



KPMG Ltda.  
Calle 90 No. 19C - 74  
Bogotá, D.C. - Colombia

Teléfono 57 (1) 6188100  
Fax 57 (1) 2185490  
www.kpmg.com.co

## **STATUTORY AUDITOR'S REPORT**

**(FREE TRANSLATION OF THE REPORT PREVIOUSLY ISSUED IN SPANISH)**

To the Stockholders  
Banco de Bogotá S.A.:

I have audited the financial statements of Banco de Bogotá S.A. which comprise the general balance sheets at June 30, 2014 and December 31, 2013 and the statements of income, stockholders' equity and cash flows, for the six months periods then ended and their respective notes that include the summary of significant accounting policies and other explanatory notes expressed in local currency (Colombia pesos).

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in Colombia and instructions of the Financial Superintendence of Colombia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

My responsibility is to express an opinion on these financial statements based on my audits. I obtained the necessary information and carried out my examinations in accordance with auditing standards generally accepted in Colombia. Such standards require that I comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the financial statements. In making this risk assessment, the statutory auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I consider that the audit evidence obtained provides a reasonable basis to support the opinion expressed below.

In my opinion, the above mentioned financial statements, taken accurately from books and attached to this report, present fairly, in all materiality respects, the financial position of Banco de Bogotá S.A. at June 30, 2014 and December 31, 2013 the results of its operations and its cash flows for the six months periods then ended, in conformity with accounting principles generally accepted in Colombia and instructions of the Financial Superintendence of Colombia, applied on a consistent basis.



Based on the results of my tests, in my opinion:

- a. The Bank's bookkeeping has been kept in accordance with the law and professional accounting practice.
- b. The operations recorded in the books and the Bank's management performance are in conformity with the by laws and decisions of the General Stockholders' Meeting.
- c. The correspondence, the vouchers of accounts and the books of minutes and record of shares have been properly maintained.
- d. There are adequate measures of internal control, that include risk management systems implemented, maintenance and custody of its and third parties assets in its possession.
- e. It has fulfilled the rules established by the Financial Superintendence of Colombia, which establishes criterions for the appropriate administration and accounting of the foreclosed assets received as payment and the implementation and its impact on the balance sheets and statements of operations of the Risks Management Systems that apply.
- f. The management report prepared by the Bank's management agrees with the accompanying financial statements.
- g. The information contained in the documents supporting payments of social security contributions, in particular, those related to employees and their base salary for those contributions, has been taken from the records and the accounting supporting documents. The Bank is up to date in payment of contributions to the Social Security System.

I carried out monitoring to the answers about the recommendation letters addressed to the Bank's management and there are no issues of importance pending that can affect my opinion.

Original signed by  
Pedro Ángel Preciado Villarraga  
Statutory Auditor of  
Banco de Bogotá S.A.  
Registration 30273 - T  
Member of KPMG Ltda.

August 12, 2014

**BANCO DE BOGOTA S.A.**  
Balance Sheets  
At June 30, 2014 and December 31, 2013  
(In millions of pesos)

Assets	June 30	December 31
<b>Cash and due from banks (notes 4 and 25)</b>	\$ 5,178,638	\$ 3,888,519
<b>Money market assets and similar positions (note 5)</b>	302,362	969,068
<b>Investment securities, net (notes 6 and 25)</b>	14,584,670	14,271,717
Debt securities	<u>5,656,030</u>	<u>5,365,855</u>
Trading	381,627	1,155,545
Available for sale	2,490,346	2,554,168
Held to maturity	1,523,535	1,400,958
Investment repurchase rights	1,260,522	255,184
Equity securities	<u>8,929,376</u>	<u>8,906,609</u>
Available for sale	8,929,376	8,906,609
Less: Allowance	(736)	(747)
<b>Loans and financial leases, net (notes 7 and 25)</b>	38,199,512	34,563,860
Commercial loans	29,181,658	26,485,104
Consumer loans	7,251,168	6,789,007
Financial leases	1,684,284	1,454,185
Mortgage loans	972,739	700,446
Microcredit loans	327,920	316,304
Less: Allowance	<u>(1,218,257)</u>	<u>(1,181,186)</u>
<b>Customers' acceptances and derivatives (note 8)</b>	398,453	298,283
<b>Accounts receivable, net (notes 9 and 25)</b>	1,058,745	1,039,291
Interest	385,163	342,351
Financial component	9,453	7,598
Commissions and fees	18,707	18,813
Payment on behalf of clients	31,623	28,579
Others	716,524	739,403
Less: Allowance	<u>(102,725)</u>	<u>(97,453)</u>
<b>Salable, foreclosed, returned assets and those not used in the corporate business, net (note 10)</b>	17,739	19,463
Foreclosed and returned assets, net	17,739	19,463
<b>Property and equipment, net (note 11)</b>	357,488	351,515
<b>Operating leases assets, net (note 11)</b>	4,579	3,176
<b>Other assets, net (note 12)</b>	1,114,796	865,548
Prepaid expenses and deferred charges	152,951	191,146
Assets to place in lease contracts	47,479	66,297
Goodwill	542,896	465,905
Others	378,998	149,822
Less: Allowance	<u>(7,528)</u>	<u>(7,622)</u>
<b>Reappraisal of Assets</b>	1,088,031	1,056,836
Investments in equity securities available for sale, net (notes 6 and 25)	420,006	404,640
Property and equipment	661,649	645,820
Others	<u>6,376</u>	<u>6,376</u>
<b>Total assets</b>	<u>\$ 62,305,013</u>	<u>\$ 57,327,276</u>
<b>Contingent and memorandum accounts (notes 23 and 24)</b>	<u>\$ 257,645,033</u>	<u>\$ 233,499,247</u>

