

BANCO DE BOGOTÁ

ANNUAL CORPORATE GOVERNANCE REPORT - 2021

The Bank has prepared the 2021 Corporate Governance report, to be presented at the General Shareholders' Meeting, previously approved by the Board of Directors and with prior review and favorable report from the Audit Committee, to report on the performance of the Bank's and its subsidiaries' governance model and on relevant changes occurred during 2021. Its contents comply with the provisions included in recommendation 33.3 of the Code of Best Corporate Governance Practices - *Código País*, established by Circular 028 / 2014 issued by the Financial Superintendence of Colombia.

We would like to highlight the main activities carried out in 2021, and up to the date of this report, in terms of our Corporate Governance practices:

1. Update of the Corporate Governance Code, in aspects related to the Board of Directors' Committees, procedures to hold virtual Shareholders' and Board meetings and the use of the Bank's website to disclose information to shareholders, among others.
2. The Board of Directors approved the establishment of the Board's Corporate Governance and Remuneration & Compensation Committees, in line with recommendations from the "*Código País*".
3. Implementation of additional actions to comply with the 148 recommendations contained in the "*Código País*", improving compliance in 9.5%, to a total of 88.5%. Meanwhile, our subsidiary Almagora improved its compliance in 12.7%, reaching 79.6%.
4. Carried out the process to hold the Ordinary Shareholders' Meeting and helped out with the Bond Holders' Meeting.
5. Internal audit on the Corporate Governance process resulted in an outstanding rating.

i. Ownership Structure of Grupo Banco de Bogotá.

The Bank's capital as of December 31st / 2021, was represented by a total of 331,280,555 outstanding common shares, with a nominal value of COP \$10.00 each; the main shareholders are: Grupo Aval Acciones y Valores S.A. (68.7%), Grupo Paz Bautista (11.7%), other shareholders (11.2%) and other companies from the Sarmiento Angulo Organization (8.3%).

Some members of the Bank's Board directly own shares, which represent 0.005% of the voting rights, as follows:

Sergio Uribe Arboleda:	11,274 shares
Luis Carlos Sarmiento Gutiérrez:	2,766 shares
Sergio Arboleda Casas:	1,355 shares
José Fernando Isaza Delgado:	744 shares
Álvaro Velásquez Cock:	178 shares
Alfonso de la Espriella Ossío:	147 shares
Jorge Iván Villegas Montoya:	125 shares

The Bank's website (<https://www.bancodebogota.com/wps/portal/banco-de-bogota/bogota/investor-relations/about/corporate-structure>) presents the composition of Grupo Banco de Bogotá and Note 1 to the consolidated financial statements presents the Bank's shareholdings in subsidiaries.

In 2021, a Senior Management member purchased 615 of the Bank's shares, which represent 0.0002% of total outstanding shares, after being duly authorized by the Board of Directors.

During the reporting period, there were no agreements between shareholders, to the Bank's knowledge, and no shares owned by the Bank were registered.

ii. Grupo Banco de Bogotá's Management Structure.

The Board of Directors is comprised of five principal members and their personal alternates, and their appointment was approved at the General Shareholders' Meeting held on March 25th / 2021, in accordance with the procedure set forth in the Rules of Procedure for the General Shareholders' Meeting. Two of the Board lines are represented by independent members.

The composition of the current Board of Directors is as follows:

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

* Independent Members.

A summary of the Directors' *résumés*, including the year of their appointment as Board members, is published at the bank's website (<https://www.bancodebogota.com/wps/portal/banco-de-bogota/bogota/investor-relations/corporate-governance/board-directors>).

In 2021, there were no changes in the composition of the Board of Directors.

Board of Directors' Committees, at the date of this report, are: Audit Committee, Credit Committee, Integral Risk Management Committee, Sustainability Committee, Corporate Governance Committee and Remuneration & Compensation Committee, whose composition is as follows:

<u>Credit Committee</u>
Luis Carlos Sarmiento Gutiérrez Sergio Uribe Arboleda Alfonso de la Espriella Ossio Carlos Arcesio Paz Bautista José Fernando Isaza Delgado
<u>Audit Committee</u>
Sergio Uribe Arboleda Alfonso de la Espriella Ossio Álvaro Velásquez Cock
<u>Integral Risk Management Committee</u>
José Fernando Isaza Delgado Ana María Cuéllar de Jaramillo Jorge Iván Villegas Montoya
<u>Sustainability Committee</u>
Sergio Uribe Arboleda José Fernando Isaza Delgado Six Senior Management members

<u>Corporate Governance Committee</u>
Sergio Arboleda Casas Jorge Iván Villegas Montoya Two Senior Management members
<u>Remuneration & Compensation Committee</u>
Luis Carlos Sarmiento Gutiérrez Two Senior Management members

For all the meetings of the Board of Directors and its Committees, the necessary quorum was met in order to deliberate and decide. Respective decisions were made unanimously by all attending members. Furthermore, it is worth mentioning that the Board met on 58 sessions during 2021, with the assistance of principal and alternate members, and an average attendance of principal and alternate members of 98.97%.

