

150+



2020 MANAGEMENT AND  
**SUSTAINABILITY REPORT**

## About this Report

[GRI 102.4] [GRI 102.45] [GRI 102.49] [GRI 102.54]

2020 was a year full of major corporate challenges that led us to continue defying ourselves in the consolidation of a sustainable, inclusive and equitable organization. We have continued to strengthen our Corporate Sustainability Model, ratifying our commitment to ethical, transparent and responsible management, which aims to strengthen relationships of trust with our stakeholders and generate positive impacts on society and the environment.

This report discusses the main consolidated figures and the corporate framework that governs our entity; it describes the performance and main achievements of the Bank in Colombia and of our main affiliates and subsidiaries; and it details the Bank's consolidated financial results.

In the description of the Bank in Colombia, we have accepted and adapted the guidelines of the GRI (Global Reporting Initiative) Standard for corporate sustainability reporting, complying with the core "compliance" option. Through these standards, we provide information on the strategic fronts we have established in terms of sustainability, the prioritization of our stakeholders and transparency in the disclosure of our business management.

We have also integrated the Sustainable Development Goals (SDGs) in the strategy, to guide our business and contribution to poverty reduction, environmental protection and sustainable development, following the guidelines of the Global Compact Principles, the Dow Jones Sustainability Index, the Equator Principles, the Principles for Responsible Investment and Asobancaria's Green Protocol.

In order to provide a greater understanding of our contribution and alignment with the GRI Standard and the Sustainable Development Goals, our compliance will be identified throughout the report through graphic references that will allow its identification, such as [GRI 102.1] or the SDG icons, which enable understanding and demonstrate our commitment to the consolidation of a more sustainable, diverse and inclusive society.

Our GRI indicators have been reviewed and verified by Deloitte Asesores y Consultores, the firm that issued the Independent Verification Memorandum, corroborating the veracity of the information provided, whose report is available at the end of this document.

For more information about this report, please contact:

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## Letter from the CEO

[GRI 102.14] [GRI 102.15]

Dear shareholders, employees and customers,  
  
I hope you and your loved ones are well and in good health.

Writing this letter has special meaning for me, since 2020 was a year that made us reflect on our existence and vulnerability as human beings. To date, COVID-19 has infected 117 million people, with the loss of more than 2.6 million lives worldwide. In the countries where we operate, the pandemic has claimed the lives of more than 60,000 people in Colombia and more than 18,000 in Central America, a tragedy for all the families who have lost a loved one. Our solidarity and fraternal embrace go out to them.

Our organization has not gone unaffected by the pandemic. Several of our employees, customers, users and partners have been infected and some of them have unfortunately passed away. On behalf of each and every member of the Banco de Bogotá family, our deepest condolences to their loved ones and our commitment to support them in this difficult process.

This year we lost our dear Juan María, my partner in a thousand battles over the last 47 years and an integral part of the soul of our organization. His passing in the most difficult moments of the crisis caused us deep sorrow and has been an irreplaceable loss for all of us. In his memory, we continue and will always continue to move forward as he would have wanted.

The health crisis caused unprecedented economic impacts as a result of the social distancing measures that had to be taken at the beginning of the pandemic. Containing the virus meant the loss of years of building social and economic fabric, resulting in the disappearance of several million jobs and the definitive closure of thousands of businesses and industries worldwide. This resulted in a 3.5% contraction of the global economy, according to International Monetary Fund (IMF) estimates.

In Colombia, the health emergency and its economic impacts have already begun to show signs of improvement. Following a second wave at the end of last year and the beginning of 2021, infections continue to decline and vaccination programs are beginning to make significant progress. The National Government has implemented an ambitious vaccination plan that aims to achieve herd immunity by the end of 2021.

This control of the pandemic has allowed economic reopening, achieving the recovery in the second half of the year of more than 75% of the jobs that were lost in the first few months of strict quarantine. Economic activity rebounded in the last few months of the year, with growth in the third and fourth quarters of 9.4% and 6.0%, respectively, supported by the reactivation of consumption and increased commercial activity.

In the countries where we operate in Central America, signs of recovery are also beginning to show, albeit at different rates. The well-known Northern Triangle, composed of Guatemala, Honduras and El Salvador, has managed to recover part of its economic activity thanks



to the increase in remittances (+6.1%, yearly), which helped maintain domestic consumption and mitigate the negative effects of mobility restrictions. As for Costa Rica, the country has leveraged the reactivation of its economy in the manufacturing, business services and information technology sectors, achieving growth in exports during 2020, complementing a gradual recovery in the trade and tourism sectors throughout the last quarter of the year. Finally, while Panama has had to bear the brunt of the impact, we also see signs that the path is beginning to clear. For example, we expect revenues from the operation of the Canal to reactivate in line with international trade activity and that the country will indeed manage to boost the economy through infrastructure projects and the reopening of trade and tourism.

After the mitigation of the pandemic, governments, the private sector and citizens in general will be faced with a great challenge to recover the economic and social lag caused by the spread of COVID-19 in our territories.

#### 2020 for Banco de Bogotá and its affiliates

First of all, I would like to thank the extraordinary commitment, monumental effort and great results demonstrated by all of our employees this year, which enabled us to continue serving our

customers, achieving strategic objectives and playing our role in social development through the efficient allocation of savings and loans.

Proof of this effort are the multiple recognitions achieved by the Bank last year: we were distinguished as the best Bank in Colombia by the most prestigious financial magazines worldwide: Euromoney, The Banker, Global Finance and LatinFinance. They all highlighted the strength of our financial results, as well as our progress in digitalization and, particularly in 2020, the measures taken by the Bank to adapt to the situation generated by the pandemic. In particular, the Bank was recognized by Global Finance as an Outstanding Crisis Leader.

I am also very proud that Banco de Bogotá has been included in the S&P Global Sustainability Yearbook 2021, which recognizes the companies with the best sustainability practices in the world. I am also proud of the Certification obtained by the Bank as a *Great Place to Work*.

2020 was a year of major challenges in the face of which the Bank demonstrated its resilience, which, combined with its years of experience, led to great success. I share our satisfaction with these results with our Board of Directors and all our employees.



#### Our 6Cs Strategy

After 32 years as the Bank's CEO, I can say with certainty that while this may be the most complex crisis we have faced, our organization was fortunate to deal with this difficult challenge from a position of strength. Our growth, risk, efficiency and digitalization strategies, which we have been judiciously implementing for years, have provided our institution with the necessary tools to successfully overcome one of the most difficult years in our contemporary history. I would also like to emphasize that our geographic and business diversification strategy and our conservative risk approach proved to be very effective in achieving our 2020 results.

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

#### Customer, the Center of Our Strategy

2020 proved how essential it is to place the customer at the center of our strategy. Never before had there been such a need to innovate in agile solutions to meet the new needs of our customers during the pandemic.

Since financial services are a core activity, we leveraged on our digital capabilities to keep our credit, deposit, payment and transaction solutions available to our customers and users on a continuous basis. In terms of channels, we adapted our branches with new methods of interaction that reduced physical contact and established protocols to ensure the health of our customers and employees. The effort at physical points was reinforced by non-physical points of service such as call centers and other less conventional ones, such as service via social media and customer service bots.

In terms of support for our customers, as part of the framework of the measures established by the regulators in each country, we granted relief and liquidity solutions to the individuals and companies whose income was reduced as a result of mobility restriction measures. At the peak of activity, we managed to grant relief in the amount of COP 59.4 trillion, equivalent

to 42.8% of the consolidated portfolio. As we have migrated to a "new normal", many of our debtors have resumed their payments and, by the end of 2020, only 0.1% of our portfolio in Colombia and 15.5% in Central America, had some type of "first generation" relief.

Although the vast majority of our customers have resumed compliance with their obligations, there are some groups that, due to the magnitude of the impact on their economic activities, have suffered a significant reduction in their income. Programs have been designed for these customers to redefine their obligations, adapting them to their new economic reality. For example, in Colombia, Circular 022/2020 from the Financial Superintendence of Colombia, established the parameters for granting this type of structural solutions, under the Debtor Support Program (*Programa de Acompañamiento al Deudor, PAD*). At December 31st, 2020, 6.0% of our loan portfolio in Colombia had applied for the PAD.

We have also continued to improve our customer service programs. Our Net Promoter Score (NPS) measurement increased by more than 50 points in the last three years, a trend that we expect to continue to consolidate in 2021.

Not only do our satisfaction metrics continue to improve, but we are progressively the choice of more and more customers, consolidating our ecosystem as a leader in the Colombia - Central America region. In 2020, we had close to 24 million customers in more than 11 countries, whom we can serve through our diversified portfolio of business lines and regional presence.

#### Sustainable Growth

This building of a robust and growing ecosystem enabled us to increase our consolidated loan portfolio by 8.1% in 2020, excluding the effect of the acquisition of MultiFinancial Group. Expanding the loan portfolio in such an uncertain and changing environment is no easy task. Leveraged on new analytical and digital capabilities, and backed by our experience, customer relationships and conservative

approach to risk, we managed to grow and gain market share without compromising portfolio quality metrics in the medium and long term.

The loan portfolio in Colombia increased by 6.9% thanks to the good performance of all segments. Specifically, the commercial portfolio leveraged its growth on the Bank's active participation in the economic support programs promoted by the National Government. We were the leading Bank in the Unidos por Colombia Program, disbursing COP 2.7 trillion, corresponding to 27% of the total disbursements of this program in the system. Through this effort, we were able to benefit more than 7,000 medium and large enterprises under the payroll and working capital lines with COP 1.8 trillion in disbursements, and we supported close to 17,000 micro and small entrepreneurs with COP 914 billion disbursed.

As for our participation in the Personal Banking segment, we achieved an 11.1% growth in our mortgage portfolio, helping Colombians to become homeowners. In turn, in the consumer portfolio, after maintaining a very conservative approach in the first few months of the crisis, at the end of the year we adjusted our origination policies, with a better understanding and more information on the effects of the pandemic on the payment capacity of our customers, thus enabling us to grow in this line of business once again.

These good results in 2020 made it possible for Banco de Bogotá to gain 28 basis points of market share, making it the second consecutive year of positive progress in our positioning.

In Central America we had a relevant growth of 27.8%, leveraged on the acquisition of MFG. This is a strategic acquisition for our geographic and risk diversification, as it leads to 67.5% of the Bank's consolidated portfolio being concentrated in investment grade countries. Excluding the acquisition, the growth of the Central American portfolio would be around 8.0%, based on the higher demand and the origination of loans in the commercial and mortgage segments.

### **Analytical Capacity and Digital Transformation**

As I have mentioned in this letter, the analytical and digital capabilities developed by the Bank have become the cornerstone of our strategy and proved to be decisive in serving our customers in the 2020 juncture.

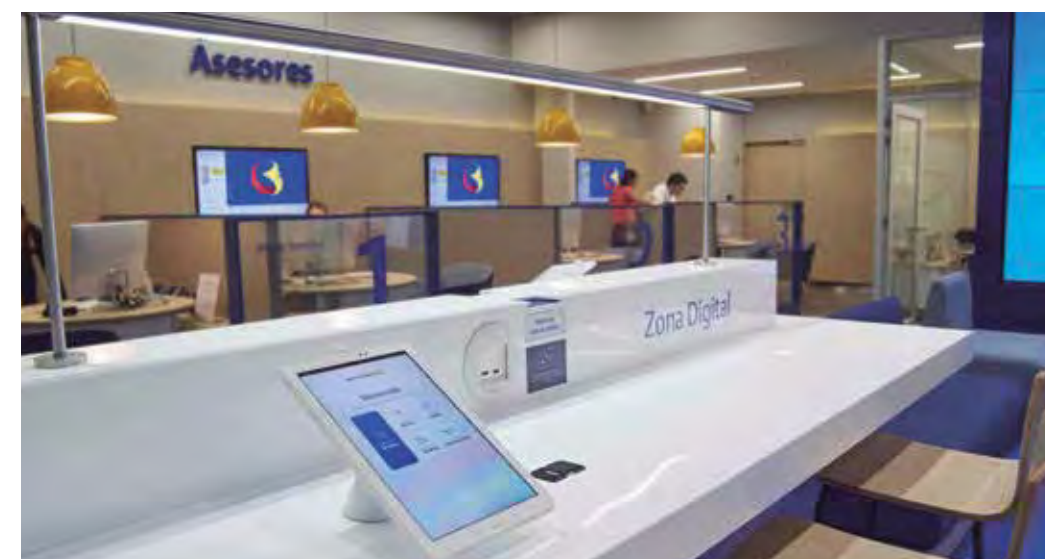
With almost one million products placed through digital flows in 2020, 772,000 customers had an intuitive, fast and paperless experience for acquiring the financial product they were looking for. Likewise, given the mobility restrictions, digital channels were essential for customers to be able to carry out their financial transactions without interruption. This is evidenced by the 65% year-over-year growth in customers who carried out monetary transactions through these channels.

As I mentioned last year, our goal in terms of innovation is not to be a Bank with digital products, but rather a Bank digitally transformed in all its operations. Along these lines, in 2020 we continued to strengthen our process automation, with more than fifty robots that saved more than eighty thousand hours in our Colombian operation, enabling our teams to focus on activities that generate greater value.

Finally, I would like to emphasize that digitalization is not only a goal of the Bank, but that we are developing our digital and analytical transformation across all the entities that make up Grupo Aval and Banco de Bogotá and its affiliates, thus enabling us to build a robust and interconnected system with a wide range of services for our direct customers and partners.

### **Risk Control**

Greater connectivity and relationship with our affiliates and partners has enabled us to improve our risk management more efficiently and to get to know our customers better. Below is a summary of the main achievements in some of the main risks.



In terms of credit risk, we had to adjust our models to effectively manage the uncertainty arising from the pandemic and continue to support our customers. The strategy adopted focused on three pillars: 1) the incorporation of new information in our decisions, leveraging on the increased use of information technologies and connectivity with our digital flows; 2) work with allies that enables us to better identify and distribute risk; and 3) granting of relief and structural renegotiation programs according to customer needs.

The implementation of these strategies enabled us to mitigate the impairment of portfolio quality. The consolidated indicator of loans more than 90 days past due went from 3.1% at the end of 2019 to 3.3% at the end of 2020.

As for information security risks, the increased migration to digital channels has increased the risk of fraud. This led us to significantly strengthen our cybersecurity models with the objective of providing effective risk mitigation while maintaining or even improving the customer experience.

Similarly, in 2020, we intensified our work in favor of our Environmental and Social Risk Management System (ESRMS), through which we analyzed new loans, recognizing the importance of identifying, analyzing and managing the

possible environmental and social risks or impacts generated by the production activities of our customers, and how they in turn may be affected by climate change factors. With a broad risk approach, including new management dimensions, we ensure that Banco de Bogotá is a sustainable entity, in every sense of the word.

### **Expense Control and Operational Excellence**

A fundamental part of being a sustainable entity is to have an operation that meets the expectations of our customers and users, mitigates risks and makes a positive contribution to the organization's profitability.

During the year, and isolating the effects of the MFG acquisition and the devaluation of the Colombian peso, we managed to reduce our consolidated expenses by COP 371 billion, equivalent to a decrease of nearly 4.9% compared to 2019. This saving was fundamental in partially offsetting the effect of the NIM contraction and the higher portfolio provision expense, enabling Banco de Bogotá to generate relevant profits in 2020 and thus continue to strengthen the balance sheet through internal capital generation.

These efficiencies are not the result of an improvised and temporary plan. They are the

result of years of work, planning and preparation, which are based on the formation of an operational excellence-oriented culture, which make our operations and those of our affiliates, subsidiaries and associates more efficient.

### Employees and Society

Without the cultural DNA that identifies our employees, without their dedication, professionalism and talent, it would not have been possible to achieve the results presented in this Management Report. For this reason, through our “Somos +” philosophy, we continue to invest in programs that promote the professional development and well-being of the 41,757 employees of Banco de Bogotá and its affiliates.

A large part of our strategies was focused on supporting our human talent in the difficulties posed by the pandemic. For this purpose, and looking after their health and safety, we designed and implemented a strategy based on five pillars: Health education, Productivity while working from home, Wellbeing, Emotional intelligence, and Actively listening to employees. These pillars, along with our strategic work in training, diversity, inclusion and performance management, led to our recognition for the first time as one of the best companies to work for in Colombia by the Great Place to Work Institute.

Along the same strategic line of corporate responsibility, in 2020 we increased our environmental and social impact programs, of which I would like to highlight a few. In 2020, we joined Grupo Río Bogotá, an initiative that aims, through journalistic content, to place the importance of caring for this tributary on the national agenda. We are also playing a very active role in reforestation projects in various environmental reserves in the country, including the Amazon, where we planted more than 2,800 trees in conjunction with indigenous communities, not only contributing to environmental recovery, but also to the construction of the social fabric; we issued Green Bonds, strengthened our sustainable development credit line and the penetration of our Green Payment product in our enterprise customers.

Among our initiatives with a social impact, I would like to highlight our launch of the first UNICEF Debit Card in the world in August 2020, so that whoever requests the card can donate 1% of their purchases in favor of the education, health and nutrition of vulnerable children in the country, with a matching 1% donation from the Bank. By the end of the year, nearly 100,000 people had applied for the card.



### 2020 Results

As I affirmed before, our strategy managed to pass one of the most difficult tests that humanity has experienced in contemporary history, whose results demonstrate the resilience, robustness and sustainability of Banco de Bogotá. The following are the main consolidated financial results obtained by the Bank in this atypical 2020:

- We ended the year with a consolidated net income of COP 2.2 trillion, an average return on equity of 10.5% and a return on assets of 1.2%. This enabled us to generate 53% of the profits of the banking system in Colombia.
- The taxes paid by the Bank and its affiliates totaled COP 2.4 trillion.
- Our consolidated loan portfolio amounted to COP 135.8 trillion, equivalent to an annual growth of 16.6%
- Deposits account for 82% of total funding at December 2020 and the ratio of deposits to net loans was 1.15x.

Our very special thanks to Luis Carlos Sarmiento Gutiérrez, CEO of Grupo Aval, and to all its employees. We had their permanent support and they were a fundamental factor in the

implementation of the aforementioned strategies so that the Bank could achieve the results described above.

The Bank's Board of Directors made a very valuable contribution to the achievement of our results. At all the Board meetings, we carried out an in-depth analysis of each of the strategies implemented to meet the challenges of 2020. My thanks to each of the Board members for their knowledge and wisdom, which guided the Bank in the right direction in such difficult circumstances.

### We Continued to Work for Another 150+

In closing, I would like to highlight that on November 15th, 2020 Banco de Bogotá celebrated 150 years of history contributing to the development of the country and the region, which is a great achievement in itself. I am certain that for the Bank's management team, the best birthday gift we could have given to the organization, its customers and shareholders is the commitment, dedication, creativity and example of each of our more than 41 thousand employees, who made it possible to achieve the results we are presenting to you here, in this difficult environment.

Looking forward to building a better future together,

**Alejandro Figueroa Jaramillo**  
CEO

## Corporate Governance

We are committed to a transparent, solid and ethical Corporate Governance model, taking advantage of the lessons learned through our experience and history and complying with best practices. This commitment allows us to produce results that are sustainable for our shareholders, customers, employees and other stakeholders.

### Transparency and strong institutions

We promote ethics and communicate our actions in a transparent manner



In 2020, the important role of our corporate governance, a pillar of the Bank's management, stood out. In a year of important challenges due to the current situation, it has maintained transparency as a key focus, adjusting to the needs of a financial market that faced new circumstances, adapting to best practices and supporting the growth and internationalization of our institution.

We carried out different tasks related to Corporate Governance, aimed at continuing to generate efficient and sustainable results for our shareholders, customers, employees and other stakeholders. We have successfully adapted to the virtual world, holding the Ordinary General Shareholders' Meeting, Board of Directors' meetings and Board Committees remotely.

We approved the reform of the Corporate Governance Code, to include mainly the adjustments made to the Rules of Procedure for the Audit Committee, and the presentation of the Annual Corporate Governance Report to the Shareholders' Meeting, as part of the ongoing process of implementing best business practices. This report is included as Annex 1 of the Management Report. We also continued to implement the recommendations of "Código País", as evidenced in the 2020 Best Business Practices Implementation Report, submitted to the Financial Superintendence. See more information on the subject at: [Investor Relations](#).



Luis Carlos Sarmiento Gutiérrez,  
Chairman of the Board of Directors

Luis Carlos Sarmiento Angulo,  
Board of Directors Advisor

## Governance Bodies

[GRI 102.18] [GRI 102.20] [GRI 102.21] [GRI 102.23] [GRI 102.24]

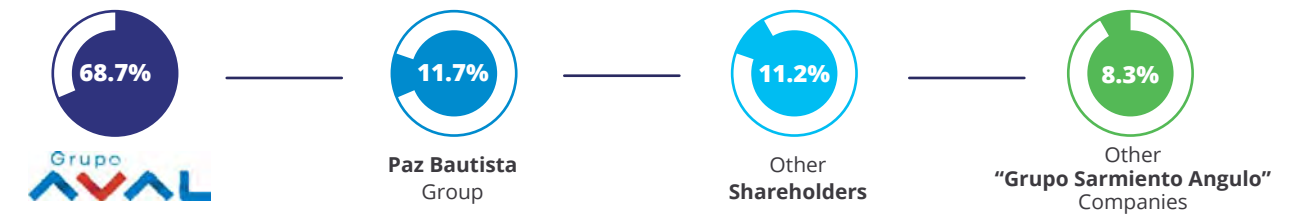
### General Shareholders' Meeting

Our corporate governance structure is led by the General Shareholders' Meeting, the highest decision-making body, which is the main mechanism for providing information to shareholders, as well as the space for exercising control over the Bank's management, and consequently, the actions of the Board of Directors.

