2,654.6	40.7	28.8	2,724.1	67.6	2.0
B - Acceptable	71.9	4.1	0.9	76.9	2.6	0.4
C - Appreciable	0.0	3.5	0.3	3.8	0.0	0.6
D - Significant	0.0	0.9	1.0	1.9	0.0	1.9
E - Unrecoverable	0.0	0.0	0.0	0.0	0.0	0.0
	2,726.5	49.2	31.0	2,806.7	70.2	4.9
	70,435.6	3,870.4	381.7	74,687.7	2,316.1	577.2
	562,659.9	5,534.1	510.7	568,704.7	11,374.7	608.3

1/ Other items includes: Payments for customer account, fees, commissions, staff advances and sundry receivables.

2/ At June 30, 2011 and December 31, 2010, loans include for capital and interest of \$15,904.7 and \$16,392.9 no provision is required, these items being recorded as defered income.

The detail of loan classification is the following:

Figures in million COP	December 31						
	Capital	Interest	Other items ^{1/}	Total	Provisions ^{2/}		Garantia Secured
					Capital	Interest and other	
SECURED:							
Commercial							
A - Normal	4,185,178.9	21,598.2	24,757.4	4,231,534.5	53,843.8	1,023.9	7,584,424.4
B - Acceptable	124,195.3	683.7	28.7	124,907.7	5,180.5	55.0	132,158.2
C - Appreciable	89,235.6	581.5	15.1	89,832.2	8,061.4	173.7	87,457.8
D - Significant	67,564.7	112.8	14.4	67,691.9	25,452.3	123.9	62,156.0
E - Unrecoverable	21,661.4	4.8	2.4	21,668.6	19,258.5	7.2	21,654.1
	4,487,835.9	22,981.0	24,818.0	4,535,634.9	111,796.5	1,383.7	7,887,850.5
Consumer							
A - Normal	536,996.2	4,223.9	1,250.1	542,470.2	8,225.8	285.7	1,298,213.3
B - Acceptable	6,118.9	74.1	7.9	6,200.9	313.0	8.7	6,282.1
C - Appreciable	5,206.1	49.6	17.9	5,273.6	819.3	40.5	5,152.8
D - Significant	13,486.4	24.8	17.2	13,528.4	7,263.7	33.9	13,549.2
E - Unrecoverable	902.3	0.2	0.2	902.7	902.3	0.4	1,204.1
	562,709.9	4,372.6	1,293.3	568,375.8	17,524.1	369.2	1,324,401.5
Micro							
A - Normal	49,438.1	237.8	10.8	49,686.7	494.0	2.1	74,146.2
B - Acceptable	658.7	3.7	0.0	662.4	20.8	0.0	656.1
C - Appreciable	429.6	1.7	0.0	431.3	85.7	0.1	430.5
D - Significant	518.4	2.9	0.0	521.3	259.2	2.9	518.3
E - Unrecoverable	2,968.6	3.0	1.9	2,973.5	2,968.6	4.9	2,695.9
	54,013.4	249.1	12.7	54,275.2	3,828.3	10.0	78,447.0

1/ Other items includes: Payments for customer account, fees, commissions, staff advances and sundry receivables.

2/ At June 30, 2011 and December 31, 2010, loans include for capital and interest of \$15,904.7 and \$16,392.9 no provision is required, these items being recorded as defered income.

Continues

December 31

Figures in million COP

					Provisions ^{2/}		Garantia Secured
	Capital	Interest	Other items ^{1/}	Total	Capital	Interest and other	
UNSECURED:							
Commercial							
A - Normal	12,465,894.7	95,735.6	27,672.7	12,589,303.0	194,973.0	2,211.9	0.0
B - Acceptable	627,523.4	7,645.6	163.2	635,332.2	24,224.4	590.9	0.0
C - Appreciable	190,196.8	11,413.4	1,683.3	203,293.5	47,720.9	4,282.7	0.0
D - Significant	145,376.6	10,029.7	3,939.2	159,345.5	99,373.7	13,445.5	0.0
E - Unrecoverable	89,665.8	4,750.3	6,376.3	100,792.4	87,384.1	10,411.7	0.0
	<u>13,518,657.3</u>	<u>129,574.6</u>	<u>39,834.9</u>	<u>13,688,066.6</u>	<u>453,676.1</u>	<u>30,942.7</u>	<u>0.0</u>
Consumer							
A - Normal	3,137,116.4	34,611.6	15,542.6	3,187,270.6	80,291.9	1,160.5	0.0
B - Acceptable	46,851.3	943.0	165.6	47,959.9	5,151.8	392.6	0.0
C - Appreciable	37,936.5	774.9	242.1	38,953.5	6,300.1	772.1	0.0
D - Significant	124,490.6	3,971.5	1,618.1	130,080.2	89,903.0	5,472.1	0.0
E - Unrecoverable	14,711.8	598.0	25,207.1	40,516.9	14,933.3	25,805.1	0.0
	<u>3,361,106.6</u>	<u>40,899.0</u>	<u>42,775.5</u>	<u>3,444,781.1</u>	<u>196,580.1</u>	<u>33,602.3</u>	<u>0.0</u>
Micro							
A - Normal	136,016.3	3,548.4	236.4	139,801.1	1,370.5	38.3	0.0
B - Acceptable	1,395.6	104.7	13.3	1,513.6	44.9	121.7	0.0
C - Appreciable	957.1	86.1	15.0	1,058.2	191.6	102.8	0.0
D - Significant	991.3	106.6	14.5	1,112.4	495.6	121.0	0.0
E - Unrecoverable	5,105.6	753.4	208.8	6,067.8	5,105.6	962.2	0.0
	<u>144,465.9</u>	<u>4,599.2</u>	<u>488.0</u>	<u>149,553.1</u>	<u>7,208.2</u>	<u>1,346.0</u>	<u>0.0</u>
MORTGAGE							
A - Normal	17,641.9	123.3	3.1	17,768.3	176.4	1.3	24,821.0
B - Acceptable	747.7	6.0	1.9	755.6	23.9	7.9	716.5
C - Appreciable	232.6	2.3	82.7	317.6	26.3	85.0	234.7
D - Significant	89.0	0.8	1.0	90.8	28.6	1.8	96.8
E - Unrecoverable	243.6	2.6	3.5	249.7	74.5	6.0	163.9
	<u>18,954.7</u>	<u>135.0</u>	<u>92.2</u>	<u>19,182.0</u>	<u>329.7</u>	<u>102.0</u>	<u>26,032.9</u>
General provision	0.0	0.0	0.0	0.0	2,174.3	0.0	0.0
	<u>22,147,743.7</u>	<u>202,810.5</u>	<u>109,314.6</u>	<u>22,459,868.5</u>	<u>793,117.3</u>	<u>67,755.8</u>	<u>9,316,731.9</u>

1/ Other items includes: Payments for customer account, fees, commissions, staff advances and sundry receivables.

2/ At June 30, 2011 and December 31, 2010, loans include for capital and interest of \$15,904.7 and \$16,392.9 no provision is required, these items being recorded as defered income.

The following is the detail of la cartera leasing por Classification:

Figures in million COP	December 31					
	Capital	Interest	Other items ^{1/}	Total	Provisions ^{2/}	
					Capital	Interest and other
SECURED:						
Commercial						
A - Normal	230,473.5	752.3	86.4	230,584.6	3,077.4	15.2
B - Acceptable	20,331.1	53.4	4.0	16,147.7	379.6	2.2
C - Appreciable	2,665.1	21.6	1.9	2,688.6	231.5	8.7
D - Significant	2,954.5	13.0	1.1	2,968.6	1,528.8	8.6
E - Unrecoverable	223.7	1.7	0.0	225.4	223.6	1.7
	256,647.9	842.0	93.4	252,614.9	5,440.9	36.4
Consumer						
A - Normal	3,326.2	14.0	6.3	3,346.5	63.8	0.4
	3,326.2	14.0	6.3	3,346.5	63.8	0.4
	259,974.1	856.0	99.7	255,961.4	5,504.7	36.8
UNSECURED:						
Commercial						
A - Normal	77,341.5	468.1	65.1	78,602.2	1,439.0	11.4
B - Acceptable	1,314.7	137.0	5.3	5,677.8	135.5	4.0
C - Appreciable	877.1	47.2	5.3	929.6	99.3	19.7
D - Significant	376.5	180.4	119.5	676.2	236.2	300.9
E - Unrecoverable	51.0	34.9	43.1	129.0	51.0	78.1
	79,960.8	867.6	238.3	86,014.8	1,961.0	414.1
Consumer						
A - Normal	4,561.6	30.1	16.5	4,608.2	105.2	1.2
	84,522.4	897.7	254.8	90,643.0	2,066.2	415.3
	344,496.5	1,753.7	354.5	346,604.4	7,570.9	452.1

1/ Other items includes: Payments for customer account, fees, commissions, staff advances and sundry receivables.

2/ At June 30, 2011 and December 31, 2010, loans include for capital and interest of \$15,904.7 and \$16,392.9 no provision is required, these items being recorded as defered income.

The following is the detail of loans by geographical zone:

Figures in million COP	June 30							
	Region	Capital	Interest	Other Items	Total	Provisions		Garantia Secured
						Capital	Interest and other	
SECURED:								
Commercial								
Antioquia	178,255.3	846.5	6.2	179,108.0	5,498.4	31.1	226,769.2	
Corporate banking	1,548,563.1	6,580.2	1.2	1,555,144.5	31,669.2	77.0	1,952,905.7	
Corporate banking								
Antioquia	429,350.3	1,183.9	1.4	430,535.6	8,698.0	14.4	526,833.9	
Corporate banking								
Occidente	428,974.7	2,337.0	1.9	431,313.6	5,038.2	20.0	534,092.1	
Business banking	255,461.4	1,179.4	16.1	256,656.9	6,106.1	16.5	265,999.9	

Continues

June 30

Figures in million COP

Region	Capital	Interest	Other Items	Total	Provisions		Garantia Secured
					Capital	Interest and other	
Official/institutional							
banking	370,418.3	844.6	1.2	371,264.1	3,706.5	8.6	474,827.8
Social banking	201,651.5	454.4	0.0	202,105.9	3,741.6	7.2	321,724.6
Central	260,309.6	2,190.8	4.8	262,505.2	4,876.8	53.9	348,661.8
Costa	191,824.6	992.2	5.5	192,822.3	11,757.2	38.7	245,604.9
Dir. Reg. Bta Norte PMP	184,800.1	906.1	41.0	185,747.2	4,430.4	19.5	211,322.1
Dir. Reg. Bta Sur PMP	153,509.8	634.8	24.9	154,169.5	3,622.5	34.7	180,403.4
NorOriental	454,280.7	4,845.2	19.7	459,145.6	7,280.6	51.0	588,372.1
Occidente	211,477.3	1,153.0	4.8	212,635.1	6,403.6	30.3	312,763.9
Oriente	235,259.9	1,840.8	8.1	237,108.8	6,806.5	59.0	353,457.0
Region Uno Megabanco	220,516.6	1,699.7	6.3	222,222.6	5,938.9	46.6	445,442.3
Region Dos							
Megabanco	179,656.4	1,131.8	2.8	180,791.0	4,268.9	26.4	244,121.8
Red Megabanco DG	141,934.6	775.4	20.6	142,730.6	4,064.4	29.2	175,429.3
Head Office Depts	30,005.1	5.2	0.0	30,010.3	1,493.7	0.5	4,545.6
	5,676,249.3	29,601.0	166.5	5,706,016.8	125,401.5	564.8	7,413,277.4
Consumer							
Antioquia	16,176.0	122.5	1.8	16,300.3	568.3	2.7	31,903.1
Corporate banking	0.0	0.0	0.0	0.0	0.0	0.0	344.1
Corporate banking-							
Antioquia	96.6	0.1	0.0	96.7	1.6	0.0	5,394.2
Corporate banking-							
Occidente	0.0	0.0	0.0	0.0	0.0	0.0	27.0
Business banking	0.0	0.0	0.0	0.0	0.0	0.0	133.8
Social banking	0.0	0.0	0.0	0.0	0.0	0.0	3.9
Central	9,904.5	86.4	0.4	9,991.3	344.7	1.5	18,100.5
Costa	12,809.6	111.4	0.8	12,921.8	573.4	2.7	23,741.4
Dir. Reg. Bta Norte PMP	59,989.4	545.0	0.3	60,534.7	1,237.7	10.2	65,173.6
Dir. Reg. Bta Sur PMP	37,733.1	160.7	1.9	37,895.7	484.8	2.3	46,930.5
Nor Oriental	58.8	0.0	0.0	58.8	1.0	0.0	180.9
Occidente	88,380.9	373.9	1.0	88,755.8	1,647.9	5.6	171,151.6
Oriente	18,259.9	247.0	1.8	18,508.7	589.5	3.2	31,622.2
Region Uno Megabanco	17,596.3	213.9	1.9	17,812.1	627.9	3.7	45,132.4
Region Dos Megabanco	9,186.5	95.0	1.3	9,282.8	457.0	2.2	21,405.7
Red Megabanco DG	431,402.5	4,196.8	163.3	435,762.6	12,567.0	73.0	802,758.0
Head Office	0.0	0.0	0.0	0.0	0.0	0.0	1,230.6
	701,594.1	6,152.7	174.5	707,921.3	19,100.8	107.1	1,265,233.5
Micro							
Antioquia	49.3	0.0	0.0	49.3	15.8	0.0	85.0
Business banking	0.0	0.0	0.0	0.0	0.0	0.0	56.4
Central	77.6	0.1	0.0	77.7	13.3	0.0	265.5
Costa	46.3	0.0	0.0	46.3	7.4	0.0	134.3
Dir. Reg. Bta Norte PMP	46.8	0.0	0.0	46.8	2.0	0.0	49.1
Dir. Reg. Bta Sur PMP	36.1	0.0	0.0	36.1	14.2	0.0	36.1
Occidente	132.0	0.0	0.0	132.0	32.6	0.0	277.1
Oriente	650.7	0.5	0.0	651.2	143.0	0.0	733.6
Region Uno Megabanco	27,324.8	144.8	0.7	27,470.3	1,226.7	1.5	40,386.9
Region Dos Megabanco	25,839.8	55.8	0.0	25,895.6	1,464.0	0.5	32,902.4
Head Office	2,350.0	0.0	0.0	2,350.0	23.8	0.0	2,396.2
	56,553.4	201.2	0.7	56,755.3	2,942.8	2.0	77,322.6

Continues

Region	June 30						
	Figures in million COP				Provisions		
	Capital	Interest	Other Items	Total	Capital	Interest and other	Garantia Secured
UNSECURED:							
Commercial							
Antioquia	251,305.4	3,986.2	2,611.0	257,902.6	25,888.1	1,962.1	0.0
Corporate banking	4,742,619.3	47,374.3	1,619.1	4,791,612.7	100,177.4	4,853.8	0.0
Corporate banking- Antioquia	1,714,619.1	11,813.4	188.6	1,726,621.1	35,845.9	2,348.5	0.0
Corporate banking- Occidente	1,271,866.5	8,913.4	250.8	1,281,030.7	44,532.8	397.3	0.0
Business banking	1,139,925.8	8,468.7	478.9	1,148,873.4	49,232.0	1,395.7	0.0
Official/institutional banking	533,324.3	9,543.8	657.2	543,525.3	6,456.7	766.6	0.0
Social banking	56,753.1	5,356.4	258.5	62,368.0	2,436.8	369.4	0.0
Central	115,732.6	2,163.3	1,971.9	119,867.8	7,656.9	823.8	0.0
Costa	138,037.0	3,150.0	2,482.3	143,669.3	20,077.6	1,254.3	0.0
Dir. Reg. Bta Norte PMP	366,567.3	4,901.1	1,697.1	373,165.5	18,917.7	1,249.6	0.0
Dir. Reg. Bta Sur PMP	250,318.1	4,130.4	1,838.3	256,286.8	21,834.9	1,664.8	0.0
NorOriental	1,693,855.6	22,103.6	378.9	1,716,338.1	38,391.4	2,601.7	0.0
Occidente	141,045.0	2,645.0	2,992.4	146,682.4	15,973.8	1,867.7	0.0
Oriente	158,008.0	2,813.0	2,615.6	163,436.6	10,535.1	983.3	0.0
Region Uno Megabanco	185,850.9	3,732.6	2,033.7	191,617.2	15,046.2	1,380.3	0.0
Region Dos Megabanco	133,728.8	3,180.4	1,646.1	138,555.3	12,166.7	1,468.6	0.0
Red Megabanco DG	302,904.4	1,840.2	3,925.6	308,670.2	6,536.4	399.8	0.0
Head Office	1,113,716.6	6,072.3	40,841.1	1,160,630.0	14,070.7	4,946.4	0.0
	14,310,177.8	152,188.1	68,487.1	14,530,853.0	445,777.1	30,733.7	0.0
Consumer							
Antioquia	220,550.0	4,154.7	3,237.0	227,941.7	20,043.8	3,687.4	0.0
Corporate banking	9.2	0.9	133.8	143.9	3.6	130.0	0.0
Corporate banking- Antioquia	2,055.7	19.5	80.0	2,155.2	71.8	80.4	0.0
Corporate banking Occidente	767.4	5.3	39.6	812.3	25.0	37.3	0.0
Business banking	199.0	5.0	192.8	396.8	15.1	165.9	0.0
Official/institutional banking	1.7	0.3	33.8	35.8	0.3	33.5	0.0
Social banking	4.9	0.1	8.9	13.9	0.2	8.8	0.0
Central	128,587.1	2,515.3	1,955.3	133,057.7	10,893.1	2,211.0	0.0
Costa	167,503.6	3,448.6	3,906.3	174,858.5	16,912.6	4,346.0	0.0
Dir. Reg. Bta Norte PMP	220,531.1	4,283.8	3,514.1	228,329.0	18,714.5	3,925.0	0.0
Dir. Reg. Bta Sur PMP	353,886.8	5,983.7	3,839.2	363,709.7	26,010.9	4,387.2	0.0
NorOriental	450.8	6.4	108.1	565.3	141.3	97.3	0.0
Occidente	215,895.8	4,561.1	4,006.9	224,463.8	27,719.7	4,786.9	0.0
Oriente	175,620.8	3,296.3	2,596.6	181,513.7	15,665.1	2,962.7	0.0
Region Uno Megabanco	194,657.1	3,903.2	3,426.8	201,987.1	13,490.6	3,764.8	0.0
Region Dos Megabanco	144,807.5	2,898.1	2,214.5	149,920.1	10,575.7	2,478.8	0.0
Red Megabanco DG	1,122,992.0	13,132.8	2,787.9	1,138,912.7	36,358.2	1,671.4	0.0
Head Office	863,453.5	430.0	3,900.9	867,784.4	2,433.4	341.3	0.0
	3,811,974.0	48,645.1	35,982.5	3,896,601.6	199,074.9	35,115.7	0.0

Continues

June 30							
Figures in million COP							
Region	Capital	Interest	Other Items	Total	Provisions		Garantia Secured
					Capital	Interest and other	
Micro							
Antioquia	76.3	2.1	2.1	80.6	27.6	3.4	0.0
Central	113.0	2.9	2.2	118.1	25.0	3.8	0.0
Costa	79.2	2.4	1.3	82.8	25.0	2.6	0.0
Dir. Reg. Bta Norte PMP	54.9	1.5	0.4	56.8	2.1	0.6	0.0
Dir. Reg. Bta Sur PMP	49.3	0.7	1.2	51.2	14.8	1.3	0.0
Occidente	205.0	6.3	6.3	217.6	64.5	8.3	0.0
Oriente	731.8	23.6	18.8	774.2	162.2	29.4	0.0
Region Uno Megabanco	81,318.6	2,158.8	228.6	83,706.0	2,907.0	462.0	0.0
Region Dos Megabanco	51,961.2	1,363.1	188.8	53,513.1	2,458.4	411.8	0.0
Head Office	15,306.4	321.5	38.4	15,666.3	332.7	33.9	0.0
	149,895.7	3,882.9	488.1	154,266.7	6,019.3	957.1	0.0
MORTGAGE							
Antioquia	0.0	0.0	0.3	0.3	0.0	0.3	0.0
Costa	0.0	0.0	83.5	83.5	0.0	82.7	0.0
Dir. Reg. Bta Norte PMP	7,826.2	71.8	0.6	7,898.6	78.3	1.4	1,843.5
Oriente	62.4	0.4	0.0	62.8	0.6	0.2	0.0
Region Uno Megabanco	175.4	0.4	0.5	176.3	26.1	0.8	0.0
Region Dos Megabanco	116.3	1.5	1.9	119.7	13.1	3.4	891.5
Red Megabanco DG	681.8	4.0	0.0	685.8	6.7	0.0	0.0
Head Office	10,074.4	58.2	7.5	10,140.1	225.0	23.4	21,509.1
	18,936.5	136.3	94.3	19,167.1	349.8	112.2	24,244.1
General provision	0.0	0.0	0.0	0.0	2,253.8	0.0	0.0
	24,725,380.8	240,807.1	105,393.7	25,071,581.8	800,920.1	67,592.5	8,780,077.6

December 31							
Figures in million COP							
Region	Capital	Interest	Other Items	Total	Provisions		Garantia Secured
					Capital	Interest and other	
SECURED:							
Commercial							
Antioquia	164,333.9	682.5	1,210.4	166,226.8	6,824.2	75.2	228,342.8
Corporate banking	1,317,450.5	6,667.7	6.9	1,324,125.1	32,509.8	92.8	2,703,494.4
Corporate banking- Antioquia	339,656.6	1,132.1	4.4	340,793.1	7,531.9	46.2	583,874.8
Corporate banking- Occidente	226,559.8	1,004.9	24.1	227,588.8	1,962.0	11.2	468,369.4
Business banking	192,431.5	780.1	14.8	193,226.4	5,060.2	27.2	289,002.1
Official/institutional banking	316,590.4	422.9	0.5	317,013.8	3,103.1	6.1	348,440.0
Social banking	158,508.1	1,410.6	0.1	159,918.8	2,719.0	57.3	321,323.5
Central	194,854.6	1,043.4	1,307.0	197,205.0	3,814.9	46.3	364,755.4
Costa	129,218.5	700.1	1,514.1	131,432.7	10,019.7	83.5	250,820.1
Dir. Reg. Bta Norte PMP	146,653.6	566.1	1,047.0	148,266.7	2,819.9	51.1	193,834.3
Dir. Reg. Bta Sur PMP	111,091.1	336.7	1,218.8	112,646.6	2,927.2	21.2	157,738.9
NorOriental	393,748.0	4,305.9	1.8	398,055.7	6,365.7	56.7	565,581.9
Occidente	148,961.5	581.9	1,301.5	150,844.9	6,037.8	59.3	270,579.6

Continues

December 31							
Figures in million COP							
Region	Capital	Interest	Other Items	Total	Provisions		Garantia Secured
					Capital	Interest and other	
Oriente	172,477.4	1,139.1	1,298.5	174,915.0	6,168.9	66.1	319,547.1
Region Uno Megabanco	166,450.7	1,073.2	1,178.4	168,702.3	5,746.8	68.5	349,787.7
Region Dos Megabanco	148,162.9	662.5	683.5	149,508.9	4,009.5	35.1	228,275.1
Red Megabanco DG	124,319.9	460.6	125.7	124,906.2	2,799.8	41.9	236,663.1
Head Office Depts	36,366.9	10.8	13,880.8	50,258.5	1,376.0	538.0	7,420.1
	4,487,835.9	22,981.1	24,818.3	4,535,635.3	111,796.4	1,383.7	7,887,850.3

Consumer

Antioquia	11,292.7	78.8	9.9	11,381.4	768.9	9.9	24,702.8
Corporate banking	0.0	0.0	0.0	0.0	0.0	0.0	376.0
Corporate banking- Antioquia	0.0	0.0	0.0	0.0	0.0	0.0	5.7
Corporate banking- Occidente	3.1	0.0	0.0	3.1	0.0	0.0	547.5
Business banking	0.0	0.0	0.0	0.0	0.0	0.0	183.3
Central	7,510.4	54.4	6.3	7,571.1	492.4	5.5	19,324.5
Costa	11,172.4	82.2	8.1	11,262.7	756.7	12.5	24,469.1
Dir. Reg. Bta Norte PMP	6,490.5	62.5	3.4	6,556.4	302.3	4.9	12,715.8
Dir. Reg. Bta Sur PMP	20,589.0	66.5	5.6	20,661.1	355.8	6.4	33,600.7
NorOriental	104.0	0.0	0.0	104.0	52.0	0.0	363.9
Occidente	78,665.8	219.2	6.7	78,891.7	1,821.9	12.0	178,344.6
Oriente	12,024.2	99.8	10.2	12,134.2	717.2	12.3	26,611.1
Region Uno Megabanco	16,715.4	175.1	13.9	16,904.4	557.4	6.5	47,978.1
Region Dos Megabanco	10,070.1	100.2	9.3	10,179.6	576.3	9.0	29,482.0
Red Megabanco DG	388,072.4	3,433.7	1,219.7	392,725.8	11,123.2	290.3	925,062.3
Head Office	0.0	0.0	0.0	0.0	0.0	0.0	679.1
	562,710.0	4,372.4	1,293.1	568,375.5	17,524.1	369.3	1,324,401.5

Micro

Antioquia	115.9	0.0	0.0	115.9	23.5	0.0	210.8
Business banking	0.0	0.0	0.0	0.0	0.0	0.0	56.4
Central	218.5	0.1	0.0	218.6	56.7	0.0	283.6
Costa	135.1	0.0	0.0	135.1	38.5	0.0	238.7
Dir. Reg. Bta Norte PMP	84.4	0.0	0.0	84.4	12.7	0.0	73.4
Dir. Reg. Bta Sur PMP	92.8	0.0	0.0	92.8	40.6	0.0	92.4
Occidente	313.2	0.0	0.0	313.2	116.3	0.0	447.2
Oriente	1,130.2	1.0	0.4	1,131.6	276.7	0.4	1,177.3
Region Uno Megabanco	25,817.3	160.7	6.3	25,984.3	1,473.5	4.2	40,853.7
Region Dos Megabanco	26,105.1	87.2	5.9	26,198.2	1,789.5	5.4	34,964.8
Head Office	0.9	0.0	0.0	0.9	0.3	0.0	48.7
	54,013.4	249.0	12.6	54,275.0	3,828.3	10.0	78,447.0
	5,104,559.3	27,602.5	26,124.0	5,158,285.8	133,148.8	1,763.0	9,290,698.8

UNSECURED:

Commercial

Antioquia	253,841.7	4,467.6	1,683.3	259,992.6	29,848.5	2,860.7	0.0
Corporate banking	4,108,566.4	34,045.2	1,922.9	4,144,434.5	102,336.1	2,948.1	0.0
Corporate banking- Antioquia	1,563,864.6	9,580.8	140.0	1,573,585.4	33,943.4	2,184.5	0.0
Corporate banking- Occidente	1,466,337.4	9,175.8	140.6	1,475,653.8	52,463.9	540.4	0.0