None of the members of the Bank's Board of Directors are executives at Banco de Bogotá or at any of its subsidiaries. Furthermore, no member from the Bank's Senior Management is a member of the Board of Directors.

The following Board Members are also members of the Boards of Directors of the subsidiaries:

<u>Subsidiary</u>	<u>Banco de Bogotá's Board Member</u>
BAC International Corp.	Carlos Arcesio Paz Ana María Cuéllar de Jaramillo Alvaro Velásquez Cock
Fiduciaria Bogotá	Jorge Iván Villegas Montoya
Almaviva	Alfonso de la Espriella Ossio
Banco de Bogotá (Panamá) S.A.	Alvaro Velásquez Cock Sergio Uribe Arboleda Sergio Arboleda Casas

The Bank has a Policy for the Board of Directors' Appointment and Compensation, published in the Corporate Governance section of the website, which establishes the requirements and procedures to be followed for nominating candidates as Board members, as well as for defining their compensation, which is the responsibility of the General Shareholders' Meeting.

Senior Management compensation is in line with best compensation practices existing in the labor market, thus allowing the Bank to maintain a competitive level and ensuring the permanence of outstanding personnel with high human and technical potential, in order to comply with the Bank's strategy and objectives.

Note 33 to the separate financial statements and Note 35 to the consolidated financial statements for 2021, disclose the fees paid to Board members as well as benefits for key personnel.

The Chairman of the Board of Directors and his alternate were responsible for directing Board meetings, which were held virtually during 2021. Likewise, they coordinated its operation as well as the different topics discussed at the meetings. They participated in the Board's evaluation process, among other responsibilities, as stipulated in the Board's Rules of Procedure.

The Board's self-evaluation process was carried out at the Bank and its subsidiaries, with excellent results. The Bank's evaluation process includes an assessment by each Director on his/her individual performance, as well as on the performance of the Board itself and on the Committees that they belong to. They review aspects such as preparation for the meetings, knowledge of the business and its risks, participation in the meetings, impartiality, ethical behavior and time dedication, among others.

The Secretary of the Board of Directors summoned the meetings of the Board of Directors and invited to the committees' meetings, according to the established schedule; prepared the agenda for the meetings; published relevant material for each meeting at the virtual platform used for the Board and its committees; verified the deliberative and decision-making quorum; prepared the minutes, duly safeguarded them and their supporting documents and issued the respective extracts, in accordance with the functions defined in the rules of procedure.

In 2021, information on the following subjects was presented to the Board of Directors:

- Monthly financial results, follow up on management indicators, market share and financial analysis on assets and liabilities, among others.
- Presentation on the evolution of the Bank's Strategic Plan.
- Weekly review on Treasury products such as FX, Derivatives, Investment Portfolios and Hedging operations.
- Market evolution and macroeconomic variables.
- Monthly report on treasury operations' risk (limit compliance, related party transactions, etc...).
- Monthly report on loan portfolio charge offs.
- Quarterly report on AMLCTF from the Compliance Control Unit.
- Report on capacity evaluation and maturity on information security.
- Report on the evolution of covid-19 contagions, employee vaccination and prevention measures.
- Report on Financial Consumer's Attention System.
- Report on Business Continuity.

The Audit Committee and the Board of Directors received reports and conclusions from the Statutory Auditor, and Management presented the respective action plans. The Statutory Auditor issued unqualified opinions regarding the 2021 separate and consolidated financial statements.

In 2021, the Board of Directors did not require any external counsel. The information of the Board of Directors was handled through the Bank's Secretary General's office with the responsibility and confidentiality required, using the virtual platform that provides information security.

As stipulated in the Rules of Procedure for the Board of Directors, the General Shareholders' Meeting shall evaluate the Board's performance, through the study and approval of the Management Report submitted for its consideration. The 2020 Management Report was approved at the General Shareholders' Meeting held in March 2021.