At the end of 2020, our capital was represented by a total of 331,280,555 outstanding common shares, held by 11,642 shareholders. This year,

our Ordinary General Shareholders' Meeting was held on March 26th, 2020, with a quorum of 89%. All the necessary information for decision making was available to our shareholders through the Bank's website, in accordance with our corporate governance guidelines and current regulations.

Further details on the Bank's shareholder composition are published on our website and are also available at SIMEV, Financial Superintendence of Colombia [www.superfinanciera.gov.co](http://www.superfinanciera.gov.co).



### Board of Directors

The Board of Directors is our highest administrative body and its main function is to determine the policies for its management and development. It is comprised of important professionals with extensive experience, fully complying with the criteria established by the Bank for their election, which took place at the Ordinary General Shareholders' Meeting held on March 26th, 2020.

We have five principal members and their personal alternates; two of the board lines are represented by independent members. The evaluation process for candidates for the Board of Directors does not include any discriminatory criteria and we currently have the participation of one woman and a member of another minority group. Our governance model does not consider the participation of executives as board members.

The Board of Directors establishes an annual meeting plan that allows it to fully carry out its functions. Also, to support the Board in its responsibilities, the Credit, Audit, Integral Risk Management and Sustainability Committees have been established, which operate under the direction of and report to the Board of Directors. Additionally, at a second level, the Board has defined the operation of other Committees that lie under the responsibility of Management, and that comply with guidelines set forth by the Board and by current legislation.

In 2020, fees totaling COP 1,368 million were paid to the members of the Board for their attendance to Board' and Committee' meetings. Information on the professional background of the members of Banco de Bogotá's Board of Directors is available at [www.bancodebogota.com](http://www.bancodebogota.com).

## Board of Directors

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

\*Independent Members.

## Board of Directors' Advisor

Luis Carlos Sarmiento Angulo

## General Secretary

Juanita Cubides Delgado

## Statutory Auditor

KPMG S.A.S.  
Represented by: Diana Alexandra Rozo Muñoz (T.P. 120741 -T)

## Financial Consumer Ombudsman

Álvaro Julio Rodríguez Pérez

## Principal Members



**Luis Carlos Sarmiento Gutiérrez**

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



**Sergio Uribe Arboleda\***

Principal member of the Board of Directors of Banco de Bogotá since 1989 and previously, an alternate member since 1987. He also serves as member of the Board of Directors of Banco de Bogotá S.A. Panamá, Refocosta S.A. and Ditransa S.A. Currently, VP of Corporate Affairs in Valorem S.A. Previously acted as General Manager of AT&T Latinoamérica Colombia, President of AV Villas, Corficolombiana S.A. and Industrias e Inversiones Samper S.A. He holds a degree in Economics from Universidad de los Andes.

## Alternate Members



**Jorge Iván Villegas Montoya**

Alternate member of the Board of Directors of Banco de Bogotá since 1988. Member of the Board of Directors of Corficolombiana S.A. and Fidubogotá S.A. Previously served as Vice-Minister of Communications, Minister Plenipotentiary of the Universal Postal Union and President of Corficolombiana S.A. and Fedeleasing. He holds a degree in Law and Economics from Universidad Javeriana and a specialization in Commercial Law from Colegio Mayor de Nuestra Señora del Rosario.



**Sergio Arboleda Casas\***

Alternate member of the Board of Directors of Banco de Bogotá since 1990. Member of the Board of Directors of Banco de Bogotá S.A. Panamá and Banco de Bogotá Nassau, Chairman of the Board of Directors of Fundación Gimnasio Campestre. Member of the Board of Directors of Casa Editorial El Tiempo S.A. Previously served as General Manager of Fonade, Director of Bogotá's District Planning Department, Manager of "24 Horas" newscast and President of Asomedios. He holds a degree in Civil Engineering from Universidad de los Andes.

## Principal Members



**Alfonso de la Espriella Ossio**

Principal member of the Board of Directors of Banco de Bogotá since 1988. Currently serves as member of the Board of Directors of Almagora S.A. Has previously served as Chairman of the Board of Directors and President at First Bank of the Americas and held several positions in Banco del Comercio, which merged with Banco de Bogotá in 1992. He holds a degree in Law and Political Sciences from Universidad La Gran Colombia and studies in Currencies and Banks from Tulane University, New Orleans, and in Banking Supervision from the Federal Reserve Bank, Baton Rouge.



**Carlos Arcesio Paz Bautista**

Principal member of the Board of Directors of Banco de Bogotá since 1990 and, previously, an alternate member since 1989. He was General Manager in Consultorías de Inversiones S.A. and in Harinera del Valle S.A. Member of the Board of Directors of Corficolombiana S.A., Promigas S.A. and BAC Credomatic. He holds a degree in Business Administration from Escuela de Administración y Finanzas EAFIT - Medellín, and a Master's degree in Market Administration, from Icesi - EAFIT- Cali.



**José Fernando Isaza Delgado\***

Principal member of the Board of Directors of Banco de Bogotá since 1997. He has been member of the Board of Directors of Corficolombiana S.A., E.T.B. and Isagen. He also served as Executive President of Compañía Colombiana Automotriz S.A., Minister of Transport, President of Empresa Colombiana de Petróleos S.A. - Ecopetrol, General Manager of Instituto de Fomento Industrial and as a consultant for the United Nations University and the World Bank. He holds a degree in Electric Engineering, Summa Cum Laude, from Universidad Nacional de Colombia; a Master's degree, Summa Cum Laude, in Physics from the same university; a Master's degree, Summa Cum Laude, in Mathematics from Strasbourg University (Louis Pasteur Institute of Technology); and a Doctorate Honoris Causa from Universidad Nacional and Universidad de Caldas.

## Alternate Members



**Ana María Cuéllar de Jaramillo**

Alternate member of the Board of Directors of Banco de Bogotá since 2007. Member of the Board of Directors of Megalinea and BAC Credomatic. Independent consultant specialized in systems and procedures for financial control. Previously served as Director of the Dirección de Impuestos y Aduanas Nacionales - DIAN and in several positions in Citibank. She holds a degree in Accounting from Universidad Jorge Tadeo Lozano.



**Álvaro Velásquez Cock**

Alternate member of the Board of Directors of Banco de Bogotá since 1983 to 1988 and since 2001. He was advisor to Grupo Ethuss from 1994 to 2009. He has acted as Dean of the Faculty of Economics of Universidad de Antioquia, Chief of the Departamento Nacional de Estadística - DANE, President of Pedro Gómez & Cía. S.A. and as a member of the Advisory Committee of the Superintendency of Finance. Member of the Board of Directors of Corficolombiana S.A., Grupo Aval Acciones y Valores S.A., Banco de Bogotá Panamá and BAC Credomatic. He holds a degree in Economics from the Universidad de Antioquia and is candidate to MS at the London School of Economics.



**Carlos Ignacio Jaramillo Jaramillo\***

Alternate member of the Board of Directors of Banco de Bogotá since 2018. Supreme Court Justice - Civil Chamber, Associate Justice at the Supreme Court, Arbitrator at Bogotá's Chamber of Commerce' Arbitration and Conciliation Center, International Arbitrator, General Director for Insurance at the Colombian Banking Superintendence, Deputy Banking Superintendent for Insurance and Capitalization, Dean and professor at the school of Law in Universidad Javeriana and professor at Universidad de Salamanca. He holds a degree in Law from Universidad Javeriana, a Master's in Insurance Law and Economics from Leuven University, a Doctorate in Law from Universidad de Salamanca.

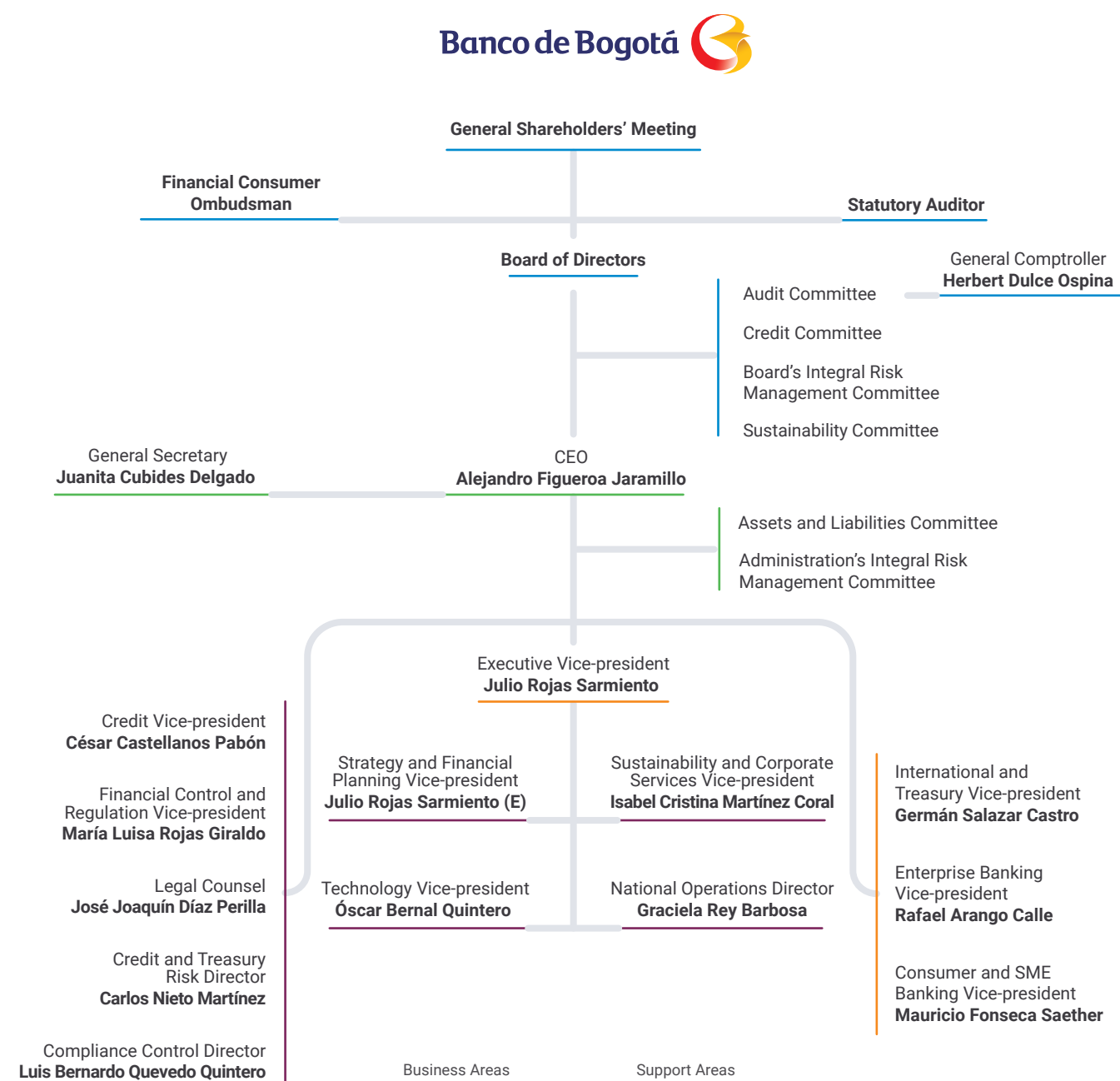
\*Independent members



## Senior Management

Senior Management represents the third level of our Bank's Corporate Governance structure. It is in charge of the ordinary course of business and the conception, execution and monitoring of objectives and strategies, following the guidelines set by the Board of Directors. In 2020, Julio Rojas Sarmiento was appointed as Executive Vice-president, with responsibility over the Strategy & Financial Planning, Sustainability & Corporate Services, and Technology Vice-presidencies, as well as the National Operations Division.

An overview of the professional background of our Senior Management is available at [www.bancodebogota.com](http://www.bancodebogota.com).



## Senior Management



**Alejandro  
Figueroa Jaramillo**

Civil Engineer from Universidad Nacional de Colombia, and candidate for a PhD in Economics at Harvard University. Employed at the Bank since 1973. **He served as Executive Vice-president and Chief Financial Officer. He has been the Bank's CEO since 1988.**



**Julio  
Rojas Sarmiento**

He graduated from Princeton University as a BA with the Summa Cum Laude distinction and as an MBA with honors: George F. Baker Scholar from Harvard Business School. Employed at the Bank since 2016. **Financial Planning and Strategy Vice-president since 2018 and Executive Vice-president since 2020.**



**Germán  
Salazar Castro**

Economist from Universidad Javeriana, with graduate studies in Credit Banking and Finance at the Chemical Bank and in Finance at New York University. Employed at the Bank since 1979. **He has been the International and Treasury Vice-president from 1992 to 1996 and since 1998.**



**Rafael  
Arango Calle**

Economist from Universidad Javeriana, with Graduate Studies in Strategic Management and Leadership from Universidad de Los Andes and Executive Development Program from Inalde. Employed at the Bank since 1999. **He has been the Enterprise Banking Vice-president since 2012.**



**Mauricio  
Fonseca Saether**

Industrial Engineer from Universidad de Los Andes and MBA from Esade Business School, Spain. **Employed at the Bank since 2019 as the Commercial Vice-president of Consumer and SME Banking.**



**Isabel Cristina  
Martínez Coral**

Electronic Engineer from Universidad del Cauca, Negotiation Program at Harvard Law School, MBA and Finance from Universidad de los Andes, MSc in Telecommunications Economics from UNED. Employed at the Bank since 2017. **She has been the Administrative Vice-president since 2018 and currently Vice-president of Sustainability and Corporate Services.**



**César  
Castellanos Pabón**

Economist from Universidad Santo Tomás and Systems Administrator from Politécnico Gran Colombiano. Employed at the Bank since 2002. **He has been the Credit Vice-president since 2012.**



**María Luisa  
Rojas Giraldo**

Economist from Universidad de los Andes, with graduate studies in Financial Administration at Stanford University and Economic Development at Boston University. Employed at the Bank since 1981. **Financial Control and Regulation Vice-president since 2018.**

## Senior Management



**Óscar Bernal Quintero**

Systems Engineer from Universidad Distrital. Graduate studies in E-Business Management from Universidad de Santander and MBA from Universidad de Los Andes. Employed at the Bank since 2008. **Technology Vice-president since 2019.**



**José Joaquín Díaz Perilla**

Lawyer from Universidad del Rosario. Employed at the Bank since 1967. **He has been Legal Counsel since 1974.**



**Carlos Fernando Nieto Martínez**

Industrial Engineer from Universidad de Los Andes and MBA from Inalde Business School. Employed at the Bank since 1998. **He has been the Credit and Treasury Risk Director since 2009.**



**Juanita Cubides Delgado**

Lawyer from Pontificia Universidad Javeriana. Employed at the Bank since 1989. **She has been the General Secretary since 2019.**



**Graciela Rey Barbosa**

Industrial Engineer from Universidad Distrital. Specialist in Finance from Universidad Externado and in Online Business from Universidad de La Sabana and Universidad Icesi. Employed at the Bank since 1995. **She has been the National Operations and Processes Director since 2017.**



**Herbert Francisco Dulce Ospina**

Industrial Engineer from Universidad Javeriana with graduate studies in Corporate Finance at CESA and Advanced Financial Risk at IFF - The International Faculty of Finance. **He has been the General Comptroller since 2018.**

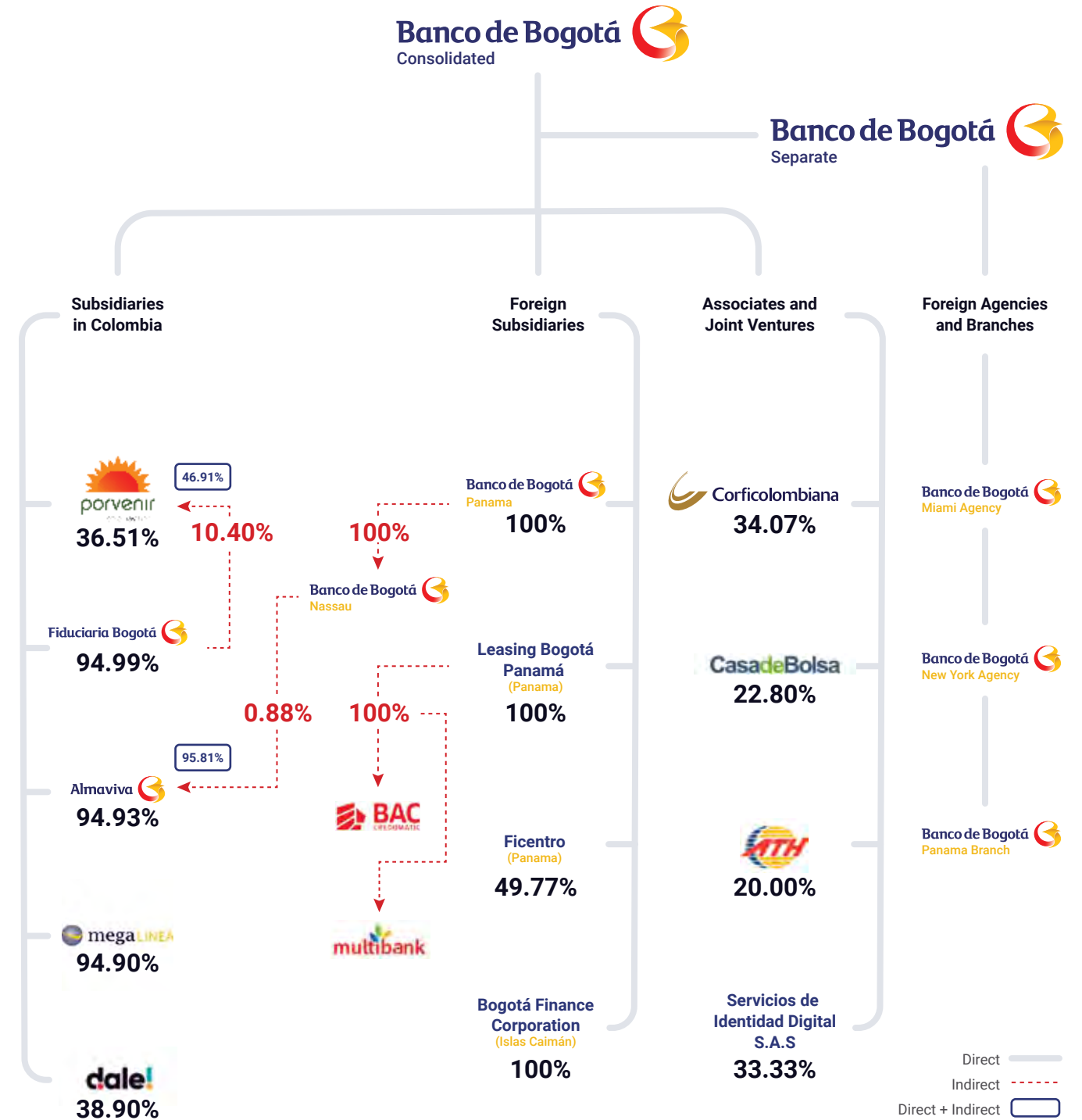


**Luis Bernardo Quevedo Quintero**

Lawyer and Philosopher from Universidad de los Andes. Employed at the Bank since 1981. **He has been the Director of the Compliance Control Unit since 1996.**

## Corporate Structure

Our Consolidated Bank is comprised of Banco de Bogotá Colombia, an important member of the Colombian banking system, and the subsidiaries and associates in which it has a stake, entities through which we influence different sectors of the Colombian and Central American economy, a cornerstone of the robustness, resilience and diversification of our balance sheet.



## Ethics and Transparency

[GRI 102.17]

### Our Internal Audit

To manage our internal control system, we have implemented the three lines-of-defense model, with clearly defined functions aimed at creating value and strengthening the risk management and control culture. Internal Audit is the third line of defense, reporting directly to the Audit Committee, and operating independently from the business units, as well as from the risk and compliance areas.

The internal audit function at Banco de Bogotá and its subsidiaries is performed by our General Comptroller's Office, following the corporate guidelines and instructions given by Grupo Aval, through risk-based audits that are aligned with international standards for the professional practice of auditing.

The efficient coordination and collaboration among the three lines of defense throughout the year enabled us to successfully face the challenges derived from COVID-19, incorporating changes in business practices, adjustments in procedures and key controls of the operation,

as well as in the work models for staff protection, thus providing continuity to the diversified business (including our subsidiaries in Central America) based on a controlled risk approach.

Our Internal Audit considered that such changes in policies, methodologies and procedures, which make up the internal control system, were duly implemented in accordance with current regulations and corporate guidelines issued by Grupo Aval.

We also addressed regulatory requirements in a timely manner and adjusted work plans and methodologies, incorporating audit tests based on the analytical capacity of the technological tools available and informing the Audit Committee of aspects of relevance and interest.

As a result of the reviews carried out by our General Comptroller's Office, we continued to strengthen the internal control systems, as well as the assessment of the risks inherent to the business, the digital transformation and the outsourced activities, which are part of the Bank's corporate strategy and sustainability model.



### Our Anti-corruption Management

At Banco de Bogotá, we aim to foster relationships of trust with our stakeholders, through compliance with local and international laws and regulations and by adopting best practices in the monitoring and management of anti-corruption programs, demonstrating that the entity complies with the highest ethical standards and promotes transparency and integrity in each of the actions carried out in our corporate governance model.

To this end, we have defined and structured anti-corruption policies and procedures, which are known by all employees and other stakeholders. They establish conditions and procedures for granting donations, making public or political contributions, handling conflict of interest situations, granting sponsorships, giving and/or receiving gifts, courtesies and bonuses, and managing third-party intermediaries, making acquisitions or joint ventures, managing corporate social responsibility programs, as well as other issues of particular relevance to the policy.

Through these activities and procedures, Banco de Bogotá is committed to a zero-tolerance policy against corruption of any kind, promoting a culture to fight this type of events and establishing a control strategy through prevention, training, awareness and deterrence, as well as monitoring and management of alerts for their detection.