Continues

December 31							
Figures in million COP							
Region	Capital	Interest	Other Items	Total	Provisions		Garantia Secured
					Capital	Interest and other	
Business banking	1,147,452.0	7,010.7	526.8	1,154,989.5	50,949.2	1,578.1	0.0
Official/institutional banking	563,863.2	7,073.7	662.2	571,599.1	6,760.6	734.4	0.0
Social banking	67,737.4	2,344.5	1.2	70,083.1	2,468.9	176.1	0.0
Central	111,430.9	2,464.1	469.8	114,364.8	7,576.4	871.1	0.0
Costa	183,345.7	3,423.7	478.4	187,247.8	21,733.5	1,489.7	0.0
Dir. Reg. Bta Norte PMP	311,576.1	4,098.4	307.0	315,981.5	15,041.7	1,092.7	0.0
Dir. Reg. Bta Sur PMP	245,671.0	4,157.6	750.2	250,578.8	20,167.9	1,987.8	0.0
NorOriental	1,420,149.8	19,740.9	224.3	1,440,064.0	32,026.2	2,491.0	0.0
Occidente	172,908.0	3,043.5	743.8	176,695.3	16,577.3	2,123.0	0.0
Oriente	169,775.2	3,211.2	354.9	173,341.3	10,066.0	1,052.8	0.0
Region Uno Megabanco	219,168.6	4,293.7	539.0	224,001.3	16,044.8	1,625.1	0.0
Region Dos Megabanco	147,054.4	3,612.3	908.4	151,575.1	14,439.6	2,160.6	0.0
Red Megabanco DG	240,925.7	1,521.8	3,030.4	245,478.9	5,699.9	361.0	0.0
Head Office	1,124,989.2	6,309.1	27,001.8	1,158,300.1	15,532.2	4,716.0	0.0
	13,518,657.3	129,574.6	39,834.9	13,588,066.3	453,676.1	30,942.6	0.0
Consumer							
Antioquia	196,349.2	3,482.4	3,247.9	203,079.5	21,113.0	3,581.3	0.0
Corporate banking	41.5	0.8	1,422.4	1,464.7	6.7	99.1	0.0
Corporate banking- Antioquia	35.5	1.6	48.2	85.3	19.5	49.0	0.0
Corporate banking- Occidente	56.8	3.4	37.7	97.9	11.7	23.3	0.0
Business banking	53.6	9.4	142.0	205.0	47.3	108.7	0.0
Official/institutional banking	0.0	2.8	35.9	38.7	0.0	34.2	0.0
Social banking	0.0	0.0	9.5	9.5	0.0	7.6	0.0
Central	114,038.0	2,034.2	1,995.0	118,067.2	10,927.7	2,217.0	0.0
Costa	155,565.0	2,976.7	3,788.7	162,330.4	17,601.5	4,163.5	0.0
Dir. Reg. Bta Norte PMP	187,307.7	3,325.6	3,312.5	193,945.8	18,215.7	3,678.6	0.0
Dir. Reg. Bta Sur PMP	226,281.0	4,167.0	3,590.4	234,038.4	24,088.6	4,132.6	0.0
NorOriental	232.1	6.4	64.0	302.5	75.9	53.4	0.0
Occidente	207,068.0	4,085.5	3,888.0	215,042.5	30,510.1	4,723.5	0.0
Oriente	153,927.6	2,690.8	2,490.4	159,108.8	14,980.8	2,759.3	0.0
Region Uno Megabanco	170,350.9	3,150.4	3,381.3	176,882.6	12,857.8	3,671.3	0.0
Region Dos Megabanco	127,981.8	2,332.3	2,186.7	132,500.8	10,233.3	2,349.8	0.0
Red Megabanco DG	1,012,206.9	12,279.3	2,065.7	1,026,551.8	33,229.8	1,816.3	0.0
Head Office	809,611.0	350.3	11,068.8	821,030.1	2,660.7	133.8	0.0
	3,361,106.6	40,899.0	42,775.5	3,444,781.1	196,580.1	33,602.4	0.0
Micro							
Antioquia	247.3	7.2	3.5	258.0	63.2	7.3	0.0
Central	196.9	6.7	4.8	208.4	75.1	7.5	0.0
Costa	203.6	5.6	3.4	212.6	61.9	6.2	0.0
Dir. Reg. Bta Norte PMP	75.8	2.0	1.2	79.0	13.3	1.6	0.0
Dir. Reg. Bta Sur PMP	135.4	3.3	1.6	140.3	50.2	2.3	0.0
Occidente	406.8	21.5	8.9	437.2	159.5	24.4	0.0
Oriente	1,197.3	58.6	25.6	1,281.5	317.9	59.1	0.0
Region Uno Megabanco	80,548.3	2,642.7	236.6	83,427.6	3,615.9	674.2	0.0
Region Dos Megabanco	49,608.2	1,641.3	177.2	51,426.2	2,620.6	536.1	0.0
Red Megabanco DG	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Head Office	11,846.3	210.3	25.2	12,081.8	230.6	27.3	0.0
	144,465.9	4,599.2	488.0	149,553.0	7,208.2	1,346.0	0.0

Continues

December 31							
Figures in million COP							
Region	Capital	Interest	Other Items	Total	Provisions		
					Capital	Interest and other	Secured
MORTGAGE							
Antioquia	0.0	0.0	0.3	0.3	0.0	0.0	0.0
Central	0.0	0.0	0.0	0.0	0.0	0.0	23.1
Costa	0.0	0.0	83.2	83.2	0.0	82.6	0.0
Dir. Reg. Bta Norte PMP	7,614.9	68.0	0.4	7,683.3	76.1	1.1	1,944.0
Oriente	64.5	0.5	0.0	65.0	0.6	0.0	0.0
Region Uno Megabanco	225.4	0.6	0.2	226.2	29.1	0.5	0.0
Region Dos Megabanco	232.4	1.9	1.3	235.6	10.4	1.4	2,002.2
Red Megabanco DG	299.9	2.4	0.0	302.3	3.0	0.0	0.0
Head Office	10,517.6	61.6	6.8	10,586.0	210.5	16.4	22,063.8
	18,954.7	135.0	92.2	19,182.0	329.7	102.0	26,033.1
General provision					2,174.3		
	22,147,743.7	202,810.5	109,314.6	22,459,868.5	793,117.3	67,755.8	9,316,731.9

The following is the detail of leasing operations by geographical zones:

June 30							
Figures in million COP							
Region	Capital	Interest	Other Items	Total	Provisions		
					Capital	Interest and other	Secured
SECURED:							
Commercial							
Antioquia	10,982.5	39.3	0.6	11,022.4	348.2	1.1	
Bogotá Corporativa	109,289.7	150.7	1.2	109,441.6	1,404.6	4.3	
Bogotá Corporativa							
Antioquia	45,388.4	137.9	1.4	45,527.7	412.7	1.0	
Bogotá Corporativa							
Occidente	40,676.2	139.1	1.9	40,817.2	404.3	1.4	
Bogotá Empresarial	96,365.8	405.2	16.1	96,787.1	1,447.8	5.4	
Bogotá - Official/							
institutional	9,644.2	56.0	1.2	9,701.4	77.6	0.5	
Central	4,303.0	44.1	0.2	4,347.3	114.0	1.0	
Costa	6,861.8	29.7	0.6	6,892.1	179.0	0.7	
Bogotá Norte PMP	28,914.0	193.7	40.1	29,147.8	618.2	5.7	
Bogotá Sur PMP	24,831.9	93.5	14.2	24,939.6	541.4	2.3	
Nororiental	47,253.3	126.2	17.3	47,396.8	622.7	1.5	
Occidente	11,736.6	36.8	1.8	11,775.2	293.4	0.8	
Oriente	11,144.7	33.4	1.6	11,179.7	267.5	0.8	
Region Uno Megabanco	6,591.5	34.0	0.3	6,625.8	120.0	0.5	
Region dos Megabanco	3,195.0	17.7	0.8	3,213.5	95.1	0.6	
Red Megabanco -							
Head Office	17,740.0	66.9	2.8	17,809.7	379.1	1.7	
Head Office	5,573.2	5.2	0.0	5,578.4	1,493.7	0.2	
	480,491.8	1,609.4	102.1	482,203.3	8,819.3	29.5	
Consumer							
Antioquia	1,588.6	7.0	1.2	1,596.8	27.4	0.1	
Bogotá Corporativa							
Antioquia	65.0	0.0	0.0	65.0	1.1	0.0	

Continues

Region	June 30					
	Figures in million COP				Provisions	
	Capital	Interest	Other Items	Total	Capital	Interest and other
Central	157.1	1.3	0.1	158.5	2.7	0.0
Costa	664.4	2.6	0.3	667.3	11.4	0.1
Bogotá Norte PMP	498.6	1.8	0.2	500.6	8.7	0.0
Bogotá Sur PMP	702.0	2.6	1.0	705.6	19.3	0.1
Nororiental	58.8	0.0	0.0	58.8	1.0	0.0
Occidente	323.9	1.4	0.1	325.4	5.9	0.0
Oriente	409.7	1.5	1.0	412.2	7.2	0.0
Region Uno Megabanco	125.9	0.9	0.1	126.9	2.2	0.0
Region dos Megabanco	232.1	1.0	0.8	233.9	4.1	0.1
Red Megabanco - Head Office	6,906.4	34.2	22.1	6,962.7	148.3	1.2
	11,732.5	54.3	26.9	11,813.7	239.3	1.6
	492,224.3	1,663.7	129.0	494,017.0	9,058.6	31.1
UNSECURED:						
Commercial						
Antioquia	194.8	25.0	4.9	224.7	1.7	1.4
Bogotá Corporativa	32,324.4	1,964.0	20.5	34,308.9	760.7	81.6
Bogotá Corporativa Antioquia	1,098.3	215.8	3.5	1,317.6	133.7	3.9
Bogotá Corporativa Occidente	3,665.7	305.2	3.3	3,974.2	126.6	35.4
Bogotá Empresarial	16,374.7	293.8	28.3	16,696.8	265.4	56.0
Bogotá - Official/ institutional	0.0	0.0	0.2	0.2	0.0	0.0
Central	905.8	25.3	1.0	932.1	56.5	1.5
Costa	322.3	23.6	11.5	357.4	9.6	1.5
Bogotá Norte PMP	4,134.8	56.1	21.5	4,212.4	111.4	4.1
Bogotá Sur PMP	754.2	123.3	10.7	888.2	127.4	28.9
Nororiental	115.8	179.7	1.3	296.8	108.6	14.0
Occidente	200.9	30.7	10.1	241.7	4.5	3.9
Oriente	3,301.1	79.1	17.4	3,397.6	149.3	3.7
Region Uno Megabanco	65.0	12.8	3.6	81.4	2.9	2.6
Region dos Megabanco	24.1	259.5	3.3	286.9	3.0	10.7
Red Megabanco - Head Office	3,997.4	64.4	31.3	4,093.1	170.1	4.2
Head Office	229.8	162.9	178.3	571.0	214.5	318.9
	67,709.1	3,821.2	350.7	71,881.0	2,245.9	572.3
Consumer						
Antioquia	108.0	0.9	0.5	109.4	2.7	0.0
Bogotá Corporativa Antioquia	122.5	0.8	0.1	123.4	3.1	0.0
Costa	0.0	0.9	0.3	1.2	0.0	0.0
Bogotá Norte PMP	185.1	1.4	7.2	193.7	4.7	0.2
Bogotá Sur PMP	0.0	1.6	0.2	1.8	0.0	0.3
Occidente	120.0	0.5	0.1	120.6	3.0	0.0
Oriente	52.6	0.7	0.4	53.7	1.9	0.0
Región dos Megabanco	0.0	0.2	0.6	0.8	0.0	0.0
Red Megabanco - Head Office	2,138.3	42.2	21.6	2,202.1	54.8	4.4
	2,726.5	49.2	31.0	2,806.7	70.2	4.9
	562,659.9	5,534.1	510.7	568,704.7	11,374.7	608.3

Region	December 31					
	Figures in million COP				Provisions	
	Capital	Other Interest	Items	Total	Capital	Interest and other
SECURED:						
Commercial						
Antioquia	5,647.2	15.4	3.5	5,666.1	183.5	0.9
Bogotá Corporativa	47,112.7	93.6	6.9	47,213.2	581.0	1.8
Bogotá Corporativa						
Antioquia	22,482.2	55.4	4.4	22,542.0	252.9	0.8
Bogotá Corporativa						
Occidente	27,854.1	86.4	24.1	27,964.6	295.4	1.2
Bogotá Empresarial	57,407.2	209.3	14.8	57,631.3	1,106.0	15.6
Bogotá - Official/						
institutional	11,309.5	6.4	0.5	11,316.4	94.5	0.1
Central	1,017.6	6.1	0.1	1,023.8	27.5	0.2
Costa	3,157.8	20.7	2.1	3,180.6	81.1	0.6
Bogotá Norte PMP	22,308.0	176.2	20.2	22,504.4	493.9	6.4
Bogotá Sur PMP	19,910.0	75.5	4.1	19,989.6	468.9	2.4
Nororiental	12,231.2	33.5	1.1	12,265.8	152.7	0.5
Occidente	3,969.5	16.8	2.9	3,989.2	125.2	1.6
Oriente	5,047.9	8.5	4.9	5,061.3	107.4	0.3
Region Uno Megabanco	489.9	2.3	0.0	492.2	12.9	0.0
Region dos Megabanco	347.5	1.2	0.2	348.9	10.7	0.1
Red Megabanco -						
Head Office	5,073.5	24.5	0.7	5,098.7	71.6	0.4
Head Office	6,313.7	10.8	3.1	6,327.6	1,376.0	3.5
	251,679.5	842.6	93.6	252,615.7	5,441.2	36.4
Consumer						
Antioquia	410.0	2.2	0.3	412.5	7.2	0.1
Costa	363.2	1.7	0.0	364.9	6.3	0.0
Dirección Regional Bogotá						
Norte PMP	7.5	0.0	0.0	7.5	0.1	0.0
Dirección Regional Bogotá						
Sur PMP	33.2	0.2	0.0	33.4	0.6	0.0
Oriente	88.2	0.7	0.0	88.9	1.5	0.0
Region Dos Megabanco	128.1	0.6	0.4	129.1	2.2	0.0
Red Megabanco DG	2,295.9	8.6	5.6	2,310.1	45.9	0.3
	3,326.1	14.0	6.3	3,346.4	63.8	0.4
	255,005.6	856.6	99.9	255,962.1	5,505.0	36.8
UNSECURED:						
Commercial						
Antioquia	651.7	17.3	0.4	669.4	22.7	7.8
Bogotá Corporativa	32,294.9	193.5	15.1	32,503.5	545.8	4.6
Bogotá Corporativa						
Antioquia	1,850.8	9.0	0.5	1,860.3	25.9	0.1
Bogotá Corporativa						
Occidente	6,263.6	120.1	8.8	6,393.0	142.4	31.8
Bogotá Empresarial	18,658.6	101.1	13.2	18,772.9	415.4	24.1
Bogotá - Official/						
institutional	0.0	31.0	0.9	31.9	0.0	0.4
Central	908.1	3.7	0.0	911.8	25.8	0.1
Costa	729.7	10.4	0.9	741.0	15.3	2.3

Continues

December 31						
Region	Figures in million COP				Provisions	
	Capital	Other Interest	Items	Total	Capital	Interest and other
Bogotá Norte PMP	4,476.8	42.6	7.3	4,526.7	140.2	1.6
Bogotá Sur PMP	2,330.1	48.4	5.5	2,384.0	102.5	8.9
Nororiental	8,374.0	33.3	2.2	8,409.5	105.4	0.5
Occidente	1,552.1	13.5	0.6	1,566.2	41.8	2.0
Oriente	299.6	14.6	2.4	316.6	11.2	0.8
Region Uno Megabanco	506.7	4.4	2.0	513.1	18.0	1.7
Region dos Megabanco	294.6	1.7	0.3	296.6	5.6	0.0
Red Megabanco - Head Office	5,456.7	45.2	10.2	5,512.1	140.1	1.6
Head Office	281.1	177.1	168.0	626.2	203.0	325.9
	84,929.1	866.9	238.3	86,034.8	1,961.1	414.2
Consumer						
Antioquia	321.1	0.5	0.3	321.9	5.4	0.0
Costa	33.2	0.3	0.1	33.6	0.5	0.0
Dirección Regional Bogotá Norte PMP	206.2	1.3	0.1	207.6	3.9	0.0
Dirección Regional Bogotá Sur PMP	575.1	1.9	0.3	577.3	11.5	0.1
Occidente	78.9	0.1	0.1	79.1	1.4	0.0
Oriente	85.7	0.4	0.2	86.3	1.5	0.0
Region Dos Megabanco	65.0	0.4	0.3	65.7	1.1	0.0
Red Megabanco DG	3,196.5	25.3	15.2	3,237.0	79.8	1.0
	4,561.7	30.2	16.6	4,608.5	105.1	1.1
	344,496.4	1,753.7	354.8	346,604.9	7,571.2	452.1

The following is the detail of the portfolio by currency:

Figures in million COP	June 30			December 31		
	Currency			Currency		
	Local	Foreign	Total	Local	Foreign	Total
Secured						
Commercial	5,627,643.1	48,606.2	5,676,249.3	4,441,015.4	46,820.5	4,487,835.9
Consumer	701,594.1	0.0	701,594.1	562,709.9	0.0	562,709.9
Micro	56,553.4	0.0	56,553.4	54,013.4	0.0	54,013.4
	6,385,790.6	48,606.2	6,434,396.8	5,057,738.7	46,820.5	5,104,559.2
Unsecured						
Commercial	12,002,866.5	2,307,311.3	14,310,177.8	11,591,209.0	1,927,448.0	13,518,657.1
Consumer	3,811,974.0	0.0	3,811,974.0	3,361,106.6	0.0	3,361,106.6
Micro	149,895.7	0.0	149,895.7	144,465.9	0.0	144,465.9
	15,964,736.2	2,307,311.3	18,272,047.5	15,096,781.5	1,927,448.0	17,024,229.6
MORTGAGE						
	18,936.5	0.0	18,936.5	18,954.8	0.0	18,954.8
	22,369,463.3	2,355,917.5	24,725,380.8	20,173,475.0	1,974,268.5	22,147,743.7

The following is the detail of loans and interest by maturities following expected flows for the bands 0 - 360+ days by medium term liquidity risk classification:

Figures in million COP	June 30	December 31
Commercial		
0 – 30 days	1,388,663.4	1,867,613.6
30 – 60 days	1,519,133.3	1,352,025.6
60 – 90 days	1,336,339.2	1,371,664.5
90 – 180 days	3,238,191.9	2,477,172.3
180 – 360 days	3,904,956.6	2,576,937.5
Over 360 days	12,124,672.1	11,398,026.5
	<u>23,511,956.5</u>	<u>21,043,440.0</u>
Consumer		
0 – 30 days	152,461.1	215,785.5
30 – 60 days	151,758.5	197,167.3
60 – 90 days	150,517.4	186,756.4
90 – 180 days	416,361.2	502,605.7
180 – 360 days	868,985.6	899,382.7
Over 360 days	3,353,962.5	2,908,002.4
	<u>5,094,046.3</u>	<u>4,909,700.0</u>
Mortgage		
0 – 30 days	568.0	527.6
30 – 60 days	415.7	354.9
60 – 90 days	428.8	349.3
90 – 180 days	1,214.1	1,023.2
180 – 360 days	2,465.0	2,008.2
Over 360 days	30,843.1	25,777.4
	<u>35,934.7</u>	<u>30,040.6</u>
Micro		
0 – 30 days	11,496.7	11,294.8
30 – 60 days	12,050.6	11,464.3
60 – 90 days	12,236.5	11,391.1
90 – 180 days	35,087.7	33,278.2
180 – 360 days	63,602.2	59,599.6
Over 360 days	181,974.5	175,940.1
	<u>316,448.2</u>	<u>302,968.1</u>
	<u>28,958,385.7</u>	<u>26,286,148.7</u>

The following is the detail of restructured loans:

Figures in million COP	June 30						
	Capital	Interest	Other Items	Total	Provisions		
					Capital	Interest and other	Garantia Secured
Commercial							
A - Normal	211,345.8	1,553.7	13.1	212,912.6	8,504.5	584.2	103,990.8
B - Acceptable	157,847.0	2,202.9	32.4	160,082.3	11,843.5	529.2	10,199.4
C - Appreciable	233,165.7	13,306.6	198.5	246,670.8	39,034.0	4,484.3	60,342.4
D - Significant	101,572.9	4,278.0	1,363.0	107,213.9	64,997.7	4,807.6	28,401.7
E - Unrecoverable	84,014.3	3,178.2	702.3	87,894.8	80,714.7	3,404.8	16,136.5
	<u>787,945.7</u>	<u>24,519.4</u>	<u>2,309.3</u>	<u>814,774.4</u>	<u>205,094.4</u>	<u>13,810.1</u>	<u>219,070.8</u>

Continues

June 30							
Figures in million COP							
	Capital	Interest	Other Items	Total	Provisions		Garantia Secured
					Capital	Interest and other	
Consumer							
A - Normal	31,598.3	312.8	46.3	31,957.4	1,692.0	60.4	1,752.7
B - Acceptable	8,569.9	107.9	16.6	8,694.4	1,202.0	37.2	370.9
C - Appreciable	13,628.2	212.1	49.7	13,890.0	2,249.7	146.3	704.1
D - Significant	27,668.9	765.3	324.7	28,758.9	19,787.4	1,049.9	1,086.9
E - Unrecoverable	3,327.1	118.9	91.1	3,537.1	3,326.2	210.0	204.0
	84,792.4	1,517.0	528.4	86,837.8	28,257.3	1,503.8	4,118.6
Micro							
A - Normal	2,204.6	21.4	5.6	2,231.6	22.0	8.8	592.6
B - Acceptable	149.8	1.0	1.8	152.6	4.8	2.8	52.9
C - Appreciable	91.6	0.3	0.5	92.4	18.3	0.8	35.1
D - Significant	117.5	1.9	1.4	120.8	58.7	3.3	37.9
E - Unrecoverable	680.8	32.4	21.9	735.1	680.8	53.0	206.1
	3,244.3	57.0	31.2	3,332.5	784.6	68.7	924.6
Mortgage							
A - Normal	272.7	0.7	0.2	273.6	2.7	0.3	119.9
B - Acceptable	16.8	0.1	0.1	17.0	7.5	0.2	9.7
C - Appreciable	2.8	0.0	0.0	2.8	1.7	0.0	1.2
D - Significant	14.7	0.1	0.4	15.2	7.1	0.5	9.4
E - Unrecoverable	31.7	1.3	1.1	34.1	19.4	2.4	17.5
	338.7	2.2	1.8	342.7	38.4	3.4	157.7
Totales							
A - Normal	245,421.4	1,888.6	65.2	247,375.2	10,221.2	653.7	106,456.0
B - Acceptable	166,583.5	2,311.9	50.9	168,946.3	13,057.8	569.4	10,632.9
C - Appreciable	246,888.3	13,519.0	248.7	260,656.0	41,303.7	4,631.4	61,082.8
D - Significant	129,374.0	5,045.3	1,689.5	136,108.8	84,850.9	5,861.3	29,535.9
E - Unrecoverable	88,053.9	3,330.8	816.4	92,201.1	84,741.1	3,670.2	16,564.1
	876,321.2	26,095.6	2,870.7	905,287.4	234,174.7	15,386.0	224,271.7

The following is the detail of restructured loans:

December 31							
Figures in million COP							
	Capital	Interest	Other Items	Total	Provisions		Garantia Secured
					Capital	Interest and other	
Commercial							
A - Normal	269,538.9	1,716.8	11.7	271,267.5	10,017.2	124.4	155,279.2
B - Acceptable	115,007.0	681.3	17.5	115,705.8	6,873.4	229.6	34,431.3
C - Appreciable	188,324.0	9,266.8	1,490.3	199,081.2	45,004.3	2,534.3	70,470.0
D - Significant	101,861.6	3,864.0	1,106.8	106,832.4	62,219.2	4,544.7	42,766.8
E - Unrecoverable	76,174.7	3,346.7	688.5	80,209.9	72,215.0	3,148.6	26,620.6
	750,906.2	18,875.6	3,314.8	773,096.6	196,329.1	10,581.6	329,567.9

Continues

December 31							
Figures in million COP							
	Capital	Interest	Other Items	Total	Provisions		Garantia Secured
					Capital	Interest and other	
Consumer							
A - Normal	30,876.2	251.8	41.1	31,169.1	1,572.1	44.1	7,693.4
B - Acceptable	8,956.1	104.9	16.1	9,077.0	1,197.3	33.0	786.3
C - Appreciable	1,497.3	251.3	45.7	1,794.3	2,512.6	175.8	1,664.6
D - Significant	37,202.6	915.6	366.6	38,484.7	26,137.5	1,235.6	4,054.7
E - Unrecoverable	4,781.5	220.4	142.9	5,144.7	4,781.4	362.8	1,061.7
	83,313.7	1,744.0	612.3	85,669.8	36,200.9	1,851.3	15,260.7
Micro							
A - Normal	1,612.8	21.8	2.5	1,637.1	16.1	0.2	762.5
B - Acceptable	349.9	9.7	1.4	361.0	11.2	11.0	202.5
C - Appreciable	413.1	15.9	5.1	434.1	82.6	21.0	229.3
D - Significant	285.8	3.2	1.9	290.9	142.9	5.1	81.2
E - Unrecoverable	719.8	23.4	19.1	762.2	719.8	42.4	309.8
	3,381.4	74.0	30.0	3,485.3	972.6	79.7	1,585.3
Mortgage							
A - Normal	321.2	0.2	0.1	321.5	3.2	0.0	1,254.2
B - Acceptable	51.5	0.3	0.2	52.0	1.6	0.5	89.5
C - Appreciable	24.1	0.2	0.3	24.6	3.5	0.5	25.0
D - Significant	8.5	0.1	0.0	8.6	8.5	0.1	0.0
E - Unrecoverable	32.1	1.1	0.6	33.8	19.9	1.7	67.3
	437.4	1.9	1.2	440.5	36.7	2.8	1,436.0
Totales							
A - Normal	302,349.1	1,990.6	55.4	304,395.2	11,608.6	168.7	164,989.3
B - Acceptable	124,364.5	796.2	35.2	125,195.9	8,083.5	274.1	35,509.6
C - Appreciable	203,258.5	9,534.2	1,541.4	201,334.2	47,603.0	2,731.6	72,388.9
D - Significant	139,358.5	4,782.9	1,475.3	145,616.6	88,508.1	5,785.5	46,902.7
E - Unrecoverable	81,708.1	3,591.6	851.1	86,150.8	77,736.0	3,555.5	28,059.4
	851,038.7	20,695.5	3,958.4	875,326.6	233,539.3	12,515.4	347,849.9

Restructured loans by economic sector:

June 30						
Figures in million COP						
	Ordinary/ Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Commercial						
Coffee	1,651.0	0.0	0.0	0.0	0.0	0.0
Cattle-breeding	2,527.2	0.0	0.0	0.0	1,124.5	0.0
Other- Agriculture	14,202.3	54.3	2,787.1	21,328.4	12,168.2	0.0
Coal, oil, natural gas	1,725.8	0.0	0.0	0.0	0.0	0.0
Metal/non-metal minerals extraction	291.4	0.0	0.0	493.9	13.6	0.0
Foods	3,652.7	0.0	849.9	6,152.1	7,238.8	0.0
Beverages and tobacco	37.7	0.0	0.0	188.6	1,583.3	0.0
Textiles	38,733.6	70.0	2,846.3	13,520.3	11,022.5	0.0