The issues under the responsibility of the Board of Directors' Committees were discussed at the meetings, in accordance with their rules of procedure, including the following, among others:

At the Credit Committee meetings, credit projects that fell under its competency were studied and approved, while those that exceeded said competency were recommended.

At the Audit Committee meetings, guidelines and recommendations to strengthen the Bank's and its subsidiaries' control systems were provided. Follow up was also performed on the issues that were reported by Internal Audit and the Statutory Auditor, prioritizing them in accordance with their importance.

At the meetings of the Board's Integral Risk Management Committee, monitoring on management indicators' dashboards was performed, in order to duly control the risks that the Bank faces. Similarly, the Risk Appetite Framework was approved and the Rules of Procedure for this Committee and for the Management's Integral Risk Management Committee were modified to define functions related to the Risk Appetite Framework. Accordingly, the Rules of Procedure for the Board of Directors was modified, to update functions related to integral risk management.

At the Sustainability Committee meetings, results on the 2020 Dow Jones Sustainability Index were reviewed, as well as the main initiatives to be implemented in 2021 regarding the sustainability strategy and the new products that would complement the Bank's sustainable product portfolio. Training was provided on sustainable finance and on Net Zero Emissions' strategy, which has been proposed as the strategic road map starting in 2022. Similarly, the new structure for the Sustainability division was defined, in charge of undertaking new strategic challenges and developments in matters related to the Bank's sustainable business during 2021.

In 2021 the Board of Directors approved the establishment of the Corporate Governance Committee and the Remuneration & Compensation Committee, following guidelines from the Code of Best Corporate Governance Practices - *Código País*. The implementation of these committees will be carried out in 2022 upon the approval of their Rules of Procedure, once their respective meetings begin.

iii. Operations with Related Parties.

Grupo Banco de Bogotá has business relations and carries out transactions, in the ordinary course of its business, with significant shareholders, Board members, Senior Management members and other related parties. These transactions are carried out under market conditions, in accordance with the policies and guidelines established in the Corporate Governance Code, the Code of Ethics, Conduct and Transparency and the Reference Framework for Institutional Relations, with the aim of using suitable corporate governance practices for their identification, management, control and disclosure.

The aforementioned documents are available to shareholders at the Bank's website, in the Investor Relations section.

Note 33 to the separate financial statements and Note 35 to the consolidated financial statements for 2021, provide information on transactions with related parties.

iv. Managing Conflicts of Interest.

In order to disclose and manage possible conflicts of interest that may arise, the Board of Directors has adopted measures set forth in the Corporate Governance Code and the Code of Ethics, Conduct and Transparency, in force, which must be observed by the entity's Board members, managers and employees. It is the Bank's policy for employees and managers to identify, disclose and when necessary, manage those conflicts of interest that may arise while carrying out their activities, abiding by the guidelines established in the Labor Rules of Procedure and the Code of Ethics, Conduct and Transparency.

Similarly, the Bank has adopted policies to manage possible situations of conflict of interest for Grupo Banco de Bogotá, in accordance with the provisions of the Reference Framework for Institutional Relations. As prescribed in the Corporate Governance Code and the Code of Ethics, Conduct and Transparency, in 2021 revelation of information that may have construed a conflict of interest was informed to the appropriate levels.

v. Internal Control System.

The Bank has an Internal Control System (ICS), governed by principles of self-control, self-regulation and self-management, which identifies the elements of the internal control system throughout the organizational structure.

The Internal Control System is the set of policies, principles, rules, procedures and verification and evaluation mechanisms established to provide a reasonable degree of assurance that the following

objectives will be achieved: (i) Improve efficiency and effectiveness of the Bank's operations; (ii) Seek to reduce risks and, if they arise, mitigate their impact; (iii) Carry out an appropriate risk management; (iv) Increase reliability and opportunity of the Bank's information, particularly financial information; and (v) Comply with applicable laws and regulations.

Banco de Bogotá's Corporate Governance model is designed to allow internal control systems to permanently evolve in order to make timely strategic business decisions, within a controlled risk management framework, in accordance with established risk appetite and tolerance thresholds.

In 2021, the Bank's internal control and risk management systems adapted rapidly to successfully face emerging risks and challenges derived from the pandemic, carrying out necessary adjustments in procedures and key controls when necessary; this reflects that the Bank maintains its processes under continuous improvement, pursuing reasonable risk mitigation.