Thanks to the review, follow-up and monitoring processes we have established, no corruption events occurred in 2020. This result is due to the strength of the anti-corruption program, which was certified by KPMG's external audit, which found that the implementation status is optimal and formalized. Similarly, the Bank, its subsidiaries and Grupo Aval have an ethics hotline, a channel that allows employees, customers, shareholders and suppliers, to anonymously report situations related to fraud, corruption, money laundering or any other irregular activity.

Ethics and transparency are fundamental pillars of our business management, which is why we integrate them in our policies, principles and values that guide the direction, administration and supervision of our business actions.



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Annual Corporate Governance Report 2020  
Verification Memorandum



**150+**

| Branch Calle 81 Cra 11 - Bogotá

## Our Consolidated Bank

We consolidated our leadership as an expert, solid and profitable entity that allocates capital to personal, professional and social projects with growth opportunities and that maintains sustainable growth.

Customers<sup>1</sup>  
**23.9**  
(million)

Employees<sup>2</sup>  
**41,757**

Presence  
**11**  
(countries)

We adapted quickly to an uncertain and changing environment, supporting our customers in Colombia and Central America with agile and easily accessible financial services. Our financial results reflect the strength of planned management, leveraged on the extensive experience of our institution. The efforts of our employees and the trust of our shareholders and investors were decisive in achieving these results.

 Branches  
**1,278**


 ATMs  
**3,928**


 Banking Correspondents  
**19,312**

 Shareholders  
**11,642**

 Gross Loan Portfolio  
**135.8**  
(trillion)

 Deposits  
**147.3**  
(trillion)

 Income Attributable to Shareholders  
**2.2**  
(trillion)

 Taxes Paid<sup>3</sup>  
**2.4**  
(trillion)

 Equity  
**22.5**  
(trillion)

(1) Active Customers  
(2) Employees not including 639 training contracts (National Training Service, SENA)  
(3) Including total taxes paid by Colombia and Central America.

## Recognitions

Our financial soundness, digital innovation, leadership in facing the crisis, among other factors, were recognized in 2020, a year of great challenges for Banco de Bogotá and its subsidiaries to adapt quickly and respond to the needs of its customers, employees and other stakeholders.

### GLOBAL FINANCE Outstanding Crisis Leadership

Banco de Bogotá was the only Colombian entity recognized by the Class Editori magazine as an outstanding leader in handling the crisis caused by the pandemic.

This recognition was created in 2020 by this publication, which especially highlighted our support to customers and employees, as well as to the National Guarantee Fund' (Fondo Nacional de Garantías) payroll program and the launch of digital products.

### GLOBAL FINANCE Best in Lending in Latin America - Digital Consumer Bank

Thanks to Banco de Bogotá's extensive range of digital credit products, which includes personal loans, credit cards, payroll loans and mortgage loans, the prestigious publication Global Finance recognized us in the World's Best Digital Bank Awards 2020 as the Best Digital Credit Bank.

### THE BANKER Bank of the Year in Colombia 2020

The English magazine The Banker, part of the Financial Times Group, selected Banco de Bogotá as Bank of the Year in Colombia, praising the leadership shown by the Bank during the crisis, especially the boost given to employment in Colombia through the lines of credit for payroll payments with the support of the National Guarantee Fund (FNG, for the Spanish original) and the complete portfolio of 100% digital services.

### GLOBAL FINANCE Best Bank in Colombia 2020

For five years, we have received the Best Bank in Colombia award from Global Finance.

As part of the group of the world's best banks, they highlighted our digital strategy and our initiative of new banking branches.

### GLOBAL FINANCE Best Foreign Exchange Provider in Colombia 2021

For the eighth consecutive year, Global Finance awarded us as the Best Foreign Exchange Provider in Colombia, recognizing on this occasion our services in the midst of a shaken and rapidly changing foreign trade market.



### THE BANKER Top 1000

The Banker also ranked Banco de Bogotá as the Best Performing Bank in Colombia in its annual ranking of the Top 1000 World Banks.

### EUROMONEY Best Bank in Colombia 2020

For the seventh time in the last decade, we were recognized as the Best Bank in Colombia by the British publication Euromoney, which highlighted the strength of our financial results, our digital strategy and our new branch format.



### LATINFINANCE Bank of the Year in Colombia 2020

In its selection of the best banks in Latin America, the magazine chose Banco de Bogotá as Bank of the Year in Colombia, highlighting our financial performance, as well as the actions taken to face the challenges of the COVID-19 pandemic, benefiting the organization and, above all, our customers.



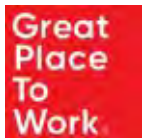
### GLOBAL BUSINESS OUTLOOK Best Bank for Use of Technology in Colombia Best Customer-Centric Bank in Colombia

We achieved these distinctions from the British publication, highlighting our digital innovation strategy focused on improving our customers' experience, through flexibility and the satisfaction of their needs. In addition, our customer-centric 6Cs' strategy was also recognized as outstanding in the annual edition of the awards.



### GREAT PLACE TO WORK

Thanks to the Bank's strategy and commitment to meet the needs of its employees, support their professional and personal growth, and promote an attractive work environment, the Bank was certified as a Great Place To Work, recognizing it as an outstanding employer for its good practices in the country.



### DOW JONES SUSTAINABILITY INDEX

We became part of the S&P Global Sustainability Yearbook 2021, which recognizes the companies (Top 15%) with the best sustainability practices in the world. This recognition goes hand in hand with the implementation of our Sustainability Strategy.



### COMPASS BRANDING

Compassbranding highlighted Banco de Bogotá's brand as one of the three most valuable brands in 2020 in the services category. In a year marked by the pandemic, the brands that managed to maintain a close relationship with their customers, as well as strong leadership during the crisis, stood out.



### FUNDACIÓN ÉXITO Child Nutrition Award

Banco de Bogotá was awarded in the Companies Category at the 17th edition of the Fundación Éxito Awards, as a company that promotes breastfeeding in the workplace and among its stakeholders.





### **Euromoney**

**Best Bank in Central America and the Caribbean 2020**

**Best Bank in Costa Rica 2020**

**Best Bank in Honduras 2020**

**Excellence in Leadership in Central America 2020**

For the sixth consecutive year, Euromoney awarded the BAC Credomatic Financial Group as the Best Financial Institution in Central America and the Caribbean, Best Bank in Costa Rica and Best Bank in Honduras, for its sustained growth and its position as the most important bank in the region. Furthermore, BAC Credomatic received the award in the new category of Excellence in Leadership, thanks to the efforts made during the pandemic throughout 2020.



### **LatinFinance**

**Best Bank in Central America 2020**

**Best Bank in Panama 2020**

For the third consecutive time, BAC Credomatic was distinguished among the best banks in the region and, this year, as the Best Bank in Panama. The recognition is awarded to the institution for its outstanding performance in providing retail, commercial and investment services in the region.



### **The Banker**

**Best Bank in Costa Rica 2020**

BAC Credomatic Costa Rica was awarded Bank of the Year 2020 by The Banker magazine. The recognition was granted to the institution for its progress in terms of digital transformation and for continuously improving its efficiency and advancing in the provision of financial services.



### **World Finance**

**Best Digital Consumer Bank**

Panama, Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala

**Best Mobile Banking App**

Panama, Costa Rica, Nicaragua, El Salvador, Honduras, Guatemala

For the second consecutive year, World Finance awards BAC Credomatic in each of its six countries, in the categories of Best Digital Bank and Best Mobile App. World Finance recognizes the Bank's culture of innovation and rewards BAC Credomatic's commitment to its customers by offering increasingly personal and digital experiences through the opening of new branches in the region, with a "customer-centric" model.



### **International Investor**

**Bank of the Year in Latin America**

**Excellence in Digital Transformation in Latin America**

**Best Sustainable Bank in Latin America**

The British magazine International Investor awarded BAC Credomatic recognition in the following categories: Excellence in Digital Transformation, Best Sustainable Bank and Bank of the Year in Latin America 2020, highlighting the Bank's vision focused on both its customers and the development of Central America and the region. It also highlights digital advances and products and the use of the United Nations Sustainable Development Goals (SDGs) as the guiding principles of its sustainability strategy.



### **The European**

**Best Bank of the Year in Costa Rica**

**Best Financial Inclusion Bank In Costa Rica**

BAC Credomatic was distinguished by The European magazine with the recognition of: Bank of the Year in Costa Rica and Best Bank for Financial Inclusion in Costa Rica. The institution was nominated in these categories by the magazine's subscribers worldwide, for being an outstanding entity in its management and for being a pillar of the local and regional economy.



### **Global Finance**

**Best Bank of the Year in Costa Rica 2020**

Global Finance recognized BAC Credomatic as the Best Bank in Costa Rica, at the 27th annual awards ceremony in which the magazine recognizes the best banks in the world.



### **Global Banking & Finance Review**

**Best Banking Brand in Central America**

BAC Credomatic was recognized as the Best Banking Brand in Central America, for its innovation in marketing initiatives and branding principles.



### **Summa Magazine - Reputation and Ethics**

For the second time, Summa Magazine conducted its own survey to find out which companies and entrepreneurs are best valued in Central America in terms of their public image, integrity and compliance with good practices. On this occasion, the magazine recognizes BAC Credomatic as one of the companies with the Best Reputation and Ethics of 2020 in Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica.





### PRI Signatories

#### Signatory of the Principles for Responsible Investment (PRI)

First entity with the highest AUM (Assets Under Management) in Colombia: we integrate ESG (Environmental, Social and Corporate Governance) criteria in our investment processes, being the 2nd entity with the highest AUM in Latin America.



### CompassBranding

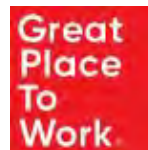
#### Most valuable brand among Pension Fund Administrators in Colombia

In its 19th study, "Ranking of the most valuable Colombian brands in 2020", Porvenir ranked among the most valuable brands in the country in the category of service companies, occupying position #11 and being the first Pension Fund Administrator (AFP, for the Spanish original) in the country.



### Great Place to Work

Fidubogotá achieved a "Very Outstanding" rating for its work environment, according to certification issued by Great Place to Work.



## Ratings

In 2020, strengthening our relationship with investors, analysts and rating agencies continued to be a priority. We were in constant contact with them, communicating the progress of the Bank's business and performance in a timely manner. This way, we have positioned the Bank as an attractive entity to invest in, emphasizing the way in which our business pillars have contributed to the results: i) we maintain a well-diversified operation at different levels, ii) we achieved economies of scale through further insight in different ecosystems and iii) we developed a continuous digital transformation that enables us to implement more efficient processes, providing our customers with a better experience. These strengths have been key elements in investment analysts' recommendations on the stock and fixed income securities issued by Banco de Bogotá.

Similarly, in order to enable the socialization of our results, we continue to follow our information disclosure policy, thus strengthening our commitment to achieve close and open relationships with our stakeholders.

In the face of macroeconomic scenarios marked by uncertainty, risk rating agencies highlighted the Bank's resilient performance, framed by our geographic and business diversification, which enabled us to continuously generate profits. They also highlighted the leading position of the Bank and its subsidiaries in the region, good liquidity management and adequate management of credit policies.

In 2020, we issued our First Green Bond for COP 300 billion, rated AAA by BRC Investor Services, ratifying our commitment to the sustainability of our society by financing projects with a positive impact on the environment.

Banco de Bogotá is currently rated internationally by Moody's Investor Services, Fitch Ratings and Standard & Poor's, while BRC Investor Services is the agency that rates both the Bank and debt security issuances placed on the local market.

Below is a summary of Banco de Bogotá's current ratings:

#### Moody's - International Scale

The rating reflects a solid level of earnings based on good revenue diversification, as well as robust primary funding, which mitigates liquidity risks. The negative outlook corresponds to the rating agency's view of the macroeconomic challenges facing the countries where we operate.

**Moody's**  
Baa2, Negative Outlook

#### Fitch Ratings - International Scale

The agency highlights consistent financial performance, reasonable risk policies and a diversified funding and revenue base that supports the proper development of our operation. The economic challenges in the countries where we operate led the agency to assign a negative outlook.

**Fitch Ratings**  
BBB- Negative Outlook

#### Standard & Poor's - International Scale

The rating agency's opinion is that the Bank has a solid market position, which allows for an adequate financial management margin, supported by sufficient geographic and business diversification, as well as broad liquidity levels. The stable outlook demonstrates the expectation of resilient performance.

**Standard & Poor's**  
BB + Stable Outlook

#### BRC Investor Services SCV - Local Scale





The Bank's solid business position, as well as its leadership in the Colombian banking industry, enabled Banco de Bogotá to maintain the highest rating level. The agency also highlighted our solvency levels, which are sufficient to face stress scenarios as well as favorable profitability levels compared to the financial system.

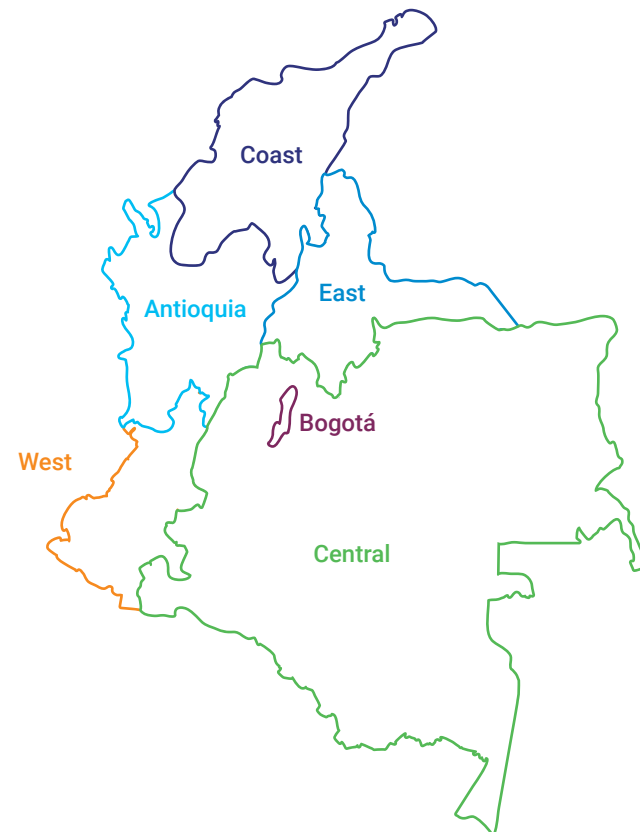
**BRC Investor Services SCV**  
AAA Stable Outlook







## Our Coverage [GRI FS13]

By the end of 2020, we will have at least one banking-services channel in 871 municipalities in the country, which means a coverage of 78% of the national territory, taking our products and services to the length and breadth of the country and strengthening our strategy for inclusion in the banking system.

	 Branches	 Banking Correspondents	 ATMs	 Total
Coast	74	879	282	1,235
East	67	1,615	199	1,881
Antioquia	102	906	286	1,294
Central	95	2,306	245	2,646
West	79	1,237	233	1,549
Bogotá	155	3,681	504	4,340
<b>Colombia Total</b>	<b>572</b>	<b>10,624</b>	<b>1,749</b>	<b>12,945</b>



In Central America, our affiliate BAC Credomatic is ranked as the Bank with the greatest coverage in the region, offering financial services in El Salvador, Guatemala, Honduras, Nicaragua, Costa Rica and Panama.

	 Branches	 Banking Correspondents	 ATMs	 Total
Guatemala	167	1,127	264	1,558
Honduras	168	1,591	469	2,228
Nicaragua	119	2,759	306	3,184
Panama*	69	454	302	825
Costa Rica	103	2,448	542	3,093
El Salvador	80	309	296	685
<b>Central America Total</b>	<b>706</b>	<b>8,688</b>	<b>2,179</b>	<b>11,573</b>



\*20 branches, 126 banking correspondents and 94 ATMs correspond to MFG.

## Our Environment

### International Environment

In 2020, the global economy would have contracted by -4.4%, according to the most recent estimate of the International Monetary Fund (IMF). The impact of the pandemic was evident from the first quarter of the year, with the disruption of production chains at the global level, due to the confinement in China. However, the greatest impact on activity occurred in the second quarter, when the vast majority of countries canceled international flights and declared lockdowns to contain the spread of COVID-19 and thus, buy time to strengthen their health systems. Financial conditions quickly became tight and the outlook for global activity deteriorated, to the point where the global growth projection was as low as -5.2%.

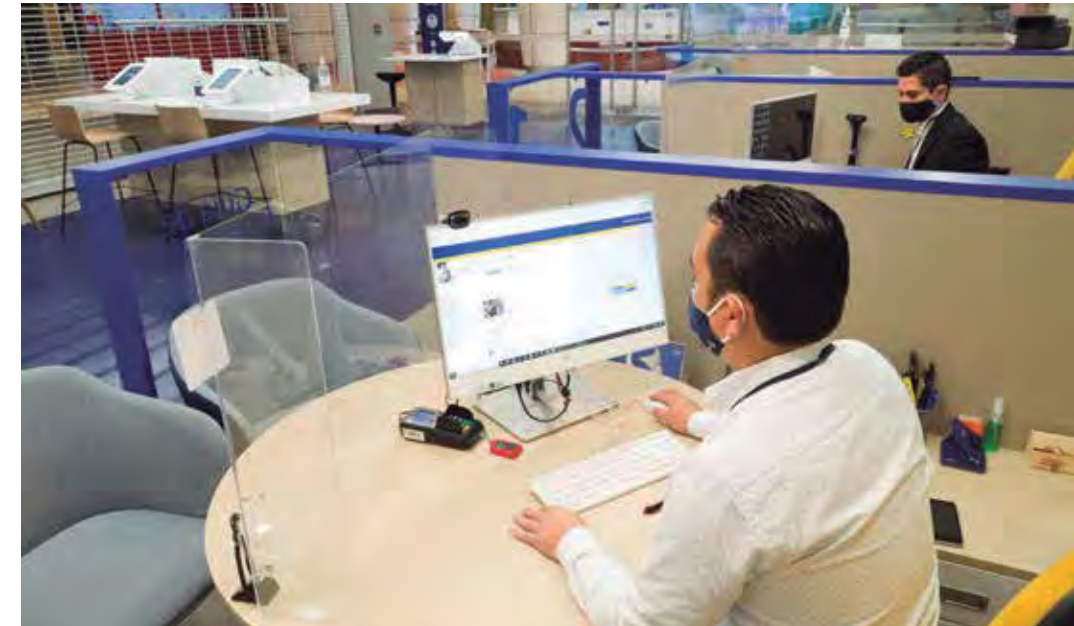
Amid the uncertainty, in a compelling and synchronized manner, central banks around the world lowered their interest rates to historic lows, while implementing multiple tools at their disposal to provide the economy with liquidity. Fiscal measures complemented monetary measures, with historic amounts of stimulus. Fiscal assistance was aimed not only at strengthening the health system but also at alleviating the burden on the private sector, both businesses and households, affected by the confinements. For reference, the U.S. fiscal package exceeded 16% of the GDP in 2020.

After most economies bottomed out in the second quarter, the outlook began to improve in the second half of the year with the gradual reopening of activities, while the first wave of the spread was behind. Other global issues gained prominence. The U.S. elections was one of them, especially since it meant the change of government from Republican D. Trump to make way for Democrat J. Biden. Moreover, a “blue wave” scenario materialized as the Democrats won the presidency, a majority in the House of Representatives and a narrow majority in the Senate, fueling the prospect of a faster economic recovery due to the possibility of further fiscal stimulus.

As the year drew to a close, optimism took hold in the markets with approvals for the widespread use of several vaccines. Optimism was further boosted by announcements from other pharmaceutical companies confirming that the world would have several vaccines for immunization of the population.

The IMF’s latest review of projections was less negative, moderating the estimate of the drop in activity to -4.4% and forecasting a 5.2% rebound by 2021.

Following the major impact of the pandemic in the second quarter of the year, the outlook began to become clearer with the expectation originated by the vaccination process.



Recovery of activity is in progress, after the pandemic led to the largest contraction of the Colombian economy in nearly a century.

### Colombian Environment

In 2020, the Colombian economy showed the effects of the pandemic and confinement with a contraction of -6.8% annually, the largest drop since the Great Depression in the 1930s. By quarter, the largest contraction occurred in the second one, when the country’s social distancing measures were stricter and lasted longer. After that, the gradual reactivation of economic sectors led to smaller setbacks in the second half of the year. However, progress was temporarily interrupted when localized confinements were implemented in cities such as Bogotá and Medellín in July and August, in the midst of the first national peak of COVID-19.

Going forward, the economy should resume its growth path in 2021, with an Economic Research expectation of 4.7%, although downside risks remain latent and conditional on the spread of infections and the success of the vaccination process.

The shock affected inflation in three ways. First, the prices of raw materials, particularly fuels, declined. Second, government decisions to support households were reflected in utility subsidies, suspension of certain taxes and a rent freeze, all favoring a temporary reduction in prices. Finally, the weakened activity had an im-

act on prices. With this impact, inflation closed 2020 at 1.6%, the lowest level for a year-end and very close to the historic low of November (1.5%). In 2021, inflation would rebound due to a statistical effect, returning again to the central bank’s target range (between 2% and 4%). However, price dynamics would still be limited by weak demand, so that by the end of the year Economic Research projects a variation of 2.5%.

The slowdown in the economy and the decline in inflation provided space for the Central Bank of Colombia to reduce its intervention rate by 250 basis points, also bringing it to a historic low of 1.75%. However, rate cuts were not the only tool implemented by the Central Bank, as they were accompanied by different measures to ensure liquidity in Colombian pesos and US dollars in the market, such as: changes in the amounts, collaterals and agents in liquidity expansion operations, direct purchase of public and private debt securities, reduction of reserve requirements, and US dollar auctions through swap and forward operations.