Continues

Figures in million COP	June 30					
	Ordinary/ Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Paper and publishing	1,797.2	560.2	746.9	1,092.9	30,506.2	0.0
Chemicals, rubber and plastics	6,410.7	0.0	1,882.1	981.1	5,827.4	0.0
Oil and coal derivatives products	105.3	0.0	0.0	0.0	0.0	0.0
Mfr. non-metal minerals prod.	664.7	0.0	0.0	118.8	12,333.3	0.0
Mfr. metal products	66,048.8	0.0	310.4	493.0	15,564.6	0.0
Mfr. of machinery	759.7	0.0	61.9	0.0	776.4	0.0
Mfr. of transport materials	2,170.0	16.1	0.0	1,169.5	51.7	0.0
Other manufacture incl. wood	3,155.9	0.0	38.2	34.9	1,369.7	0.0
Electricity, gas and water	1,339.3	0.0	0.0	0.0	56.2	0.0
Construction	7,993.1	0.0	10,785.4	1,450.7	7,543.5	0.0
Vehicles	3,781.7	0.0	8.6	5.9	2,153.5	0.0
Other- Wholesale/retail commerce	129,034.9	16.7	2,516.9	5,292.2	22,822.4	0.0
Hotels/restaurants	2,036.5	0.0	23.7	28.0	381.0	0.0
Transport and communications	8,404.0	0.0	707.8	34,353.0	2,418.6	0.0
Business services	13,596.2	186.8	1,240.7	3,796.9	16,249.0	0.0
Public administration /defence	26,790.6	0.0	0.0	30,481.1	0.0	117,671.3
Health, education and culture	25,513.7	0.0	0.0	140.7	514.9	0.0
Family loans, exc. mortgages	4,849.2	107.2	60.5	0.0	58.6	0.0
Other	4,116.5	55.8	0.0	0.0	51.3	0.0
	371,389.7	1,067.1	24,866.4	121,122.0	151,829.2	117,671.3

Consumer

Coffee	181.7	0.0	0.0	0.0	0.0	0.0
Cattle-breeding	394.4	0.0	0.0	0.0	0.0	0.0
Other- Agriculture	830.7	0.0	0.0	0.0	0.0	0.0
Coal, oil, natural gas	43.9	0.0	0.0	0.0	0.0	0.0
Metal/non-metal minerals extraction	21.1	0.0	0.0	0.0	0.0	0.0
Foods	327.6	0.0	0.0	0.0	17.3	0.0
Textiles	448.0	0.0	0.0	0.0	0.7	0.0
Paper and publishing	347.2	0.0	0.0	0.0	9.2	0.0
Chemicals, rubber and plastics	40.6	0.0	0.0	0.0	16.7	0.0
Mfr. non-metal minerals prod.	4.0	0.0	0.0	0.0	0.0	0.0
Mfr. metal products	147.3	0.0	0.0	0.0	0.0	0.0
Mfr. of machinery	79.2	0.0	0.0	0.0	0.0	0.0
Mfr. of transport materials	16.7	0.0	0.0	0.0	0.0	0.0
Other manufacture incl. wood	262.5	0.0	0.0	0.0	0.0	0.0
Electricity, gas and water	6.2	0.0	0.0	0.0	0.0	0.0
Construction	404.4	0.0	0.0	0.0	2.1	0.0
Vehicles	355.3	0.0	0.0	0.0	0.0	0.0
Other- Wholesale/retail commerce	5,653.1	0.9	70.7	0.0	247.6	0.0
Hotels/restaurants	572.9	0.0	0.0	0.0	0.0	0.0
Transport and communications	3,759.9	0.0	0.0	0.0	154.9	0.0

Continues

Figures in million COP	June 30					
	Ordinary/ Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Business services	5,235.1	36.1	24.3	0.0	6.7	0.0
Public administration /defence	54.4	0.0	0.0	0.0	0.0	0.0
Health, education and culture	467.7	0.0	0.0	0.0	0.0	0.0
Family loans, exc. mortgages	62,243.5	22.6	68.9	5.8	171.4	0.0
Other	1,954.3	12.5	0.0	0.0	72.3	0.0
	<u>83,851.7</u>	<u>72.1</u>	<u>163.9</u>	<u>5.8</u>	<u>698.9</u>	<u>0.0</u>
Micro						
Coffee	11.0	0.0	0.0	0.0	0.0	0.0
Cattle-breeding	10.9	0.0	0.0	0.0	0.0	0.0
Other- Agriculture	60.7	0.0	0.0	0.0	0.0	0.0
Foods	89.5	0.0	0.0	0.0	0.0	0.0
Textiles	69.9	0.0	0.0	0.0	0.0	0.0
Paper and publishing	13.7	0.0	0.0	0.0	0.0	0.0
Chemicals, rubber and plastics	39.2	0.0	0.0	0.0	0.0	0.0
Mfr. non-metal minerals prod,	15.8	0.0	0.0	0.0	0.0	0.0
Mfr. metal products	8.4	0.0	0.0	0.0	0.0	0.0
Other manufacture incl. wood	75.5	0.0	0.0	0.0	0.0	0.0
Electricity, gas and water	5.8	0.0	0.0	0.0	0.0	0.0
Construction	14.9	0.0	0.0	0.0	0.0	0.0
Vehicles	107.2	0.0	0.0	0.0	0.0	0.0
Other- Wholesale/retail commerce	1,593.6	0.0	0.0	0.0	55.7	0.0
Hotels/restaurants	140.6	0.0	0.0	0.0	0.0	0.0
Transport and communications	179.3	0.0	0.0	0.0	0.0	0.0
Business services	236.4	0.0	0.0	0.0	0.0	0.0
Health, education and culture	50.7	0.0	0.0	0.0	0.0	0.0
Family loans, exc. mortgages	301.0	0.0	0.0	0.0	83.3	0.0
Other	81.2	0.0	0.0	0.0	0.0	0.0
	<u>3,105.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>139.0</u>	<u>0.0</u>
Mortgage						
Other - Wholesale/retail commerce	12.0	0.0	0.0	0.0	0.0	0.0
Transport and communications	3.5	0.0	0.0	0.0	0.0	0.0
Business services	9.6	0.0	0.0	0.0	0.0	0.0
Family loans, exc. mortgages	313.6	0.0	0.0	0.0	0.0	0.0
	<u>338.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<u>458,685.5</u>	<u>1,139.2</u>	<u>25,030.3</u>	<u>121,127.8</u>	<u>152,667.1</u>	<u>117,671.3</u>

Restructured loans by economic sector:

Figures in million COP	December 31					
	Ordinary/ Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Commercial						
Coffee	1,750.7	0.0	0.0	0.1	10.0	0.0
Cattle-breeding	2,274.2	0.0	0.0	0.0	913.9	0.0
Other- Agriculture	15,652.1	54.3	117.4	23,378.4	8,156.2	0.0
Coal, oil, natural gas	1,787.4	0.0	0.0	0.0	0.0	0.0
Metal/non-metal minerals extraction	175.6	0.0	0.0	462.3	0.0	0.0
Foods	2,129.6	188.3	828.0	5,285.3	15,084.3	0.0
Beverages and tobacco	34.5	0.0	0.0	198.3	1,586.3	0.0
Textiles	42,595.0	70.0	3,888.2	13,921.7	8,069.9	0.0
Paper and publishing	2,609.6	563.0	916.4	1,095.9	28,668.2	0.0
Chemicals, rubber and plastics	6,359.4	0.0	1,881.9	930.6	5,727.5	0.0
Oil and coal derivatives products	117.1	0.0	0.0	0.0	0.0	0.0
Mfr. non-metal minerals prod.	963.6	0.0	0.2	117.3	421.1	0.0
Mfr. metal products	32,239.0	0.0	410.4	1,111.8	15,270.6	0.0
Mfr. of machinery	1,937.6	0.0	61.9	0.0	702.9	0.0
Mfr. of transport materials	1,862.5	160.2	0.0	959.1	38.0	0.0
Other manufacture incl. wood	2,730.6	0.0	32.0	16,200.6	1,143.7	0.0
Electricity, gas and water	1,546.3	0.0	0.0	0.0	56.2	0.0
Construction	10,213.6	0.0	10,515.5	1,744.4	6,153.9	0.0
Vehicles	4,189.8	0.0	8.0	5.8	908.1	0.0
Other- Wholesale/retail commerce	130,434.5	16.7	2,203.5	5,519.1	14,166.5	0.0
Hotels/restaurants	2,424.6	0.0	122.2	26.2	379.7	0.0
Transport and communications	9,083.8	0.0	3,554.8	34,761.8	2,397.9	0.0
Business services	15,887.0	188.1	767.6	4,129.0	12,761.7	0.0
Public administration /defence	24,924.3	0.0	0.0	30,669.5	0.0	125,332.4
Health, education and culture	10,500.9	0.0	0.0	160.2	517.1	0.0
A las familias para Mortgage	0.0	0.0	16.2	0.0	0.0	0.0
Family loans, exc. mortgages	5,390.0	562.7	0.0	0.0	53.8	0.0
Other	4,585.6	55.8	5.0	0.0	121.6	0.0
	334,398.9	1,859.1	25,329.2	140,677.4	123,309.1	125,332.4
Consumer						
Coffee	558.9	0.0	0.0	0.0	0.0	0.0
Cattle-breeding	425.7	0.0	0.0	0.0	0.0	0.0
Other- Agriculture	970.0	0.0	0.0	0.0	4.9	0.0
Coal, oil, natural gas	82.7	0.0	0.0	0.0	0.0	0.0
Metal/non-metal minerals extraction	0.0	0.0	0.0	31.6	0.0	0.0
Foods	327.8	0.0	0.0	0.0	8.3	0.0
Textiles	407.1	0.0	3.8	0.0	0.7	0.0
Paper and publishing	289.7	0.0	0.0	0.0	9.2	0.0
Chemicals, rubber and plastics	24.9	0.0	0.0	85.5	16.7	0.0
Mfr. non-metal minerals prod.	6.9	0.0	0.0	0.0	0.0	0.0
Mfr. metal products	128.6	0.0	0.0	0.0	0.0	0.0
Mfr. of machinery	64.0	0.0	0.0	0.0	0.0	0.0
Mfr. of transport materials	16.2	0.0	0.0	0.0	0.0	0.0

Continues

Figures in million COP	December 31					
	Ordinary/ Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Other manufacture						
incl. wood	355.3	0.0	0.0	0.0	0.0	0.0
Construction	496.1	0.0	0.2	0.0	2.1	0.0
Vehicles	301.2	0.0	0.0	0.0	0.0	0.0
Other- Wholesale/retail						
commerce	5,505.2	0.0	0.0	0.0	234.5	0.0
Hotels/restaurants	600.9	0.0	0.0	0.0	0.0	0.0
Transport and						
communications	4,577.9	0.0	0.0	0.0	105.5	0.0
Business services	5,108.3	25.9	24.1	0.0	0.0	0.0
Public administration/defence	8.1	0.0	0.0	0.0	0.0	0.0
Health, education and culture	478.8	0.0	0.0	0.0	3.8	0.0
Family loans. exc. mortgages	73,068.0	30.4	7.8	6.0	272.8	0.0
Other	1,553.6	12.5	0.0	0.0	71.4	0.0
	95,355.9	68.8	35.9	123.1	729.9	0.0
Micro						
Coffee	16.7	0.0	0.0	0.0	0.0	0.0
Cattle-breeding	13.3	0.0	0.0	0.0	0.0	0.0
Other- Agriculture	91.0	0.0	0.0	0.0	0.0	0.0
Foods	80.7	0.0	0.0	0.0	0.0	0.0
Textiles	87.7	0.0	4.4	0.0	0.0	0.0
Paper and publishing	7.1	0.0	0.0	0.0	0.0	0.0
Chemicals, rubber and						
plastics	48.5	0.0	0.0	0.0	0.0	0.0
Mfr. non-metal minerals prod.	16.5	0.0	0.0	0.0	0.0	0.0
Mfr. metal products	10.5	0.0	0.0	0.0	0.0	0.0
Mfr. of machinery	6.3	0.0	0.0	0.0	0.0	0.0
Mfr. of transport materials	5.1	0.0	0.0	0.0	0.0	0.0
Other manufacture						
incl. wood	65.3	0.0	0.0	0.0	0.0	0.0
Construction	30.1	0.0	0.0	0.0	0.0	0.0
Vehicles	109.1	0.0	0.0	0.0	0.0	0.0
Other- Wholesale/retail						
commerce	1,606.4	0.0	0.0	0.0	55.8	0.0
Hotels/restaurants	102.8	0.0	0.0	0.0	0.0	0.0
Transport and communications	215.1	0.0	0.0	0.0	0.0	0.0
Business services	289.2	0.0	0.0	0.0	0.0	0.0
Health, education and culture	40.8	0.0	0.0	0.0	0.0	0.0
Family loans, exc. mortgages	314.9	0.0	0.0	0.0	83.3	0.0
Other	80.9	0.0	0.0	0.0	0.0	0.0
	3,238.0	0.0	4.4	0.0	139.1	0.0
Mortgage						
Paper and publishing	12.7	0.0	0.0	0.0	0.0	0.0
Other - Wholesale/retail						
commerce	16.5	0.0	0.0	0.0	0.0	0.0
Transport and communications	4.7	0.0	0.0	0.0	0.0	0.0
Business services	14.6	0.0	0.0	0.0	0.0	0.0
Family loans, exc. mortgages	388.9	0.0	0.0	0.0	0.0	0.0
Other	0.4	0.0	0.0	0.0	0.0	0.0
	437.8	0.0	0.0	0.0	0.0	0.0
	433,430.6	1,927.9	25,369.5	140,800.5	124,177.9	125,332.4

Restructured loans by ratings:

June 30							
Figures in million COP	No. of Loans	Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Commercial							
A	1,200.0	\$ 124,791.5	16.1	11.0	64,902.8	64.2	21,560.2
B	681.0	108,613.4	0.0	0.0	0.0	21,726.0	27,507.6
C	1,092.0	91,433.5	0.0	3,325.3	12,998.2	56,805.3	68,603.4
D	1,668.0	41,805.4	560.2	3,288.0	7,063.3	48,856.0	0.0
E	839.0	4,745.9	490.8	18,241.9	36,158.1	24,377.6	0.0
	5,480.0	371,389.7	1,067.1	24,866.2	121,122.4	151,829.1	117,671.2
Consumer							
A	5,483.0	31,555.6	4.5	1.8	5.8	30.5	0.0
B	2,165.0	8,538.7	0.0	31.1	0.0	0.0	0.0
C	2,461.0	13,625.0	0.0	0.0	0.0	3.3	0.0
D	5,856.0	26,956.1	37.0	131.0	0.0	544.9	0.0
E	611.0	3,176.3	30.6	0.0	0.0	120.2	0.0
	16,576.0	83,851.7	72.1	163.9	5.8	698.9	0.0
Micro							
A	379.0	2,204.6	0.0	0.0	0.0	0.0	0.0
B	28.0	149.8	0.0	0.0	0.0	0.0	0.0
C	17.0	91.6	0.0	0.0	0.0	0.0	0.0
D	21.0	117.5	0.0	0.0	0.0	0.0	0.0
E	83.0	541.8	0.0	0.0	0.0	139.0	0.0
	528.0	3,105.3	0.0	0.0	0.0	139.0	0.0
Mortgage							
A	62.0	272.7	0.0	0.0	0.0	0.0	0.0
B	4.0	16.8	0.0	0.0	0.0	0.0	0.0
C	2.0	2.8	0.0	0.0	0.0	0.0	0.0
D	3.0	14.7	0.0	0.0	0.0	0.0	0.0
E	4.0	31.7	0.0	0.0	0.0	0.0	0.0
	75.0	338.7	0.0	0.0	0.0	0.0	0.0
	22,659.0	458,685.4	1,139.2	25,030.1	121,128.2	152,667.0	117,671.2

December 31							
Figures in million COP	No. of Loans	Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Commercial							
A	696	\$ 125,620.9	805.3	17.6	81,196.5	3.8	61,894.9
B	787	63,276.5	0.0	0.0	1,436.6	19,943.5	30,350.4
C	1,222	98,790.9	0.0	1,251.5	12,405.3	42,789.0	33,087.2
D	1,825	43,189.8	563.0	6,531.7	6,310.2	45,266.8	0.0
E	754	3,520.8	490.8	17,528.3	39,328.8	15,305.9	0.0
	5,284	334,398.9	1,859.1	25,329.2	140,677.4	123,309.0	125,332.4
Consumer							
A	5,243	30,863.1	4.0	3.1	6.0	0.0	0.0
B	2,376	8,956.1	0.0	0.0	0.0	0.0	0.0
C	2,588	14,471.2	0.0	0.0	0.0	26.1	0.0
D	8,148	36,487.0	34.2	32.8	0.0	648.5	0.0
E	917	4,578.5	30.6	0.0	117.2	55.3	0.0
	19,272	95,355.9	68.8	35.9	123.2	729.9	0.0

Continues

Figures in million COP	December 31						
	No. of Loans	Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Micro							
A	271	1,612.8	0.0	0.0	0.0	0.0	0.0
B	60	266.6	0.0	0.0	0.0	83.3	0.0
C	54	362.7	0.0	0.0	0.0	50.4	0.0
D	54	280.5	0.0	0.0	0.0	5.3	0.0
E	134	715.4	0.0	4.4	0.0	0.0	0.0
	573	3,238.0	0.0	4.4	0.0	139.0	0.0
Mortgage							
A	95	321.7	0.0	0.0	0.0	0.0	0.0
B	5	51.5	0.0	0.0	0.0	0.0	0.0
C	4	24.1	0.0	0.0	0.0	0.0	0.0
D	2	8.5	0.0	0.0	0.0	0.0	0.0
E	4	32.1	0.0	0.0	0.0	0.0	0.0
	110	437.9	0.0	0.0	0.0	0.0	0.0
	25,239	433,430.6	1,927.8	25,369.4	140,800.6	124,177.9	125,332.4

Restructured loans by geographical zones:

Figures in million COP Region	June 30					
	Ordinary/ Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Commercial						
Antioquia- Pyme	19,345.4	404.1	1,689.2	2,680.9	3,771.8	0.0
Ant Corporate banking	90,755.4	16.1	853.1	1,986.0	30,668.4	0.0
Corporate banking	68,650.7	0.0	10,598.7	44,512.2	60,528.8	0.0
Business banking	35,568.6	0.0	6,658.0	9,346.8	16,124.5	0.0
Social banking	0.0	0.0	683.2	0.0	1,200.4	0.0
Bogota Norte - Pyme Personas	12,029.6	0.0	198.3	683.6	2,294.2	0.0
Bogota Sur - Pyme Personas	10,197.5	560.2	378.9	4,745.5	6,504.9	0.0
Central	5,237.5	0.0	320.1	1,927.2	517.7	0.0
Costa	8,058.3	70.0	201.5	45,899.3	2,186.6	1,945.3
Head Office Depts	0.0	0.0	0.0	125.6	13.2	0.0
NorOriente	67,692.9	0.0	202.5	4,383.6	5,933.6	31,660.2
Occidente - Pyme	14,579.7	0.0	2,305.5	485.7	2,839.3	0.0
Occ Corporate banking	9,211.2	0.0	32.8	594.0	16,586.6	79,643.8
Oriente	5,053.2	0.0	457.4	362.6	716.3	0.0
Region Uno Megabanco	11,021.7	0.0	19.0	1,314.0	701.3	0.0
Region Dos Megabanco	6,674.3	16.7	268.2	1,508.3	964.2	4,422.0
Red Megabanco	7,313.7	0.0	0.0	566.7	277.4	0.0
	371,389.7	1,067.1	24,866.4	121,122.0	151,829.2	117,671.3
Consumer						
Antioquia - Pyme	11,201.2	46.2	0.0	0.0	69.7	0.0
Bogota Norte - Pyme Personas	10,026.9	1.2	0.0	0.0	13.5	0.0
Bogota Sur - Pyme Personas	11,726.3	0.0	1.7	0.0	74.6	0.0

Continues

June 30						
Figures in million COP Region	Ordinary/ Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Central	4,467.4	0.2	0.0	0.0	22.2	0.0
Costa	7,955.0	0.0	0.0	0.0	9.2	0.0
Head Office Depts	771.4	3.1	0.0	0.0	0.0	0.0
NorOriente	0.0	0.0	0.0	0.0	0.0	0.0
Occidente - Pyme	20,143.8	21.4	29.3	0.0	210.7	0.0
Oriente	7,117.1	0.0	101.8	0.0	21.7	0.0
Region Uno Megabanco	5,963.2	0.0	31.1	5.8	1.0	0.0
Region Dos Megabanco	3,215.9	0.0	0.1	0.0	58.7	0.0
Red Megabanco	1,263.6	0.0	0.0	0.0	217.7	0.0
	83,851.8	72.1	164.0	5.8	698.9	0.0
Micro						
Antioquia - Pyme	34.7	0.0	0.0	0.0	0.0	0.0
Bogota Norte - Pyme Personas	14.0	0.0	0.0	0.0	0.0	0.0
Bogota Sur - Pyme Personas	19.6	0.0	0.0	0.0	0.0	0.0
Central	40.3	0.0	0.0	0.0	0.0	0.0
Costa	28.8	0.0	0.0	0.0	0.0	0.0
Dependencias Direccion General	35.7	0.0	0.0	0.0	0.0	0.0
NorOriente	0.0	0.0	0.0	0.0	0.0	0.0
Occidente - Pyme	127.5	0.0	0.0	0.0	0.0	0.0
Oriente	265.2	0.0	0.0	0.0	0.0	0.0
Region Uno Megabanco	1,424.3	0.0	0.0	0.0	0.0	0.0
Direccion General	0.0	0.0	0.0	0.0	0.0	0.0
Region Uno Megabanco	0.0	0.0	0.0	0.0	0.0	0.0
Region Dos Megabanco	1,115.2	0.0	0.0	0.0	139.0	0.0
	3,105.3	0.0	0.0	0.0	139.0	0.0
Mortgage						
Dependencias Direccion General	99.2	0.0	0.0	0.0	0.0	0.0
Region Uno Megabanco	142.0	0.0	0.0	0.0	0.0	0.0
Region Dos Megabanco	97.5	0.0	0.0	0.0	0.0	0.0
	338.7	0.0	0.0	0.0	0.0	0.0
	458,685.5	1,139.2	25,030.4	121,127.8	152,667.1	117,671.3

December 31						
Figures in million COP Region	Ordinary/ Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Commercial						
Antioquia- Pyme	23,071.1	404.2	1,581.2	2,910.4	3,696.9	62.5
Ant Corporate banking	88,179.2	160.2	1,869.6	2,900.9	15,788.0	0.0
Corporate banking	71,505.0	0.0	10,598.7	44,429.8	53,293.3	0.0
Business banking	23,525.1	0.0	6,397.8	27,749.8	16,389.2	0.0
Social banking	0.0	0.0	571.0	0.0	1,386.3	0.0
Bogota Norte - Pyme Personas	13,238.8	0.0	216.6	686.7	589.7	0.0
Bogota Sur - Pyme Personas	11,168.1	563.0	194.9	4,829.6	5,790.6	0.0

Continues

Figures in million COP Region	December 31					
	Ordinary/ Special Restruct.	Moratorium	Liquidations	Law 550/99	Law 1116/06	Law 617/00
Central	4,721.0	0.0	320.3	2,103.9	516.2	0.0
Costa	9,144.2	70.0	214.4	46,954.3	1,032.1	2,049.7
Head Office Depts	0.0	0.0	0.0	43.3	0.0	0.0
NorOriente	25,406.7	188.3	0.0	3,219.7	5,775.8	31,660.2
Occidente - Pyme	13,738.2	1.2	2,588.9	607.5	3,044.5	0.0
Occ Corporate banking	17,819.6	0.0	0.0	726.3	13,355.4	86,629.4
Oriente	6,866.0	0.0	8.1	394.0	822.9	0.0
Region Uno Megabanco	11,993.3	455.5	11.3	1,537.4	798.1	0.0
Region Dos Megabanco	6,079.3	16.7	756.4	1,181.3	752.6	4,930.6
Red Megabanco	7,943.2	0.0	0.0	402.5	277.4	0.0
	334,398.8	1,859.1	25,329.2	140,677.5	123,309.0	125,332.4
Consumer						
Antioquia - Pyme	13,139.3	46.2	0.0	0.0	14.1	0.0
Bogota Norte - Pyme Personas	11,557.1	7.9	0.2	0.0	12.7	0.0
Bogota Sur - Pyme Personas	14,016.9	0.0	2.5	6.0	79.7	0.0
Central	5,105.9	0.5	0.0	0.0	22.2	0.0
Costa	8,635.4	0.0	0.0	0.0	9.2	0.0
Head Office Depts	819.7	2.9	3.8	117.1	4.9	0.0
NorOriente	0.0	0.0	0.0	0.0	0.0	0.0
Occidente - Pyme	23,087.3	11.3	29.0	0.0	223.9	0.0
Oriente	7,497.3	0.0	0.0	0.0	86.6	0.0
Region Uno Megabanco	6,498.5	0.0	0.0	0.0	0.0	0.0
Region Dos Megabanco	3,432.0	0.0	0.4	0.0	58.9	0.0
Red Megabanco	1,566.4	0.0	0.0	0.0	217.6	0.0
	95,355.8	68.8	35.9	123.1	729.8	0.0
Micro						
Antioquia - Pyme	59.2	0.0	0.0	0.0	0.0	0.0
Bogota Norte - Pyme Personas	32.0	0.0	0.0	0.0	0.0	0.0
Bogota Sur - Pyme Personas	32.9	0.0	0.0	0.0	0.0	0.0
Central	55.6	0.0	0.0	0.0	0.0	0.0
Costa	44.1	0.0	0.0	0.0	0.0	0.0
Head Office Depts	30.6	0.0	0.0	0.0	0.0	0.0
NorOriente	0.0	0.0	0.0	0.0	0.0	0.0
Occidente - Pyme	172.6	0.0	0.0	0.0	0.0	0.0
Oriente	339.6	0.0	0.0	0.0	0.0	0.0
Region Uno Megabanco	1,497.3	0.0	0.0	0.0	0.0	0.0
Head Office	0.0	0.0	0.0	0.0	0.0	0.0
Region Uno Megabanco	974.3	0.0	0.0	0.0	0.0	0.0
Region Dos Megabanco	0.0	0.0	4.3	0.0	139.1	0.0
	3,238.2	0.0	4.3	0.0	139.1	0.0
Mortgage						
Dependencias Direccion General	100.2	0.0	0.0	0.0	0.0	0.0
Region Uno Megabanco	174.6	0.0	0.0	0.0	0.0	0.0
Region Dos Megabanco	162.9	0.0	0.0	0.0	0.0	0.0
	437.7	0.0	0.0	0.0	0.0	0.0
	433,430.6	1,927.8	25,369.4	140,800.6	124,177.9	125,332.4

Restructured loans by monetary unit:

Restructured loans, moratorium, arrangements with creditors, liquidations, Law 550/1999, Law 1666 116/ 2006 and Law 617/2000 by monetary unit.