**BANCO DE BOGOTA S.A.**  
Balance Sheets  
At June 30, 2014 and December 31, 2013  
(In millions of pesos)

**Liabilities and Stockholders' Equity**

Liabilities	June 30	December 31
<b>Deposits and demand accounts (notes 13 and 25)</b>	<b>\$ 41,405,509</b>	<b>\$ 38,371,558</b>
Checking account	8,953,301	8,781,472
Time deposits	12,504,395	10,849,795
Savings deposits	19,639,257	18,320,112
Others	308,556	420,179
<b>Money market liabilities and similar positions (note 14)</b>	<b>1,602,782</b>	<b>329,085</b>
<b>Customers' acceptances and derivatives (note 8)</b>	<b>335,270</b>	<b>321,919</b>
<b>Borrowing from financial entities and other financial obligations (note 15)</b>	<b>2,827,649</b>	<b>2,731,110</b>
<b>Accounts payable (notes 16 and 25)</b>	<b>1,098,892</b>	<b>1,034,625</b>
Interest	140,550	149,451
Commissions and fees	4,708	1,492
Taxes	34,309	68,584
Others	919,325	815,098
<b>Long-term debt (notes 17 and 25)</b>	<b>2,499,696</b>	<b>2,545,104</b>
<b>Other liabilities (notes 18 and 25)</b>	<b>308,595</b>	<b>328,686</b>
Consolidated labor liabilities	65,681	76,139
Prepaid income and deferred credit	25,805	26,958
Retirement pensions	86,013	85,136
Others	131,096	140,453
<b>Estimated liabilities and provisions (notes 19 and 25)</b>	<b>359,709</b>	<b>111,088</b>
Labor liabilities	5,458	1,765
Taxes	306,578	59,162
Others	47,673	50,161
<b>Total liabilities</b>	<b>50,438,102</b>	<b>45,773,175</b>
<b>Stockholders' Equity</b>		
<b>Common shares (note 20)</b>	<b>3,075</b>	<b>3,075</b>
<b>Reserves (note 21)</b>	<b>8,071,856</b>	<b>7,817,863</b>
Retained earnings:		
Appropriated	3,301,709	3,110,918
Additional paid-in capital	4,221,859	4,221,859
Statutory and voluntary reserves	548,288	485,086
<b>Equity surplus:</b>	<b>3,057,452</b>	<b>3,097,194</b>
Unrealized gain on investments and derivatives (notes 6, 22 and 25)	1,969,421	2,040,358
Reappraisal of assets, net	1,088,031	1,056,836
<b>Net income</b>	<b>734,528</b>	<b>635,969</b>
<b>Total stockholders' equity</b>	<b>11,866,911</b>	<b>11,554,101</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 62,305,013</b>	<b>\$ 57,327,276</b>
<b>Contingent and memorandum accounts (notes 23 and 24)</b>	<b>\$ 257,645,033</b>	<b>\$ 233,499,247</b>

See the notes to the financial statements.

ALEJANDRO FIGUEROA JARAMILLO  
Legal Representative

NÉSTOR ANTONIO PUPO BALLESTAS  
Head of Accounting, Registration  
No. 43967 -T

PEDRO ÁNGEL PRECIADO VILLARRAGA  
Statutory Auditor, Registration No. 30723 - T  
Member of KPMG Ltda.  
(See my report dated August 12, 2014)

**BANCO DE BOGOTA S.A.**

Statements of Income

For the six-months ended June 30, 2014 and December 31, 2013

(In millions of pesos, except earnings per share)