The specific functions of the Board of Directors and the Bank's CEO with respect to the Internal Control System are defined in the Rules of Procedure for the Board of Directors and current regulation, respectively.

vi. Risk Management System.

The Bank has an Integral Risk Management (IRM) system that aims to provide a comprehensive view of risks, a strong governance model with an active role from the Board of Directors and from Management on this matter, and to establish a risk appetite and tolerance framework. The specific functions of the Board of Directors, the Board's Integral Risk Management Committee and the Bank's CEO, with respect to IRM, are defined in current regulation, in the Rules of Procedure for the Board of Directors, the Rules of Procedure for the Board's Integral Risk Management Committee and the Corporate Governance Code, respectively.

Similarly, the Bank maintains an updated set of risk management systems that describe risk identification, measurement, monitoring and control, namely: Credit Risk Management System (SARC, for the Spanish original), Market Risk Management System (SARM, for the Spanish original), Liquidity Risk Management System (SARL, for the Spanish original), Operational Risk Management System (SARO, for the Spanish original), Money Laundering and Terrorism Financing Risk Management System (SARLAFT, for the Spanish original). The foregoing notwithstanding compliance with the various additional regulatory provisions regarding business continuity, cybersecurity, and financial consumer service, among others.

Main risks are monitored using a risk dashboard system, which is regularly presented to the Board of Directors' Integral Risk Management Committee, along with follow-up on their materialization, permitting the establishment of response and supervision plans for their mitigation.

Finally, information on management of the risks faced by the Bank while carrying out its operations in 2021 is included in the year-end reports presented to the General Shareholders' Meeting (Management Report, Financial Statements and Notes, Internal Control Report, Financial Consumer Ombudsman's Report).

vii. General Shareholders' Meeting.

The General Shareholders' Meeting was held in compliance with the legal and statutory provisions and in accordance with the rules of procedure for its operation.

The ordinary General Shareholders' Meeting met on-site, with restricted participation, given the health emergency and after obtaining a non-objection statement from the Financial Superintendence.

For the aforementioned Meeting, summoning was carried out in compliance with the provisions of the Code of Commerce, those set forth in the Company Bylaws and those regulated in the Rules of Procedure for the General Shareholders' Meeting, as well as dispositions from the Colombian government and other authorities regarding necessary precautions due to the pandemic.

The ordinary Shareholder's Meeting took place on March 25th, 2021, with a quorum of 90.05% of the subscribed and paid-in shares. At that meeting, the Management Report, the Financial Statements (Separate and Consolidated) and the Earnings Distribution Project were approved; the Board members and the Statutory Auditor were appointed, and the respective fees were approved; the Financial Consumer Ombudsman, his alternate and their monthly payment were defined, among other matters.

For this meeting, all the necessary information to exercise the right of inspection was available for shareholders at the Secretary General's office and also at the Bank's website, within the legal term, as required by current regulation and the Bank's Corporate Governance documents.

Shareholders' requests on information, certificates, updates regarding the transfer of shares and dividend payments, among others, were addressed, as well as inquiries regarding details on the Shareholders' Meeting.

Summons to the Meeting, shareholder rights and obligations, and characteristics of the shares were available to shareholders and the market in general at the Financial Superintendence of Colombia's website, as Relevant Information, and at the Bank's website.

Also, in compliance with current regulation, relevant information corresponding to the decisions made by the General Shareholders' Meeting was published in the Financial Superintendence's and the Bank's websites.

viii. Information Provided to the Market.

The Bank permanently provides shareholders, investors and the market in general with timely and accurate information regarding the company, its financial performance, aspects of Corporate Governance, relevant information and issuances, among others, at its website, in the "Investor Relations" section.

In 2021, quarterly results' conference calls were held corresponding to the fourth quarter of 2020, first, second and third quarters of 2021, where information was presented to investors, analysts and other stakeholders regarding Banco de Bogotá's consolidated financial performance.

ix. Compliance with the Corporate Governance Code.

The Bank has established a management structure and procedures for monitoring compliance with the Corporate Governance Code.

No claims were reported regarding non-compliance with the Bank's Corporate Governance Code in 2021.

x. Best Corporate Practices Implementation Report.

The Bank, in compliance with the provisions of Circular 028 / 2014 issued by the Financial Superintendence of Colombia, completed and submitted to that entity, on January 31st, 2022, the Best Corporate Practices Implementation Report for 2021, which is published on the Bank's website.