Figures in million COP	June 30			December 31		
	Currency		Total	Currency		Total
	Local	Foreign		Local	Foreign	
Commercial	784,779.5	3,166.2	787,945.7	746,582.7	4,323.6	750,906.3
Consumer	84,792.4	0.0	84,792.4	96,313.7	0.0	96,313.7
Micro	3,244.3	0.0	3,244.3	3,381.4	0.0	3,381.4
Mortgage	338.7	0.0	338.7	437.4	0.0	437.4
	873,154.9	3,166.2	876,321.0	846,715.2	4,323.6	851,038.8

Loans purchased and sold

The following is the detail of loan purchases and sales at par in each period:

Figures in million COP Name	Capital		Average terms at June 30 2011	
	January 1 - June 30	July 1 - December 31	Rate	Term
Purchases				
Acerías Paz del Río S.A.	0.0	25,765.2		
Finesa S.A.	37,226.6	20,945.4	4.5	Up to 4 years
Empacor S.A.	0.0	13,544.2		
Pernod Ricard Colombia S.A.	1,029.3	845.3	10.2	Up to 7 months
Constanza Cardona Escobar	0.0	386.0		
Detergentes S.A.	0.0	124.0		
Metrokia	22,614.6	29,045.0	5.9	Up to 1 month
C. I. Denim Factory	4,297.0	8,240.9	Libor + 4.5%	Up to 3 months
Quest International S.A.	0.0	95.2		
Carolina Londoño	0.0	52.7		
Carboleonas	313.5	468.5	5.8	Up to 6 months
Carbopaz	0.0	87.6		
Colombiana de Minerales	0.0	134.4		
Distrab Ltda.	0.0	198.9		
Fabian García Ríos	0.0	3,295.0		
Invergrupo S.A.	3,053.3	1,843.0	5	Up to 3, 4 y 5 years
Jorge Armenta De La Peña	0.0	371.1		
Minas Paz del Río S.A.	0.0	7,229.1		
Mincivil	24,989.3	4,823.2	4.9	Up to 6 months
Newell Sanford	0.0	69.5		
Productora de Abrasivos	0.0	48.8		
Rocas y Minerales	98.4	116.1	5.01	Up to 3 months
Cales y Derivados Calcáreos	959.9	97.0	Libor + 4%	Up to 2 month
Acesco	0.0	1,579.7		
Banco de Bogotá Nassau	0.0	12,607.1		
Banco de Bogotá S.A. - Panamá	0.0	13,854.0		

Continues

Figures in million COP Name	Capital		Average terms at June 30 2011	
	January 1 - June 30	July 1- December 31	Rate	Term
Dinagas S,A,	10,897.6	0.0	5.01	Up to 6 months
H.L. Ingenieros	2,496.7	0.0	5.01	Up to 5 months
Ingecolmaq	4,816.7	0.0	4.93	Up to 5 months
Refractarios Magnesita	6,747.2	0.0	4.95	Up to 5 months
Colombian Coial	748.5	0.0	4.93	Up to 6 months
Gran Sapore	550.3	0.0	4.84	Up to 6 months
Latinoamericana de carbon	1,804.6	0.0	5.04	Up to 6 months
Mineralex Ltda	133.6	0.0	4.93	Up to 6 months
Carbones del Canada	247.8	0.0	4.95	Up to 6 months
Consorcio G.D.	113.6	0.0	5.08	Up to 6 months
Exportaciones y Movimientos	116.4	0.0	4.93	Up to 5 months
Icollantas	606.3	0.0	10.78	Up to 4 months
Pabsa	197.4	0.0	14.45	Up to 4 months
Propilco	191.8	0.0	6.77	Up to 3 months
Diaco S.A.	6,113.8	0.0	11.31	Up to 4 months
Tech Data	188.3	0.0	8.89	Up to 2 months
Propal	3,305.9	0.0	7.07	Up to 5 months
Gran Sapore de Colombia	924.6	0.0	5.33	Up to 6 months
Transportes Estelar	131.2	0.0	5.76	Up to 4 months
Calpreco	241.2	0.0	5.81	Up to 4 months
Banco Colpatria	122.0	0.0	12	> A 5 years
	135,277.4	145,866.9		

Sales

Banco de Bogotá Miami Agency	0.0	11,005.4		
Banco de Bogotá New York Agency	23,040.2	51,235.6	Libor + 1.2%	Up to 1 month
Banco de Bogotá S.A. - Colombia	8,372.8	31,972.3	Libor + 1.5%	Up to 1 year
	31,413.0	94,213.3		

Loans written off

The detail of loans written off is the following:

Figures in million COP	June 30			December 31		
	Capital	Interest	Total	Capital	Interest	Total
Commercial	54,987.4	5,853.8	60,841.2	46,602.1	9,536.5	56,138.6
Consumer	57,010.1	5,607.3	62,617.4	75,967.5	8,367.9	84,335.4
Micro	5,217.6	1,167.8	6,385.4	6,371.8	922.6	7,294.4
Hipotecario	0.0	0.0	0.0	0.1	4.6	4.7
	117,215.1	12,628.9	129,844.0	128,941.5	18,831.6	147,773.1

Loan Provisions

The movement of capital provisions by mode of loan is the following:

Figures in million COP	Commercial	Consumer	Micro	Mortgage	Total
Balance At June 30, 2010	520,009.8	232,082.3	14,239.1	465.5	766,796.7
Plus: Provision expensed	256,467.8	116,200.4	7,529.9	138.2	380,336.3
Re-expression Miami Agency	20.4	0.0	0.0	0.0	20.4
Transfer of Megabanco equity	1,829.6	0.0	0.0	0.0	1,829.6
Less: Loans written off	46,602.0	75,967.5	6,371.8	0.1	128,941.4
Recoveries	166,253.1	58,211.0	2,375.6	84.2	226,923.9
Balance at December 31, 2010	565,472.6	214,104.2	13,021.6	519.4	793,117.3
Plus: Provision expensed	252,076.9	116,950.0	6,778.0	358.4	376,163.3
Re-expression, Miami Agency	(971.3)	0.0	0.0	0.0	(971.3)
Transfer of Megabanco equity	470.5	0.0	0.0	0.0	470.5
Less: Loans written off	54,987.4	57,010.1	5,217.6	0.0	117,215.2
Recoveries	190,882.5	55,868.4	3,370.0	524.1	250,644.9
Balance At June 30, 2011	571,178.6	218,175.8	11,212.0	353.7	800,920.1

At June 30, 2011 and December 31, 2010, loan and receivable provisions in the Commercial reference model were:

Figures in million COP	June 30	December 31
Individual procyclical	474,245.1	497,811.6
Individual counter-cyclical	128,231.8	99,987.4
Total	602,476.9	597,799.0

At June 30, 2011 and December 31, 2010, loan and receivable provisions in the Commercial reference model were:

Figures in million COP	June 30	December 31
Individual procyclical	194,673.2	197,868.6
Individual counter-cyclical	58,725.3	50,207.2
Total	253,398.5	248,075.8

The Public Sector

At June 30, 2011 and December 31, 2010, net loans to the public sector totaled \$1,423,754.9 and \$1,491,783.7 representing 5.8% and 6.74% of total loans. Provisions were \$37,902.7 and \$44,266.0 million, or 3.0% of loans to the public sector, respectively.

New York and Miami Agency loans

At June 30, 2011 and December 31, 2010, the loans of these Agencies were classified as required by Superintendency Circular 100/1995, as follows:

Figures in million COP	June 30	December 31
New York	438,868.7	402,008.2
Miami	574,898.6	636,322.6
	<u>1,013,767.3</u>	<u>1,038,330.8</u>
Provision New York	(6,159.4)	(5,339.8)
Provision a Miami	(7,516.4)	(9,885.7)
	<u>1,000,091.5 ^{1/}</u>	<u>1,023,105.3 ^{2/}</u>

1/ Equivalent to US\$ 572,000,150.32 at MRR of \$1,772.32

2/ Equivalent to US\$ 542,498,249.72 at MRR of \$ 1,913.98

8. ACCEPTANCES, SPOT OPERATIONS AND DERIVATIVES

The following is the detail of acceptances, spot operations and derivatives:

Figures in million COP	June 30	December 31
Assets:		
Bank acceptances outstanding	<u>17,160.4</u>	<u>27,372.9</u>
Spot	18.2	(883.9)
Derivatives	<u>271,866.4</u>	<u>165,491.8</u>
	<u>271,884.6</u>	<u>164,607.9</u>
	<u>289,045.0</u>	<u>191,980.8</u>
Liabilities:		
Bank acceptances outstanding	17,160.4	29,964.9
Derivatives	<u>177,458.4</u>	<u>146,915.3</u>
	<u>194,618.8</u>	<u>176,880.2</u>

At June 30, 2011 and December 31, 2010, all asset acceptances were evaluated: the result is as follows:

Figures in million COP	Commercial	Consumer	Total
June 30			
A - Normal	<u>17,160.4</u>	0.0	<u>17,160.4</u>
December 31			
A - Normal	27,355.3	17.6	<u>27,372.9</u>

The following is the detail of net asset and liability derivatives:

Figures in million COP	June 30		December 31	
	Balance	Average	Balance	Average
Speculative forwards				
Currency purchases				
Rights	4,232,288.0	4,265,797.4	2,543,517.4	3,276,964.1
Obligations	(4,326,901.7)	(4,316,590.4)	(2,511,676.8)	(3,258,890.7)
	(94,613.7)		31,840.6	
Currency sales				
Rights	4,701,249.4	4,706,895.3	3,099,780.6	3,993,367.3
Obligations	(4,597,724.2)	(4,655,707.0)	(3,119,149.4)	(4,873,812.2)
	103,525.2		(19,368.8)	
Securities sales				
Rights	0.0	3,389.6	63,412.9	45,460.3
Obligations	0.0	(3,372.2)	(63,001.3)	(45,402.5)
	0.0		411.6	
Foreign currency asset /liabilityforwards:				
Currency sales:				
Rights	1,189,369.7	1,307,348.0	851,328.0	851,328.0
Obligations	(1,121,419.9)	(1,277,511.3)	(858,776.5)	(858,776.5)
	67,949.8		(7,448.5)	
Currency purchases:				
Rights	2,658.3	221,999.1	0.0	0.0
Obligations	(2,673.9)	(220,361.0)	0.0	0.0
	(15.6)		0.0	
Futures: *				
Dollar/peso futures				
Rights	707,176.2	575,187.9	161,551.3	41,474.5
Obligations	(707,176.2)	(575,187.9)	(161,551.3)	(41,474.5)
	0.0		0.0	
Securities futures:				
Securities sales:				
Rights	2,606.3	27,606.4	0.0	0.0
Obligations	(2,606.3)	(27,606.4)	0.0	0.0
	0.0		0.0	
Securities purchases:				
Rights	2,786.7	8,037.7	13,649.4	18,348.1
Obligations	(2,786.7)	(8,037.7)	(13,649.4)	(18,348.1)
	0.0		0.0	
Currency swaps:				
Rights	649,465.2	691,119.5	729,190.3	691,703.6
Obligations	(614,447.7)	(723,843.2)	(715,765.4)	674,163.4
	35,017.5		13,424.9	
Interest rate swaps:				
Rights	1,132,684.0	1,054,467.3	987,300.6	784,977.8
Obligations	(1,134,019.1)	(1,049,028.0)	(987,368.8)	812,685.4
	(1,335.1)		(68.2)	

* The Bank delivered TES for \$29,782.8 to the Central Counterpart Risk Clearing House in guarantee of the Standard derivatives operations in the Colombian stock exchange BVC (Note 6).

Continues

Figures in million COP	June 30		December 31	
	Balance	Average	Balance	Average
Options:				
Currency calls	2,006.0	5,131.6	4,180.7	1,902.5
Currency puts	(18,126.1)	(18,775.6)	(4,395.8)	(4,289.1)
Caps, Floors, Collars	0.0	0.0	0.0	0.0
	(16,120.1)		(215.1)	
Net (Assets-liabilities)	94,408.0		18,576.5	

The following is the detail of net revenues (expenses) from derivatives:

Figures in million COP	June 30	December 31
Forwards:		
Currency	94,071.5	(10,466.6)
Securities	890.5	2,302.7
	94,962.0	(8,163.9)
Futures:		
Currency	(1,466.5)	(1,946.6)
Securities	(1,597.8)	(3,304.9)
	(3,064.3)	(5,251.5)
Currency swaps	16,476.8	2,768.9
Interest rate swaps	(2,738.1)	691.2
Currency options:		
Calls	1,385.0	6,446.3
Puts	(5,060.6)	2,275.7
Caps, Floors, Collars	(9,729.2)	(9,979.0)
	(13,404.8)	(1,257.0)
	92,231.6	(11,212.3)

Banco de Bogotá engages in derivatives operations to arrange business for clients or take advantage of opportunities for arbitrage in Exchange rates and interest rates in local and foreign markets.

The derivative portfolios contain basic combinations of Forwards, Options and Swaps whose original risk is hedged with money market instruments or another type of derivative. For example, an exchange rate option generates exposure to exchange rate risk and to internal and external interest rates, which are covered by forwards and money market instruments, and other factors such as exchange rate volatility, which can only be hedged with options.

The Bank has policies and procedures for management of the risks generated in this type of operation. This framework is used in all operations.

Limits for maximum exposure to market risk (Value at Risk, or VaR) by operation and type of risk associated with each instrument in each portfolio (sensitivity of effect on portfolio value as a consequence of movements in interest rates or related factors – the impact of variations in fair market prices for specific risk factors. Interest rate – Rho, exchange rate – Delta and volatility – Vega.

Credit risk is a fundamental consideration when dealing in financial derivatives, and methods have therefore been devised to calculate credit risk exposure taking account of potential future exposure of operations.

The result of the portfolio management strategies is evaluated by contrasting sources of income with sources of risk for each portfolio, in order to determine whether profits come from the taking of positions (exchange rate or interest rate), from intermediation, or from the structure of the portfolios themselves (passage of time)

The Bank arranges synthetic cover for its derivatives portfolio with money market instruments and foreign currency debt.

The Bank manages a "Delta Neutral" options portfolio on the spot market and exercises strict control over

Gamma, Rho, Theta and Vega risks.

At the close of June 30, 2011 operations were as follows:

Speculative forwards

	Balance (US\$)	Balance	Purpose
Currency purchase rights (Peso/Dollar)	2,339.9	\$ 4,146,996.9	Hedging of forward sales contracts with customers and other Bank Book positions(Dollar Peso).
Currency purchase rights (Other than peso/Dollar)	50.1	88,724.8	Hedging of forward sales contracts with customers (Currency peso and Currency Currency) and other Bank Book positions.
	2,390.0	\$ 4,235,721.7	
Currency purchase obligations(Peso/Dollar)		\$ (4,241,984.6)	Peso flows from forwards of purchase for US\$ 2.340 million.
		(2,185.2)	Peso flows from forwards of purchase like as hedging
Currency purchase obligations(Other than peso/Dollar)	(46.7)	(82,731.9)	Hedging of forwards with customers (Currency Currency) and other Bank Book positions.
	(46.7)	\$ (4,326,901.7)	
Sales rights: Currency Purchase (Peso/Dollar)		\$ 4,614,666.3	Peso flows from forwards sales for US\$2.543 million
Currency sales rights (other than Peso/Dollar)	43.8	9,033.1	Peso flows from forwards sales
		77,550.0	Hedging of forwards with customers (Currency Currency) and other Bank Book positions.
	43.8	\$ 4,701,249.4	

	Balance (US\$)	Balance	Purpose
Currency sales obligations (Peso/Dollar)	(2,543.4)	\$ (4,507,728.5)	Hedging of forwards with customers and other Bank Book positions(Dollar Peso).
Currency sales obligations (Other than peso/Dollar)	(50.8)	(89,995.7)	Hedging of forwards with customers (Currency Currency) and other Bank Book positions.
	(2,594.2)	\$ (4,597,724.2)	

Hedging of Forwards

	Balance (US\$)	Balance	Purpose
Currency purchase rights(Peso/Dollar)	1.5	\$ 2,658.3	Peso flows to hedge US\$1.5million .
Currency purchase obligations(Peso/Dollar)	0.0	(2,673.9)	
	1.5	\$ (15.6)	
Currency sale rights(Peso/Dollar)	0.0	\$ 1,189,369.7	Peso flows to hedge US\$ 632.74 million .
Currency sale obligations (Peso/Dollar)	(632.7)	(1,121,419.9)	
	(632.7)	\$ 67,949.8	

Futures

	Balance (US\$)	Balance	Purpose
Currency purchase rights:	222.6	\$ 396,122.4	Futures contracts TRM US\$20.7 million and rollovers US\$ 201.9 million
Currency sales rights	0.0	311,053.8	Peso flows for MRR futures US\$ 11 million and rollovers US\$ 164 million
	222.6	\$ 707,176.2	
Currency purchase obligations	0.0	\$ (396,122.4)	Futures peso flows MRR US\$20.7 million and rollovers US\$ 201.9 million
Currency sales obligations	(175.0)	(311,053.8)	Future peso flows MRR US\$ 11 million and rollovers US\$ 164 million
	(175.0)	\$ (707,176.2)	
Securities purchase rights	0.0	\$ 2,786.7	C CRC.
Securities purchase obligations	0.0	(2,786.7)	Peso flows, CRC contract securities.
	0.0	\$ 0.0	

	Balance (US\$)	Balance	Purpose
Securities sales rights	0.0	\$ 2,606.3	Peso flows, CRC contract securities.
Securities sales obligations	0.0	(2,606.3)	Peso flows, CRC contract securities.
	0.0	\$ 0.0	

Swaps

	Balance (US\$)	Balance	Purpose
	98.0	\$ 173,722.1	Cross Currency Swaps: where the Bank receives interest rate in dollars or Euros and pays interest rate in Pesos. Covers other swap and bank book positions and bank book operations.
Currency rights	0.0	475,743.0	Cross Currency Swaps where the Bank receives interest rate in dollars or Euros and pays interest rate in Pesos. Covers other swap and bank book positions and bank book operations.
	98.0	\$ 649,465.2	

	(223.6)	\$ (396,247.1)	Cross Currency Swaps where the Bank receives interest rate in dollars or Euros and pays interest rate in Pesos. Covers other swap and bank book positions and bank book operations.
Currency obligations:	0.0	(218,200.7)	Peso flows corresponding to Cross Currency Swaps where the Bank receives interest rate in pesos and delivers interest rate in dollars or Euros.
	(223.6)	\$ (614,447.7)	

	480.5	\$ 851,525.4	Peso interest rate Swaps (IRS) where the Bank receives fixed/floating interest rates delivering floating/fixed interest rates.
Interest rate rights		219,726.4	Peso interest rate Swaps (IRS) where the Bank receives fixed/floating interest rates delivering floating/fixed interest rates.
		61,432.2	Interest rates Swaps in pesos with the Bank receives a faced rate and variable rate delivery (IBR)..
	480.5	\$ 1,132,684.0	

	Balance (US\$)	Balance	Purpose
	(481.1)	\$ (852,632.4)	Cross Currency Swaps where the Bank receives interest rate in dollars or Euros and pays interest rate in Pesos. Covers other swap and bank book positions and bank book operations.
Interest rate obligations	0.0	(219,961.2)	Peso interest rate Swaps (IRS) where the Bank receives fixed/floating interest rates delivering floating/fixed interest rates.
	0.0	(61,425.5)	Peso interest rate swaps, where the Bank pays floating rate (IBR) and receives fixed rate.
	(481.1)	\$ (1,134,019.1)	

The Bank takes synthetic coverage for its derivatives portfolios using money market and foreign currency debt instruments.

At the June 30, 2011 close the options portfolio with clients was as follows:

Dollar-peso options

	Balance (US\$)	Balance	Purpose
Issue or sale of Interest rate calls	155.9	\$ 293,920.3	Plain Vanilla Call and Put Dollar options issued. (The peso value is the face value of the option at the strike rate as required by Circular 042/2008).
Issues of Caps, Floors, Collars and other Currency	73.3	133,551.3	Dollar- Peso Call and Put options as part of a structure. (The peso value is the face value of the option at the strike rate as required by Circular 042/2008).
Total Options Obligations	229.2	\$ 427,471.6	
Interest rate put options	111.7	\$ 208,092.9	Plain Vanilla Call and Put Dollar options issued. (The peso value is the face value of the option at the strike rate as required by Circular 042/2008).
Other options purchases	72.6	137,067.3	Dollar- PesoCall and Put options as part of a structure. (The peso value is the face value of the option at the strike rate as required by Circular 042/2008)
Total Obligations in Options	184.3	\$ 345,160.2	

Operations at the close at December 31, 2010, were as follows:

Forwards

	Balance (US\$)	Balance	Purpose
Sales rights, currency purchases (Peso/Dollar)	1,235,022,871.18	\$ 2,363,809.1	Hedging of forward sales contracts with customers and other Bank Book positions (Dollar Peso).
Currency purchase rights (Other than peso/Dollar)	93,892,481.75	179,708.3	Forwards hedging sales contracts with customers (Currency peso y Currency Currency) and other Bank Book positions.
	1,328,915,352.93	\$ 2,543,517.4	
Currency purchase obligations (Peso/Dollar)	0.00	\$ (2,342,360.9)	Peso flows from forward purchases US\$1.235 million.
	0.00	(6,769.8)	Peso flows from forward purchases for exchange hedging
Currency purchase obligations (Other than peso)	84,925,711.30	(162,546.1)	Forwards with customers (Currency Currency) and other Bank Book positions.
	84,925,711.30	\$ (2,511,676.8)	
Sales rights	0.00	\$ 2,912,322.0	Peso flows receivable against forward sales of r US\$ 1,528 million.
Currency sales rights (Other than Peso/Dollar)	0.00	13,508.1	Peso flow in forward hedging contracts
	90,884,157.41	173,950.5	Forwards hedging with customers (Currency Currency) and other Bank Book positions.
	90,884,157.41	\$ 3,099,780.6	
Currency sales obligations (Peso/Dollar)	1,528,355,440.21	\$ 2,925,241.7	Forwards hedging with customers (Dollar Peso) and other Bank Book positions.
Currency sales obligations (Other than peso/Dollar)	101,311,217.15	(193,907.7)	Forwards hedging with customers (Currency Currency and Currency Peso) and other Bank Book positions.
	1,629,666,657.4	\$ 2,731,334.0	
Securities sales rights		\$ 63,412.9	TES forwards sales peso flows
Securities sales obligations		(63,001.3)	TES forwards sales peso flows
		\$ 411.6	

Hedging forwards

	Balance (US\$)	Balance	Purpose
Sales rights, currency purchases (Peso/Dollar)	0.00	\$ 851,328.0	Peso flows to hedge 448.7 million
Currency purchase rights (Other than peso/Dollar)	448,686,232.4	(858,776.5)	
	448,686,232.36	\$ (7,448.5)	

Futures

	Balance (US\$)	Balance	Purpose
Currency purchase rights	51,100,000.00	\$ 97,170.8	Exchange rate futures US\$ 5.100.000 and rollovers US\$ 46 million
Currency sales rights	0.00	64,380.5	Futures peso flows US\$ 3.800.000 and rollovers US\$30 million
	51,100,000.00	\$ 161,551.3	
Currency purchase rights	0.00	\$ (97,170.8)	Exchange Futures US\$ 5.100.000 and rollovers US\$ 46 million
Currency sales rights	33,800,000.00	(64,380.5)	Future peso flows US\$ 3.800.000 and rollovers US\$30 million
	33,800,000.00	\$ (161,551.3)	
Securities purchase obligations		\$ 13,649.4	Peso flows, CRC contract securities.
Securities purchase obligations		(13,649.4)	Peso flows, CRC contract securities.
		\$ (28,139.8)	

Swaps

	Balance (US\$)	Balance	Purpose
Currency rights	131,936,524.03	\$ 252,523.8	Cross Currency Swaps. Bank received dollar or euro interest, pays pesos. Covers other swap book and Bank Book positions Cross.
	0.00	476,666.5	Peso flows in Cross Currency Swaps. Bank receives peso interest and delivers dollar or euro interest
	131,936,524.03	\$ 729,190.3	

	Balance (US\$)	Balance	Purpose
Currency obligations	215,800,374.12	\$ 413,037.6	Cross Currency Swaps: Bank receives peso interest and pays Dollar/Euro interest. Covers other swap book positions and bank book operations.
	0.00	302,727.8	Peso flows for Cross Currency Swaps where the Bank pays the peso rate and receives the dollar rate.
	215,800,374.12	\$ 715,765.4	
Interest rate rights	378,946,344.51	\$ 725,295.7	Cross Currency Swaps where the Bank receives interest rate in dollars or Euros and pays interest rate in Pesos. Covers other swap and bank book positions and bank book operations.
	0.00	200,655.3	Peso interest rate Swaps (IRS) where the Bank receives fixed/floating interest rates delivering floating/fixed interest rates.
	0.00	61,349.6	Dollarf (IRS) where the Bank receives fixed/floating dollar interest and receives fixed/flotaing dollar interest IRS in pesos, where the Bank receives IBR fixed rates and delivers fixed rates.
	378,946,344.51	\$ 987,300.6	
Obligations Interest rates	379,285,102.75	\$ (725,944.1)	Cross Currency Swaps where the Bank receives interest rate in peso sand pays interest rate in dollars or Euros. Covers other swap and bank book positions and bank book operations.
		(200,075.2)	IRS in dollars where the Bank receives fixed/floating dollar interest and delivers flotaing/fixed dollar interest.
		(61,349.5)	Peso interest rate swaps in which the Bank receivesIBR and delivers a fixed rate
	379,285,102.75	\$ (987,368.8)	

Options: Dollar Peso

	Balance (US\$)	Balance	Purpose
Issue or Sale of Interest rate calls	97,425,612.00	\$ 179,752.9	
Issue of Caps, Floors, Collars and other Currency	40,971,872.58	76,540.1	Attend to customer needs amnds options portfolio managemen within Board authorized limits.
Total Options Obligations	138,397,484.58	\$ 256,293.0	
Purechases of interest rate puts	89,650,000.00	\$ 177,446.4	
Opther Options purchases	40,739,828.58	79,729.8	Attend to customer needs amnds options portfolio managemen within Board authorized limits.
Total Obligations en Options	138,397,484.58	\$ 257,176.2	

The Bank manages a portfolio of Delta-neutral options to hedge the Delta risk on the spot market and effect strict follow-up of Gamma, Rho, Theta and Vega risks.

9. ACCOUNTS RECEIVABLE

The following is the detail of interest and other accounts receivable:

Figures in million COP	June 30	December 31
Interest:		
Interbank funds sold and reselling commitments	12.6	32.7
Loans (note 7)	240,794.5	202,777.8
	240,807.1	202,810.5
Other Receivables:		
Dividends	27,396.3	33,187.6
Payments for customer account	15,556.6	14,412.5
Asset sale commitments	7,007.9	12,458.6
Adavances to contractors and suppliers *	157,773.4	31,320.7
Staff advances	219.3	483.2
Cash shortages	201.1	490.0
Clearung shortages	2,079.3	3.7
Insurance claims	738.0	718.3
Unrecoverables – unknown debtors – local currency	3,137.8	0.0
Sundry – Credibanco	994.3	520.4
Checks in transit received under agreements	338.5	735.6
Transit account – on-line processing rejections	2,202.1	0.0
Currency dealing	1,016.3	2,258.9
Credit card vouchers	1,020.7	8,868.8
Transfers to the National Treasury	24,919.0	24,454.4
Insufficiency in savings accounts	10,963.8	9,296.6
Foreign cuturrency uncovered forwards	3,051.7	8,430.7
Republic bank of New York Citibank	2,644.6	2,644.6
Patrimonio Autonomo de Megabanco M/L	1,342.7	0.0
Sundry	17,645.5	19,541.3
	280,248.9	169,825.9

* Increase due to growth in own operations in the leasing business.