	Accounting Periods	
	January 1 to June 30, 2014	July 1 to December 31, 2013
<b>Interest and valuation income (note 25)</b>	<b>\$ 1,884,230</b>	<b>\$ 1,783,255</b>
Interest on loans	1,643,976	1,579,861
Gain on valuation and sale of investments and money market operations, net	138,061	105,871
Intervank funds	31,234	31,304
Financial leases	70,959	66,219
<b>Interest expense (note 25)</b>	<b>656,868</b>	<b>647,541</b>
Checking accounts	47,762	45,853
Time deposits	233,507	230,709
Savings deposits	251,002	251,138
Borrowing from financial entities and other financial obligations	31,343	29,544
Interbank funds	20,402	19,415
Long-term debt	72,852	70,882
<b>Interest income, net</b>	<b>1,227,362</b>	<b>1,135,714</b>
<b>Allowances, net</b>	<b>316,291</b>	<b>308,222</b>
Loans and accounts receivable, net (notes 7 and 9)	312,049	300,912
Allowances for other assets, net (note 27)	4,242	7,310
<b>Interest income after allownaces, net</b>	<b>911,071</b>	<b>827,492</b>
<b>Fees and other service income (note 25)</b>	<b>375,706</b>	<b>379,205</b>
Commissions from banking services	169,593	177,940
Branch network service	15,888	15,251
Credit and debit cards fees	171,309	166,393
Checking fees	17,385	17,424
Others	1,531	2,197
<b>Fees and other service expenses (note 25)</b>	<b>63,520</b>	<b>62,590</b>
<b>Total fees and other service income, net</b>	<b>312,186</b>	<b>316,615</b>
<b>Other operating income (note 25)</b>	<b>535,306</b>	<b>505,937</b>
(Loss) gain on foreing exchange, net	(82,433)	505
Gain on valuation and sale in derivative operations, net	155,638	58,765
Dividend income	460,270	445,241
Other operating income	1,831	1,426
<b>Other operating expenses (notes 25 and 26)</b>	<b>888,411</b>	<b>902,088</b>
Salaries and employee benefits	273,361	283,401
Bonus plan payment	5,378	1,114
Severance payments	201	182
Insurance on deposits	45,072	49,254
Depreciation (note 11)	29,047	27,295
Goodwill amortization (note 12)	13,171	11,962
Other operating expenses (notes 25 and 26)	522,181	528,880
<b>Net operating earnings</b>	<b>870,152</b>	<b>747,956</b>
<b>Non-operating income (notes 25 and 28)</b>	<b>108,339</b>	<b>87,716</b>
<b>Non-operating expenses (notes 25 and 28)</b>	<b>14,878</b>	<b>14,484</b>
<b>Non-operating income, net</b>	<b>93,461</b>	<b>73,232</b>
<b>Income before income tax (note 29)</b>	<b>963,613</b>	<b>821,188</b>
<b>Income tax expense</b>	<b>229,085</b>	<b>185,219</b>
<b>Net income</b>	<b>\$ 734,528</b>	<b>\$ 635,969</b>
<b>Earnings per share (in Colombian pesos)</b>	<b>\$ 2,389</b>	<b>\$ 2,149</b>

See the notes to the financial statements.

ALEJANDRO FIGUEROA JARAMILLO  
Legal Representative

NÉSTOR ANTONIO PUPO BALLESTAS  
Head of Accounting. Registration No. 43967 -T

PEDRO ÁNGEL PRECIADO VILLARRAGA  
Statutory Auditor, Registration No.30723 - T  
Member of KPMG Ltda.  
(See my report dated August 12, 2014)

**BANCO DE BOGOTA S.A.**  
**Statements of Stockholders' Equity**  
**For the Six-months Ended June 30, 2014 and December 31, 2013**  
(In millions of pesos, except the information per share)

	Par Value	Retained earnings		Statutory	Surplus		Net income	Total Stockholders' equity
		Appropriated	Additional paid-in capital	Reserves	Unrealized gains or (losses)	Reappraisal of assets, net		
<b>Balance at June 30, 2013</b>	\$ 2,868	2,320,918	2,922,066	836,818	1,723,090	981,797	782,481	9,570,038
Release of voluntary reserves, first half of 2013				(836,818)			836,818	0
Creation of voluntary reserves, first half of 2013				485,086			(485,086)	0
Increase in capital stock and additional paid-in capital from issue of shares	207		1,299,793					1,300,000
Donation to the Banco de Bogotá Employee Fund							(10)	(10)
Dividends payable in cash between October 2013 and March 2014, at \$200.00 pesos per share on 286,836,113 shares							(344,203)	(344,203)
Increase in the legal reserve through appropriation of net income from the first half of 2013		790,000					(790,000)	0
Movement of period					317,268	75,039		392,306
Net income, second half of 2013							635,969	635,969
<b>Balance at December 31, 2013</b>	<b>3,075</b>	<b>3,110,918</b>	<b>4,221,859</b>	<b>485,086</b>	<b>2,040,355</b>	<b>1,056,835</b>	<b>635,969</b>	<b>11,554,099</b>
Release of voluntary reserves, first half of 2013				(472,086)			472,086	0
Creation of voluntary reserves, second half of 2013				548,289			(548,289)	0
Donation to the Banco de Bogotá Employee Fund							(10)	(10)
Dividends payable in cash between April 2014 and September 2014, at \$200.00 pesos per share on 307,471,032 shares							(368,965)	(368,965)
Dividends payable in cash between December 2013 and March 2014, at \$200.00 pesos per share on 20,634,919 shares				(13,001)				(13,001)
Increase in the legal reserve through appropriation of net income from the second half of 2013		190,791					(190,791)	0
Movement of period					(70,937)	31,195	0	(39,742)
Net income, first half of 2014							734,528	734,528
<b>Balance at June 30, 2014</b>	<b>\$ 3,075</b>	<b>3,301,709</b>	<b>4,221,859</b>	<b>548,288</b>	<b>1,969,421</b>	<b>1,088,031</b>	<b>734,529</b>	<b>11,866,911</b>