Fiscal policy was also active during 2020, as the government resorted to repatriating resources from abroad and borrowing to finance the emergency, funds that were directed towards social and business assistance mechanisms. Higher

spending needs and lower fiscal revenues led the Government to repeatedly revise the targets set for the year, leading to the suspension of the Fiscal Rule in both 2020 and 2021, with fiscal deficits of -8.9% and -7.6% of the GDP, respectively.

The relative impairment of fiscal metrics caused Fitch Ratings to downgrade its rating to BBB-, while Moody's and Standard and Poor's changed the outlook to negative. Nevertheless, the country managed to maintain its investment grade rating.

Finally, on the external front, the drop in oil prices affected the volume of exports, which in any case was lower than the decline in imports, affected by the lower dynamics of activity. In addition, the reduction in capital repatriation outflows from foreign companies established in Colombia and the surprising growth of workers' remittances led to a correction of the current account deficit in 2020, which ended the year at almost -3.0% of the GDP. This represents the lowest imbalance in the last eight years. Meanwhile, multiple episodes of risk aversion in international markets pushed the exchange rate above the COP 4,000 barrier for the first time in history, in the first half of the year. However, the measures adopted by the Central Bank of Colombia and the Government's US dollar sales, in addition to a less challenging scenario for the markets, led to a correction of the exchange rate, so that it ended the year below the COP 3,500 barrier.

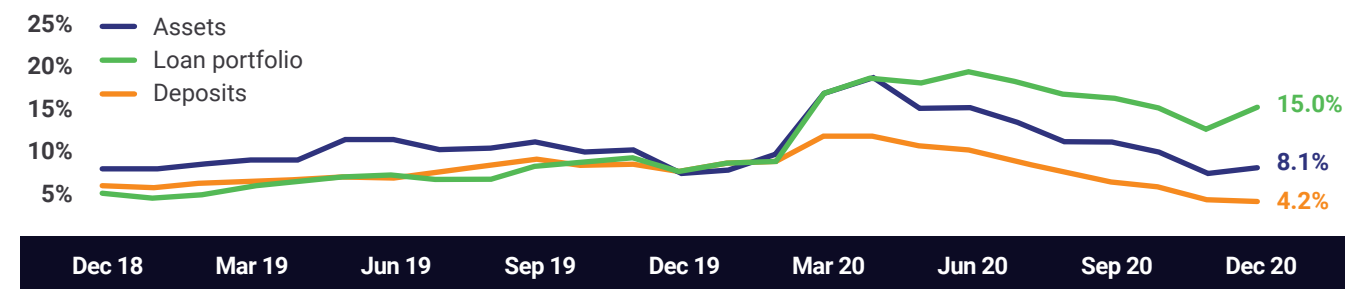
### Colombian Banking System

In a context of lower growth in supply and demand, as a result of the situation in 2020 caused by the pandemic, and given the increase of risk perception in the market and the consequent lower willingness of consumers to finance their economic and personal activities through new loans, credit placements in the banking system moderated their growth rate, maintaining, however, a positive level of 4.2% compared to 2019. This behavior, added to the 37.2% increase in the Investment portfolio, resulted in an 8.1% increase in Assets.

Regarding the loan portfolio, the commercial portfolio is the largest contributor, thanks to a higher approval rate (88%) for the enterprise and micro-enterprise segment, according to figures from the Financial Superintendence, demonstrating that despite the economic situation, the appetite and financing capacity for companies was sustained. In turn, the mortgage portfolio recorded the highest relative evolution, with a growth of 7.0% and an approval rate of 66%, maintaining portfolio quality levels(1) similar to 2019; 7.0% at year-end.

However, at a general level this dynamic has been accompanied by an impairment in the total credit quality indicator, which stood at 5.5%, 69 basis points higher than 2019. The consumer portfolio showed the greatest decline with a 37.1% increase in its 30+ days past due loans, affected by the increase in unemployment and the higher inherent credit risk.

#### Colombian Banking System: Year-over-year growth rates



Source: Financial Superintendence of Colombia.

(1) Loan portfolio impairment, 30+ days past due / Gross Loan Portfolio

Liabilities stood at COP 639,023 billion, with deposits totaling COP 485,185 billion, with a positive annual variation of 15.0%. 50.8% of total deposits correspond to savings accounts, which amount to COP 246,455 billion, with a 25.0% growth compared to 2019. Current accounts grew 24.0% annually, while term deposits showed a slight reduction of 1.4% for the same period, reflecting the market's preference for liquidity.

Regarding the results obtained by the Banking System in 2020, profits ended the year at COP 4,160 billion, equivalent to a year-over-year contraction of 62.1%, affected by the greater need for provisions, with an increase of 52.8%, associated to the deterioration of the economy in general. However, it is important to mention the stability of the net interest margin, which managed to maintain a positive dynamic at COP 32,974 billion at the end of 2020, thanks to the lower associated funding cost, given the decrease in the rates of the Central Bank and the repricing of the loan portfolio and deposits.

### Our Participation in the Colombian Banking System

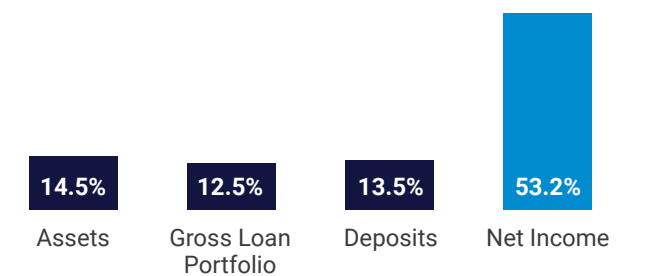
In 2020, we continued to consolidate our position as one of the most relevant banks in the Colombian banking system, ranking at the top of the market. Our assets show a growth of 8.1%, supported by the gross loan portfolio that increased its market share by 28 basis points compared to 2019.

This increase was driven by the good performance of the Commercial portfolio, which maintained the pre-pandemic trend, growing 6.5% and increasing its share by 28 basis points, followed by the mortgage portfolio, which grew 13.7% and increased its share by 38 basis points. All this was achieved through the implementation of commercial strategies focused at the branch level and on the specialized sales force, as well as the subrogation of our constructor loan portfolio. It is also due to adequate risk management and the trust and support provided by the Bank to its customers.

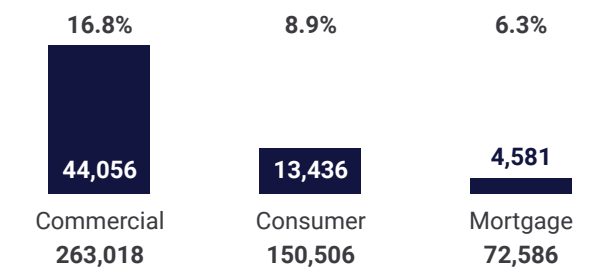
Deposits<sup>(2)</sup> grew 17.1% during the year, with a determinant role from savings accounts with an increase of 20.5%, despite decreasing their market share by 43 basis points, and an increase in term deposits by 10.7%, which increased their market share by 139 basis points.

(2) Includes Other Deposits

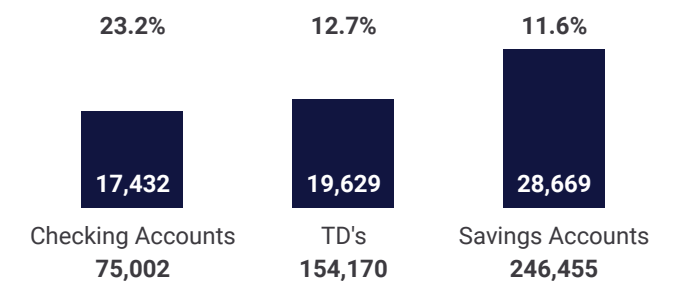
#### Local Market Share



#### Local Market Share by Loan Portfolio Type (in billions)



#### Local Market Share by Deposit Type (in billions)



% Market Share ■ Banco de Bogotá # Banking System Total

### Central American Environment

The Central American economy was not immune to the negative impact of the pandemic, also experiencing its largest drop in the second quarter of the year and recovering thereafter. The public health emergency resulted in strict confinement in the region, negatively affecting domestic demand. In addition, foreign demand was weakened by border closures, which most countries ordered with varying degrees of intensity in order to contain the spread of the virus.

After the contraction of the regional economy in the second quarter and the moderation of its decline in the third quarter, economic recovery continued to consolidate at the end of the year, despite the tightening of certain social distancing measures to curb the increase in the number of cases, a phenomenon occurring in several countries. In particular, the acceptable recovery of the U.S. economy, a strategic partner of the region, and the low price of oil, mitigated the impact of the pandemic on the region compared to the rest of Latin America. Overall, consumption, investment and international trade flows are expected to continue to gain traction. In its most recent forecast review, the IMF estimated that activity in the region would have contracted -5.8% in 2020, before rebounding 3.5% in 2021.

Going into more detail, Panama was the economy most affected by the global public health impact in the region, with a GDP contraction of -20.5% year-over-year at September. With the highest infection rate, which averaged more than 200 cases per million inhabitants, in contrast to the regional average of around 50 cases, the authorities implemented the strictest confinement in the region, as evidenced by the contraction of mobility. Not only was internal demand important in the evolution of the economy; also, foreign demand, as Panama is the most open economy in the region in terms of goods and services.

Meanwhile, with an impact that was considerably more moderate in the first nine months of the year, activity in El Salvador and Honduras contracted -9.8% and -9.6%, respectively. Although El Salvador experienced a reduction in mobility similar to that of Panama at the beginning of the pandemic, this indicator has normalized more rapidly since the second half of the year. Remittances were a relevant channel of transmission of the global impact for both countries, as this income represents a little more than 20% of GDP in both cases. However, with the recovery of the U.S. economy, starting in the second half of the year, these flows rebounded rapidly, supporting the performance of these economies. Indeed, while remittances in April from El Salvador were dropping -40% annually

The recovery of activity in Central America is supported by the beginning of the global vaccination process, a more dynamic U.S. economy and favorable oil prices.

and those from Honduras -27%, year-to-date to October they showed a positive variation of 3% and 4%, respectively.

Meanwhile, Costa Rica contracted -5.3% annually between January and September, impacted by the reduction in the foreign demand for services, including the important source that is tourism for this country. However, its mobility was not as restricted at the beginning of the pandemic and therefore, its contraction in key sectors of the economy, such as trade, was less drastic compared to other economies in the region.

Guatemala's GDP recovery was strong. While it contracted -9.6% in the second quarter, in the third quarter it corrected to -1.8%. Thus, compared to its Central American neighbors, the loss of activity was limited year-to-date at September to -3.5% annually. It is important to consider that in the first quarter, the country's activity was one of the most dynamic in the region and that, throughout the year, its confinement was less strict than that of the other countries.

Finally, Nicaragua accumulated an annual economic contraction of -2.8% in the third quarter, the lowest in the region. Its reduced exposure to external impact, along with limited confinement, supports its performance.

In response to the tight financial conditions caused by the health emergency, and in the absence of inflationary risks, all central banks in the region eased monetary policy and provided liquidity to the economy. Costa Rica, Guatemala

and Honduras, whose interest rate is the main monetary policy instrument, made sharp cuts. Costa Rica lowered its rate -200bp to 0.75%, Guatemala -100bp to 1.75% and Honduras -250bp to 3.00%.

Regarding the fiscal situation, most countries accessed IMF funds to finance the pandemic emergency, with the exception of Nicaragua. They also resorted to suspending or relaxing their tax regulations, as did Costa Rica, Honduras and Panama. El Salvador, Honduras, Guatemala and Panama also issued bonds in the international markets. For the countries with information, fiscal stimulus was greater than 3% of the GDP.

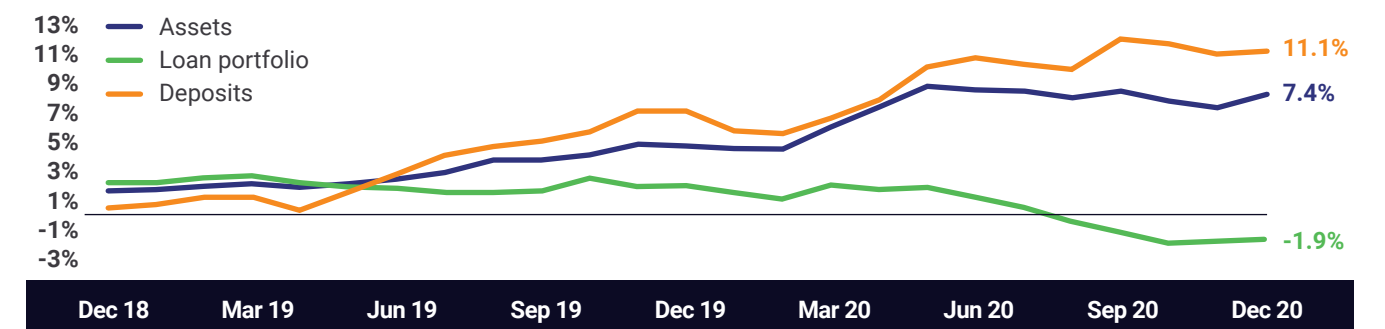
### Central American Banking System

The regional financial sector showed a year of resilience, where business continuity made it easier to obtain emergency resources for both the government and private customers. This sector, which contributed to the government's provisions to reschedule its customers' payments, also continues to provide its services in full during the current health emergency.

The Central American financial system shows relevant dynamism according to data at December 2020. Total assets grew in the year-over-year rate by 7.4% compared to December 2019, and deposits showed a growth of 11.1%. Both indicators reflect higher performance compared to the previous year. Meanwhile, the net loan portfolio decreased by 1.9%.



Year-over-year growth rates



Source: Superintendence of each country. All Financial Groups (FG) in Guatemala are included, as well as the banks that do not belong to a FG. Only banks with a general license are included for Panama.

Honduras stands out as the country with the highest growth in Assets, with an increase of 15.2% year-over-year at December 2020, followed by Guatemala at 9.9%, Panama at 7.5%, El Salvador at 4.9%, Nicaragua at 3.8% and Costa Rica at 1.9%.

In terms of net portfolio, Honduras was the country with the highest performance, growing 3.6% year-over-year, followed by Guatemala at 3.2%. On the other hand, Nicaragua, Costa Rica and Panama showed contractions in their placement

rates, linked to the economic situation caused by COVID-19 in the region's economies.

In turn, in the deposits section, and thanks to its leadership position and solidity, BAC Credomatic received the consolidation of corporate treasuries from customers that, prior to the pandemic, diversified in search of higher rates, resulting in significant growth: Honduras 21.8%, followed by Nicaragua 15.1%, Guatemala 13.6%, El Salvador 11.5%, Panama with 10.7% and Costa Rica 3.7%.

**Central American Banking System by Country**

Dec-20	Assets		Net Loans		Deposits	
	Millions of US dollars	USD	USD	Annual variation	USD	Annual variation
Panama	112,915	7.5%	66,178	-3.1%	84,654	10.7%
Guatemala	55,002	9.9%	27,058	3.2%	40,762	13.6%
Costa Rica	48,165	1.9%	27,654	-6.3%	34,526	3.7%
Honduras	28,562	15.2%	14,475	3.6%	17,860	21.8%
El Salvador	20,944	4.9%	12,864	0.0%	15,250	11.5%
Nicaragua	6,566	3.8%	3,204	-6.6%	4,574	15.1%
<b>Total</b>	<b>272,154</b>	<b>7.4%</b>	<b>151,432</b>	<b>-1.9%</b>	<b>197,627</b>	<b>11.1%</b>

Source: Data obtained from the superintendencies of each country. All Financial Groups (FG) in Guatemala are included, as well as those banks that do not belong to a FG. Banks with a general license are included for Panama.



**Our Share in the Central American Banking System**

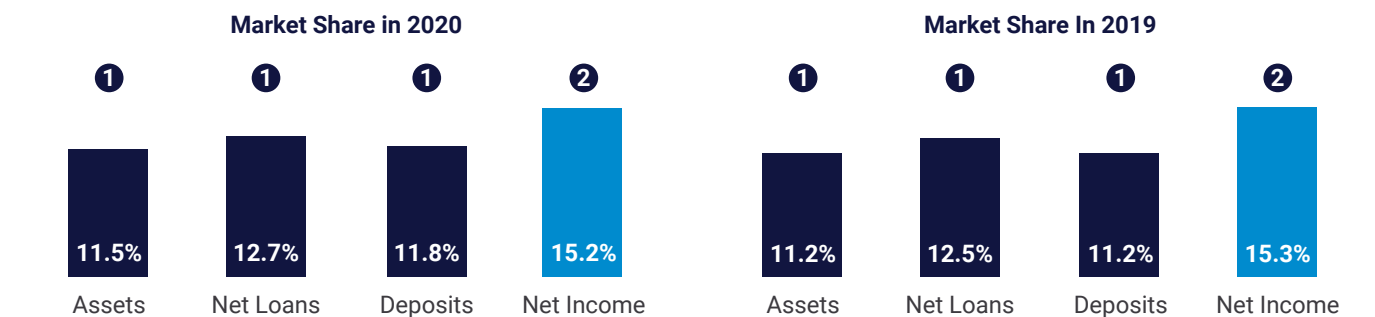
Grupo Banco de Bogotá continues to be the only financial group with a significant presence in all the countries in which it operates, with a diversified loan portfolio among the economies of the region, which enables it to achieve high profitability with a lower exposure to risk.

At the regional level, at December 2020, Grupo Banco de Bogotá continued to lead in market share in assets, portfolio and deposits, increasing its importance in all the variables mentioned above.

In relative terms to total assets of the system, we managed to obtain a market share of 11.5%, increasing 30 basis points compared to the same

period in 2019 (including MFG). Similarly, the net loan portfolio market share increased by 16 basis points, reaching 12.7% for 2020, maintaining our leadership in credit placement, thus strengthening our relationship with customers and our commitment to the region's development.

Grupo Banco de Bogotá continues to show an outstanding performance with positive results, even in the extraordinary situation experienced during 2020, largely in response to the fact that it maintains the strategy that enables it to earn the loyalty of its transnational customers; in addition to remaining at the forefront of technological implementation through efforts focused



For comparative purposes, MFG is included in 2019.

on facilitating transactional channels, through an aggressive strategy of digital transformation, where it offers a modern and versatile electronic banking system.

In relation to the above, the Group remains the benchmark in deposits, with a market share of 11.8% and an increase of 58 basis points compared to the same period in 2019 (including MFG).

On the other hand, it retains a relevant share of Net Profit at regional level with 15.2% of the total financial system, reporting a level similar to that obtained a year ago (without taking into account MFG for 2019, there is an increase of 1.5 percentage points).

### Market Share by Country

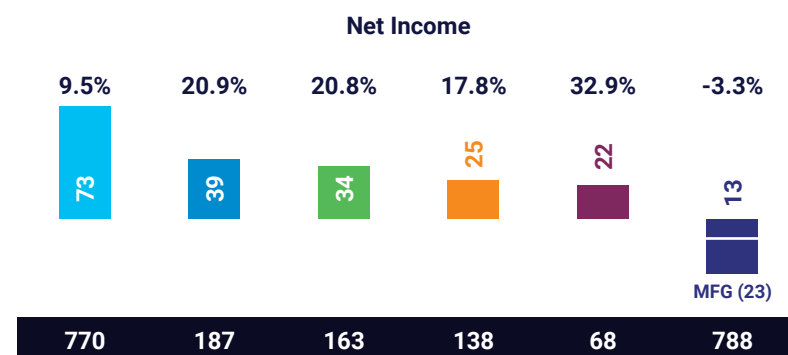
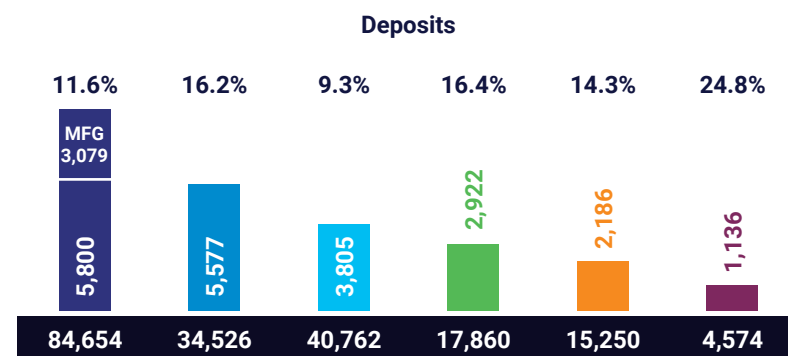
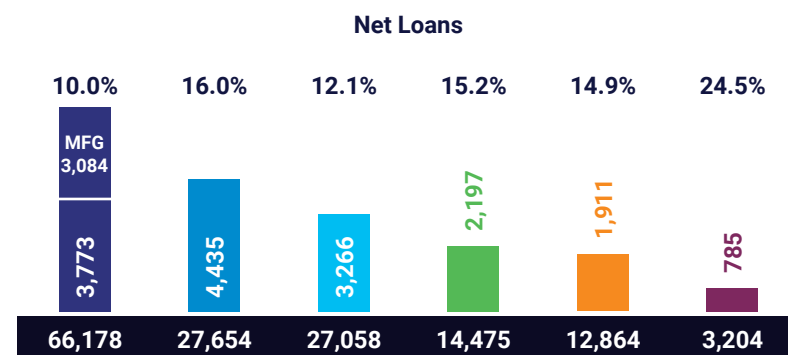
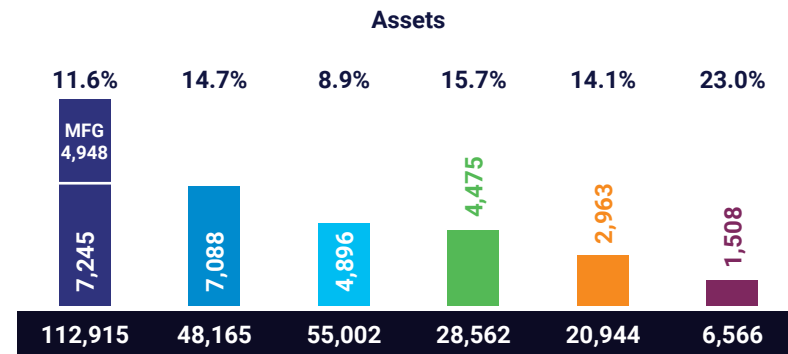
BAC Credomatic continues to be the only financial group with a presence in the 6 countries and a relevant market share of loans at December 2020, including: Guatemala at 12.1%, Honduras at 15.2%, El Salvador at 14.9%, Nicaragua at 24.5%, Costa Rica at 16.0% and Panama at 10.0%.