Provision against Receivables

The movement of the provisions by credit mode is the following:

Figures in million COP	Commercial	Consumer	Micro	Mortgage	Total
Balance at June 30, 2010	35,786.7	35,513.4	1,516.9	117.8	72,934.8
Provision reclassification adjustment					
Plus: Provision expensed	15,321.6	12,862.9	1,005.5	14.0	29,204.0
Transfer of Megabanco equity	557.5	0.0	0.0	0.0	557.5
Less: Interest written off	9,536.5	8,367.9	922.6	4.6	18,831.6
Recoveries	9,803.0	6,036.9	243.9	25.1	16,108.9
Balance at December 31, 2010	32,326.3	33,971.5	1,355.9	102.1	67,755.8
Provision reclassification adjustment					
Plus: Provision expensed	15,079.1	11,561.8	968.5	112.0	27,721.4
Transfer of Megabanco equity	59.0	0.0	0.0	0.0	59.0
Less: Interest written off	5,853.8	5,607.3	1,167.8	0.0	12,628.9
Condoned	2,404.9	936.3	36.2	0.0	3,377.4
Recoveries	7,907.6	3,766.9	161.3	101.7	11,937.6
Balance at June 30, 2011	31,298.1	35,222.8	959.1	112.4	67,592.5

10. FORECLOSED AND RESTORED ASSETS

The detail of foreclosed assets is the following:

Figures in million COP	June 30	December 31
Marketable assets:		
Land	12.8	12.8
Foreclosed assets:		
Real property	55,712.9	42,485.3
Moveable assets	11,627.0	11,590.3
	67,339.9	54,075.6
Leasing assets restored:		
Movable assets:		
Machinery and equipment	659.3	743.9
Assets not used in the business		
Land	1,516.5	1,439.6
Buildings	48.9	496.0
Less depreciation	(3.8)	(26.1)
	1,561.6	1,909.5

Continues

Figures in million COP	June 30	December 31
Provision against foreclosed and restored assets and assets not used in the business		
Real property	(35,702.8)	(30,787.2)
Movable assets	(11,568.4)	(11,525.2)
Restored assets	(401.7)	(482.4)
Assets not used in the business	(1,382.2)	(1,191.7)
	<u>(49,055.1)</u>	<u>(43,986.5)</u>
	20,518.5	12,755.4

The detail of foreclosed and restored assets by length of time held is the following:

Figures in million COP	Under 1 year	1-3 years	3-5 years	Over 5 years	Total	Provision
June 30						
Foreclosed assets:						
Real property	15,230.3	12,486.7	3,398.9	24,597.0	55,712.9	35,702.8
Movable assets	101.7	182.5	650.0	10,692.8	11,627.0	11,568.4
	<u>15,332.0</u>	<u>12,669.2</u>	<u>4,048.9</u>	<u>35,289.8</u>	<u>67,339.9</u>	<u>47,271.2</u>
Restored assets						
Movable	587.4	71.9	0.0	0.0	659.3	401.7
December 31						
Foreclosed assets						
Real property	869.1	11,659.0	7,190.5	22,766.7	42,485.3	30,787.2
Movable assets	49.8	198.6	649.1	10,692.8	11,590.3	11,525.2
	<u>918.9</u>	<u>11,857.6</u>	<u>7,839.6</u>	<u>33,459.5</u>	<u>54,075.6</u>	<u>42,312.4</u>
Restored assets						
Movable assets	714.9	29.0	0.0	0.0	743.9	482.4

At December 31 and June 30, 2010, foreclosed assets account for 0.05% of total assets. The Bank considers the fact that they are immobilized and the level of materiality of their value will not have important negative effects on the financial statements.

Valuations have been made of most of foreclosed assets in the last 2 years. These assets are currently in good condition.

The Bank takes the following action to sell foreclosed assets:

- The Office Manager receiving the asset is responsible for its administration and control of any costs incurred.
- The Property Department has assigned an architect to each Region, responsible for ensuring that assets are in good repair for sale.
- All the properties that the Bank holds for sale have hoardings or notices for the public, and has a dedicated line for those interested to call.

- The search for information about very special cases has been intensified, including enquiries regarding land-use regulations around property sites, urban planning rules, definitions of use, density etc.
- Regular visits are made across the country for the Sales Team to become familiar with properties for sale, Commercial staff are trained in the disposal of foreclosed property and this topic forms part of standard training for Managers, Heads of Operations, SENA Assistants etc.
- Sales are promoted through advertisements in national newspapers and in the Bank's property offer magazine. Then information is circulated to staff on intranet (with incentives for those who make sales); the information is also available to customers and the public in general on the internet; it is also circulated to major real estate dealers on a non-exclusive basis.

At June 30, 2011 and December 31, 2010, movable assets consist mainly of shares received in lieu of payment:

Name	Shares	Adjusted value rec'd	Provision
June 30			
Pizano S.A.	1,048,961	\$ 6,646.8	6,646.8
Inca S.A.	23,937,576	1,096.5	1,096.5
Desarrolladora de Zonas Francas	89,588,592	291.5	291.5
Hilacol S.A.	116,967	215.5	215.5
Zona Franca de Bogotá S.A.	7,043,754	22.9	22.9
Promotora La Alborada	434,866,324	138.7	138.7
December 31			
Pizano S.A.	1,048,961	\$ 6,646.8	6,646.8
Inca S.A.	23,937,576	1,096.5	1,096.5
Desarrolladora de Zonas Francas	89,588,592	291.5	291.5
Hilacol S.A.	116,967	215.5	215.5
Zona Franca de Bogotá S.A.	7,043,754	22.9	22.9
Promotora La Alborada	434,866,324	138.7	138.7

These investments are not quoted and increase or decrease by the percentage share of equity variations subsequent to acquisition, calculated on the basis of the most recent certified financial statements.

Provision against foreclosed assets and assets not used in the banking business.

The movement of the provision is the following:

Figures in million COP	June 30	December 31
Opening balance	43,986.5	48,561.8
Plus: Provision expensed	7,752.8	1,866.5
Less: Recoveries of provisions	2,082.0	5,921.0
Provision used on sale	602.2	520.8
Closing balance	49,055.1	43,986.5

11. PROPERTY AND EQUIPMENT

At June 30, 2011 and At December 31, 2010, there are insurance policies covering the risks of theft, fire, earthquake, riot, civil commotion, explosion, volcanic eruption, power failure and loss of or damage to premises, offices and vehicles.

There are no mortgages or limitations of these assets, nor have they been assigned as mortgage guarantee.

The values of real property are supported by valuations made in 2011, 2010 and 2009.

Depreciation expensed in the periods ended on June 30, 2011 and December 31, 2010 was \$21,178.4 and \$20,633.9, respectively.

Detail of Property and Equipment

Figures in million COP

Asset	June 30	December 31
Land		
Historic cost Adjusted	26,835.8	25,581.7
Provision	(5.5)	(5.5)
Book value	26,830.3	25,576.2
Construction in progress		
Historic cost	3,645.3	1,848.4
Buildings		
Historic cost Adjusted	192,995.8	184,630.1
Depreciation (Accumulated)	(63,585.9)	(63,723.5)
Provision	(107.1)	(191.3)
Book value	129,302.8	120,715.3
Office equipment, furniture and fittings		
Historic cost Adjusted	117,948.2	113,146.6
Depreciation (Accumulated)	(49,037.7)	(44,787.3)
Book value	68,910.5	68,359.3
Computer equipment		
Historic cost Adjusted	101,812.8	101,901.1
Depreciation (Accumulated)	(48,729.1)	(45,780.0)
Book value	53,083.7	56,121.1
Vehicles		
Historic cost Adjusted	20.4	85.0
Depreciation (accumulated)	(16.3)	(77.8)
Book value	4.1	7.2
Imports in transit		
Historic cost	141,714.6	89,847.7
	423,491.3	362,475.3

Movement in Depreciation of Property and Equipment

Figures in million COP Asset	Balance at December 31	Additions	Withdrawals	Balance at June 30
Buildings	63,723.5	4,954.8	5,092.4	63,585.9
Furniture and fittings	44,787.3	6,412.7	2,162.2	49,037.7
Computer equipment	45,780.0	10,601.5	7,652.4	48,729.1
Vehicles	77.7	83.8	145.3	16.3
Total depreciation	154,368.5	22,052.8	15,052.3	161,369.0

El movement of the provision against Property and Equipment, is the following:

Figures in million COP	June 30	December 31
Opening balance	196.8	545.7
Less: Recoveries	84.2	348.9
Closing balance	112.6	196.8

12. OTHER ASSETS

Permanent Contributions

At June 30, 2011 and December 31, 2010, there were permanent contributions to cooperatives, social clubs, non-profit organizations and other bodies for \$467.8 and \$464.5, respectively.

Prepaid Expenses and Deferred Charges

The detail is as following:

Figures in million COP	June 30	December 31
Prepaid expenses		
Interest	0.0	0.3
Insurance	1,830.3	1,054.9
Rent	1,008.7	1,265.4
Equipment maintenance	752.3	903.7
Other	439.5	367.5
	4,030.8	3,591.8
Deferred charges		
Remodeling	2,515.6	6,187.6
Software	19,578.6	16,932.0
Stationery	3,622.2	3,847.4
Improvements to rented premises	6,464.8	7,368.0
Deferred income tax "debit" due to timing differences	10,145.7	2,582.9
Advertising (new image)	3,344.1	6,253.2
Wealth tax	191,977.3	0.0
Wealth tax surcharge	47,994.3	0.0

Continues

Figures in million COP	June 30	December 31
Tax for Democratic Security	597.3	0.0
Contributions and affiliations	216.2	258.7
Other	16,666.7	23,950.1
	<u>303,122.8</u>	<u>67,379.9</u>
	<u>307,153.6</u>	<u>70,971.7</u>

The movement of prepaid expenses y deferred charges in the period ended on June 30, 2011, is the following:

Figures in million COP	Balance at December 31	Charges	Amortization	Balance at June 30
Prepaid expenses				
Interest	0.3	0.0	0.3	0.0
Insurance	1,054.9	2,531.5	1,756.1	1,830.3
Rent	1,265.4	146.1	402.8	1,008.7
Equipment maintenance	903.7	249.0	400.4	752.3
Other	367.5	1,586.9	1,514.9	439.5
	<u>3,591.8</u>	<u>4,513.5</u>	<u>4,074.5</u>	<u>4,030.8</u>
Deferred charges				
Organization and preoperating				
Remodeling	6,187.6	711.6	4,383.6	2,515.6
Software	16,932.0	12,229.0	9,582.4	19,578.6
Stationery	3,847.4	11,202.1	11,427.3	3,622.2
Improvements to rented premises	7,368.0	4,082.6	4,985.8	6,464.8
Deferred income tax – Debit	2,582.9	15,970.1	8,407.3	10,145.7
Advertising (new image)	6,253.2	172.0	3,081.1	3,344.1
Wealth tax	0.0	219,402.6	27,425.3	191,977.3
Wealth tax surcharge	0.0	54,850.6	6,856.3	47,994.3
Taxes	0.0	327,444.8	326,847.5	597.3
Contributions and affiliations	258.7	3,262.7	3,305.2	216.2
Other*	23,950.1	15,502.7	22,786.1	16,666.7
	<u>67,379.9</u>	<u>664,830.8</u>	<u>429,087.9</u>	<u>303,122.8</u>
	<u>70,971.7</u>	<u>669,344.3</u>	<u>433,162.4</u>	<u>307,153.6</u>

Other Assets – Other

The detail is the following:

Figures in million COP	June 30	December 31
Intangibles ^{1/}	521,267.0	531,097.9
Trust rights ^{2/}	15,382.6	10,021.6
Staff loans ^{3/}	53,791.7	53,274.1
Remittances in transit unconfirmed	0.0	2.9
Deferred payment letters of credit	1,396.4	2,479.2
Deposits	2,810.3	20,694.8
Tax withholdings	25,916.5	0.0
Works of art and culture	3,823.3	4,016.2
Specie expressed in money	0.0	24.6
Furniture and fittings in store	105.4	909.3
Petty cash	1.5	1.6
Advance income tax	141,564.8	0.0
Advance turnover tax	4,070.6	0.0
Deductible value-added tax	8,440.9	9,688.5
Sundry	6,293.9	6,522.9
	784,864.9	638,733.6

1/ Intangibles

Goodwill

Goodwill arises from the acquisition of 94.99% of the shares of Banco de Crédito y Desarrollo Social – MEGABANCO S. A. authorized by Superintendency Resolution 917 of June 2, 2006.

According to Superintendency Circular 034/2006, goodwill must be valued by an independent expert with no conflict of interest with the Bank and recognized experience in this matter. In this case the initial valuation on acquisition date (June 2006), on merger date (November 2006) and the first update (November 2007) was made by the firm Estrategias Corporativas, authorized by the Superintendency to value the business units to which goodwill was allocated in Communication 2006065624-002-000 of December 14, 2006. The second update was made in November 2008 by PricewaterhouseCoopers Management Consultants, authorized by the Superintendency in Communication 2009003030-002-000 of February 9, 2009.

A summary of the goodwill initially determined for each business line, accumulated amortization and the balance at June 30, 2011 is the following:

Business line	Share	Initial allocation of goodwill at acquisition date (21-jun-06)	Book value Goodwill at 30-jun-11	Difference between book value and initial allocation (net amortized) at 30-jun-11
Commercial	32.7%	200,794.4	170,664.6	-30,129.8
Consumer	30.8%	188,615.8	160,313.5	-28,302.3
Payroll instalments	27.0%	165,773.5	140,898.7	-24,874.8
Vehicles	6.7%	41,207.2	35,023.9	-6,300.5
Micro	2.8%	16,902.6	14,366.3	-2,536.3
TOTAL	100.0%	613,293.5	521,267.0	-92,026.5

This note corresponds to expert opinion on the gains in value of lines of business allocated goodwill derived from the acquisition of Megabanco, in particular:

a. Description

Goodwill is allocated to the five business lines: Commercial, Micro, Consumer, Employee Installment and Vehicles. The general criteria applied to define these lines of business were their relative importance to the bank, the approach of each line, profitability and potential creation of value. They are as follows:

- Commercial: A banking business, mainly making Commercial loans to businesses, the public sector and the solidarity sector, except for the vehicle business (a separate line) for engaging in organized economic activities, other than Micro loans (another separate line).
- Consumer: A banking business mainly providing consumer credit to individuals not included in the Employee Installment or Vehicle lines for the acquisition of consumer goods or payment of services for non-commercial or non-entrepreneurial purposes.
- Payroll Installment: A banking business to grant installment credit to individuals to whom this type of loan subject to this type of credit is available, manager by the Special Employee Installment Credit Unit.
- Vehicles: A banking business providing credit for vehicle purchases, made to corporate entities or individuals qualified for this line of operation (Commercial or Consumer), also managed by the Special Vehicles Unit.
- Micro: A banking business mainly offering micro-operations to individuals or corporate entities qualifying for this line.

b. Method of valuation:

The valuation of business lines was effected using a discounted dividend flow, which the experts consider to be most appropriate for the valuation of financial businesses and which is widely used by first class investment banks. The method makes a projection of available dividends for ten years, plus a final value, all discounted at a suitable rate.

The method of dividend flows allows the total flow to be broken down into several flows which can then be valued separately. The sum of the valuations is the same, in terms of value, as the valuation of the total flow using the same discount rate.

In order to determine whether there is a loss of value of goodwill allocated to each of these business lines, the intangible value calculated (i.e. the difference between market price and book value) needs to be compared for each line with respect to the book value net of amortizations.

c. Valuation:

Valuation on acquisition date

On the date of acquisition (June 21, 2006) goodwill was allocated as a function of the intangible calculated for each business line. The chart below shows the book value, the intangible calculated and goodwill allocated to each line at acquisition date:

Business line	Book value (Jun-06)	Intangible Calculated (Jun-06)	Goodwill allocated (Jun-06)
Commercial	\$ 109,843.7	219,000.0	200,794.4
Consumer	39,536.4	205,717.2	188,615.8
Payroll installment	41,745.0	180,803.9	165,773.5
Vehicles	29,459.0	44,943.4	41,207.2
Micro	13,331.2	18,435.1	16,902.6
TOTAL			\$ 613,293.5

Valuation at merger date

Banco de Bogotá merged with Megabanco on November 7, 2006 in Public Deed 3690, Notary 11, Bogotá, having received the "declaration of no objection" in Superintendency Resolution 1923 of October 26, 2006. In the terms of Superintendency Circular 034/2006 a valuation must be made of the businesses allocated goodwill at the time of the merger with Megabanco.

The following chart shows book value, updated intangible and goodwill net of amortizations by business line, taken at the date of acquisition:

Business line	Book value (Dec-06)	Intangible calculated at Dec-06	Goodwill net of amortizations (Dec-06)	Diff. between goodwill and intangible calculated (Dec-06)	Additional amortization due to deterioration (Dec-06)
Commercial	\$ 1,183,793.0	2,405,162.8	196,449.1	2,208,713.9	0.0
Consumer	173,112.2	873,735.1	184,534.0	689,201.0	0.0
Employee Inst.	67,518.7	232,576.9	162,186.1	70,390.9	0.0
Vehicles	42,213.3	70,235.9	40,315.4	29,920.6	0.0
Micro	15,693.0	27,289.8	16,536.8	10,753.2	0.0
TOTAL			\$ 600,021.4		0.0

Since the updated intangible value of each business line is higher than the book value of goodwill less amortizations, the probability of deterioration is not entertained and therefore no additional amortization is required.

First update of the valuation

The following is the detail of the first annual update of the intangible calculated and goodwill net of amortizations by business line (November, 2007):

Business line	Book value (Nov-07)	Intangible value calculated (Nov-07)	Goodwill net of amortizations (Nov-07)	Diff. Between goodwill and intangible calculated (Nov-07)	Additional amortization due to deterioration (Nov-07)
Commercial	\$ 1,437,490.4	2,664,486.4	191,796.1	2,472,690.3	0.0
Consumer	217,068.5	1,003,614.6	180,163.3	823,451.3	0.0
Employee Inst.	81,858.9	289,458.1	158,344.7	131,113.4	0.0
Vehicles	56,530.8	98,040.3	39,360.6	58,679.7	0.0
Micro	15,500.6	41,691.3	16,145.1	25,546.2	0.0
TOTAL			\$ 585,809.8		0.0

Since the intangible value calculated is higher than the book value net of amortizations, no additional amortization is required due to deterioration.

Second annual update

The following is the second annual update of the book value, with valuation of the intangible and goodwill net of amortizations by line of business (November 2008):

Line of business	Book value (Nov-08)	Intangible calculation (Nov-08)	Goodwill net of amortizations (Nov-08)	Difference between intangible and book value (Nov-08)	Additional amortization for deterioration (Nov-08)
Commercial	\$ 1,689,696.7	3,297,333.8	186,384.9	3,110,948.9	0.0
Consumer	223,409.4	1,105,421.0	175,080.3	930,340.7	0.0
Payroll installment	99,099.9	417,260.4	153,877.2	263,383.1	0.0
Vehicles	74,297.8	132,256.7	38,250.1	94,006.6	0.0
Micro	19,250.3	71,289.0	15,689.6	55,599.4	0.0
TOTAL			\$ 569,282.1		0.0

Since the intangible value calculated is higher than the book value net of amortizations, no additional amortization is required due to deterioration.

Third annual update

The following is the second annual update of the book value, with valuation of the intangible and goodwill net of amortizations by line of business (November 2009):

Line of business	Book value (Nov-09)	Intangible calculation (Nov-09)	Goodwill net of amortizations (Nov-09)	Difference between intangible and book value (Nov-09)	Additional amortization for deterioration (Nov-09)
Commercial	\$ 1,755,558.0	3,004,512.0	180,600.7	2,823,911.3	0.0
Consumer	217,378.0	1,150,517.0	169,646.9	980,870.1	0.0
Payroll installment	110,258.0	480,637.0	149,101.8	331,535.2	0.0
Vehicles	71,563.0	104,572.0	37,063.0	67,509.0	0.0
Micro	21,410.0	111,116.0	15,202.7	95,913.3	0.0
TOTAL			\$ 551,615.1		0.0

Since the intangible value calculated is higher than the book value net of amortizations, no additional amortization is required due to deterioration.

Fourth annual update

The following was the fourth annual update of book value for the intangible value calculated and net amortization of goodwill by line of business, in November 2010:

Line of business	Book value (Nov-10)	Intangible value calculated (Nov-10)	Goodwill net of amortizations (Nov-10)	Diff between goodwill and intangible calculated (Nov-10)	Additional amortization for deterioration (Nov-10)
Commercial	\$ 2,183,544.8	4,868,396.4	174,417.7	4,693,978.7	0.0
Consumer	259,696.4	1,676,945.8	163,838.9	1,513,106.9	0.0
Libranzas	131,930.7	750,915.2	143,997.2	606,918.0	0.0
Vehicles	66,415.0	176,126.3	35,794.1	140,332.2	0.0
Micro	19,638.7	115,446.8	14,682.2	100,764.6	0.0
TOTAL			\$ 532,730.1		0.0

Since the intangible value calculated is higher than the book value net of amortizations, no additional amortization is required due to deterioration.

2/ Trust rights

These are escrows set up to manage past-due non-performing loans and assets in the assignment of assets and liabilities of Corporación Financiera Colombiana S.A., the merger with Banco de Crédito y Desarrollo Social - MEGABANCO S.A. and Compensación VIS – Vivienda de Interés Social, as follows:

Operation	Name	June 30	December 31
A. Assignment of assets and liabilities of Corporación Financiera Colombiana S.A.			
Escrow Loans A	Fiduciaria Bogotá S.A.	\$ 3,768.8	3,637.7
B. Merger with Megabanco S,A			
Foreclosed assets San Jerónimo del Yuste	Fiduciaria Bogotá S.A.	2,702.0	2,702.0
Heritage Autonomous Sol del Río Claro	Fiduciaria Bogotá S.A.	37.5	37.5
C. Compensación VIS - Mortgage de Interés Social			
Foreclosed asset Guayuriba	Fiduciaria Bogotá S.A.	3,874.3	3,644.4
D. Trust Account Donation Colombia Humanitaria	Fiduciaria Bogotá S.A.	5,000.0	0.0
Total		\$ 15,382.6	10,021.6

The values of provisions, depreciation and valuation gains in the escrows were adjusted to match information certified by each escrow manager. The escrow managers are responsible for the accounting policies and for the preparation of financial statements, which must be in accordance with the accounting rules and practices set by the Superintendency and otherwise by Decree 2649/1993. Despite the application of Chapter III of Superintendency Circular 100/1995, this is effected directly in the Bank's financial statements.

3/ Staff loans

The Bank evaluated all employee loans and the result of the classification at June 30, 2011 and December 31, 2010, is the following:

Figures in million COP	June 30				
	Mortgage	Consumer	Total	Secured	Provision
A - Normal	37,382.2	16,108.6	53,490.8	14,127.6	772.0
B - Acceptable	0.0	283.6	283.6	44.9	41.5
C - Appreciable	0.0	13.8	13.8	8.8	8.6
D - Significant	0.0	3.5	3.5	0.0	2.7
	37,382.2	16,409.5	53,791.7	14,181.3	824.8
Figures in million COP	December 31				
	Mortgage	Consumer	Total	Secured	Provision
A - Normal	35,888.7	17,199.8	53,088.5	13,883.2	738.5
B - Acceptable	0.0	53.6	53.6	49.6	7.5
C - Appreciable	0.0	96.8	96.8	38.3	16.9
D - Significant	19.9	15.2	35.1	55.8	28.9
E - Unrecoverable	0.0	0.1	0.1	0.0	0.0
	35,908.6	17,365.5	53,274.1	14,026.9	791.8

Home and vehicle purchase loans are secured.

Provision - Other Assets

The detail of the provision at June 30, 2011 and December 31, 2010 is:

Figures in million COP	June 30	December 31
Staff loans	824.9	791.8
Works of art and culture	301.2	301.2
Other provisions	3,654.8	4,121.2
	<u>4,780.9</u>	<u>5,214.2</u>

The movement of the provision against other assets is the following:

Figures in million COP	June 30	December 31
Opening balance	5,214.2	4,584.7
Plus: Provision expensed	806.7	668.3
Less Recoveries of provision	571.1	38.8
Written off	668.9	0.0
Closing balance	<u>4,780.9</u>	<u>5,214.2</u>

13. DEPOSITS AND DEMAND ACCOUNTS

Term Deposits

Term deposits are classified by maturities as follows:

Figures in million COP	June 30	December 31
Less than 6 months	1,773,580.8	1,841,685.3
6-12 months	873,306.5	1,139,151.8
12-18 months	185,597.0	252,765.7
Over 18 months	3,376,414.0	2,694,322.3
	<u>6,208,898.3</u>	<u>5,927,925.1</u>

At June 30, 2011 and December 31, 2010, mandatory cash reserves were held as follows:

Deposits and Demand Accounts: Sight - 30 days	11.0%
Official deposits	11.0%
Deposits and Demand Accounts: over 30 days	11.0%
Term deposits:	
Up to 180 days	4.5%
180 - 360 days	4.5%
360 - 540 days	4.5%
Ordinary savings	11.0%
Term savings deposits	11.0%
Truist deposits and creditors	11.0%
Purchase commitments for investments sold	11.0%

Other

The detail of Other Deposits and Demand Accounts is the following:

Figures in million COP	June 30	December 31
Local currency:		
Trust funds and special accounts	231.3	220.2
Correspondents	87,418.8	175,539.4
Special deposits	21,962.9	12,208.1
Demand accounts for banking services	104,225.4	202,290.0
Bank collection services	46,455.2	19,729.1
	<u>260,293.6</u>	<u>409,986.8</u>

14. MONEY MARKET AND RELATED OPERATIONS: LIABILITY POSITIONS

The following is the detail:

Figures in million COP	June 30		December 31	
	Balance	Rate	Balance	Rate
Interbank funds purchased	\$55,000.0	4.16	0.0	*
Transfer commitments	1,200,136.8	4.10	121,177.5	2.41 *
Commitments from short positions in simultaneous operations	45,799.6		0.0	
Transfer commitments from simultaneous operations	253,045.0	3.43	0.0	
Overnight operations	146,748.1	0.50	80,004.4	0.63 **
	<u>1,700,729.5</u>		<u>201,181.9</u>	

* Weighted average rate for local currency operations current at the close.