See the notes to the financial statements.

ALEJANDRO FIGUEROA JARAMILLO  
Legal Representative

NÉSTOR ANTONIO PUPO BALLESTAS  
Head of Accounting, Registration No. 43967-T

PEDRO ÁNGEL PRECIADO VILLARRAGA  
Statutory Auditor, Registration No. 30723-T  
Member of KPMG Ltda.  
(See my report dated August 12, 2014)

**BANCO DE BOGOTÁ S.A.**  
Cash Flow Statement  
For the six-months Ended June 30, 2014 and December 31, 2013  
(In Millions of Pesos)

	<b>June 30</b>	<b>December 31</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 734,528	635,969
Adjustment to reconcile net income with net cash provided by operating activities:		
Recovery of investment allowance, net	(11)	(16)
Allowance for loan and financial leases, net	281,578	274,678
Allowance for accounts receivable, net	30,471	26,234
Allowance for salable assets, foreclosed, returned assets and those not used in the corporate business, net	3,248	4,825
(Recovery) allowance for property and equipment and other assets, net	(80)	732
Goodwill amortization	14,755	11,962
Depreciation and other amortization	49,285	47,466
Loss (gain) on sale of trading investment securities, net	1,575	(1,137)
Gain on sale of foreclosed assets, net	(36)	(488)
Gain on sale of property and equipment, net	(2,090)	(10,131)
Valuation gain on investment and money market operations, net	(139,636)	(104,734)
Gain on valuation and sale in derivative operations, net	(155,638)	(58,765)
<b>Changes in operating assets and liabilities:</b>		
Decrease in trading investment securities	788,689	334,432
Decrease (increase) in customer's acceptances and derivatives	64,172	(12,608)
Increase in loans and financial leases	(3,917,229)	(2,497,962)
Increase in accounts receivable	(49,926)	(141,311)
Addition in foreclosed and returned assets and those not used in the corporate business	(2,972)	(8,243)
(Increase) decrease in other assets	(284,146)	302,172
Increase in deposits and demand accounts	3,033,951	2,271,714
Increase (decrease) in accounts payable	49,676	(233,702)
Decrease in other liabilities	(20,091)	(9,433)
Increase (decrease) in estimated liabilities and provisions	248,621	(192,675)
Total adjustments	(5,834)	3,010
Net cash provided by operating activities	728,694	638,979
<b>Cash flows from investing activities:</b>		
Increase in investments available for sale and held to maturity	(1,029,861)	(1,231,376)
Additions to property and equipment and operational leases	(39,273)	(61,976)
Proceeds from the sale of foreclosed assets	1,484	3,134
Proceeds from the sale of property and equipment and operational leases	4,926	14,354
Net cash used for investment activities	(1,062,724)	(1,275,864)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in money market liabilities and similar positions	1,273,697	(352,694)
Increase in Borrowing from financial entities and other financial obligations	96,539	404,800
(Decrease) Long-term debt	(45,408)	(1,574)
Dividends paid	(367,375)	(335,465)
Donations	(10)	(10)
Issuance of common shares	0	1,300,000
Net cash provided by financing activities	957,443	1,015,057
Increase in cash and cash equivalents, net	623,413	378,172
<b>Cash and cash equivalents at beginning of the six-month period</b>	4,857,587	4,479,415
<b>Cash and cash equivalents at the end of the six-month period</b>	\$ 5,481,000	4,857,587

See the notes to the financial statements.

ALEJANDRO FIGUEROA JARAMILLO  
Legal Representative

NÉSTOR ANTONIO PUPO BALLESTAS Head of  
Accounting, Registration No. 43967 -T

PEDRO ÁNGEL PRECIADO VILLARRAGA  
Statutory Auditor, Registration No. 30723 - T  
Member of KPMG Ltda.  
(See my report dated August 12, 2014)