BAC continues to show outstanding performance, with positive results, even in the extraordinary situation experienced during 2020.

- Panama
- Costa Rica
- Guatemala
- Honduras
- El Salvador
- Nicaragua

- % Market Share
- # Regional Position
- # Banking System Total

Banking System Information for each country (Local GAAP)  
Figures in USD millions



We maintain sustainable growth that contributes continuously to the economic development of Colombia and Central America and to the progress of our customers and employees, consolidating our leadership and committing to contribute to the progress of society.



**Alejandro Figueroa Jaramillo,**  
Banco de Bogotá's  
CEO

"We feel proud to have substantially contributed to the growth of the country along the past 150 years. We will continue to strengthen our sustainability strategy to improve quality of life, support regional growth and protect the environment."



**Julio Rojas Sarmiento,**  
Banco de Bogotá's  
Executive Vice-president

"When I think about our 150th anniversary, I feel particularly enthusiastic about dreaming on how we can keep contributing to the progress of Colombia and Central America in the next 150 years. We feel very fortunate to have the best human talent, focused every day on developing new and better innovative solutions for our customers."



150+

**Sustainable Parking Lot** - Corporate Headquarters

## Our Bank in Colombia

For 150 years, we have helped to build a better country and in adverse situations, we have provided solutions that meet the needs of our customers and employees. Our contribution will continue for another 150+.



Certified as a  
**Great Place to Work**  
by Great Place to Work



We were included in the  
**Sustainability Yearbook**  
of S&P Global



We placed a Green Bond in the  
Colombian market with a demand  
of nearly **COP 1 trillion**

**Through our 6C's corporate strategy, we aim to maintain our leadership in banking and contribute to the progress of society.**



Customer

- Between March and July, we benefited 550,816 customers with our Credit Relief Plan.
- As of August, we implemented the Debtor Support Program (PAD, for the Spanish original), supporting 160,796 customers.
- We introduced new products and services such as: WhatsApp channel, e-wallet and QR code, among others.



Sustainable Growth

- We supported more than 14,000 companies with the payment of their payroll through the Formal Employment Support Program (PAEF, for the Spanish original).
- We were the first Bank to disburse loans under the Mortgage Portfolio Stability Reserve Fund program for the purchase of social interest housing (FRECH NO VIS, for the Spanish original). In 2020, we supported 400 customers.
- We launched the world's first debit card in benefit of children, in a partnership with Unicef.



Analytical Capacity and Digital Transformation

- Since 2017, we have placed more than 1,635,000 digital products, and more than 50% were purchased in 2020.
- Through Payroll Advance, our customers have access to a partial advance on their salary when they need it. 16,095 customers activated the product.
- We introduced the option of investing in a mutual fund and the digital Time Deposit. Nearly 2,000 customers invested in these products.



Risk Control

- We segmented our customers according to their current situation.
- Through new technologies such as Cloud Computing, we are optimizing digital security models.
- We adhered to the CDP (Carbon Disclosure Project), to improve the identification of risks derived from climate change.



Expense Control and Operational Excellence

- We implemented the paperless project, through which we eliminated 160 physical forms, reducing the use of more than 250 thousand sheets of paper per year.
- We configured 52 robots that improved 41 processes and generated benefits amounting to COP 3.8 billion.
- We adopted a new model in branches, based on the implementation of self-management tablets integrated with the National Civil Registry.

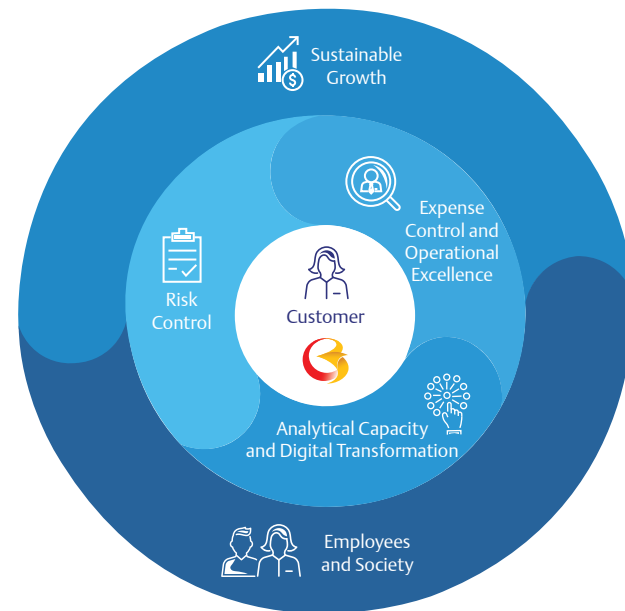


Employees and Society

- We installed more than 300 solar panels at our Corporate Headquarters to avoid emissions of 50 tons of CO2 per year.
- We enrolled the second group of employees for the Master's program in Data Analytics.
- We designed the "CoronApp BdB" app that enables us to monitor the health of all employees and attend to their needs.

## Our Sustainable Business Model

Through the 6C's strategic plan, we aim to maintain our leadership in the commercial segment, increase our presence in consumer banking and contribute to the country's development. The customer is at the center of our strategy, which is leveraged on digital transformation, operational excellence, risk control and the best human talent.



### Customer

We ensure memorable experiences to achieve customer loyalty and referral.



### Analytical Capacity and Digital Transformation

We transform our customers' lives by offering digital experiences, applying technology to business processes and strengthening our capabilities in data analysis.



### Expense Control and Operational Excellence

We efficiently control expenses and we make processes quick, simple and secure in order to achieve excellence in our operations.



### Employees and Society

We promote the wellbeing and development of our employees having a positive impact on society.



### Sustainable Growth

We increase business profitably with a focus on the enrollment of new customers by comprehensively managing their life cycles and their multi-channel experience.



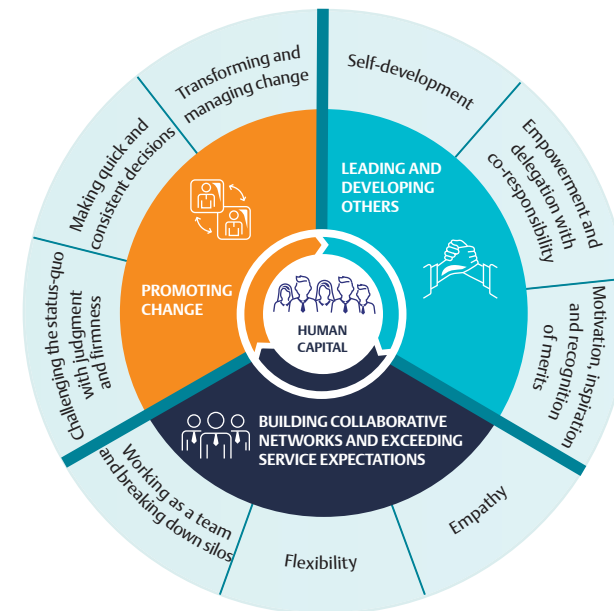
### Risk Control

We comprehensively manage the risks inherent to the business, maintaining the healthy growth of our portfolio and the strength of our balance sheet.

We are committed to responsible business management, striving to improve the quality of life of the individuals who have a relationship with us, contributing to the economic prosperity of society and helping to reduce our impact on the environment.

## Culture Label

We created the BdB Culture Label, that defines our actions and allows us to focus human talent on achieving results, based on the values of respect, honesty, efficiency and example.



### We build collaborative networks and exceed service expectations

**We are flexible**  
We diagnose reality with objectivity and adapt to changes in the environment in a timely manner.

**We work as a team**  
We promote and identify challenges that involve cooperation, playing an active role to achieve common goals.

**We are empathic**  
We understand the situation of the environment and the people, we provide support and handle differences.

### We are self-developing

We take responsibility for our own progress and growth, constantly seeking alternatives and options for improvement.

### We motivate, inspire and recognize merits

We connect and build bridges between individual motivations and corporate purpose, giving credit where credit is due.



### Leading and developing others

### We empower and delegate

We create environments of trust by clearly marking the goal that will lead to results.



### We are promoting change

**We are transforming and managing change**  
We are implementing changes with openness, understanding, and managing people's adaptation process.

**We are challenging the status-quo with judgment and firmness**  
We diagnose the environment with objectivity, by challenging paradigms with constructive arguments, in a forceful and respectful way.

### We make quick and consistent decisions

We understand that timeliness in decision making is consistent with expected results.



### Sustainability Strategy

In 2020, we consolidated a Sustainable Business Model through which we are committed to conducting our activities in a responsible and innovative manner, striving to improve the quality of life of the people we interact with, contributing to the economic prosperity of society and the reduction of our impact on the environment, by incorporating economic, environmental and social criteria, which are reflected in positive effects on our business, programs and initiatives.

Our model is aligned with national and international best practices such as: the Global Compact, the Sustainable Development Goals, the Equator Principles, the Dow Jones Sustainability Index, the Principles for Responsible Investment and Asobancaria's Green Protocol.

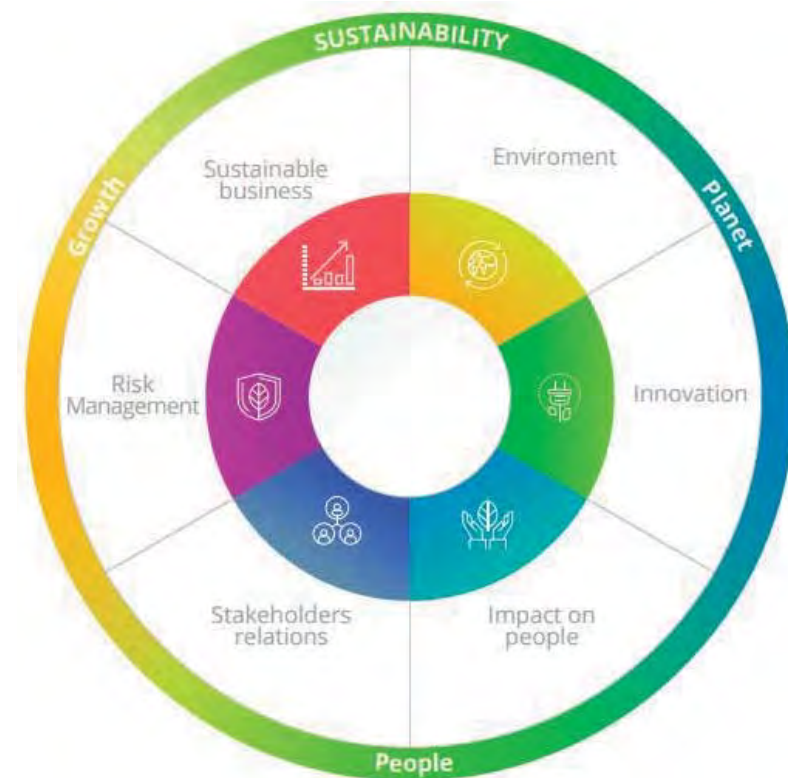
In this way, we consolidate our main commitments to sustainability, based on the design of environmental and social products and services, responding to the expectations of our stakeholders and working together to generate shared value and a sustainable culture in the organization.

### Dow Jones Sustainability Index

Based on our strategy and implementations in recent years, and thanks to our excellent performance in sustainability during 2020, we were included in SAM - S&P Global's Sustainability Yearbook.

We achieved an outstanding score that recognized us in the top 15% of the world's best sustainability practices. In response to our performance, we moved up 35 positions in the ranking compared to 2018 and stood out among the 253 banks collectively evaluated, internationally recognized as Best In Class banks.

Our results in the Dow Jones Sustainability Index (DJSI)<sup>(1)</sup> demonstrate our commitment and ongoing work to consolidate our position as a sustainable and inclusive Bank.



### Our main achievements

In the economic dimension, we stood out in financial performance management, risk management, materiality analysis, information security and cybersecurity, anti-crime policy and systemic risk. Our solid financial results enable us to generate economic value for shareholders, customers and society in general. In the environmental dimension, we stood out for the consolidation of our Environmental and Social Risk Management System (ESRMS), the design of products for the mitigation of climate change, such as the Sustainable Development Credit Line, Green Payments and our first Green Bond issuance, as well as for the progress made in our strategy to fight climate change and our environmental reporting. Finally, in the social dimension, we stood out in our efforts to incorporate the population commonly excluded from the financial sector, through financial inclusion and education programs, human rights' management and corporate citizenship actions such as donations, sponsorship of art and culture and corporate volunteering.

In 2021, we will continue working hand in hand with our stakeholders, to keep contributing

to the country's development, generating actions that enable us to preserve and conserve the environment, reduce climate change and continue supporting the communities where we operate.

### Our Stakeholders

[GRI 102.13] [GRI 102.40] [GRI 102.43] [BdB.14]

Meeting the expectations of our stakeholders and working together to generate shared value, long-term relationships of trust and a culture of sustainability within the organization, is one of the objectives that inspires us every day. That is why we are working to generate a positive and significant social and environmental impact, through innovative and differentiating experiences.

For Banco de Bogotá it is essential to know and respond to our stakeholders' expectations and needs, in order to generate shared value in the long term. Therefore, our interactions with each of them are materialized through face-to-face meetings, satisfaction surveys, opinion polls, media, interpersonal relations and digital media, which enable us to strengthen our bonds of trust.



**Customers**

Surveys  
Bank's Website



**Shareholders and Investors**

General Shareholders' Meeting  
Face-to-face Meetings  
Email  
Quarterly Results Conference Calls  
Bank's Website



**Employees**

Surveys  
Email  
Newsletters  
Training



**Suppliers and Partners**

Surveys  
Face-to-face Committees



**Community**

Face-to-face Meetings  
Focus Groups  
Training  
Volunteering and Other Activities



**Professional Groups and Associations**

Task Forces  
Face-to-face Meetings  
Courses and Diploma Courses



**Environmental Agencies**

Opinion Polls

(1) The Dow Jones Sustainability Index is the main index recognized worldwide, that monitors the development of leading companies in terms of corporate sustainability. The DJSI is based on the Best-In-Class approximation to select leaders in different industries, based on sustainability criteria associated to the economic, social and environmental dimensions, based on international best practices and evaluated together with S&P Dow Jones Indices and SAM, that evaluate and select the companies.

## Dialogs with Our Stakeholders



### Customers

Our customers are the center of our strategy. That is why in 2020, and from the beginning of the health emergency caused by the pandemic worldwide, we defined different strategies to support them in these difficult times. We implemented the Debtor Support Program (PAD), which enabled us to grant relief and structural payment solutions. We also designed new self-management channels for requesting and consulting the status of relief, campaigns and recovery plans, and we provide personalized advice. We continue to work on having close conversations with them through the “Te escuchamos” [We hear you] program, in which we listen to their opinions, enabling us to make better decisions and improvements in our internal processes.



### Shareholders and Investors

We strengthened our shareholder service through coordinated management with Deceval. In 2020, we responded to 170 requests for information from analysts and investors and, through the Bank’s participation in five international conferences, we strengthened our contact with 135 investors.



### Employees

Through active listening exercises with employees, monthly surveys are conducted to gather insights to transform and/or improve our actions. During 2020, we established biosecurity protocols at corporate headquarters, the branch network and for mobile sales forces, and we provided recommendations for those working from home; we designed a permanent communication channel through a website exclusively for COVID-19, which received more than 60 thousand hits; we implemented an App “CoronApp BdB” that enabled us to monitor the health of our employees and meet their needs. We conducted webinars on emotional intelligence and personal finance, impacting more than 1,800 people, sent communications with healthcare recommendations and tips, shared guides with content to increase work productivity at home and a virtual magazine with content to promote the wellbeing of employees and their families.



### Suppliers and Partners

In order to establish long-term relationships of trust with our suppliers and allies, we conducted a sustainability diagnosis in order to identify the main highlights of our suppliers’ business, as well as their opportunities for improvement, in order to support their transition towards more sustainable practices. This way, we managed to evaluate 119 suppliers in aspects such as: governance, risk management, implementation of sustainable infrastructure, operational eco-efficiency, human rights, labor and social regulations, and work with communities. In 2021, we will continue to strengthen the Sustainable Procurement program.



### Community

Through satisfaction surveys, our Financial Education Program’ beneficiaries provided feedback on the content and on instructors who taught the courses, enabling us to continuously improve to meet their needs. Consequently, we provided financial education training through webinars for micro, small and medium-enterprise customers and on financial relief for customers who received them or were interested in doing so.



### Professional Groups and Associations

Through monthly task force meetings with Asobancaria, we play an active role in the consolidation of public policies, strategies, guidelines, good local practices and those of other regions, and we work together with other international and national organizations to develop proposals, initiatives and projects that generate shared value for our stakeholders in order to achieve a more sustainable, diverse and inclusive society, through the Sustainability, Financial Education, Customer Service System (SAC, for the Spanish original) and Green Protocol committees.



### Environmental Agencies (NGOs and International Organizations)

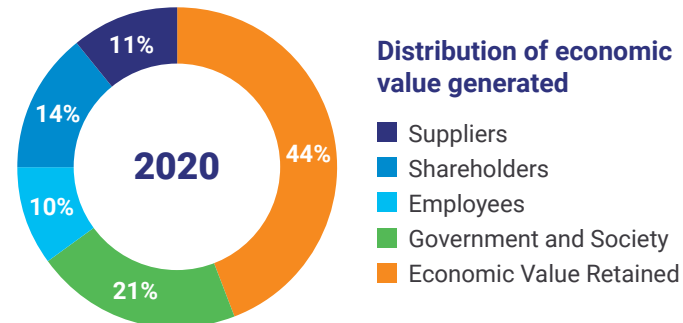
During 2020, we managed to establish relationships with different organizations through task forces and virtual meetings with entities such as Natura Foundation, Saving the Amazon and Semana Foundation - Grupo Río Bogotá, with which we carried out actions for the environment through reforestation and ecological recovery; and finally, together with Lito, Sanar, Gecoraee and Ele de Colombia, we were able to manage and make use of the waste generated by our operation. In turn, we supported the Bank’s social NGO partners through fund-management workshops, to ensure their self-sustainability and have a greater impact on the communities where they operate.



## Economic Value [GRI 201.1]

The distribution of our economic value<sup>(2)</sup> shows how the entity's results benefit all our stakeholders:

	2019	2020
Net Interest Margin	2,974	3,010
Other Ordinary Income	4,057	4,563
Net Fees	631	469
Insurance Activities	190	173
<b>Generated Economic Value</b>	<b>7,852</b>	<b>8,214</b>
Suppliers*	1,115	926
Shareholders	1,270	1,163
Employees	744	774
Government and Society	1,729	1,724
<b>Distributed Economic Value</b>	<b>4,859</b>	<b>4,588</b>
Provisions, Dep. & Amor.	1,623	2,578
Reserves	1,371	1,048
<b>Retained Economic Value</b>	<b>2,993</b>	<b>3,626</b>



Figures in billions

## Alignment with the Sustainable Development Goals – SDGs

Understanding the Bank's significant contribution as an agent of change and promoter of development, we have adopted the best international practices to identify the impact of our business on the environment and society, by aligning with the Sustainable Development Goals (SDGs), in order to communicate the actions, programs and initiatives that make us a sustainable organization that is working towards achieving a better world for all.

Consequently, in 2020 we strengthened our process of alignment with the SDGs by reviewing our programs, initiatives, products and services, both environmental and social, in order to make an assessment through criteria such as (i) relevance, considering the importance of the initiative, in order to determine whether it has

a high, medium or low impact on the organization and on stakeholders; (ii) management level, determining the level of progress that provides us with relevant indicators as well as high levels of progress; (iii) long-term sustainability, mainly considering medium and long-term initiatives, and (iv) control of results, mapping initiatives whose results have long-term goals, which we can measure in a given period and compare their evolution from one year to the next. The initiatives that did not meet these criteria will be assessed in 2021, in order to identify their level of maturity over time, their indicators and long-term goals.

In this exercise, we considered the alignment process with the SDGs led by Asobancaria and the identification of the KPIs (Key Performance Indicators) associated with these initiatives along with the fulfillment of the selected goals.

<sup>(2)</sup> Distribution of economic value generated by following the G-4 GRI methodology. Retained earnings calculation includes reserves according to the preliminary profit distribution project, which maintains the distribution criteria of the last General Shareholders' Meeting.

## Our Results

We identified 15 SDGs that we grouped into 5 categories: (i) Prosperity and inclusion, (ii) Innovation and sustainable cities, (iii) Transparency and strong institutions, (iv) Social impact and (v) Environment. We also prioritized 7 SDGs, to which we contribute through initiatives that are more relevant, aligned with the core business, generate greater impact and have management indicators.

This is how we aligned our initiatives across the Bank, including those areas that contribute to sustainability, and we managed to define our SDG orientation exercise and our contribution to the country. Similarly, the alignment of the reporting indicators is consistent with the most recognized global reporting standard, the Global Reporting Initiative (GRI).

## BdB's Contribution to the SDGs

### Prosperity and Inclusion



**COP 1.7 trillion financed** through rediscount lines, supporting 523 companies with credit facilities for economic recovery and emergency.

**COP 2.7 trillion disbursed** through the Unidos por Colombia program with the National Guarantee Fund (FNG, for the Spanish original).

**COP 2.1 trillion benefiting** 3,207 companies.

**95,729 Unicef debit cards** to donate 1% of customers' purchases with a matching 1% contribution from the Bank, achieving COP 143 million in donations.