** Weighted average rate for transfer commitments in operations current at the close.

15. BANK LOANS AND OTHER FINANCIAL OBLIGATIONS

The following is the detail in local currency and foreign currency expressed in local currency:

Figures in million COP	June 30				Total
	Secured	Short Term (1 year)	Medium Term (1-3 years)	Long Term (3 years)	
Local currency					
Bco de Comercio Exterior Local currency	129,703.0	20,659.6	33,967.9	172,742.5	227,370.0
Bco de Comercio Exterior Foreign currency ^{1/}		11,016.2	7,193.8	240.2	18,450.2
Finagro	263,350.9	11,101.0	11,069.8	327,004.4	349,175.2
Findeter	225,820.4	0.0	293.0	317,394.2	317,687.2

1/ Equivalent to US\$ 37,357,219.62

Continues

June 30					
Figures in million COP					
Name	Secured	Short Term (1 year)	Medium Term (1-3 years)	Long Term (3 years)	Total
Banks abroad ^{2/y 4/}					
Banco Latinoamericano de Exportaciones		35,446.5			35,446.5
Banco Itau		8,861.6			8,861.6
Citibank ^{5/y 6/}		677,616.4			677,616.4
Bank of America		81,526.7			81,526.7
Bank of Montreal		17,723.2			17,723.2
Intesa San Paolo		53,169.6			53,169.6
Commerce Bank		26,584.8			26,584.8
Commerz Bank		35,446.4			35,446.4
Cobank		35,446.3	24,599.1		60,045.4
HSBC ^{6/}		590,774.3			590,774.3
Standard Chartered Bank		19,495.5			19,495.5
BB. T		7,089.3			7,089.3
Deutsche Bank AG NEW YORK		100,667.8	151,001.7		251,669.5
JP Morgan Chase Bank ^{6/}		652,803.9			652,803.9
Sumitomo		8,861.6			8,861.6
Toronto Dominion Bank		53,169.6			53,169.6
Wachovia Bank, N.A. Miami		35,446.4			35,446.4
Wells Fargo Bank		271,165.0			271,165.0
International organizations ^{3/y 4/}					
Corporación Andina de Fomento		164,825.8			164,825.8
	618,874.3	2,918,897.5	228,125.3	817,381.3	3,964,404.1

2/ Equivalent to US\$ 1,498,063,654.30

3/ Equivalent to US\$ 96,300,000.00

4/ Personal guarantee

5/ Includes the balance of the loan for the purchase of Banco de Crédito y Desarrollo Social Megabanco S.A. for US\$ 50,000,000.00 Equivalent to \$ 47,849.5, amortized with half-yearly instalments of US\$ 25,000,000.00

6/ Includes the balance of the loan for the purchase of BAC for US\$ 1,000,000,000.00 equivalent to \$1,913,980.00, payable at due date.

2/ and 3/ El The average monthly accrued financing cost is \$ 843.4.

December 31					
Figures in million COP					
Name	Secured	Short Term (1 year)	Medium Term (1-3 years)	Long Term (3 years)	Total
Local currency					
Bco de Comercio Exterior M/L	191,828.1	7,813.5	47,143.1	189,655.7	244,612.3
Bco de Comercio Exterior M/E ^{1/}	0.0	60,726.8	10,151.1	623.0	71,500.9
Finagro	329,880.0	10,068.5	13,030.9	314,332.1	337,431.5
Findeter	265,731.5	1,482.3	10,140.0	291,406.8	303,029.1

1/ Equivalent to US\$ 59,509,449.65

Continues

Name	Secured	December 31			Total	
		Short Term (1 year)	Medium Term (1-3 years)	Long Term (3 years)		
Figures in million COP						
Banks abroad ^{2/y 4/}						
Banco Latinoamericano de Exportaciones	0.0	38,279.6	0.0	0.0	38,279.6	
Citibank ^{5/y 6/}	0.0	787,283.1	0.0	0.0	787,283.1	
Bank of America	0.0	105,269.0	0.0	0.0	105,269.0	
Intesa San Paolo	0.0	38,279.6	0.0	0.0	38,279.6	
Commerce Bank Miami	0.0	38,279.6	0.0	0.0	38,279.6	
Cobank	0.0	38,279.5	57,419.3	0.0	95,698.8	
HSBC ^{6/}	0.0	637,994.6	0.0	0.0	637,994.6	
Standard Chatered Bank	0.0	57,419.4	0.0	0.0	57,419.4	
Banco Latinoamericano De Comercio Exterior	0.0	22,967.8	0.0	0.0	22,967.8	
BB. T	0.0	19,139.8	0.0	0.0	19,139.8	
Deutsche Bank AG NEW YORK	0.0	85,746.3	128,619.4	0.0	214,365.7	
JP Morgan Chase Bank ^{6/}	0.0	754,867.5	0.0	0.0	754,867.5	
Toronto Dominion Bank	0.0	19,139.8	0.0	0.0	19,139.8	
Wells Fargo Bank	0.0	38,279.6	0.0	0.0	38,279.6	
International organizations ^{3/y 4/}						
Corporación Andina de Fomento	0.0	184,316.3	0.0	0.0	184,316.3	
		787,439.6	2,945,632.6	266,503.8	796,017.6	4,008,154.0

2/ Equivalent to US\$ 204,102,583.95

3/ Equivalent to US\$ 40,000,000.00

4/ Personal guarantee

5/ Includes the balance of the loan for the purchase of Banco de Crédito y Desarrollo Social Megabanco S.A. for US\$50,000,000 equivalent to \$ 95,657.5, amortized in half-yearly instalments of US\$ 25,000,000.

2/ and 3/ The average monthly accrued financing cost is\$ 693.0.

Interest paid on these loans totals \$8,518.4 in local currency and \$4,707.6 in foreign currency.

Interest paid on these loans totals \$ 17,174.4 in local currency and \$ 4,158.2 in foreign currency.

The balance of foreign loans is the result of the dynamics of rotation, repaid at maturity with own funds by transfer to creditor banks' accounts in line with market custom.

16. ACCOUNTS PAYABLE

Interest

The detail of interest payable by maturities is the following:

Figures in million COP	June 30	December 31
Deposits and Demand Accounts	39,184.6	44,477.2
Interbank funds purchased and repurchase commitments	59.5	9.6
Bank loans and other financial obligations	8,754.8	7,224.5
Bonds outstanding	8,817.7	39,705.4
Convertible bonds	163.5	2,429.1
Other interest	56.9	57.5
	57,037.0	93,903.3

Other

The detail of Other Accounts Payable is the following:

Figures in million COP	June 30	December 31
Tax	240,024.3	189.4
Dividends and capital surpluses	133,328.2	110,534.7
Rent	26.4	0.0
Bank transaction tax	9,581.7	10,055.5
Value added tax payable	8,533.8	10,238.5
Purchase commitments	928.7	2,200.1
Suppliers	51,606.5	48,956.5
Contributions and affiliations	42.5	0.0
Payroll withholdings and contributions	42,147.5	46,744.9
Insurance premiums	27.9	16.9
Payroll – bonuses	775.6	589.9
Uncashed checks drawn, pending presentation	4,611.9	4,000.6
Collections	85,652.0	114,402.3
<i>Peace bonds</i>	28,791.1	28,723.8
<i>Surety bonds</i>	6,927.3	6,891.7
Clearing overages Grupo Aval ^{2/}	68,125.9	46,457.5
Credit card vouchers, local currency	719.7	3,803.3
Debit card utilization	5,710.3	7,047.5
ATM overages	585.6	756.5
Matured term deposits	30,402.9	5,755.7
Consumer credit card with positive balance	1,916.1	2,569.5
In favor of third parties, loan collections	11,963.3	11,020.0
Provision, electronic purse Cédula Cafetera ^{1/}	51,293.9	43,783.6
Embargoes and payroll instalment funds dispersion ^{3/}	49,151.1	51,715.7
Sundry	27,973.4	29,311.5
	<u>860,847.6</u>	<u>585,765.6</u>

1/ Funds credited to smartcard Cédulas Cafeteras pending use by coffee growers.

2/ Items pending in ACH processes and Aval transactions.

3/ At December 31 and June 30, 2010, the balance corresponds to funds distribution to apply to loans of the Payroll Installment Agreement Unit on embargoed client accounts and ATH overages in Grupo Aval offices.

17. BONDS OUTSTANDING

At June 30, 2011 and December 31, 2010, the following is the detail of Bonds Outstanding:

Figures in million COP	June 30	December 31
First issue, Ordinary Subordinated Bonds 2004		
Series "A"	0.0	190,135.0
Series "C"	0.0	13,564.2
	<u>0.0</u>	<u>203,699.2</u>
Second Ordinary Subordinated Bonds 2008		
Series "A"	110,283.0	110,283.0
Series "B"	80,255.9	78,060.8
Series "C"	18,500.0	18,500.0
	<u>209,038.9</u>	<u>206,843.8</u>

Continues

Figures in million COP

	June 30	December 31
Third Ordinary Subordinated Bonds 2010		
Series "AS1"	45,470.0	45,470.0
Series "AS4"	50,250.0	50,250.0
Series "BS1"	51,689.7	50,276.0
Series "BS2"	57,877.8	56,294.8
	<u>205,287.5</u>	<u>202,290.8</u>
	<u>414,326.4</u>	<u>612,833.8</u>

The characteristics of the issues are:

June 30										
	Type	Series	Term	Initial value	Face value (pesos and UVR)	Interest rate	Issue date	Subscription date	Form of payment	Guarantee
Issue 2008	Subordinated bonds	Serie "A" (IPC)	7 years	\$ 110,283.0	1,000,000.0	IPC + 7.00% AV	15-apr-08	15-apr-08	Series A and B annually in arrears and interest quarterly in arrears for the Series C. Principal at Maturity of the securities.	None
		Serie "B" (UVR)	7 years	71,216.5	10,000.0	UVR + 7.00% AV				
		Serie "C" (DTF)	7 years	18,500.0	1,000,000.0	DTF + 3.00% AV				
				199,999.5						
Issue 2010	Subordinated bonds	Series "AS1" (CPI)	7 years	45,470.0	1,000,000.0	CPI + 5.33% Annual, arrears	23-feb-10	23-feb-10	Interest anual inarrears, principal at maturity	None
		Series "AS4" (CPI)	10 years	50,250.0	1,000,000.0	CPI + 5.45% Annual, arrears				
		Series "BS1" (UVR)	7 years	49,194.8	10,000.0	UVR + 5.29% Annual, arrears				
		Series "BS4" (UVR)	10 years	55,084.1	10,000.0	UVR + 5.45% Annual, arrears				
				\$ 199,998.9						
December 31										
	Type	Series	Term	Initial value	Face value (pesos and UVR)	Interest rate	Issue date	Subscription date	Form of payment	Guarantee
Issue 2004	Subordinated bonds	Series "A" (CPI)	7 years	\$ 190,135.0	1,000,000.0	CPI + 6.49% Annual, arrears	10-feb-04	11-feb-04	Interest anual in arrears, capital at maturity	None
		Series "C" (UVR)	7 years	9,865.0	200,000.0	UVR + 6.39% Annual, arrears				
				200,000.0						

Continues

December 31

	Type	Series	Term	Initial value	Face value (pesos and UVR)	Interest	Issue date	Subscription date	Form of payment	Guarantee
Issue 2008	Subordinated bonds	Series "A" (CPI)	7 years	110,283.0	1,000,000.0	CPI + 7.00% Annual, arrears	15-apr-08	15-apr-08	Series "A" y "B" interest yearly/ quarterly in arrears Series "C". Capital at maturity.	None
		Series "B" (UVR)	7 years	71,217.0	10,000.0	UVR + 7.00% Annual, arrears				
		Series "C" (DTF)	7 years	18,500.0	1,000,000.0	DTF + 3.00% Annual, arrears				
				200,000.0						
Issue 2010	Subordinated bonds	Serie "AS1" (IPC)	7 years	45,470.0	1,000,000.0	CPI + 5.33% Annual, arrears	23-feb-10	23-feb-10	Interest anual in arrears, capital at maturity	None
		Serie "AS4" (IPC)	10 years	50,250.0	1,000,000.0	CPI + 5.45% Annual, arrears				
		Serie "BS1" (UVR)	7 years	49,194.8	10,000.0	UVR + 5.29% Annual, arrears				
		Serie "BS4" (UVR)	10 years	55,084.1	10,000.0	UVR + 5.45% Annual, arrears				
				\$ 199,998.9						

18. OTHER LIABILITIES

Long-term employment liabilities

The detail of long-term employment liabilities is the following:

Figures in million COP	June 30	December 31
Severance accrual	20,441.6	25,763.9
Interest on severance accrual	1,217.6	2,996.2
Holidays	18,443.7	17,208.5
Other employment benefits	14,329.1	9,189.0
	54,432.0	55,157.6

Income received in advance

The movement of income received in advance for the period ended on June 30, 2011, is the following:

Figures in million COP	Balance at December 31	Credits	Charges	Balance at June 30
Income received in advance				
Interest	511.8	1,787.8	1,525.7	773.9
Commissions	5,034.2	21,745.0	21,535.3	5,243.9
Rent	160.1	15,514.5	15,472.8	201.8
Other	4,283.2	362.2	316.2	4,329.1
	9,989.3	39,409.5	38,850.0	10,548.7

Deferred Credits

The detail of deferred credits is the following:

Figures in million COP	June 30	December 31
Deferred credits		
Profit on sale of assets	87.9	7.8
Interest originating in restructuring processes	15,904.7	16,392.9
Other*	1,056.3	864.3
	17,048.9	17,265.0

* This corresponds to the valuation on the day of closing a swap in the period, deferred over the life of each operation. This method of valuation came into effect on January 1, 2010, following Superintendency Circular 25/2008 and Circular Letter 66/2009.

Pensions

The movement of the pension liability is the following:

Figures in million COP	Actuarial calculation	Pensions to be amortized	Total Amortized
Balance at June 30, 2010	94,167.0	7,311.8	86,855.2
Amortizations July-December 2010	0.0	(2,335.3)	2,335.3
Payments made, July-December 2010	(4,671.3)	0.0	(4,671.3)
Adjustment to actuarial calculation at December 31, 2010	12,467.6	12,467.6	0.0
Balance at December 31, 2010	101,963.3	17,444.1	84,519.2
Amortizations, January-June, 2011	0.0	(6,360.1)	6,360.1
Payments made, January-June 2011	(4,576.8)	0.0	(4,576.8)
Adjustment to actuarial calculation at June 30, 2011	0.0	0.0	0.0
Balance at June 30, 2011	97,386.5	11,084.0	86,302.5

The most recent actuarial calculation for pensions is for December 31, 2010, for \$ 101,963.4, approved by the Superintendency in Letter 2010087473-000, of December 28, 2010.

The calculation was made as required by Decree 2984/2009, Decree 7783/2001 and Resolution 1555 of June 30, 2010. It includes 1,171 individuals, being 703 pensioners, 418 substitute pensioners, 32 voluntary retirees, and 18 active employees. Pensions cover mandatory benefits.

Other

The detail of Other Liabilities for the six-month periods ended on June 30, 2011 and December 31, 2010, is the following:

Figures in million COP	June 30	December 31
Deferred payment letters of credit	1,396.4	2,479.2
Deferred income tax	43,468.6	15,599.2
Cancelled accounts	15,316.9	15,246.7
Payments to be credited to collections	5,648.6	6,406.1
Cash overages	9.3	312.2
Clearing overages	258.1	81.2
Other	1,046.6	3,014.0
	<u>67,144.5</u>	<u>43,138.6</u>

19. ACCRUALS AND PROVISIONS

The following is the detail of accruals and provisions:

Figures in million COP	June 30	December 31
Employment liabilities		
Service bonus	979.8	979.8
Social security	6,704.6	8,137.5
Other benefits	108.1	239.0
	<u>7,792.5</u>	<u>9,356.3</u>
Taxes		
Income tax	139,021.7	79,524.2
Turnover tax	9,137.9	7,256.0
Other	7,863.2	8,463.7
	<u>156,022.8</u>	<u>95,243.9</u>
Other		
Contributions and affiliations	69.3	57.9
Fines, indemnities and claims	8,867.9	8,586.6
Credit cards	2,390.6	2,086.0
Cash custody and storage	146.7	224.7
Suppliers	2,713.1	1,895.3
Contract with Credivesa	3,790.9	4,050.0
HR Activities	1,168.3	3.6
Fogafin deposit insurance	17,159.1	16,549.8
Sundry	2,581.6	3,472.7
	<u>38,887.5</u>	<u>36,926.6</u>
	<u>202,702.8</u>	<u>141,526.8</u>

Service Bonus

An appropriation to cover five - year service bonuses.

Social Security

Sums pending payment for contributions for the final month of the period, payable in the first 8 days of the next month.

Turnover tax

Appropriation for turnover tax for 2009 and 2010.

Sundry

Appropriation for public services, savings draw prizes, regular services, cleaning, technological services, suppliers and other.

Fines, litigation, indemnities and claims

Figures in million COP	June 30	December 31
Administrative litigation	4,004.8	4,004.8
Labour claims	2,130.6	2,183.1
Civil and enforcement cases	2,732.5	2,398.7
	<u>8,868.9</u>	<u>8,586.6</u>

At June 30, 2011 and December 31, 2010, there are appropriations for labour claims for \$2,130.6 and \$2,183.1; for administrative litigation for \$4,004.8 and \$4,004.8, and for civil claims and enforcement cases, for \$2,732.5 and \$2,398.7, respectively.

20. MANDATORILY-CONVERTIBLE BONDS.

The following is a summary of the Mandatorily Convertible Bonds at June 30, 2011 and December 31, 2010:

Figures in million COP	June 30	December 31
Series "A"	<u>65,493.0</u>	<u>2,284,607.6</u>

Issue 2010

Type	Mandatorily convertible
Series	Series "A"
Term	1 year
Initial mvalue	2,284,607.0
Face value (pesos/UVR)	100,000.0
Interest rates	3.00%
Issue date	November 19, 2010

Subscription date	November 19 – December 13, 2010
Form of payment	Fixed interest for the last 12 months. All capital is converted into Banco de Bogotá shares.
Guarantee	None

All the funds from this issue will be used for operations in the normal course of the banking business, including acquisitions and capitalizations of financial institutions as permitted by Colombian law.

21. CAPITAL

At June 30, 2011 and December 31, 2010, the authorized capital of the Bank was \$ 3,000.0, represented by 300 million shares of par value \$10.00 (pesos) each; subscribed and paid capital totaled \$ 2,854.4 and \$2,382.3 represented by 285,442,748 and 238,229,762 shares, respectively.

Capital from equity revaluation between March 1993 and February 28, 2001 was 79,702,070 shares with a par value of \$ 10 (pesos) each, for a total of \$ 797.0.

22. RESERVES

Legal

Banks are required to establish a mandatory reserve of 10.0% of net profits for each accounting period until the reserve reaches 50.0% of subscribed capital. The reserve may fall below this limit to absorb losses in excess of undistributed profits. It may not be used to pay dividends or cover losses or expenses while the Bank has undistributed profits.

This account also records share Premium, which is the difference between the par value and the amount actually paid for the share.

Statutory and Occasional

At the disposal of the Directors

Figures in million COP	June 30	December 31
Reserve at the disposal of the General Meeting to maintain the stability of the dividend	123,873.0	123,873.0
Reserve for tax regulations ***	10,014.5	6,630.9
Occasional reserves – permanent investments *	44,998.2	44,998.2
Fractions of Megabanco shares **	2.6	2.6
	<u>178,888.3</u>	<u>175,504.7</u>

* Profit from the equity surplus capitalization effected by Corporación Financiera Colombiana S.A. which may only be disposed of when shares are sold or to the extent that the sale Price confirms the value.

** Originating in the share issue made during the merger with Megabanco.

*** These reserves were made available to the General Meeting held on September 17, 2010 and redistributed among the other reserves.

23. SURPLUS – UNREALIZED ACCUMULATED GAIN ON INVESTMENTS

The following is the detail of unrealized gains on investments available for sale:

Figures in million COP	June 30	December 31
Debt securities	7,908.1	8,583.2
High-turnover capital investments:		
Corporación Financiera Colombiana	1,687,501.2	1,711,391.5
Visa INC	0.0	3,632.7
	1,687,501.2	1,715,024.2
	1,695,409.3	1,723,607.4

24. CONTINGENT ACCOUNTS

Operations that represent 10% or more of the subaccount

Item	Maturity	June 30	December 31
Received under repos:			
Acciones y Valores	08/06/2011	0.0	24,523.0
Alianza Valores	15/02/2013	0.0	4,376.9
Banco de la República	17/05/2017	1,484,882.3	41,141.4
Serfinco	24/10/2018	646.9	13,921.2
		1,485,529.2	83,962.5
Bank guarantees:			
A.C.I Proyectos S.A.	Various	2,308.8	0.0
Apco Sucursal	01/04/11	5,120.2	0.0
Autogermana S.A.	25/08/2011	2,658.5	2,871.0
Automotriz Interamericana S,A,	11/05/2011	0.0	1,492.9
Banco Colpatría Red Multibanca	15/08/2015	0.0	26,288.0
Bank of China	31/12/2015	1,649.8	2,307.8
C.I. Grodco S.C.A. Ingenieros Civiles	Various	2,258.9	4,882.0
Cartones America SA	Various	10,633.9	7,655.9
Colpatría	Various	26,288.0	0.0
Commerzbank Ag	Various	141.8	0.0
Compañía Colombiana Automotriz S,A	30/07/2011	24,635.2	26,604.3
Concesión Ruta del Sol	25/08/2020	35,384.6	35,384.6
Deutsche Bank	Various	3,606.6	6,176.2
Empresa de Energia de Bogota	22/10/2013	67,348.2	72,731.2
Fabrica Nacional De Autopartes Sa Fanalca Sa	14/03/13	6,341.4	0.0
Hocol SA	Various	22,512.3	14,439.9
Inversiones Manuelita SA	Various	6,380.4	6,890.3
Isagen S.A. E.S.P.	Various	40,298.7	0.0
J.P. Morgan chase Bank	Various	11,234.1	16,511.8
Kbc Bank	Various	1,963.8	0.0
Meta Petroleum Ltda.	Various	53,346.8	5,741.9
Organización de Ingenieria Internacional S.A.	19/02/12	7,254.3	12,644.8
Pacific Stratus Energy Colombia Ltd	Various	43,492.7	0.0
Petrodorado South America SA Sucursal Colombia	25/12/2012	5,317.0	6,515.0
Societe Generale	04/04/2011	0.0	54.4
State Bank Of Indian	Various	0.0	13,799.8
Transportadora De Energia De Centroamerica Sa	Various	10,641.3	0.0

Continues

Item	Maturity	June 30	December 31
UBS AG	31/03/2013	25,539.1	27,580.5
Vías de las Americas S.A.S	23/08/2010	28,445.1	28,445.1
Otras garantías	Various	72,530.2	75,660.5
		<u>517,331.7</u>	<u>394,678.0</u>
Letters of Credit Issued:			
Almacenes Exito S.A.	Various	27,235.5	0.0
Almacenes Máximo S.A.	Various	762.1	56.9
Andina Trim S.A.	Various	0.0	3.7
Art Home Textil S.A.	Various	0.0	616.6
Arturo Calle S.A.	15/10/2011	40,645.4	28,277.0
Distribuidora Nissan S.A.	10/09/2011	434.1	11,730.2
Hyundai Colombia Automotriz S.A.	Various	19,402.8	3,146.0
Industrias Haceb S.A.	Various	16,019.1	0.0
Masisa Colombia S.A.	Various	7.8	148.4
Mecanelectro S.A.	Various	663.2	32.8
Metrokia S.A.	Various	36,180.2	30,418.3
Modanova S.A.	Various	0.0	233.6
Nalsani S.A.	Various	0.0	2,671.1
Permoda Ltda.	Various	0.0	323.3
Texdoral S.A.	Various	0.0	1,065.2
V Y B Textil SAS	Various	0.0	1,450.2
Vas Colombia S.A.	Various	0.0	6,740.2
Other		427.3	0.0
		<u>141,777.5</u>	<u>86,913.5</u>
Letters of Credit confirmed:			
Acerías de Colombia S.A.	03/09/2011	0.0	3,564.6
C. I. Denim Factory	21/02/2011	0.0	7,642.0
C.I. Importex S.A.	30/01/2011	0.0	237.7
Centelsa S.A.	20/02/2011	0.0	296.8
Corinter S.A.	05/02/2011	0.0	67.9
Mexichem Resinas de Colombia S.A.	Various	0.0	160.8
Monómeros Colombo Venezolanos S.A.	Various	7,396.5	1,485.6
Polipropileno del Caribe S.A.	Various	0.0	4,657.0
Resortes Hércules S.A.	Various	0.0	102.5
Sociedad Portuaria de Santa Marta	Various	0.0	1,674.7
		<u>7,396.5</u>	<u>19,889.6</u>
Loans approved and not disbursed			
ISAGÉN S.A.	Various	225,000.0	225,000.0
		<u>225,000.0</u>	<u>225,000.0</u>
Credits opened in process of award:			
Inversiones Suramericana	Various	675,328.5	0.0
Megaobras Cali S.A.S.	28/07/2011	0.0	42,500.0
Sociedad Aeroportuaria de la Costa S.A.	30/06/2015	0.0	34,000.0
Vías de las Americas S.A.S	01/12/2011	0.0	200,000.0
		<u>675,328.5</u>	<u>276,500.0</u>
Credits opened and awarded:			
Arquitectos e Ingenieros Asociados	01/10/2011	7,792.5	7,792.5
Constructora Colpatria	30/03/2014	4,750.2	4,750.2
HB Estructuras	30/03/2014	4,750.2	4,750.2
		<u>17,292.9</u>	<u>17,292.9</u>

Continues

Item	Maturity	June 30	December 31
Obligations under Options:			
Agricola Santamaria SA	03/01/2012	9,998.3	13,576.9
Bancolombia	Various	16,916.3	69,821.7
Citibank N.A. London Branch	07/12/2011	18,850.0	18,850.0
Ecopetrol S.A.	26/07/2011	17,700.0	0.0
Finagro S.A.	Various	194,150.7	40,824.7
Forsa S.A.	30/06/2011	2,613.7	5,419.4
HSBC BANK USA N.A.	31/01/2011	20,079.5	19,230.0
Mineros S.A.	24/06/2011	18,467.9	20,010.0
OLEODUCTO BICENTENARIO DE COLOMBIA SAS	20/10/2011	27,000.0	0.0
Productora de Papeles S A PROPAL	22/12/2011	15,597.8	21,204.3
Riopaila Castilla S.A.	27/12/2011	3,730.0	12,570.0
Sociedad Portuaria Regional de	Various	24,769.7	193.4
Suministros Generales S.A.	Various	2,135.8	0.0
Other	Various	55,691.1	34,592.5
		<u>427,700.8</u>	<u>256,292.8</u>
Litigation:			
Dirección de Impuestos y Aduanas Nacionales		15,400.3	0.0
Gerencia Juridica	Various	23,510.0	77,205.3
Megabanco Virtual	Various	73,427.0	114,330.8
Other	Various	76,118.5	13,195.0
Secretaría de Hacienda de Cartagena	Various	130,393.1	0.0
		<u>318,848.9</u>	<u>204,731.1</u>
Contingent Accounts - Leasing:			
Lease payments receivable			
Current portion	Various	0.0	1,691.9
Non-current portion	Various	0.0	3,569.6
		<u>0.0</u>	<u>5,261.5</u>
Purchase options receivable			
Non-current portion	Various	0.0	54.7
Litigation			
	Various	0.0	293.0

* A detail of cases is given in Note (31) Contingencies.