More than **1.9 million people benefited** from financial education.

**We increased our NPS**, customer satisfaction measurement, by 52 points.

**21,000 microentrepreneurs served** through our microcredit lines for a total of COP 129 billion, in 750 municipalities throughout the country.

### Innovation and Sustainable Cities



**1,635,000 digital products** placed since 2017, 50% placed in 2020.

**5,442 loans** for more than COP 258 billion in the Mi Casa Ya program.

More than **4,000 employees benefited** through the sustainable mobility program.

**2,100 allocations in the free bicycle system.** We implemented a free, 24/7 electric car charging station for all citizens at our Corporate Headquarters in Bogotá.

**150 bike racks** at our offices in Bogotá, Medellín and Cali.

### Transparency and strong institutions

16  
  
 Peace, justice and strong institutions

17  
  
 Partnership to achieve goals

Recognition in the S&P Sustainability Yearbook as **one of the world's most sustainable banks**.

**Socialization of our Human Rights Policy** and identification of action plans.

**119 suppliers diagnosed** in terms of sustainability.

Consolidation of our **sustainability website**.

### Social Impact

3  
  
 Health and Wellbeing

4  
  
 Quality Education

5  
  
 Gender Equality

Recognized as **one of the best places to work** (Great Place to Work).

We obtained the **Friendly Bizz Certification**.

**COP 2.0 billion invested** in training and education.

**4,503 employees trained** in diversity and inclusion.

More than **7 thousand employees worked from home**.

**1,000 employees enjoyed** the First Steps Program.

**COP 2.45 billion contributed** to social, environmental and humanitarian causes.

120 employees **supported 310 families in vulnerable conditions** by providing grocery kits.

### Environment

6  
  
 Clean water and sanitation

7  
  
 Affordable and clean energy

12  
  
 Responsible production and consumption

13  
  
 Climate action

15  
  
 Life of land ecosystems

**Awarded in 3 categories** of the Latin America Green Awards for our Green Payment System.

**61 assessments conducted** through our ESRMS for COP 6.4 trillion.

**More than COP 8.7 billion** through the Sustainable Development Credit Line.

**300 solar panels** installed at our Corporate Headquarters in Bogotá, to prevent the emission of 50 tons of Co2 equivalent per year, eq. to 2,480 trees.

**Reduction of 12%** in energy consumption and **14%** in water consumption.

**6.8 tons** of CO2 equivalent. We offset **13%**.

**30 tons** of hazardous waste and WEEE collected.

**More than 45,000 native trees** planted in biological reserves in 6 years.

### Customers

We ensure memorable experiences to achieve customer loyalty and referral.

### In a year of major challenges, we focused on supporting our customers

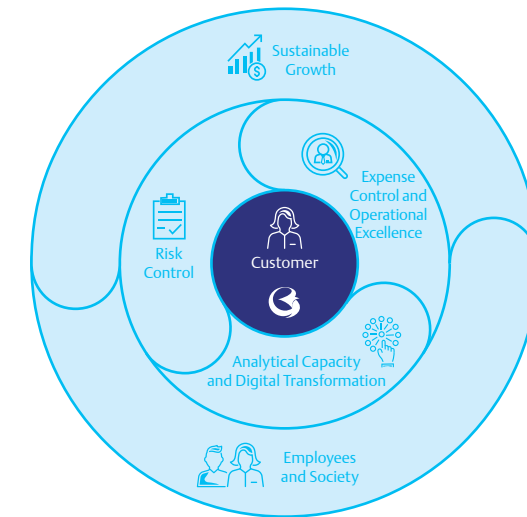
We privileged our customers' financial management during the pandemic

From the beginning of the pandemic emergency worldwide, we defined strategies to support our customers in these difficult times.

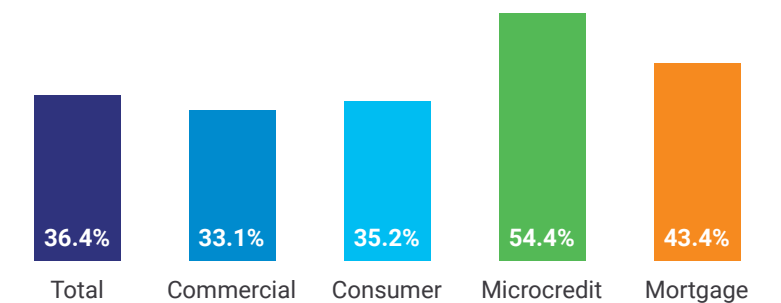
For this reason, in line with the framework provided by Circulars 7 and 14 from the Financial Superintendence, we designed and implemented different credit relief support programs such as extensions, grace periods and capital deferrals, as well as the suspension of certain fees.

With extensions and grace periods, we helped our customers to postpone the payment of 2 or more installments. Considering the indebtedness' status, installments subject to relief were reassigned to the end of the loan, in the case of extensions; or the payment was resumed after the relief period ended, in the case of grace periods, all without increasing the value of monthly installments and without interest capitalization. Also, grace periods could be extended by up to one additional installment, or more, if the customer was in a default status.

For credit cards and revolving credit lines, monthly payments were reduced, so that our customers were not required to pay the minimum balance for the requested month; the principal due was deferred at the weighted average rate of the charges pending payment, and other items were deferred without interest.



Customers who received Reliefs, by Loan Segment (%)



The credit relief program was in effect between March and July 2020, during which time 550,816 of our debtors, 539,594 retail customers and 11,222 companies, were benefited, supporting 36.4% of total debtors, 43.4% of total mortgage customers, 54.4% of total microcredit customers and 33.1% of total commercial loan customers.

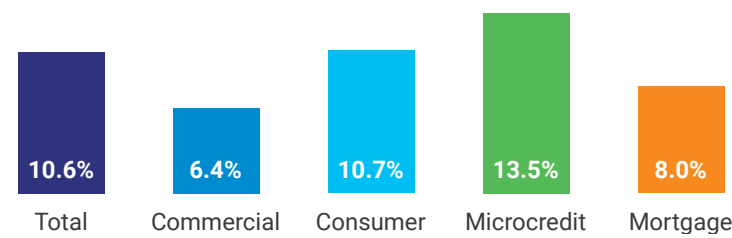
The aforementioned credit reliefs allowed our customers to have more cash flow and to not make loan payments according to initially agreed terms without having negative impacts on their individual credit rating, without being reported to credit bureaus, and without having to pay arrear interest.

### Debtor Support Program (PAD)

Starting on August 2020, we began to implement the Debtor Support Program (PAD), structured in accordance with Circular 022 from the Superintendence of Finance.

This new strategy provided continuity to the risk management approach established with the implementation of the initial relief program and allowed to provide our customers with structural payment solutions entailing adjustments to the credit terms of their loans through grace periods, installment reductions and deferrals, varying according to the customer's risk segment.

Customers who received PAD solutions, by Loan Segment (%)



160,796 customers, i.e. 10.6% of the Bank's loan portfolio debtors, applied to the Program to redefine initially agreed credit terms, which represents 6% of total loan portfolio balance at the end of the year.



### Communication and response strategy

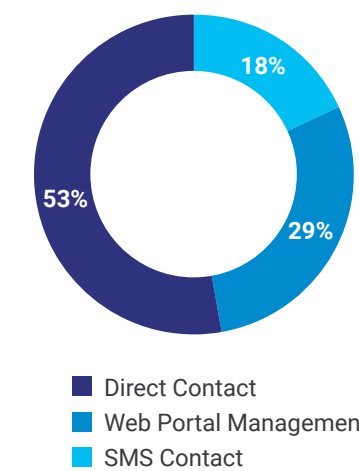
In order to ensure that customers were aware of the relief measures designed by the Bank, that they clearly understood the implications on their loans in case they requested them and to guarantee relief access if they decided to take them, the Bank designed a relief communication and response strategy, based on the following actions:

- We designed a new self-management channel for requesting and consulting relief status: a flexible tool, available on the Bank's

website, which allowed customers to apply for loan reliefs from home.

- We implemented proactive relief application campaigns: we proactively identified customers who would possibly require reliefs due to their risk profile or non-fulfillment of their obligations and we carried out campaigns where we informed the customer of a relief application to their loan, an action that, if deemed not required, allowed the option to decline.
- We created new channels to inquire about reliefs: we designed a [special landing](#) page

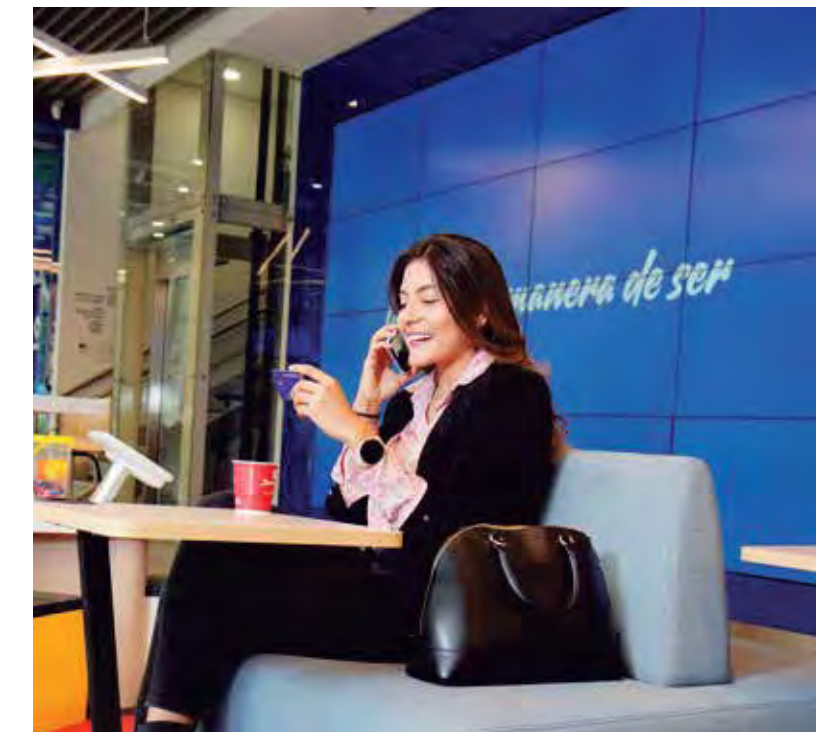
Customers Serviced, by Type of Service Channel



where customers could inquire about all the measures taken by the Bank during the contingency, educational videos, direct access to the relief request and inquire app, and frequently asked questions. We also deployed an interactive BOT through which our customers could have instant answer to more than 60 relief-related questions as well as other implemented measures.

- We strengthened our channels: in order to ensure that all our customers could access relief information, we strengthened our Nova, WhatsApp, Call Center and my Tweet BdB channels.
- We undertook service recovery and personalized assistance plans: we implemented a support system for customers who had doubts regarding reliefs, whereby they could fill out a form available on the website in order to be contacted by a specialized group that answered their questions at the first level, and, if required, redirected the customer to a specialized assistance cell, created exclusively to address their concerns.
- We made direct contact: we contacted by phone, customers who did not meet relief application requirements through the self-service channel in order to offer special alternatives in the context of Relief or PAD programs.

We implemented an assistance system for customers who had relief-related doubts, whereby they could fill out a form available on the website in order to be contacted by a specialized group that would answer their questions at the first level.



### The customer's voice at the heart of our strategy

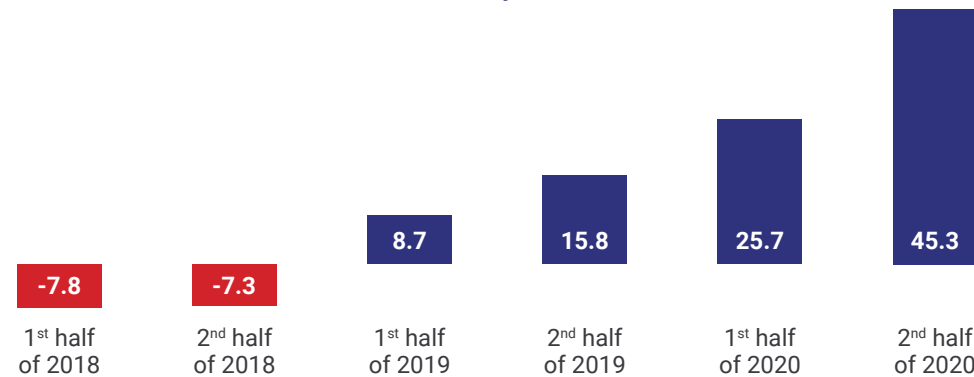
We listen to the voice of the customer, the center of our corporate strategy, through the "Te Escuchamos" [We Hear You] program and measure it using the Net Promoter Score (NPS), an indicator that, due to its high correlation with customer loyalty, has become one of the main strategic business indicators.

At year-end 2020, we achieved the highest average biannual NPS in the Bank's history. Since the beginning of the measurement in 2018, the indicator evolution has been positive, reaching a 52 points NPS increase.

During 2020, we increased by 38% the response rate in our customer feedback coverage, reaching more than 18 thousand opinions, covering 100% of the experience moments in the retail segment. We implemented new real-time measurements of the customer journey, such as: monitoring the first 100 days following enrollment, channels' usage levels (Virtual banking, mobile banking and WhatsApp), retention and cancellation process, collection management, fraud handling and management, as well as

special processes related to the measures offered by the Bank to its customers in response to the COVID-19 emergency. For the enterprise segment, we began to monitor the use and experience of the corporate portals, obtaining an NPS of 25 points in ICBS and 57 points in Corporate. The customer's voice enabled us to pull improvement levers related to opportunities for enhanced clarity in collection, transparency in product information, waiting times and service quality on our service channels.

**Evolutionary Behavior**



**Ready for change**

Considering the country's situation due to the pandemic, we prepared ourselves and faced the challenge of ensuring a good customer experience. Consequently, we put together a specialized team to implement exclusive tools, processes and services in order to provide customer support on relief measures for their financial products.

As a result of this initiative, we designed a relief request and consultation system, we adjusted the instructions for interpreting bank statements for products subject to reliefs, we created a messaging tree with confirmation details of relief request and application, and, we created and updated internal procedure manuals on an ongoing basis. Likewise, through training, webinars, knowledge certifications and monitoring quality of first level responses, we ensured a timely solution for our customers during the situation.

To manage the recurrence of customer contacts through the telephone channel and social media, we created an intermediate complaints and claims cell, with the support of a team of commercial advisors working at the branch level, through which our customer service and experience model improved with a total NPS of 54 points for the process.

**A new Customer Experience Lever, "Internal Service measurement".**

Starting in the second quarter of 2020, we began to implement internal service NPS measurement, reaching a coverage of 97 services, focused in 47 operational, commercial and service areas, with an initial internal NPS score of 62 points.

Based on this metric, we created a strategy under the "Siempre" [Always] (simple, empathetic and preferential) concept, which, using tactics such as training, culture intervention, and cycle

closure management with internal detractors, allowed us to improve agility, quality and response times, thus improving the sense of belonging of our employees, which is reflected in the experience of our external customers.

All these actions led to a 10-points improvement of our NPS, achieving an NPS of 72 points by the end of 2020.

**We support our customers through all our service channels.**

**We are innovating and transforming our branches**

Despite the situation and the uncertainty caused by this new reality, we managed to adapt to the situation and offer new experiences in our branch network. Therefore, we developed action plans, resulting in strategies for service protocols at our branches, biosecurity measures and contingency operations that ensure provision of our services to our employees, customers and users. In turn, we transformed 18 of our best branches by incorporating digital tools, for the benefit of our customers improving our service and loyalty levels. Similarly, we continued to carry out the optimization exercise of our branch network in order to be more efficient, increasing our business in a sustainable and profitable manner and implementing 200 new intelligent queue systems at our branches with the most visitors, thus reducing wait times and informing customers of personalized commercial offers upon their arrival at the branch. We reached a total of 260 offices with this functionality.

**Increasingly functional ATMs**

Thanks to our ATM network, we have managed to improve the experience of our customers and users by conducting a pilot to change our maximum withdrawal limit for foreigners, implementing an after-sales service in the multi-functional machines and providing change in bills and coins. Two out of every five monetary transactions are carried out through our ATMs, thus demonstrating the importance of this channel. In addition,



and in order to support our customers in these uncertain times, we moved forward with enabling an option for consumer loan' financing through our ATMs, which allowed us to disburse loans for more than COP 196 million to our customers through this channel.

**Closer to customers through our banking correspondent' network**

In 2020, we expanded our banking correspondent' network to 10,624 active points, thus strengthening our presence in more than 860 municipalities. We achieved new advances through our ApiConect connection in order to be able to provide digital correspondent banking services through virtual platforms, exemplifying our transformation towards digital customers and entering into a booming market with high demand. We also designed a new image for this channel in order to strengthen our presence, leveraging on our network of correspondent banks throughout the country. We also developed a new strategic alliance with Claro to provide correspondent banking services at all of its sales centers nationwide, further expanding our coverage.



We developed a completely new version of the Mobile Banking application, which will be launched in 2021.

### New ways to interact

In spite of the uncertainty and complex contingencies, we are seeking new forms of service to support our customers, thus adapting the service we provide through our channels. Through the creation of the new WhatsApp channel, we provide our customers with a new option to address their inquiries regarding financial reliefs, product benefits, collection advice and payment workouts with our specialized advisors. On May 15, we started out with a quality level of 64% and ended the year at 83%, serving more than 1,300 customers per day. Along with the opening of the “NOVA” chatbot, we managed to identify more than 3.6 million requests from our customers seeking information regarding product benefits, document requests and channel usage. In this way, we have supported the work of our advisors through encouraging customer self-management and providing quicker responses to their requests.

### We continued to strengthen our service through digital channels

In 2020, digital channels became one of our customers' greatest allies. Thanks to these channels, access was provided to most of our products and services without leaving home,

achieving by year-end a significant increase in user' and transaction' volume when compared to 2019, in each of the main channels.

At December, a total of 1.18 million customers accessed our Mobile Banking, which is an increase of 41% when compared to the same month in 2019. We exceeded 14.8 million monetary transactions in 2020, representing a 60.4% increase over previous year total. Similarly, during the year we developed a completely new version of the mobile application, which will be launched in 2021 and will have new functionalities to facilitate the acquisition and use of our customers' product portfolio and will provide an innovative, secure and more agile experience.

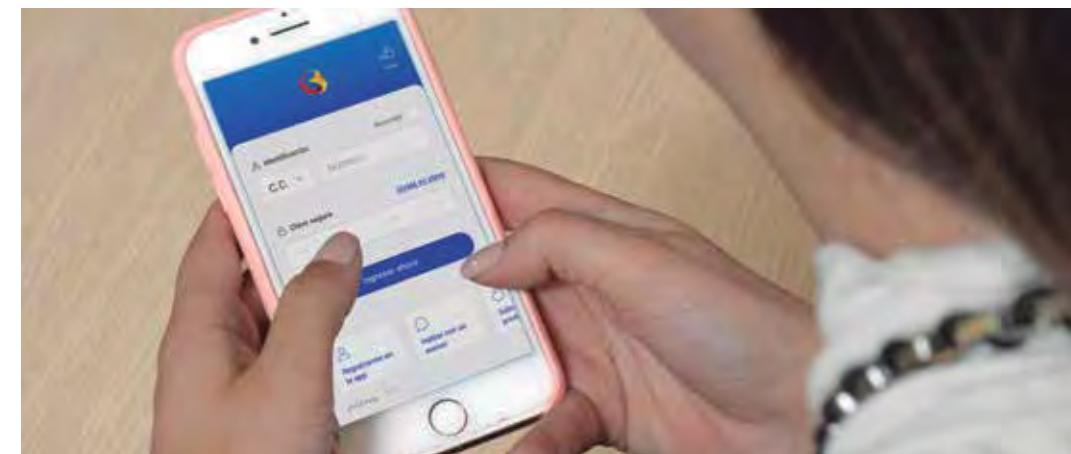
In the Virtual Banking channel, we reached 858,300 customers by the end of December, representing a 20% yearly increase. In 2020, we exceeded 16.5 million monetary transactions, with a 62.8% growth, representing approximately 10 million additional transactions compared to 2019. In addition to the increase in the volume of users and transactions, our objective during the last quarter of the year was to improve and simplify the different points of contact with the customer within this channel, improving users' satisfaction and experience thus recovering 15 NPS points compared to the year-to-date total.

In 2020, not only did we achieve a historical increase in the volume of users and transactions, but we also worked in developing new functionalities that enhanced our customers experience throughout our digital channels, namely:

- **Launch of e-wallets:** this launch was intended to enable customers to save and manage their funds in a secure, agile, and immediate manner. This is a free savings solution for our customers and does not generate any additional cost between transactions. In 2020, the tool has allowed our customers to save more than COP 4 billion, distributed in approximately 18,000 e-wallets.
- **QR code for credit cards:** in June 2020, in alliance with other entities of Grupo AVAL, we launched a functionality that allows users to pay for purchases in retail establishments through a QR code provided by the store, associating payment to the credit cards available to the customer.
- **OTP code delivery for risky transactions:** aiming to protect the health and safety of our customers in times of the pandemic, we implemented this solution, which allows our customers without token to carry out high-risk transactions through the validation of an OTP (one-time pin) code to their secure data, after SIM + Portability validation. This solution impacts high-risk transactions such as account enrollment, registration of utility' and obligation' payments, payment of PILA

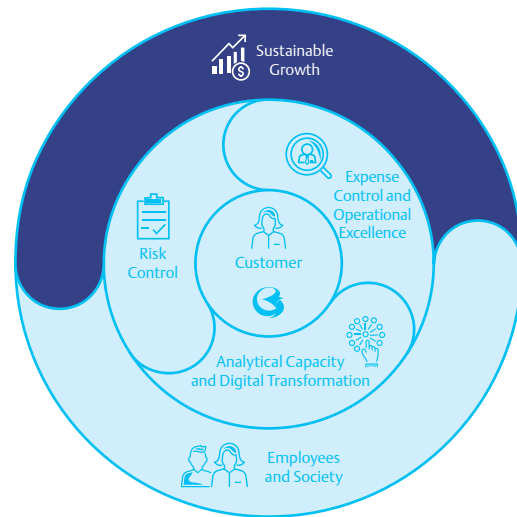
form, tax payments, recharges, data updates, transactional and national accounts limit' updates, so that our customers can carry them out from the comfort of their homes without having to commute to request or synchronize tokens.

- **Unicef debit card application:** we supported the initiative to launch the Unicef debit card, with the design of a digital onboarding process for the customer, publicizing the main attributes of this product and making the respective request. Within a few days, we deliver the product to the address approved by the customer.
- **DIAN tax consultation and payment:** in order to offer our customers the possibility to pay their taxes online, we launched the functionality for consulting and paying income and complementary taxes. This service allows customers to pay their own or third party tax obligations with funds available on their accounts or credit cards.
- **Other developments that facilitate the migration to virtual functionalities:** we developed new services that enhance customer' experience and allow more users to migrate to our digital channels, including the elimination of obligations, purchase of insurance products, donations to “Banquete del Millón”, consultation of TuPlus transactions, opening of digital Term Deposits, digital investments in mutual funds and digital payroll advances.



## Sustainable Growth

We increase business in a profitable manner with a focus on the enrollment of new customers by comprehensively managing their life cycles and their omni-channel experience, while closely monitoring the quality of our loan portfolio.



In 2020, the gross portfolio balance in Colombia reached COP 62.4 trillion, which represents an annual growth of 6.6%, highlighting a 13.7% growth of the mortgage portfolio, followed by the commercial portfolio, at 6.5%, and the consumer portfolio, at 5.1%. This performance consolidates our position in the Colombian Banking System, in which we hold 16.8% of the commercial portfolio, 8.9% of consumer loans and 6.3% of the mortgage portfolio.

The results are proof of our commitment to maintain a diversified banking operation, focused on achieving economies of scale and ecosystems that meet the needs of our customers across segments, as well as the continuous transformation and digitalization of our products and services, thanks to responsible directives from Senior Management focused on growth, and the collaborative and committed work of our teams.

### We know that providing support for companies means providing support for the country

#### We support our customers through Emergency Credit Lines

Companies play a significant role in economic recovery and social development of the country, which is why at Banco de Bogotá we have maintained permanent support to promote their stability and that of their productive chain.

In 2020, together with rediscount banks, Bancoldex, Findeter and Finagro, we supported about 523 public and private companies with loans granted through emergency and eco-

nomic reactivation credit lines in the amount of COP 1.7 trillion. With Bancoldex, we supported companies through the Colombia Responde credit facilities as well as different regional support facilities in place during the year, disbursing loans to 124 companies for a total of COP 54 billion.

With Findeter, through the Reactiva Colombia program, Education, Energy, Water and loan originations for renewable energy projects, we were among the top three banks with highest disbursements, amounting to COP 510 billion. In addition, thanks to the continuous improvement of processes and comprehensive product management, we carried out 433 transactions for COP 1.5 billion through Finagro's credit lines, supporting the country's production chain.

#### We were the leading bank in the Unidos por Colombia Program, supporting payroll payments.

In order to support companies during the crisis caused by the pandemic, the Colombian Government implemented the Unidos por Colombia Program to help companies access lines of credit for their reactivation, through a system of guarantees provided by the National Guarantee Fund.

Since it was launched in April, we set out to be the program's leader, reaching loan disbursements for more than COP 2.7 trillion in the year.

We participated with 60% of the total disbursements of the Payroll Payment credit line from the National Guarantee Fund's "Unidos por Colombia" program.

Through this effort, we were able to benefit more than 7,000 medium and large companies under the payroll and working capital lines with COP 1.8 trillion in disbursements, and we supported close to 17,000 micro and small entrepreneurs with COP 914 billion disbursed.

#### Committed to formal employment

Committed to supporting our customers with the payment of their payroll obligations, we participated in the Formal Employment Support Program (PAEF, for the Spanish original) and Service Bonus Payment (PAP, for the Spanish original) programs, subsidies created by the National Government to support the country's entrepreneurs and reduce the impact of the pandemic on formal employment, thus benefiting 14,572 companies for a total of COP 656,799 million at December 2020. In line with this commitment, we created in record time an administration system which included a customer management module and a response module for Bank's employees, in order to manage the payroll subsidies provided by the Government in an agile manner, responding quickly to customers' needs in view of the crisis generated by the pandemic.

#### Payment services tailored to a new reality

In association with Visa, we implemented the Visa Intellilink tool, through which we make it easier for companies to legalize expenses through their cell phones, allowing company employees not only to review corporate cards' transactions, but also to manage and legalize their day-to-day expenses online. In this way, we strengthened the value offer for 2,196 customers who did not have this service.

We were the first bank in Colombia to launch this functionality, thus consolidating our leadership in the Visa franchise commercial solutions business.

#### Easy, fast and increasingly green collection services

Through the Recaudo Verde® strategy, in 2020, we supported companies in reducing the use of physical documents through the issuance of digital payment coupons, so that users can display them on their mobile phones at branches and in more than 35,000 banking correspondents.

Through this initiative we preserved more than 42 trees and prevented the use of more than 1,122 reams of paper, equivalent to 2.54 tons. We also prevented the generation of 2,619 kilos of waste, 7.56 tons of CO2 and freed the consumption of 218,101 liters of water and 28,236 kWh of energy.





We moved forward in our digital payment method, offering users the option of charging their bank accounts or credit cards, as they prefer, by clicking on the coupon, which can be integrated with AvalPay Center or the Electronic Payment Portal, and make the user experience even more digital, managing to issue more than 261,174 coupons.

Due to the positive impact on the environment of this feature, we were awarded in 3 categories of the Latin America Green Awards, which showcase the best socio-environmental projects in the region. We were nominated in the categories of Solid Waste Management, Production and Consumption and were finalists in the Sustainable Finance category, being the only financial institution among the 3 best socio-environmental projects, beating 2,540 projects from 25 countries.

#### We continue to encourage sustainable investments

In line with our sustainability strategy, we continue to place among our customers our Sustainable Development Credit Line, which through partners such as Auteco Mobility, we offer attractive financing conditions (rate, term, amount and grace period) for individuals and companies interested in acquiring electric vehicles.

We also continue to strive to support projects and investments that seek to reduce negative environmental and social impacts. Our most representative customer this year was Eléctricas de Medellín - Ingeniería y Servicios, who engaged in the construction of high-voltage lines and substations, to which we disbursed COP 8.7 billion for the replacement of lighting fixtures with LED technology in the municipality of Bello, Antioquia.

We are a Bank committed to the promotion of sustainable finance, which is why we periodically hold the Green Committee, with the participation of various specialists from strategic areas, targeted at encouraging the development of products, carry out new transactions, and develop innovative initiatives through synergies among them.



#### We are participating in the projects that build the country

For the purpose of improving the quality of life of the inhabitants of Puerto Carreño, capital of the Department of Vichada, which historically depended on energy supply from Venezuela, Refocosta, a company with extensive experience in forestry issues, identified the need to build an electrical complex with the capacity to provide this utility. In order to meet this objective, the plan was made to build two power generation plants, a conventional diesel power plant with the capacity to generate 4.5 MWH, which is already operating and supplying Electrificadora del Vichada, and a non-conventional biomass power plant with the capacity to generate 4.5 MWH.

This project provides the community with great benefits, such as the supply of stable, continuous energy to the capital's 18,000 inhabitants, elimination of dependence on energy supply from Venezuela, acquisition of energy independence along this border by the Colombian government, promotion of employment and the generation of less carbon particles, since the required trees capture a higher amount of carbon than the carbon generated by the emissions. This is the first biomass power plant to be built in the country, with technological contributions from renowned suppliers.

The project costs COP 86 billion, of which we financed 78% with resources from the sustain-

ability line. To date, the project is 80% complete and construction is expected to be completed within the first four months of 2021.

#### We support the projects of companies in our Corporate and Medium Enterprise segments.

In 2020, we supported different financing projects focused on responding to the challenges raised by the pandemic, such as the expansion of the installed capacity of Clínica Chicamocha which, with a COP 16 billion loan corresponding to 74% of the total purchase value of new headquarters in Bucaramanga, increasing hospital beds from 170 to 235, as well as strengthening the installed capacity for COVID-19 patient care.

As part of this project, Clínica Chicamocha also purchased Clínica Conucos, for COP 22 billion, announcing its reopening after being closed for almost 3 years, especially but not exclusively, to attend COVID-19 patients. A total of 40 new hospital beds and 15 ICUs (Intensive Care Units) were added to the 37 that Chicamocha Clinic already had available for COVID-19 patients, expanding the capacity for other pathologies that require special care.

In 2020, we developed different initiatives to support the sustainability and growth of medium-sized enterprises in our country, which allowed us to reach a portfolio balance of COP 3.2 billion with a 28.1% growth compared

to 2019, a result supported by COP 2.1 billion disbursements in 10,342 transactions that benefited 3,207 companies.

Additionally, in 2020 we created a commercial action model to meet the specific needs of our corporate customers, which allowed us to increase coverage and create more than 550 new payroll agreements.

#### We support the change of administration in municipalities and departments

We support our customers in the public segment, in order to learn about and support the development plans of the new municipal and departmental administrations. During 2020, we disbursed COP 356 billion in loans that contributed to the administrative management of regional authorities.

The projects financed include the renovation of a sewer line in Pasto, which crosses the city from east to west, and the upgrading of networks in adjacent neighborhoods and the Mijitallo wastewater treatment plant. For this project we disbursed COP 15 billion to Empresas de Obras Sanitarias de Pasto - EMPOPASTO, through Findeter's special Emblematic and Sustainable Cities line.

The execution of the project will help improve the quality of life of 95,000 inhabitants of Pasto by reducing flooding risks and implementing bike paths and pedestrian trails throughout the city.



**We support the sustainable growth of our coffee growers**

We ended 2020 with 390,000 coffee growers enrolled as customers through the Coffee Grower’s Savings Account, achieving banking access to 75% of coffee growers affiliated to the National Federation of Coffee Growers.

The “Canal Cafetero” (Coffee Grower’s Channel), our web-based app that allows coffee growers to carry out transactions such as coffee sales and cash withdrawals at coffee purchasing points and agricultural supply stores authorized by the Federation, reported more than 32 thousand coffee purchases and close to 4 thousand cash withdrawals in 2020.

Similarly, our multichannel offering for this segment led to an increase in the number of transactions of 18.6%, compared to 2019, reaching a total of 1.48 million transactions valued at approximately COP 567 billion, 53% of which were carried out at ATMs, 16% at branches, 14% through banking correspondents and 11% at commercial establishments, among others.



**Microfinance + Digital**

In the microfinance channel, we implemented a digital tool for prospecting and approving transactions, which furthermore enables the opening of savings accounts directly at our customers’ businesses. In 2020, we were operating in more than 760 municipalities, generating greater financial inclusion, especially in rural areas, and providing banking services to more than 16,000 Colombians so far this year.

**E+E – Payroll**

In order to provide a comprehensive service to our micro-entrepreneur and SME customers, we developed the E+E (Enterprise+ Employee) payroll strategy, which allows us to build customer loyalty through a differentiated offer for their employees, reaching 13,301 active payroll agreements, representing a 33% growth over the previous year.

**We are working to be the best partner of our retail customers**

**Payroll loans in accordance with the employee’s sector**

Through the new digital channel for Police and National Army agreements, we optimized response and access times, going from financing the needs of 62,149 members of the armed forces in 2019 to 71,842 in 2020. Similarly, designing offers targeted by sector, we achieved an annual growth in the number of customers with payroll loans of 19.5% in pensioners, 3.4% in teachers and 2.0% in public sector employees. These initiatives allowed us to achieve a staggered recovery, given the circumstances, with an annual average monthly growth of 24.3% in new disbursements since August 2020, surpassing our daily disbursement record of COP 52 billion in a single day on November 30.

To support customers who depend on their monthly salary, during the health emergency, we benefited more than 38,200 customers with financial reliefs, helping them to optimize their

cash flow and continuously improving the value offering of the product, positioning us as one of the four banks with the most competitive rates.

**Greater proximity and benefits with our credit cards**

In 2020, our portfolio adjusted to the new normality, digitalizing access to credit card retail portfolio, which led to an increase in new credit card placement through digital channels (tablets at points of sale, Mobile and Online Banking) from 48% in 2019 to 77% in 2020. We also created and strengthened strategic relationships with our Telco partners (Tigo, Movistar and Claro), positioning them as one of our main sales channels, through which we placed 30,679 more cards than in 2019, representing 34% of total portfolio sales.

Conversely, we launched an exclusive marketplace site supported by partnerships between different businesses and Banco de Bogotá, through which our customers now have special discounts on their purchases, a strategy that, along with the three VAT-free days during the year, generated a record turnover of 91 thousand transactions for COP 28,567 million per day. These are significant figures when compared to the daily averages, reflecting our support to the economic reactivation in the different regions where we operate.

**We are facilitating house acquisition**

We have played an active role in the National Government’s initiatives to facilitate loan access with the benefits provided by these programs to new homebuyers. We were the first Bank to disburse loans under the FRECH NO VIS program, which was launched in September 2020, and by the end of 2020 we have benefited more than 400 customers for an approximate value in disbursements of more than COP 61 billion. We were the first Bank to offer a rate discount and a benefit extension for 3 additional years, which represents an additional benefit of more than COP 8.1 million for all customers who meet the conditions to purchase a home through this program.

With regard to the Government’s “Mi Casa Ya” program, down payment subsidies for buyers of Priority and Affordable Housing (VIP and VIS, for the Spanish original), we disbursed more than 5,442 loans, amounting to more than COP 258 billion, up 33% from 2019, highlighting our benefit of extension for 8 years in addition to the 7 years granted by the Government.

Line	COP billion	# of transactions	% Share
Direct Loan	\$174	3,089	95%
Residential Leasing	\$7	51	4%
Portfolio purchase	\$1	11	1%
<b>Total</b>	<b>\$182</b>	<b>3,150</b>	<b>100%</b>



Despite the challenges caused by the COVID-19 situation, we granted 1,059 more loans than in 2019, thanks to the benefits in home pricing and the digital transformation process, which was vital for achieving this result. Through [viviendadigital.bancodebogota.com.co](http://viviendadigital.bancodebogota.com.co), we approve applications for home loans or residential leasing without physical documents for up to COP 200 million. Through our digital home loans, we went from disbursing 283 loans in 2019 for a total of COP 18,767 million to 3,150 digital loans in 2020 for more than COP 182 billion, accounting for 17% of the total mortgage loan disbursements in the year.

Through the different strategies implemented and absolute commitment to become Colombia's best ally to accessing homeownership, we reached a portfolio balance of more than COP 4.3 billion and carried out more than 57,700 transactions.

#### We grant agile consumer loans

Continuing with the expansion and strategic focus on digital solutions, during this period we managed to increase the digital channel share in the origination of unsecured consumer loans, exceeding the amount disbursed in 2019 by more than 59 thousand transactions for COP 236 billion. In addition, thanks to the Fondo de Garantías de Antioquia (FGA, for the

Spanish original), we granted unsecured loans to 42,559 customers who, with the backing of this entity, improved their risk profile in order to receive financing. In addition, by strengthening our strategic partnerships, we disbursed a total of COP 9 billion in loans, through 3,157 transactions, thus consolidating alliances with different companies by providing financing solutions to our shared customers.

#### We contributed to the higher education of youths

By renewing in February, the Colfuturo credit line, aimed at students who have loan-scholarship with the entity to finance higher studies abroad, students can access a preferential rate of 10% P.A. to finance their professional studies. Through this program, we disbursed COP 3.61 billion, going from benefiting an average of 3 students per month in 2019 to an average of 6 in 2020.

#### We facilitate access to vehicle loans

Between May and August 2020, we implemented the "Approval on First Contact" model, enabling our customers to apply for their vehicle credit approval during quarantine, without physical contact. Besides contributing to our customers with this service, and providing a quick and timely strategy, this feature allowed us to



boost growth in product originations, reaching disbursements of more than COP 174 billion, supporting more than 4,000 customers.

The efforts to improve vehicle loan, strengthening our partnerships and improving the operation, led to the best historical outcome in terms of amount disbursed in one month, in July 2020 at COP 78 billion, exceeding the COP 65 billion achieved in December 2019. Similarly, we were the Bank with the highest market share growth in 2020, as we went from sixth to third place in loan placement for new vehicles.

#### We got closer to the country's pensioners

To protect the health of and facilitate the delivery of monthly allowances to our pensioned customers, we created a centralized account opening process, with the basic data of customers over 70 years of age who used to collect their pension through a teller without having a savings account. In this way, we delivered debit cards to their homes, providing them with access to their pensions without leaving home, an initiative through which we provided access to 69,400 pensioners to the banking system. In turn, we worked together with Colpensiones on the Pension Payroll System (Sistema Nómina Pensional (SNP, for the Spanish original)) project, which considered changes in payment structures, optimization in payment receipts issuance and the preliminary opening of accounts for new pensioners, which enabled us to double the number of pensioners included in the banking system in 2019, from 21,536 to 48,646. At December 2020, we served 258,454 pensioners, with loans for more than COP 980 billion and savings products amounting to more than COP 1 trillion.

#### We expanded and strengthened our insurance portfolio

By adapting to the new reality, in the second half of 2020, we expanded our self-service channels for the acquisition of voluntary insurance, in both online and mobile banking, by providing insurance product for credit cards and payroll accounts. Under propensity models designed for each customer, we provide specialized at-



tention and an ecosystem of services with special benefits such as access to the leading virtual education platform COURSERA, which provides a superior university-level learning experience. Across our branch network, we innovated with a remote sales tool, which allows us to make sales to the customers inventory; we also included our personal accident insurance policy in digital payroll loans for new placements under the military and police force agreements.

In mandatory or required insurance management, our vehicle loan portfolio allows customers to estimate their all-risk policy with three insurance companies, selecting the one that best suits their needs. In turn, for home loans and residential leasing, by acquiring our group life insurance policy, customers get a fixed rate at an age-based rate, further adjusting the product to each profile.

#### We Boosted the Premium Family Segment

In order to strengthen the value offer for our customers, in August 2020 we relaunched the Premium Family segment, an initiative aimed at expanding the coverage of premium customers to their families, so that they have ac-

cess to the relationship model and other attributes of the value offer that we provide to this segment. The program, which has been widely welcomed, ended 2020 with 1,093 customer enrollments, of which 747 are new customers and 346 were reassigned, with 1,298 related products, equivalent to COP 50,225 million in accumulated products.

### We worked on improving for our Preferred and Premium customers.

Since 2020, we have been working on improving the affluent customer experience by redesigning the customer service model and the value offer in the preferred and premium segments, in order to attract new customers, support them in each of their life projects, provide new benefits and build long-term relationships. During this year, we held exclusive events for our premium customers, such as webinars on topics of interest, achieving a participation of approximately 300 people, with important results in our relations with these segments.

### The Colombian people placed their trust in us

The Bank's savings, checking and term deposit products have become reliable options to hold Colombians' savings in times of great uncertainty. Additionally, they allowed the deposit of funds derived from the COVID-19 situation, such as migration of safe-haven capital and subsidies from the National Government such as the PAEF) and Solidarity Income; which, in addition to other product strategies such as E+E Now, digital microsavings account, e-wallets and digital Term Deposits, led to a growth in deposit balances of 16.4% for retail and SMEs.

### We put color into the future of Colombia's children

On August 1st, 2020, we became the first Bank in the world to develop a donation program through purchases with the Unicef Debit Card, allowing customers to donate 1% of the value of their purchases to Unicef. The Bank, in its firm purpose of contributing to society, contrib-

utes an additional value matching the amount donated by the customer, in order to support programs aimed at the education of Colombian children. By December 31, 2020, we had placed 95,729 cards, and between our customers' contributions and those made by the Bank, we donated COP 143 million to Unicef during the year.



**Between our customers' contributions and those made by the Bank, we donated COP 143 million to Unicef during the year.**



### We support our customers and strengthen our International and Treasury portfolio

#### We successfully adapted to the virtual world

Despite the complex market environment and the high volatility of the first half of 2020, we cautiously managed our foreign exchange risk and quickly adjusted our assistance channels for real and institutional sector customers in the foreign exchange and derivatives business.

The challenges imposed by the pandemic in relation to trading activities and closing transactions with customers, were successfully managed, by implementing remote connections and complying with the security requirements of trading rooms. On one hand, we managed to dynamize and promote foreign exchange trading through the portal, with significant growth both in the number of customers enrolled in the channel and in revenues, which increased by 36% when compared to 2019. In addition, we implemented a new multi-call phone system to increase the timeliness and security of our contact with customers.

#### Our results were recognized

For the eighth consecutive year, in December 2020, Global Finance recognized the Bank as the Best Foreign Exchange Provider at the country level. This recognition reflects our high capacity to generate competitive prices for our customers, our constant support for the development of the foreign exchange and derivatives market in Colombia, and the use of state-of-the-art technology for efficient processing and administration of our transactions.

#### We achieved outstanding results in the management of our Fixed Income portfolio

The drop in foreign and local interest rates provided opportunities to increase the Bank's position in its fixed income portfolios and generate income that significantly supported the annual results. Similarly, arbitrage between the securities and derivatives markets was used to optimize the profitability of the Bank's various investment vehicles. Finally, in order to generate efficiencies in daily operations, processes that can be replicated by advanced technological tools (e.g. robots) were identified and significant progress was made in their design.