25. MEMORANDUM ACCOUNTS

The following is the detail of Memorandum Accounts:

Figures in million COP	June 30	December 31
Debtor:		
Assets and securities delivered in custody	3,601,643.7	3,765,502.5
Fair Price of Exchange, primary asset positions	795,208.6	0.0
Assets and securities delivered in guarantee	1,153,759.2	100,639.1
Valuation gains on foreclosed assets	77,046.5	78,434.4
Outward collections	94.3	119.4
Cheques bought and unpaid	85.3	35.1
Assets written off	1,129,504.8	1,023,899.4
Exchange difference due to re-expression of loans	6,325.9	4,872.7
Asset inflation adjustment	29,360.4	31,248.2

Continues

Figures in million COP	June 30	December 31
Yields receivable - trading investments in debt securities	10,968.2	73,092.7
Loans to parent, affiliates and subsidiaries	2,054.6	2,929.0
New agricultural loans	61,862.2	64,654.2
Dividends rights in kind, equity surplus	59,969.7	59,969.7
Property and equipment fully depreciated	279,754.5	270,881.7
Provision for persons in moratorium situations	169,067.8	162,014.4
Trading investments in debt securities	260,320.4	778,274.4
Inversions Held to maturity	1,343,322.2	1,267,484.2
Investments available for sale in debt securities	3,202,586.9	2,776,533.2
Unutilized credits in favor of the Bank	134,462.6	134,462.4
Reciprocal asset operations with parent/subsidiaries	6,154,509.3	6,109,235.3
Reciprocal operations affecting costs and expenses with parent/subsidiaries	11,466.4	5,779.4
Fiscal value of assets	37,003,036.4	29,040,938.0
Other Memorandum Accounts - debtor *	45,607,024.9	41,000,729.2
	101,093,434.8	86,751,728.5

* At June 30, 2011 and December 31, 2010, a percentage determined by the Tax function is recorded in relation to loans funded with savings for \$10,748,236.7 and \$9,196,425.2, loans for \$21,568,591.3 and \$19,381,876.6 and other sources for \$10,820,354.5 and \$10,185,451.4; based on balances of savings and loan accounts. The account exists for fiscal purposes only.

Figures in million COP	June 30	December 31
Creditor:		
Assets and securities received in custody	1,485,815.6	4,031,364.8
Assets and securities received in guarantee of future loans	2,928,799.1	2,736,872.8
Guarantees pending cancellation	80,170.5	63,945.2
Assets and securities received as admissible guarantees	8,794,258.9	9,330,758.6
Other assets and securities received in guarantee	1,170,466.7	1,557,480.7
Inward collections	677,782.4	668,970.8
Recover of assets written off, local currency	19,751.7	0.0
Equity inflation adjustment	413,183.1	413,183.1
Equity surplus capitalization	413,183.1	413,183.1
Yield on trading investments in debt securities	315,220.0	174,089.2
Capital investments securities	18.5	18.5
Fiscal value of equity	2,844,589.9	3,898,649.1
Classification: operations of financial Leasing	565,372.5	346,250.3
Classification of Mortgage Loans, Secured	18,458.4	15,917.7
Classification of Mortgage Loans, Unsecured	651.3	3,216.2
Classification of Consumer Loans, Secured	856,777.2	578,801.4
Classification of Consumer Loans, Unsecured	3,703,119.5	3,388,287.7
Classification of Micro Loans, Secured	103,957.8	56,615.9
Classification of Micro Loans, Unsecured	106,941.7	147,083.2
Classification of Commercial Loans, Secured	4,255,154.7	4,328,241.7
Classification of Commercial Loans, Unsecured	15,367,074.6	13,501,407.4
Liability operations with parents and subsidiaries	220,644.2	475,472.7
Reciprocal operations affected equity with parent /subsidiaries	2,131,271.8	1,928,704.7
Reciprocal operations affecting income with parent /subsidiaries	9,839.7	9,319.0
Other Memorandum Accounts - Creditor	450,222.1	297,561.4
	46,932,725.0	48,365,395.2

26. TRANSACTIONS WITH RELATED PARTIES

Related parties are shareholders, management and directors who hold 10.0% or more of the Bank's capital and companies which are subordinates of the Bank.

a) Operations with related parties

The following are the significant balances and commitments receivable from or payable to subsidiaries:

Figures in million COP	June 30	December 31
Assets		
Cash and due from banks:		
Banco de Bogotá Panamá	1,239.8	2,879.9
Banco de Bogotá Nassau Ltd.	485.0	85.5
	<u>1,724.8</u>	<u>3,732.4</u>
Acceptances, spot operations and with financial instruments and derivatives		
Corporación Financiera Colombiana S.A.	10.5	788.3
	<u>10.5</u>	<u>788.3</u>
Loans:		
Almacenes Generales de Depósito ALMAVIVAS.A.	1,036.7	1,371.4
Hotels Estelar	54.5	31.0
Pizano	17,732.8	16,168.3
Tescol	2,583.0	1,353.9
Industrias Lehner	12,527.6	12,762.7
ALMAVIVA Global Cargo	147.3	151.7
Gestión y Contacto	0.0	0.6
Pajonales	2.3	4.7
Mavalle	0.9	0.9
Mantesa	2,088.2	2,619.0
Unipalma	0.8	
	<u>36,174.1</u>	<u>34,464.2</u>
Accounts receivable:		
Almacenes Generales de Depósito ALMAVIVA S.A.	3,093.3	1,844.8
Fiduciaria Bogotá S.A.	6,714.7	6,939.9
Corporación Financiera Colombiana S.A.	10,880.8	18,823.2
Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A.	5,689.4	5,314.2
Megalínea	45.2	8.5
Hotels Estelar	8.4	0.0
Pizano	199.1	109.2
Tescol	3.2	8.7
Industrias Lehner	16.9	411.2
Mantesa	0.0	24.5
	<u>26,651.0</u>	<u>33,484.2</u>
Investments available for sale, capital securities		
Almacenes Generales de Depósito ALMAVIVA S.A.	29,741.2	29,741.2
Fiduciaria Bogotá S.A.	80,566.7	80,566.7
Corporación Financiera Colombiana S.A.	2,375,582.1	2,327,339.8
Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A.	175,374.6	156,969.2
Casa de Bolsa S.A.	3,939.6	3,939.6
Banco de Bogotá S.A. - Panamá	87,544.3	94,541.7

Continues

Figures in million COP	June 30	December 31
Bogotá Finance Corporation	88.6	95.7
Corporación Financiera Centroamericana S.A. FICENTRO	686.8	741.7
Leasing Bogotá S.A. - Panamá	2,925,554.6	3,159,391.6
Megalínea	1,475.9	1,475.9
Pizano S.A.	11,591.6	11,591.6
Gestión y Contacto	76.9	30.7
	<u>5,692,222.9</u>	<u>5,866,425.4</u>
Provisions - Investments:		
Corporación Financiera Centroamericana S.A. FICENTRO	686.8	741.7
Marketable, foreclosed and restored assets		
Pizano S.A.	6,646.8	6,646.8
Provisions - Marketable, foreclosed and restored assets		
Pizano S.A.	6,646.8	6,646.8
Valuation gains, investments:		
Almacenes Generales de Depósito ALMAVIVA S.A.	103,833.2	101,961.1
Fiduciaria Bogotá S.A.	37,803.0	39,587.9
Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A.	73,836.5	64,224.7
Casa de Bolsa S.A.	1,883.0	2,446.5
Banco de Bogotá S.A. - Panamá	4,949.5	8,666.7
Bogotá Finance Corporation	57.7	61.6
Megalínea	116.9	77.1
Pizano S.A.	24,753.2	23,504.7
Gestión y Contacto	33.4	48.0
	<u>247,266.4</u>	<u>240,578.3</u>
Valuation losses, investments:		
Leasing Bogotá S.A. - Panamá	0.0	625.6
Accumulated unrealized gain on investments		
Corporación Financiera Colombiana	1,687,501.2	1,711,391.5
Liabilities		
Deposits and Demand Accounts:		
Almacenes Generales de Depósito ALMAVIVA S.A.	1,753.4	1,285.7
Fiduciaria Bogotá S.A.	6,570.2	25,212.8
Corporación Financiera Colombiana S.A.	201,577.4	369,618.1
Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A.	931.5	920.1
Casa de Bolsa S.A.	1.6	14.1
Banco de Bogotá S.A. - Panamá	181.0	232.3
Banco de Bogotá S.A. - Nassau Ltd,	84.8	94.3
Leasing Bogotá Panamá	110.3	70,497.0
Megalínea S.A.	2,777.3	5,219.8
Fiduciaria Corficolombiana	3,083.9	1,762.5
ALMAVIVA Global Cargo	333.1	0.0
Gestión y Contacto	0.8	
Hotels Estelar	0.0	3.8
Pizano	28.9	475.2
Unipalma	1,060.5	522.6
Pajonales	28.3	7.9

Continues

Figures in million COP	June 30	December 31
Tesicol	296.2	111.5
Concecol	7.2	2.9
Epiandes	2.3	2.4
Industrias Lehner	2.6	5.5
Episol	39.4	8.0
Mavalle	353.8	38.8
Mantesa	0.0	46.1
Proyectos de Infraestructura S.A.	41.8	57.8
CIA de Inversiones en Infraestructura S.A.	0.0	3.1
Maderas del Darien	0.0	0.7
Monterrey Forestal	136.6	132.6
	<u>219,402.9</u>	<u>476,275.6</u>
Accounts Payable:		
Almacenes Generales de Depósito ALMAVIVA S.A.	15.4	51.7
Almaviva Global Cargo	0.0	76.9
Corporación Financiera Colombiana S.A.	0.0	0.0
Casa de Bolsa	0.0	0.0
Hotels Estelar	26.3	10.2
Unipalma	8.8	8.6
Megalínea	2,829.7	50.1
	<u>2,887.0</u>	<u>243.4</u>

At June 30, 2011 and December 31, 2010, the following is the detail of income and expenses in operations undertaken with related parties:

Figures in million COP	June 30	December 31
Almacenes Generales de Depósito ALMAVIVA S.A.		
Direct operating income:		
Interest	74.1	61.9
Commissions	44.9	44.4
	<u>119.0</u>	<u>106.3</u>
Operating income		
Dividends	6,165.0	3,652.6
Non-operating income:		
Rent	79.0	93.3
Direct operating expenses:		
Interest	4.6	3.5
Operating expenses:		
Rent	162.4	89.8
Corporación Financiera Colombiana S.A.		
Direct operating income:		
Commissions	72.7	55.5
Operating income:		
Dividends	93,697.5	78,003.8
Direct operating expenses		
Interest	6,854.6	2,268.9

Continues

Figures in million COP	June 30	December 31
Fiduciaria Bogotá S.A.		
Direct operating income:		
Commissions	0.4	7.6
Operating income:		
Dividends	20,011.3	20,749.7
Non-operating income:		
Rent	75.4	66.9
Direct operating expenses		
Commissions	18.1	25.1
Interest	320.5	127.1
	338.6	152.2
Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A.		
Direct operating income:		
Commissions	442.4	699.1
Dividends	29,784.2	24,941.5
Other	6.2	20.9
	30,232.8	25,661.5
Operating expenses:		
Rent	46.2	38.5
Casa de Bolsa S.A.		
Direct operating income		
Commissions	2.4	2.8
Interest	0.0	0.3
	2.4	3.1
Non-operating income:		
Rent	0.0	3.0
Direct operating expenses		
Commissions	66.7	0.0
Interest	0.1	0.1
	66.8	0.1
Banco de Bogotá S.A. - Panamá		
Non-operating income		
Rent	6.1	6.2
Direct operating income		
Dividends	10,352.2	0.0
Leasing Bogotá - Panamá		
Direct operating income		
Dividends	133,991.7	0.0
Operating expenses		
Interest	5.1	0.0
Fiduciaria Corficolombiana		
Direct operating income		
Commissions	92.2	116.2
Interest	79.0	0.0
	171.2	116.2
Operating expenses		
Interest	0.0	30.8

Continues

Figures in million COP	June 30	December 31
Megalínea		
Direct operating income		
Commissions	23.9	23.1
Other	0.5	0.8
	<u>24.4</u>	<u>23.9</u>
Non-operating income		
Rent	0.0	141.3
Operating expenses		
Interest	38.2	37.6
Other	3,309.8	2,833.3
	<u>3,348.0</u>	<u>2,870.9</u>
ALMAVIVA Global Cargo		
Direct operating income		
Commissions	32.7	2.7
Interest	0.2	0.2
Other	0.0	15.7
	<u>32.9</u>	<u>18.6</u>
Operating expenses		
Interest	0.9	0.0
Hotels Estelar		
Direct operating income		
Interest	0.0	10.2
Commissions	0.0	0.6
	<u>0.0</u>	<u>10.8</u>
Operating expenses		
Diversos	114.9	108.4
Pizano		
Direct operating income		
Interest	495.4	511.6
Commissions	46.0	40.2
Other	0.0	4.8
	<u>541.4</u>	<u>556.6</u>
Operating expenses		
Interest	5.9	5.9
Unipalma		
Direct operating income		
Interest	0.1	0.3
Commissions	4.5	6.0
Other	0.3	0.3
	<u>4.9</u>	<u>6.6</u>
Direct operating expenses		
Interest	10.0	11.2
Tesicol		
Direct operating income		
Interest	55.9	59.2
Commissions	14.7	2.8
Other	0.0	13.9
	<u>70.6</u>	<u>75.9</u>

Continues

Figures in million COP	June 30	December 31
Concecol		
Direct operating income		
Commissions	0.1	0.0
Pajonales		
Direct operating income		
Commissions	0.0	0.1
Industrias Lehner		
Direct operating income		
Interest	0.0	153.8
Commissions	0.0	47.1
Other	0.0	3.6
	0.0	204.5
Gestión y contacto		
Operating income		
Commissions	114.5	120.7
Direct operating expenses		
Commissions	1,545.1	1,664.1
EPISOL		
Direct operating income		
Commissions	0.0	38.4
Direct operating expenses		
Interest	0.3	0.0
Proyectos de Infraestructura		
Direct operating income		
Commissions	0.4	0.3
Mavalle		
Direct operating income		
Interest	0.0	2.4
Commissions	1.1	1.3
	1.1	3.7
Monterrey Forestal		
Direct operating income		
Commissions	8.4	1.6
Other	0.0	0.3
	8.4	1.9
Manufacturas terminadas		
Direct operating income		
Commissions	8.2	4.3
Other	130.2	127.4
	138.4	131.7
Maderas del Darien		
Direct operating income		
Commissions	0.4	1.1
Other	0.0	9.2
	0.4	10.3

b) Transactions with Shareholders

At June 30, 2011 and December 31, 2010, the following is the detail of balances with shareholders holding more than 10.0%:

Figures in million COP	June 30	December 31
Grupo Aval Acciones y Valores S.A.		
Assets:		
Loans	12.6	0.0
Capital	12.6	0.0
Liabilities:		
Deposits and Demand Accounts	1,119,717.3	4,135.7
Accounts Payable		
Dividends	74,856.3	62,094.5
Mandatorily convertible bonds	0.0	1,374,083.4
Income		
Interest Deposits and Demand Accounts	8,082.2	0.0
Expenses:		
Operating expenses		
Fees	3,086.3	0.0

At December 31 and June 30, 2010 none of the following situations was present between the Bank and related parties: gratuitous or offset services, rates at other than the market rate or other than those charged to or paid by third parties on similar conditions of term and risk.

c) Operations with companies related to Bank Directors

The following is the detail of balances for account of companies where Bank Directors are also directors or legal representatives and the companies have business with the Bank:

Figures in million COP	June 30	December 31
Loans:		
Adminegocios S.C.A.	186,435.1	187,703.0 ^{1/}
Almaviva S.A.	742.7	1,536.5 ^{2/}
ANDI	9.3	8.3 ^{2/}
Brío S.A.	0.0	40,575.3 ^{2/}
Centro de Rehabilitación de Colombia-CIREC	164.5	78.2 ^{1/}
Concentrados S.A.	9,084.8	4,081.2 ^{2/}
Consultorías de Inversiones S.A. (antes Harivalle S.A.)	47,000.0	47,243.5 ^{1/}
Dupuis Colombia S.A.	218.3	226.2 ^{2/}
Empresa de Energía de Bogotá	100,000.0	100,622.8 ^{2/}
ETB	46,875.0	46,964.1 ^{2/}
Fiduciaria Bogotá S.A.	0.0	7.2 ^{2/}
Flores el Zorro Ltda.	0.0	12.7 ^{2/}
Fundación Gimnasio Campestre	7.8	2.8 ^{2/}
Grupo Aval Acciones y Valores S.A.	12.6	14.8 ^{2/}

1/ Secured.

2/ Unsecured.

3/ Contingency – Bank Guarantee.

Continues

Figures in million COP	June 30	December 31
Gun Club	0.0	0.6 ^{2/}
Harinera del Valle S.A.	68,842.7	81,159.4 ^{2/3/}
Inversiones Arcagua Ltda.	11.9	10.0 ^{2/}
Inversiones Borinquen S.A.	97.3	0.3 ^{2/}
ISAGEN	25,002.7	25,210.9 ^{2/3/}
Isaza Brando S. en C.	0.0	0.1 ^{2/}
Lloreda S.A.	20,000.0	20,161.8 ^{2/}
Promigás S.A.	56,756.4	42,363.7 ^{2/}
Tecmo S.A.	0.0	100.3 ^{2/}
Teleset S.A.	1,174.4	810.0 ^{1/}
Universidad Jorge Tadeo Lozano	0.0	18.4 ^{2/}
	562,435.3	598,912.1

1/ Secured.

2/ Unsecured.

3/ Contingency – Bank Guarantee.

At June 30, 2011 and December 31, 2010, the Directors for the purposes of this disclosure are the individuals registered at the Financial Superintendency as such prior to those dates.

Loans are made on market conditions and are similar to those charged to third parties at similar term and risk.

During the half years ended on December 31 June 30, 2010, Directors Fees were paid for \$265.0 and \$269.3 and \$ 277.1 respectively.

Operations with Directors

The following is the detail of loans taken by Directors with the Bank:

At June 30, 2011 and December 31, 2010, Directors and Administrators had loans for \$293.1 and \$934.0 and \$490.7 and \$344.5, respectively, at rates between DTF + 3 y DTF + 6, for the two periods.

Likewise, at June 30, 2011 and December 31, 2010, Directors and Administrators had deposits and demand accounts for \$98.7 and \$525.6 and \$248.6 and \$317.8, respectively, at effective rates between zero and 2.9%, for the two periods.

No Director, Legal Representative or other officer held more than 10.0% of the Bank's capital.

Operations with related companies were made on general conditions prevailing in the market for similar operations.

d) Operations with Entities in the Combination

At June 30, 2011 and December 31, 2010, operations with related parties in the Combination are as follows:

Figures in million COP	June 30	December 31
Assets:		
Cash and due from banks		
Banco de Occidente	2.4	213.8
Banco Popular	330.5	1,769.9
Banco AV Villas	0.0	0.4
	332.9	1,984.1

Continues

Figures in million COP	June 30	December 31
Ordinary interbank funds sold		
Banks	3,000.0	0.0
Loans and leasing operations		
Almacén General de Depósitos S.A. ALPOPULAR	1,017.8	1,557.6
Accounts Receivable		
Banco de Occidente	55.9	21.8
Banco Popular	9.6	3.0
Seguros de Vida Alfa S.A.	257.8	129.0
Banco AV Villas	52.5	17.3
Seguros Alfa S.A.	257.8	256.4
Almacén General de Depósitos S.A. ALPOPULAR	2.6	5.0
ATH	0.0	1.3
	636.2	433.8
Liabilities:		
Deposits and Demand Accounts		
Banco de Occidente	1,607.6	103.9
ATH	313.9	24.3
Almacén General de Depósitos S.A. ALPOPULAR	0.8	0.7
Fiduciaria Popular	1,861.0	505.3
Seguros Alfa S.A.	56.6	55.9
Banco Popular	219.8	85.1
Seguros de Vida Alfa S.A.	953.4	2,623.9
Banco AV Villas	0.0	0.7
	5,013.1	3,399.8
Accounts Payable		
ATH	68.3	66.0
Banco de Occidente	4.4	6.7
Banco Popular	8.8	144.1
Seguros Alfa	267.8	263.8
Seguros de Vida Alfa S.A.	797.6	594.2
Banco AV Villas	42.0	290.1
	1,188.9	1,364.9
Other Liabilities		
Banco Popular	0.0	1.8
Banco de Occidente	40.2	0.0
	40.2	1.8
Accruals and Provisions		
Seguros de Vida Alfa S.A.	85.6	83.2
	85.6	83.2
Income and expenses		
Banco AV Villas		
Direct operating income		
Commissions	0.0	9.1
Non-operating income		
Rent	279.8	277.6
Operating expenses		
Commissions	177.4	197.2
Other	0.0	24.3
	177.4	221.5

Continues

Figures in million COP	June 30	December 31
Banco de Occidente		
Direct operating income		
Interest	64.3	0.0
Commissions	225.0	224.0
	<u>289.3</u>	<u>224.0</u>
Non-operating income		
Rent	77.5	76.3
Direct operating expenses		
Interest	19.1	0.0
Commissions	84.1	95.9
	<u>103.2</u>	<u>95.9</u>
A Toda Hora S.A.		
Operating income		
Diversos	0.3	0.0
Direct operating expenses		
Interest	0.4	0.4
Sundry	2,087.5	1,881.0
	<u>2,087.9</u>	<u>1,881.4</u>
Seguros Alfa S.A.		
Direct operating income		
Commissions	2,050.8	579.0
Non-operating income		
Recuperaciones	0.0	401.3
Direct operating expenses		
Insurance	930.3	0.0
Interest	0.8	0.4
Commissions	0.0	116.4
	<u>931.1</u>	<u>116.8</u>
Fiduciaria Popular		
Direct operating income		
Interest	0.0	0.0
Commissions	0.7	0.5
Other	0.6	0.6
	<u>1.3</u>	<u>1.1</u>
Direct operating expenses		
Interest	8.0	5.7
Seguros de Vida Alfa S.A.		
Direct operating income		
Commissions	6,164.0	6,467.3
Direct operating expenses		
Interest	34.6	277.1
Personnel	513.3	544.1
Commissions	0.0	0.0
	<u>547.9</u>	<u>821.2</u>
Banco Popular		
Direct operating income		
Commissions	18.3	16.5

Continues

Figures in million COP	June 30	December 31
Direct operating expenses		
Commissions	53.6	53.2
Almacén General de Depósitos S.A. ALPOPULAR		
Direct operating income		
Other	62.5	88.8

27. OTHER OPERATING INCOME AND EXPENSES

The detail of other operating income is the following:

Figures in million COP	June 30	December 31
Rent	122.0	121.3
Supplier discounts	18.9	24.9
Recoveries of provisions against receivables ^{1/}	11,937.6	16,108.9
Recoveries of loan and leasing provisions ^{1/}	250,645.0	226,924.2
Sale of chequebooks	20,936.2	21,275.4
Sale of savings passbooks	1,108.1	1,122.0
Subsidy – Finagro special line	2,114.6	2,615.9
Commercial information	655.7	609.7
Sanction for prepayment of local currency loans	1,556.9	0.0
Other	4,007.8	7,396.3
	293,102.8	276,198.7

1. Loan and receivables recoveries refer to recoveries of provisions made in previous periods; the amounts recorded correspond to partial or full payments made by clients mainly classified "A". The increases are due to changes in the percentages of provisions to be made for each risk category, and to the Bank's performance in collection.

The detail of other operating expenses is the following:

Figures in million COP	June 30	December 31
Fees	10,972.1	14,546.4
Taxes	87,010.8	52,802.4
Rent	18,323.5	18,230.2
Contributions and affiliations	19,132.7	18,267.3
Insurance	38,177.1	35,657.0
Maintenance and repairs	18,304.7	17,501.1
Office remodelling	3,793.0	3,790.6
Cleaning and security	10,312.7	9,723.3
Temporary services	24,608.6	20,007.9
Advertising	16,666.6	18,682.6
Public relations	289.4	450.1

Continues

Figures in million COP	June 30	December 31
Public services	24,625.3	23,887.1
Data processing	3,928.8	4,267.1
Travel	1,834.3	2,008.2
Transport	20,846.9	19,936.4
Stationery	6,529.3	6,229.3
Donations	1,497.0	1,253.7
Software services and development, local currency	1,853.0	0.0
Statement preparation, local currency	425.7	0.0
Judicial and notarial expenses	431.1	0.0
Sundry, foreign currency	426.5	0.0
Outsourcing services	21,662.9	23,578.7
Incentives, prizes and promotion of financial products	6,925.4	8,635.0
Premises administration	3,861.1	3,531.2
Operating risk	891.9	0.0
Other interest, amortized premium/discount	56,380.3	44,108.7
Other*	24,926.8	28,514.7
	<u>424,637.5</u>	<u>375,609.1</u>

* Other includes:

	June 30	December 31
Databases	3,989.5	4,118.8
Signosting and safety expenses	1,531.2	1,501.4
Reimbursement to Grupo Aval – special services received	3,086.3	1,313.6
Fungibles	409.5	384.5
Reversion of operating income/expenses for previous periods	337.0	605.6
ATH management fee	734.7	729.3
Proyectos Canales, Syscoi, Avalnet and ATM management	643.8	646.0
Custody and storage of cash	1,768.9	1,868.7
Club and subscription fees	562.6	415.0
Support for SENA	1,079.9	955.4
Other	10,783.4	15,976.4
	<u>24,926.8</u>	<u>28,514.7</u>

28. OTHER PROVISIONS

The following is the detail items expensed to Other Provisions

Figures in million COP	June 30	December 31
Cash and due from banks	46.4	31.8
Investments	0.0	0.0
Marketable, foreclosed and restored assets	7,752.8	1,866.5
Other assets	806.7	669.6
	<u>8,605.9</u>	<u>2,567.9</u>

29. NON-OPERATING INCOME AND EXPENSES

The following is the detail of los Non-operating income:

Figures in million COP	June 30	December 31
Profit on the sale of		
Foreclosed assets ^{1/}	3,808.1	13,554.9
Property and equipment	7,353.0	1,702.0
	<u>11,161.1</u>	<u>15,256.9</u>
Recoveries:		
Assets written off	19,751.7	14,664.1
Recoveries of investment provisions	81.7	50.7
Recoveries of provisions against marketable, foreclosed and restored assets ^{2/}	2,082.0	5,921.0
Recoveries of provisions against property and equipment	84.2	348.9
Recoveries of provision against other assets	571.1	38.8
Recoveries of other provisions	2,274.3	3,109.9
Returns	973.1	876.2
Other recoveries	23,406.3	7,873.5
Recoveries due to losses	1,544.9	2,083.5
	<u>50,769.3</u>	<u>34,966.6</u>
Rent	977.8	956.9
Income from foreclosed assets	86.0	136.8
Other	4,697.1	5,685.2
	<u>5,760.9</u>	<u>6,778.9</u>
	<u>67,691.3</u>	<u>57,002.4</u>

1/ The most important item is the profit on sale of land in Guayuriba received from Inurbe for \$9,906.7.

2/ Recovery of provisions for the sale of lots in Guayuriba for \$ 1,764.6 and sale of trust rights of Seven Star for \$1,021.8.

The detail of non-operating expenses is the following:

Figures in million COP	June 30	December 31
Loss on sale of property and equipment	5.6	50.2
Insurance Losses *	4,854.7	5,135.7
Fines, litigation, claims and indemnities	3,132.0	3,791.2
Loss on sale of foreclosed and restored assets	6.0	29.3
Sundry	3,482.5	1,214.0
	<u>11,480.8</u>	<u>10,220.5</u>

* At June 30, 2011, the balance was \$4,854.7 in insurance losses, composed of \$3,412.8 belonging to PUC accounts for operating risk formed by 1.456 events; the remaining amount of \$1,441.9 is part of the account "Loss due to Borrower's and Credit-Cardholder's Death".

30. INCOME TAX

The following is a reconciliation between book and fiscal profit for the six-month periods ended on June 30, 2011 and December 31, 2010:

Figures in million COP	June 30	December 31
Profit before tax	664,490.5	538,307.4
Plus (Less) ítems that increase (reduce) taxable profit:		
Bank transaction tax	11,448.5	11,199.3
Fines and litigation	3,131.9	3,791.3
Net effect of non-allowable recoveries and provisions	3,230.0	(2,310.0)
Other non-allowable expenses	12,440.9	13,509.3
Wealth tax	34,281.7	4,036.7
Non-allowable taxes	911.9	914.0
Deduction for purchase of fixed assets	0.0	(7,836.8)
Difference between book and fiscal valuation of investments	5,768.5	(2,526.5)
Non-taxable dividends and other capital surpluses	(150,783.5)	(126,767.6)
Seguridad y de Paz bond yields	(31.2)	(58.9)
(Lower) Higher fiscal income on valuation of forwards	(62,535.1)	(4,002.5)
Higher fiscal profit on securitization trust – exempted income	(1,622.2)	(412.6)
(Higher) lower fiscal amortization of deferred charges	5,337.4	(36.4)
Book valuation gain not made for fiscal purposes on swaps and options	(4,420.7)	(3,529.9)
Recoveries of income tax provision, preceding year	(1,240.8)	0.0
Other non-taxable income	(963.4)	(4,088.0)
Tax base	519,444.4	420,188.8
Standard rate of tax - 33%	171,416.8	138,662.3
Tax deduction on dividends, Leasing Panamá	(32,395.2)	0.0
Recoveries of income tax 2010	(1,494.7)	0.0
Deferred tax	20,306.5	6,464.5
Total tax	157,833.4	145,126.8

For the six-month periods ended on June 30, 2011 and December 31, 2010, there were the following timing differences that caused movements in the deferred tax account:

Deferred Tax

Figures in million COP	June 30	December 31
Higher (lower) fiscal amortization of deferred charges	(1,693.2)	12.0
Employee indemnities and pension reserve	2,428.9	2,231.3
Provision for turnover tax	(621.0)	901.4
Difference between fiscal and book income from valuations of investments, forwards and options	20,191.8	3,319.8
Other provisions	0.0	0.0
	20,306.5	6,464.5

The difference between fiscal and book equity at December 31, 2010 is explained as follows:

Figures in million COP	June 30	December 31
Book equity	7,713,569.7	5,156,365.9
Plus (Less) items that increase (decrease) fiscal equity:		
Fiscal adjustments to foreclosed assets	23,231.5	33,364.8
Fiscal adjustments to fixed assets	305,634.8	516,808.2
Deferred tax payable	15,599.2	15,599.2
Asset provisions that do not reduce tax liability	17,510.4	23,662.0
Accruals and provisions	(6,121.9)	18,181.2
Book valuation gains on assets	(538,346.9)	(538,346.9)
Book valuations of derivatives	(18,576.5)	(27,938.3)
Deferred tax receivable	(2,582.9)	(3,692.6)
Fiscal equity	7,509,917.4	5,194,003.5

Income tax filings for 2008 are currently being reviewed by the tax authority DIAN. DIAN has so far taken no such action for tax years 2009 and 2010

31. CONTINGENCIES

Proceedings against the Bank

At June 30, 2011 and December 31, 2010, the Bank was involved in administrative and judicial proceedings against it, but these are difficult to classify as contingencies in the terms of the related regulations.

Remote or eventual contingencies cannot be held to be "justified, quantifiable and reliable" and so no provision is made against them. In relation to valuations, it is well known that plaintiffs claim exaggerated sums which are in most cases discredited during the proceedings. The difficulties of quantifying the scope of these contingencies also lies in the fact that in many cases there are principal and subsidiary claims and in most cases petitions are not compatible with each other or are written in a confusing manner and it is not possible to make a reasonable calculation or quantification.

Following Superintendency instructions in Circular 66/2001, claims were assigned values on the basis of the analysis and opinions of the lawyers responsible

Labour cases

At June 30, 2011 and December 31, 2010, labor claims totaled \$4,766.9 and \$4,555.3 respectively, and probable contingency provisions were made for \$2,130.6 and \$2,183.1 respectively. Historically, most cases of this kind have been decided in favor of the Bank.

Civil cases

At June 30, 2011 and December 31, 2010, the result of valuations of civil court cases was \$164,752.4 and \$191,536.2, respectively. Provisions were made for \$2,656.5 and \$ 2,398.7 and \$ 1,733.3, respectively.

At June 30, 2011, the civil suit brought by PÁNELES NACIONALES DE COLOMBIA S.A. for \$ 28,000 was closed in the Bank's favour, and there is no remaining contingency With respect to the suit brought by LUZ AMPARO GAVIRIA and PEDRO RAMÓN KERGUELEN, the amount is \$ 20,000. Payment is claimed on the grounds that a former Bank employee in Montería committed a crime. The case is awaiting a final decision, in which there is a request for prescription of criminal action, to be determine dby the Monteria Appeal Court.

The case of Cooperadores en Liquidación is summarized as follows:

1. Action for revocation of COOPERADORES EN LIQUIDACIÓN against MEGABANCO S. A. (now BANCO DE BOGOTÁ S. A.), before Civil Court 6, Cali. In the evidence-gathering state of the first instance.

The Cooperative claims revocation of 13 contracts for delivery of property in lieu of repayment of loans: the contracts were made between COOPERADORES and BANCOOP in July and August 1998. It claims revocation of a contract for delivery of assets in lieu of repayment of loans signed between COOPERADORES and BANCO COOPDESARROLLO regarding 78 properties in the development Portales de Comfandi II, Deed 2258 of May 29, 1998, Notary 11, Cali; and revocation of the delivery in lieu of repayment in Deed 3693 of July 17, 1998, Notary 7, Cali by to DANCOOP, affecting 1,102,551 capital quotas of COOPERADORES in SERCOFUN LTDA for \$3,000, and if they have been disposed of their value together with dividends, profits and interest are to be restored. These acts were performed during the six months prior to the intervention of COOPERADORES by DANCOOP on August 3, 1998.

Almost all the evidence is now ready for the first instance, and in the first period of 2010 an expert report was produced at the request of the plaintiff. The Bank objected because, according to the court expert, the obligations were prepaid, but there was no evidential support for the point. The Court ordered the objection to be processed on May 27, 2010 and specified evidence to be collected for it to make a decision, including another expert report. This has now been made and we await the Judge's decision in deciding on the Bank's request for clarification and complementation.

2. Arbitration called by EMPRESARIAL CONSULTORES LTDA. As mandate-holder for Superintendency of Solidarity Economy to attend to situations not defined in the liquidation of COOPERADORES, before the Bogotá Chamber of Commerce Arbitration and Conciliation Centre, to define matters related to the sale of receivables signed between BANCOOP and COOPERADORES for \$ 31.000.0, on July 13, 1998, which COOPERADORES claims to revoke, was completed, and there is no remaining contingency in this case.

At June 30, 2011 the contingency derived from the action of the Rafael María Leña-Camacho and others was valued at \$23,427 million, claiming compensation from the former associates of CUPOCREDITO for damages suffered as a result of the loss of value of contributions. The case is in the evidence-gathering stage of the first instance. It is also covered by FOGAFIN, but the risk is considered remote, because action is now forfeit, none of the grounds of liability are present and MEGABANCO S.A. is a third party, alien to the situation claimed.

In respect of the claims of a civil party to the case of JOREPLAT EN LIQUIDACIÓN, totalling \$20,000 million pursuing an indemnity from the Bank on the grounds the party suffered damages from the foreclosures on Joreplat in favour of Bancoop and Coopdesarrollo, the contingency disappeared because the Cali Appeal Court, on November 25, 2010 declared the proceedings null as of a Resolution of November 19, 2007 of Prosecutor Delegate 2 before the Cali Appeal Court, leaving the decision of Regional Prosecutor 83 of October 11, 2006 in firm, assessing merits in the absence of evidence of criminal liability of the accused, lack of congruence of the conduct alleged with any definition of a crime and concurrent prescription of action; all that remains is for the Prosecution Service to comply with this and cancel the precautionary measures ordered against the Bank's assets.

Administrative and other cases

Claims in administrative and tax cases initiated by national and local authorities demand penalties for alleged irregularities by the Bank in the course of its activities as a national and regional tax collection agent; and assess higher taxes payable by the Bank as a taxpayer. At June 30, 2011 and December 31,

2010, the claims totalled \$164,376.5 and \$8,639.6 respectively, and provisions were made for \$4,004.9 and \$4004.6 respectively.

32. RATIO OF RISK-WEIGHTED ASSETS TO COMPUTABLE CAPITAL

Computable capital may not be less than 9% of risk-weighted assets in local and foreign currencies, as required by Article 2 of Decree 1720/2001. Individual compliance is verified monthly and consolidate compliance is verified every six months to include Colombian subsidiaries subject to Superintendency supervision and financial subsidiaries abroad.

The classification of risk assets in each category is effected by applying percentages set by the Superintendency for each item of assets, contingent creditors and trust mandates and other trust business in the Uniform Plan of Accounts PUC. As from January 30, 2002 market risks is included as part of risk-weighted assets.

At June 30, 2011 and December 31, 2010, The Bank's ratio was 16.52% and 13.52% respectively. Computable capital at those dates was \$6.547.666,0 and \$ 4.897.913,0, respectively.

33. RISK MANAGEMENT

The process of risk management is subject to senior management guidelines and is consistent with the directives for administration and performance set by the Board.

There is a Credit and Treasury Risks Committee formed by directors, which meets regularly to discuss, measure, control and analyze credit risk (SARC) and treasury risk (SARM) management. There is also an Asset and Liability Technical Committee, which takes decisions on the management of assets, liabilities and liquidity through the Liquidity Risk Management System - SARL. The analysis and followup of operating Risk Management and Business Continuity (SARO-PCN) is handled by the Board's Audit Committee.

Credit and Counterpart Risk

The Bank faces credit risks daily on two fronts: credit, commercial, consumer, mortgage and micro banking; and treasury, which manages interbank operations, investment portfolio management, derivatives and currency dealing, amongst other things. Although they are two independent businesses, the nature of the risk of insolvency on the part of a counterpart is equivalent and therefore the criteria used in both cases are the same.

The basic principles and rules for risk management appear in the Credit Manual, originally conceived for traditional retail banking but also used as a basis for treasury operations. The criteria for evaluation of credit risk follow the guidelines of the Credit and Treasury Risk Committee.

The Board is the senior authority on credit matters and it provides general policy guidance and gives authorizations for the granting of the highest levels of credit permitted. In banking operations authority levels depend on amount, term and security offered by the client. The Board has delegated credit functions to a number of departments and officers, who process applications and are responsible for their analysis, follow-up and results.

The Board authorizes limits for treasury operations and counterparts. There are three mechanisms for risk control: the annual allocation of limits and daily controls; and quarterly evaluations of solvency by issuer and reports on the concentration of investments by economic group.

Approvals of credit take account of other considerations such as the limits of the counterpart and the quality and value of security received; the term required and concentration of risk in economic sectors.

The Bank has a Credit Risk Management System (SARC), administered by the Credit and Treasury Risk function. Amongst other things, it provides for the design, implementation and evaluation of risk policies and tools defined by the Credit and Treasury Risk Committee and the Directors. The progress made with SARC has brought some important benefits in the integration of tools for the measurement of credit risk in the Bank's credit approvals processes.

Market Risk

In order to satisfy the requirements of the Superintendency (Chapter XXI of the Accounting Circular), the Bank has used the standard model for the presentation, measurement, control and management of market risk, interest rates, exchange rates, the UVR index and prices of shares in the Treasury book and the Bank book. These exercises are conducted daily for each area of exposure to risk. Asset positions in the Treasury Book are mapped within zones and bands depending on portfolio duration, capital investments and net position (assets less liabilities) in foreign currency, in line with the standard model recommended by the Basel Committee.

The Bank also uses internal parametered and non-parametered models based on the Value at Risk (VaR) method to manage market risk based on the identification and analysis of variations in risk factors (interest rates, exchange rates and price indices) in relation to the value of portfolio instruments. The models are the JP Morgan Risk Metrics method and the historical simulation method.

The methods used to measure VaR are regularly evaluated and subjected to back-testing to ensure their effectiveness. The Bank also has tools for stress and sensitivity testing of portfolios with simulations of extreme scenarios.

Treasury policies and limits are studied and designed by senior management and appear in the International and Treasury Product Manual and the Market Risks Management System (SARM) and the Policy and Procedure Manual applicable to OTC securities trading. The Product Manual includes instructions for personnel involved in treasury activities; manuals of functions and responsibilities; procedures and products for each area; limits by type of risk, market, product, business unit or authorization level; processes for measurement, analysis and control and management of risks; models developed to control and monitor risks; technological applications which support negotiation, recording, accounting, control and reporting, and position controls, performance and results indicators. The Policies and Procedure Manual applicable to OTC securities dealing sets policies and procedures for the treatment of OTC clients and in general, all securities dealing.

Once position risks are identified and quantified, especially for treasury instruments, position limits are then set for them. In line with the Bank's general policy, the distribution of risk in treasury operations aims at diversification of products and markets, with the conservative criterion of maintaining moderate VaRs. There are thus minimum requirements of knowledge of products, reading of the markets and disciplines for negotiation compatible with the culture of the Bank. For portfolios that include derivatives, additional limits have been set for each type of risk so that the limits for each business unit or strategy can be used in full for any of the risks in any part of the portfolio without exceeding the overall limit set.

The measurement of market risk adopts two focuses: first, economic impact on earnings; and second, a determination of the economic value of positions, which in turn determines the capital required to cover the risk assumed.

The use of the VaR method has enabled the Bank to estimate earnings or capital at risk, and facilitated the allocation of funds to the business units. It has also enabled the Bank to compare activities in different markets and identify positions that offer the greatest risk to treasury business. Likewise, the VAR method helps to set position limits and review positions and strategies rapidly as market conditions change.

There are also “risk type limits” established for each instrument in each portfolio (sensitivities or effects on the value of the portfolio as a consequence of changes in interest rates or related factors: the impact of variations in specific risk factors: Rho, Delta, Vega etc.

In order to avoid potentially improper dealing in the market, the Bank has established counterpart and dealing limits by operators for each dealing platform in the markets in which the Bank operates. Limits are controlled daily by the Back Office and Middle Office. Dealing limits by operator are assigned at different levels of authority in Treasury as a function of the officer’s experience in the market, in dealing with the particular types of product and in portfolio management.

Liquidity Risk

The Bank has a Liquidity Risk Management System (SARL) approved by the Directors, to identify, measure, control and monitor liquidity risk as a function of positions taken in the course of authorized asset, liability and off-balance-sheet operations.

The measurement of liquidity risk is effected using the short-term Liquidity Risk Indicator (IRL) for 7, 15 and 30 days from the Superintendent’s standard model. The method of liquidity gaps or accumulated 90-day gaps is used for medium term positions, with the time banks recommended by the Technical Asset and Liability Committee.

The analysis of risk should enable the Bank to obtain a proper measurement of volatility of debts, indebtedness levels, the structure of assets and liabilities, the degree of liquidity of assets, availability of financing lines and the general effectiveness of asset and liability management. At the same time, liquidity risk management should enable the Bank to maintain sufficient liquidity (liquid assets, guarantees and collateral) to face possible scenarios of own or systemic stress.

The quantification of money market requirements is also a part of the Bank’s measurement of liquidity. Technical studies support decisions on the primary and secondary sources of liquidity, diversifying suppliers of funds in order to ensure that funding is stable and sufficient and to minimize concentration on sources. Once the sources have been identified they are assigned to different portfolios in line with the budget and the nature and depth of the markets.

Funds availability is reviewed daily, not only to comply with cash reserve requirements but also to cover possible shortfalls arising from banking operations, to take strategic positions or to change the risk and liquidity profile.

Senior Management’s Assets and Liabilities Committee identifies the liquidity situation and decisions are taken as required to cover the following areas: high-quality assets which should be retained; tolerance in the management of liquidity or minimum liquidity; strategy in loan placement and in deposit-taking; policy for the placement of surplus liquidity; changes in the characteristics of products and the diversification of sources of funds to avoid concentration of deposit taking from small numbers of savers or investors, coverage strategy, results of the Bank and changes in balance sheet structure.

Operating Risk

The Bank has designed an operating risk management system (SARO) with the following objectives: to strengthen understanding and control of risks in processes, products and business lines; to reduce error and to optimize processes in accordance with risk evaluations and identify opportunities for improvement; to support the development and operation of new products and services; to integrate operating risk management into all Bank activities; to obtain a sustainable risk management system through self-management (involving all staff); to contribute to the identification, recording and management of risk events; to enable levels of tolerance of risk (appetite for risk) to be measured; to develop a uniform language and culture for the identification and management of risks.

SARO is managed by the Operating Risk Unit (GRO) with three main principles: **strategy** – elements of the system such as policies, organizational structure, organs of control, dissemination, recording of events, technological platform, training and documentation; **method** – procedures required to identify, measure, control and monitor operating risks; and **control/self-control** - regular review of risk profiles, functioning of controls, compliance with action plans (opportunities for improvement and treatment plans), training, the use of a common language and the identification of opportunities for improving the system.

The GRO is a member of the Committee for Claims and Frauds and the Know-Your-Client Committee, and supports the Financial Consumer Attention System by identifying and quantifying risks arising from that system.

The Directors have included in the SARO Manual a definition of policies, rules and procedures for the handling of business within the levels of appetite for risk defined, enabling the identification, measurement, control and monitoring of operating risks inherent in processes, and individuals, infrastructure, technology and external events involved. The manual also includes all aspects of Business Continuity Management.

The Bank has an Operating Risk Events Log (RERO) which is constantly updated with risk management reports and allocations of expense accounts for proper book management.

Legal Risk

The Legal Division supports risk management in operations. In particular it defines the procedures required to impose appropriate controls on the legal risk, ensuring that operations comply with the law, and that they are correctly documented. The Division also analyzes and writes the contracts that support the operations of the business units.

The Bank respects copyright, uses only legally-acquired software or licenses, and does not allow its equipment to be used with any programs other than those officially approved.

Money-laundering and the financing of terrorism

The Bank has developed a system to manage risks related to money-laundering and the financing of terrorism (SARLAFT) as part of its organizational culture, which is structured on Legal Circular Title 1 Chapter 11 Section 4.1 with the four stages specified by the Superintendency and adopted by the Bank and elements and instruments contained in policies and procedures to prevent, detect and report suspect operations related to money-laundering and the financing of terrorism. It is appreciated that this involves reputational and legal risks, risk of contagion and operating risks needing the closest attention of senior management and indeed, of all Bank staff.

The Bank's SARLAFT enables ML/FT risks to be identified, measured, evaluated, controlled and monitored using a risk-mapping method that takes account of the probability of occurrence and impact of the risks in order to establish a risk consolidated and line-by-line profile of risk factors and associated risks.

The risks of Money-Laundering and the Financing of Terrorism (ML/FT) follow international and Colombian guidelines containing areas for continuous improvement, designed to achieve a reasonable degree of minimalization of those risks in the Bank.

The Bank has technological tools to implement the know-your-client, know-your-market and user control policies or identify unusual operations and report suspect transactions to the Ministry of Finance Special Financial Information and Analysis Unit UIAF as required by law.

The Bank also has a system to identify, measure, control and monitor each risk factor (client-user, channel, product, jurisdiction) as laid down in Colombian law. This includes actions with correspondents, which the Bank considers to be one of its distribution channels. This system of risk management is strengthened by the segmentation developed for each risk factor which allows risks to be identified and unusual operations to be detected based on a segment profile.

In observance of the law, and in terms of amounts and characteristics given in Title 1 Chapter 11 of the Superintendency's Basic Legal Circular 7/1996, the Bank regularly sends its reports to UIAF, and also provides the competent authorities with the information which they require by law. The Bank's policies include support and collaboration with the authorities to supply information to secure the success of their investigations, within the formalities of the law.

With this, the Bank's operations and business are processed to the highest ethical standards and controls, giving pride of place to health banking practices and observance of the law – over and above the attainment of commercial targets. This has in practice entailed the implementation of criteria, policies and procedures used to manage SARLAFT risks designed to reduce them to the lowest possible level, as the Bank has traditionally done.

This system, of money-laundering and financing of terrorism risk management acts in complement to the Bank's commercial work, taking advantage of these processes to provide a prompt response of the best possible kind to client needs and requirements.

The Bank has a number of functions that form part of the AML/FT risk management, such as the Compliance Control Unit (led by the Compliance Officer), the Comptroller and the Statutory Auditor, whose purpose is to ensure that SARLAFT is properly applied.

The Bank makes use of the results of the various stages of SARLAFT and reports from control functions, the Comptroller and Statutory Audit and pronouncements of the Directors in relation to the Compliance Officer's quarterly reports, in order to ensure that SARLAFT is always properly managed.

34. CORPORATE GOVERNMENT

The principles of the Bank's Corporate Government are defined in the Corporate Government Practices, which is formed by the Good Government Code, the Code of Ethics and the Audit Committee Regulations issued by the Directors. The Good Government Code includes the Regulations for General Meetings and Internal Regulations of the Board.

The Bank follows Superintendency Circular 28/2007 in issuing an annual report on Corporate Government Practices, contained in the Recommendations of the Country Code.

The Directors and Senior Management

The Directors and senior management are aware of the responsibilities involved in manages the risks of the banking business and know how those risks are related to the general strategy of the Bank. They are informed of the processes and structure of business done, and of the nature of the activities undertaken.

As a matter of policy, Senior Management continuously supports and follows up the Bank's business, provides directives for the granting of credit, determines policies and authority limits for each type of market, product or business unit. It defines the risk profile of the Bank, adopts measures to counter new financial risks, establishes the organizational structure required and evaluates the methods used in risk management.

The Board is responsible for approving methods, procedures and limits and for allocating credit and counterpart limits. Specific and regular reports are sent to the Directors in order to keep them permanently informed of the activities of credit risk management.

Further, the Directors supervise compliance with internal controls through the Audit Committee. The Credit and Treasury Risks Committee assists the Directors in analyzing matters related to SARC and SARM.

Senior Management analyzes matters related to asset and liability management and the Liquidity Risk Management System SARL through the Technical Committee for Assets and Liabilities.

Reports to the Directors and Senior Management

Senior management has clear, precise and rapid tools available to maintain permanent control on banking risks, with exposure by type of risk, area of negotiation and portfolio.

The Treasury Risks Department of the Credit and Treasury Risk Division provides a series of daily evaluation and control reports for Senior Management decision-taking, showing individual and aggregate exposures for each risk, compliance with policies and limits, the monitoring of strategies and volumes traded by position and type of instrument.

The Financial Division prepares its own daily report with a market risk analysis and a weekly liquidity risk report for all the Bank's positions, using the Superintendency's standard models.

The Directors receive a weekly report on the activities of each business unit and its financial results. These reports enable the Bank to follow up business regularly, with profitability and activity indicators.

The Credit Division makes a monthly report to the Board with the composition of loans by type and segment and indicators of quality and coverage.

Technological Infrastructure

The Bank has introduced systems and technologies to facilitate control. Modernization has not been limited to software traditionally used to record operations: security and communications systems have also been updated.

The risk control and management areas have technology to provide information, evaluate production processes and assess results achieved in individual operations and for whole portfolios.

The Bank also has a number of documented information systems to support its work in addition to the database applications used for control purposes. Most of the applications are open systems that allow downloading of spreadsheets to support measurement, follow-up and control of risks.

The Bank is continuously implementing technological developments in order to increase operating controls.

Methods of Risk Measurement

The Bank has a method of risk measurement by type of risk (credit, liquidity, market, operating, money-laundering and the financing of terrorism) and this enables inherent exposure to be identified. They are documented in each of the Risk Management Manuals.

Organizational Structure

The Bank has an organizational structure to assist in the analysis, integration and management of risks inherent in each kind of business.

Credit risk management and Treasury market risk are controlled in the Executive Division's Credit and Treasury Risk Department.

Liquidity and market risks are assessed by the Economic Capital and Value Creation Unit of the Finance Division using Superintendency standard model.

The Financial Division has an Operating Risk Unit to handle operating risks,

The Control and Compliance Department is specifically responsible for legal risks related to asset-laundering. The Legal Division also controls legal risks.

Authority levels and responsibilities in risk management are identified and recognized by officers in each area, who have a precise description of the functions, objectives and scope of their posts.

Human Resources

The Human Resources Selection area has set certain minimum requirements in education and experience with a profile appropriate to each post.

Those involved in the analysis, measurement and management of risks have the experience and formation and skills to perform professionally in this area. Specifically, the intention is to combine a demanding level of professional formation in the financial area with strong moral and human qualities.

Internal and external training programs are provided to update technical competences in risk management: there is participation in public discussions, and interaction with the regulatory and supervisory bodies.

Review of Operations

Technological systems, processes involved, evaluation tools and mechanisms introduced in the course of negotiations enable the Bank to ascertain that operations are being conducted as agreed. The systems make risk management and control more agile and transparent.

There are several security systems, such as the recording of telephone calls, security cameras at strategic points, electronic control of physical access to premises, areas of restricted access, access controls for systems. The procedures used for the closing of operations make it possible to ensure that operations are recorded promptly and correctly. The Administrative Services Manual and the Code of Conduct contain express instructions on aspects of security to be followed by staff.

At the Treasury desk there is recording equipment to check on transactions effected by operators and these are kept in suitable conditions and for the time required by law. The Code of Conduct provides guidelines, policies, parameters, duties and obligations that apply to all officers. Mobile phones may not be used in the dealing room. The Bank also has a device to block mobile phone signals.

Audit

The Comptroller's Department assigns personnel to review and evaluate aspects of risk management and administration. Internal control systems enable the Comptroller to receive detailed information about operations and to monitor that they are promptly and correctly recorded in accordance with work programs scheduled.

The main function of the Comptroller is to make regular and systematic reviews of operations, to analyze and monitor compliance with internal controls, to generate reports with recommendations for improvement and to monitor and advise on actions taken.

The Statutory Auditor and the Comptroller are aware of concentrations of risk by economic groups, the impact of operations on the Bank's equity, and the solvency of issuers of investments held in portfolios.

The Statutory Auditor and the Comptroller regularly validate all activities, transactions and operations to ensure that they are within the parameters of current regulations and authorizations of the Directors and senior management.

35. STATUTORY CONTROLS

During the half years ended on June 30, 2011 and December 31, 2010, the Bank complied with requirements for mandatory cash reserves, own positions, capital ratios and mandatory investments.

36. POST-CLOSING EVENTS

No events between the close and August 8, 2011 have been of significance that would require disclosure.