#### We maintained high standards in liquidity and institutional funding management

One of the key aspects to offer our customers a competitive loan portfolio is the proper management of our funding sources. In 2020, our institutional customers had access to Time Deposits indexed to different variables and with terms of up to 3 years, as an attractive investment alternative for their liquidity surpluses. By the end of the year, the total balance of Time Deposits placed by the Bank's Treasury was close to COP 10 billion, providing us with great stability in local currency funding.

We also continued to stand out in the efficiency indicator of the bank's legal reserve, which measures the liquidity management of the entities in the Colombian financial system. We continue to maintain a broad network of foreign correspondents that provide ample leverage to our foreign currency management and consolidate our position as one of the main providers of dollar-denominated loans in the corporate and business segments.

Finally, in 2020, we expanded our program to purchase dollar-denominated loans from Latin American financial institutions, which further diversified our foreign loan portfolio.

#### In view of the situation abroad, we strengthened our support

The lower dynamics of foreign trade and the increase in the exchange rate in 2020 significantly affected the performance of the foreign currency portfolio and other services related to our customers' international operations. In response to this situation, we strengthened our virtual channels and implemented support plans with foreign currency loans. In 2020 we granted 1,951 financial reliefs for USD 466 million to 632 customers, in line with the framework provided by national regulations.

The confinement measures did not slow down our commercial activity and our specialized foreign trade consultants made around 10,200 virtual visits and trained 425 customers in foreign exchange and means of payment. The considerable uncertainty of the environment abroad made it necessary to provide our customers with much closer and ongoing support in the management of their funds in foreign currency.

In fact, in 2020, we received significant funds inflows from both existing and new customers, who wanted to keep their liquidity in US dollars safely in our agencies in the United States and at our branch and Subsidiaries in Panama, resulting in a 60% increase in foreign currency deposits from middle market and corporate customers.

#### We continued to innovate and streamline operations in foreign currencies

Thinking about easing compliance of foreign currency transactions, digital transfers and withdrawals were implemented on a mass scale, as well as the service of permanent instructions for foreign currency purchase and sale transactions, thus minimizing customers' transaction times and creating a better service experience.

In this regard, we made progress in the digitization of import letters of credit, counter-securities and financed transfers. We have enabled payment to suppliers to the same account in different currencies, automatic validations in the registration of third party accounts and the functionality to pay obligations directly from foreign currency accounts through the portal.

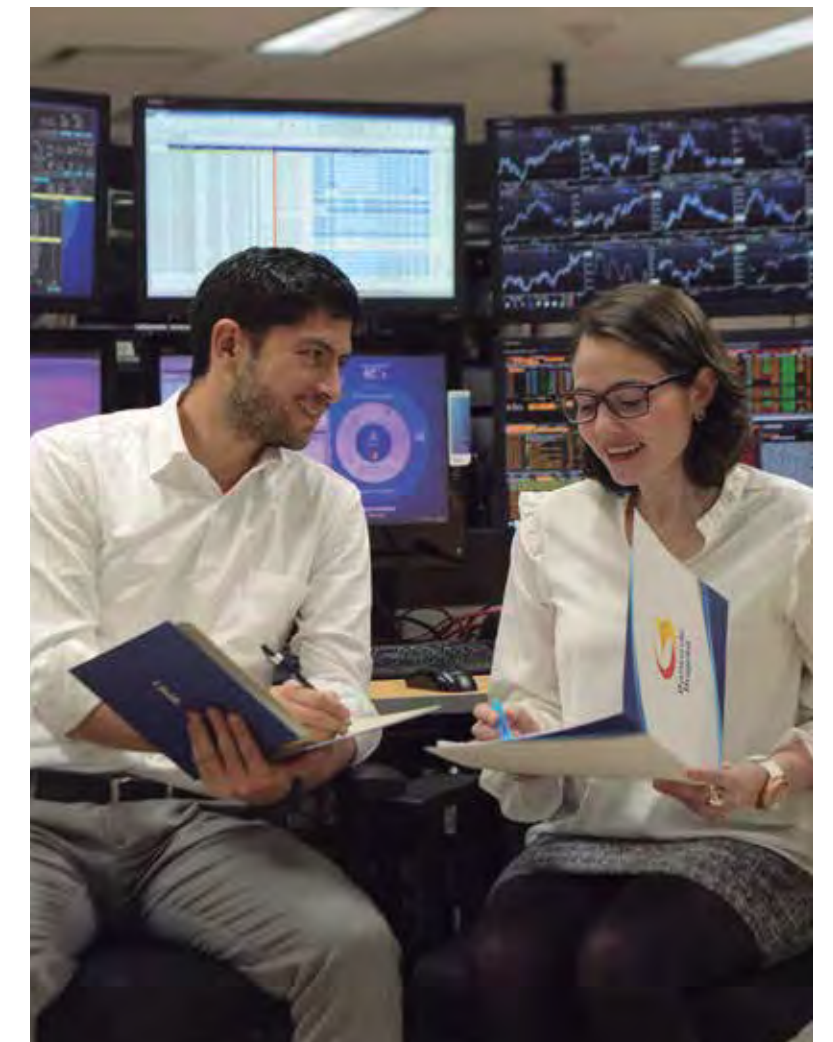
In order to streamline our services, we implemented a pilot of Host-to-Host service in our Agencies, which will allow customers to make payments automatically and receive daily account statements for their bank reconciliations, and we implemented the pin service for new debit cards via SMS for retail customers of Banco de Bogotá Miami.

Finally, in the SISCOMP tool, which is essential for importers and exporters, we optimized the module for uploading missing information, solved inconsistencies in Form 10 and enhanced the mass printing module.

**We issued our first Green Bond in September for COP 300 billion, representing Grupo Aval's first thematic bond. The issuance was a success in the market with a demand of more than three times the amount offered and a very competitive rate level.**

#### We were the first entity of Grupo Aval to issue a thematic bond

Continuing with the responsible management of our funding sources, we structured and completed approval for the issuance and placement program of ordinary bonds, ordinary green bonds, ordinary social bonds, ordinary sustainable bonds and subordinated bonds for up to COP 5 billion, from the Financial Superintendence of Colombia. Under this program, and returning to capital markets, we issued our first Green Bond in September for COP 300 billion, representing Grupo Aval's first thematic bond. The issuance was a success in the market with a demand of more than three times the amount offered and a very competitive rate level.



## Analytical Capacity and Digital Transformation

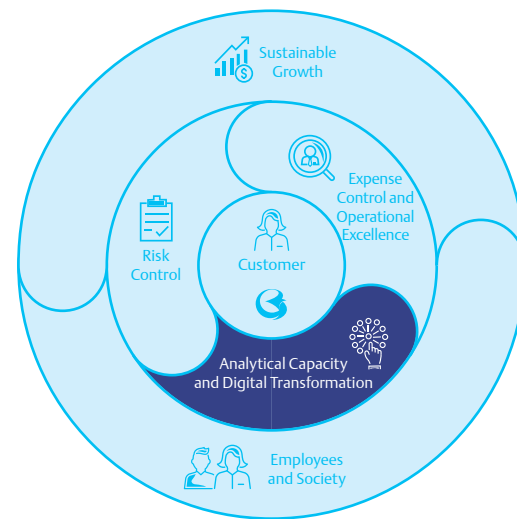
We transform our customers' lives by offering digital experiences, applying technology to business processes and strengthening our capabilities in data analysis.

For more than two years, we have been developing a digital transformation strategy that has resulted in great achievements and a change in the service we offer to our customers. Our digital product offering is the most extensive on the Colombian market, which has earned us important awards worldwide. In 2020, in addition to continuing to strengthen the digital product offering, we focused on improving customer experience in a comprehensive manner, prioritizing digital transformation of processes, customer service management, resilience of technology platforms, cybersecurity and risk management.

### A challenging year that made us stronger

2020 was a year that led us to considerably accelerate our Bank's digital transformation strategy, as was the case with most organizations, due to the crisis caused by COVID-19. As a result of the arrival of the Coronavirus, we were faced with the greatest mobility restrictions in the recent history of the country, so in just one month, we developed and enabled the technological capabilities to allow employees and customers to continue to perform their functions and meet their financial needs from home. Thanks to the implementation of new technologies, we managed to optimize teamwork and employee communication, enabling the tools of the Office 365 suite, which meant that one month after the mobility restrictions began, more than 86% of the staff of the administrative offices were already working remotely.

During 2020, we adopted new models to create apps in a more efficient and timely manner.



Implementation and optimization of new ways of doing things made us leaders on the market, thanks to the acceleration in the adoption of agile methodologies and DevOps for the development of information systems, improving the life cycle of apps and enabling teams to focus on self-management of software development. The impact of this strategy allowed us to improve the time-to-market of the products offered to customers, increasing the productivity of the software development factory by 200 basis points, compared to 2019.

In order to generate efficiency in the process of building apps, we made progress in our technological architecture and continued with the strategy of enabling digital transformation schemes through public clouds from the main providers worldwide (Amazon, Microsoft, Google and Oracle). By evolving to apps designed in IaaS/PaaS cloud and to fully serverless schemes, we managed to improve the transactional load, response times and availability level, thus improving our customers' experience. To date, 27% of the Bank's apps are running in the cloud.

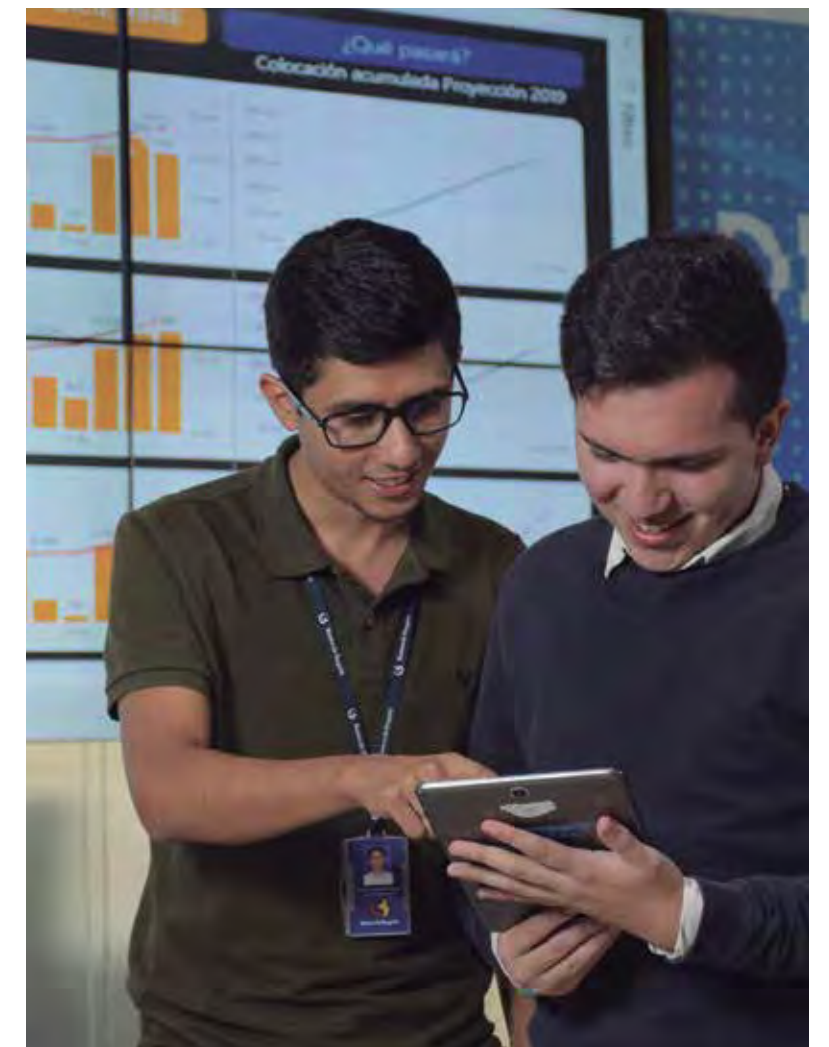
Along the same line, the communication and information transmission schemes between cloud and on-premise platforms were optimized, enabling a hybrid multi-cloud architecture model, which allows the scaling of modern apps in the

organization. As part of this strategy, we migrated our main databases to a private cloud-based ecosystem, which allows us to have more than 40% of our databases in an in-house private cloud environment. In turn, to improve the transmission of customer service information, we optimized the telecommunications infrastructure, implementing the software-defined WAN network (SDWAN) in our branches, with state-of-the-art technology to enhance capacity, visibility and reduction of response times in the event of communications link failures.

For more than 2 years, we have been working on a data strategy to increase the organization's analytical capacity. We developed the technological platform for data management through the implementation of the Data Lake, which is based on an advanced data management platform that allows us to strengthen the organization's advanced analytical capabilities through Big Data technologies such as Spark and Hadoop, promoting a change in the culture of data use and processing. To take on this challenge, we created new teams with specialized talent (engineers, architects and data scientists), responsible for generating best practices and guidelines for information management, generating coexistence with the current analytical environment, always ensuring security and integrity of the information.

In order to strengthen the visual analytical capacity of the business areas, we added a new information visualization tool to the data strategy: Power BI, which enables the quick and simple construction of analytical dashboards, strengthening decision making in order to leverage business growth. In 2020, we created the infrastructure and governance foundations that will enable us to provide internal areas with the elements they require in 2021 to enhance their business results, leveraged on information management.

A fundamental part of the development of our digital transformation strategy is the communication models with our customers, which, due to the effects of the pandemic, are increasingly digital. To strengthen this front, we enabled the digital marketing tool: Oracle Marketing Cloud, providing campaign automation capabilities



and micro-segmentation of the organization's customers, looking to improve customer' experience and their interaction with the Bank. In addition to allowing us to improve the experience, this strategy fostered growth in the placement of digital products and market share in consumer banking.

### We increased our portfolio of digital products

Although 2020 was a challenging year, we managed to increase our portfolio of digital products, which currently consists of savings accounts, credit cards, personal loans, mortgage loans, payroll loans, insurance, Time Deposits, mutual funds, microcredit, debt purchases and payroll advances.

With a mindset focused on principles of agility, a product culture in the making and the commitment to generate successful experiences with the development and launch of digital products tailored to our customers' needs, we are increasingly on track to fulfilling our purpose of changing the lives of the Colombian people. Through financial solutions that allow them to access the products and tools they need to achieve their goals and make their dreams come true, we are a digital banking benchmark in the country.

### We transformed the experience of our customers

We are constantly working to provide our customers with the best experience when acquiring a new product with the Bank. This way, in a matter of minutes and just a few clicks, our customers can access the product that best suits their needs. This fast, simple and paperless

experience has enabled us to reach record numbers. By the end of the year, we exceeded more than 1,635,000 digital products placed since the start of our digital transformation in 2017, of which more than 50% were acquired in 2020.

Today, 2 out of every 3 savings accounts placed by the Bank are digital. Similarly, about 70% of personal loans and more than 80% of credit cards are applied for through our 100% digital process. Now our customers have more time, without having to commute to a branch or require a consultant in order to acquire the products they need.

### Buying a home had never been easier

Supporting the commercial effort and with the wellbeing of our customers in mind, we created innovative tools so that they can easily access financing for home purchases, remotely. To do so, we launched the mortgage link solution,

which allows our advisors to send a link to the customer for them to apply for a mortgage loan and receive approval in just 5 minutes. In 2020, 51,214 loans were approved through this solution, allowing for a total growth in mortgage loan approvals of 616% compared to 2019.

### We built a digital ecosystem for payrolls

Our developments for payroll products allow a customer who wants to open a payroll account with us, to do so in less than 5 minutes through our digital solution while, during the process, being able to access complementary products that meet their needs, such as unemployment insurance, credit cards, loan portfolio purchase and payroll advances. In 2020 we placed 234,250 payroll accounts through this ecosystem, which accounted for around 48% of the savings accounts placed digitally during the year.

### We created an accessible solution for payroll advances

Aware of the importance for our customers to have resources at the most important times in their lives, they can now activate the payroll advance product when they create their account and access through virtual banking, the possibility of requesting a partial advance on their salary whenever they need it. In 2020, 16,095 customers carried out the activation to gain access to this product, providing them with a solution to relieve situations that could impact their cash flow.

**In 2020 we placed 234,250 payroll accounts through our digital ecosystem.**

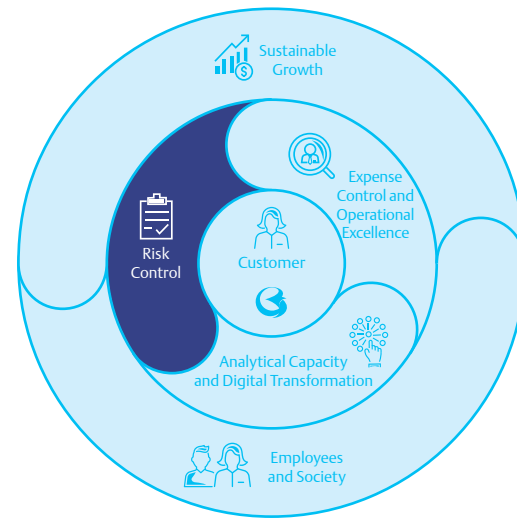
### We allow our customers to invest their capital

We launched our digital Time Deposit solutions and the possibility of investing in a mutual fund quickly and easily for the Bank's customers. These solutions allow people to access new alternatives specially designed to save their money, see it grow over time and fulfill their financial goals. In 2020, nearly 2,000 customers invested their money digitally in these products.



## Risk Control

We comprehensively manage the risks inherent to our business, maintaining healthy, sustainable growth of our loan portfolio and the strength of our balance sheet.



### Prosperity and Inclusion

We manage our business risks in a comprehensive manner



### Credit Risk

In 2020, we faced unprecedented challenges. Even so, the pandemic made us evolve the way we conduct, evaluate and streamline our business, thus providing better service to our customers.

We developed a strategy to deal with the pandemic, based on a new segmentation of the Bank's customers, classifying them on a risk scale that considers different variables such as their current situation and the level of impact of the economic sector in which they operate. This way, we designed solutions for our customers, offering the necessary tools to mitigate the impacts of the current health emergency and support the creation of jobs in our country, without neglecting the quality of our loan portfolio.

These measures will not be transitory, since through this process we were able to identify best practices, incorporating additional information to the analysis of our customers, strengthening the monitoring and generation of early warnings for credit risk management.

The process related to the consumer portfolio in 2020 focused on three key points. First, in or-

der to meet the needs of our customers, we offered financial relief through grace periods that allowed them to weather the initial impacts of the crisis. Subsequently, we granted structural relief, extending debt maturities in order to reduce installment amounts and adapt to their new reality.

As a second focus, we strengthened our models through customer segmentation, based on variables such as payment habits, current customer situation and economic sector. Additionally, we included more effective rules for credit risk assessment in the origination and maintenance filters, without impacting portfolio growth.

Third, we implemented different growth initiatives through strategic partners, addressing new segments that were underserved and expanding the quick approval portfolio, in order to continue improving the customer experience, achieving a percentage of digital disbursements in 2020 of 64% for credit cards and 32% for personal loans.

In order to meet the challenges posed by the pandemic, we made adjustments to the Bank's analytical models to more appropriately estimate the expected risk levels of customers. The

increase in additional general provisions was made within the framework of prudent risk management to allow us to address any additional impairment that may arise in 2021.

We advanced in the development of Machine Learning methodologies, building models focused on fraud prevention and analysis of the use of existing limits to support the Bank's loan granting and management process.

We also adopted additional activities and/or controls in the view of extraordinary contingency conditions for issues related to treasury risk, adapting to updated regulations.

### Information Security

Through information security and cybersecurity management, we ensure identification, assessment and management of information assets and their risks, according to the impact they represent for our organization. To do so, we have a set of mechanisms that enable us to protect our stakeholders' data.

Our Security and Cybersecurity strategy has been strengthened over the last few years. In 2020, the challenges brought by digital transformation increased exposure to cyber risk, which led us to strengthen the talent and management model for cybersecurity. The new paradigms of app development and new technologies such as Cloud Computing led us to create and optimize digital security models and the human talent to manage them.

### Prosperity and Inclusion

We protect our customers' data and we are working to strengthen our information technologies







As part of the security model, we optimized the transactional monitoring model on three important fronts. The first is focused on the different service channels available to our customers, where new measures were included to improve the transactional security of our customers, enabling us to proactively manage the identification and management of fraud. The second involves the strengthening of the cybersecurity model to anticipate the risks derived from the growth of electronic operations resulting from the crisis generated by the pandemic; and the third, also associated with the effects of the pandemic, is focused on strengthening the remote work model for the organization's employees.

Considering the transactional growth of our digital channels, the probability of fraud increased, which led us to improve fraud management in our main channels. In Mobile Banking and Virtual Banking, we implemented new capabilities to support fraud containment, through functional measures and messages sent to customers when they perform transactions, providing them with more elements of judgment to mitigate the risk of fraud. Additionally, we implemented the AML/CFT BAC module, strengthening our multi-regional strategy, including the new subsidiary, Multi-bank, which allowed us to follow up on unusual customer transactions and prevent an increase in fraud in electronic channels.

By using automation capabilities, we managed to automate security and cybersecurity processes on fronts such as access control and identity management. Automated processes in the Security Operations Center (SOC) enabled us to strengthen our security and cybersecurity monitoring capabilities. This included activities such as the development of 5 Playbooks (activity plans) that allow the interested areas to establish actions and act in the event of a cyberattack, such as a compromise of the infrastructure in the event of a Ransomware attack (malware that encrypts the hard disk of a computer and where the attacker demands a ransom for decryption, which is becoming increasingly common in the technological environment).

We would also like to highlight compliance with all regulatory commitments issued by the Financial Superintendence, such as Circulars CE007 - Minimum requirements for cybersecurity risk management, CE005 - Rules regarding the use of cloud computing services, SOX controls on security and cybersecurity, which are strictly complied with, and the certification of the different security programs, which must be complied with, regarding the Bank's apps used by customers.

Thanks to the robust security and cybersecurity strategy, no cybersecurity incident materialized in 2020 that could have affected the integrity, confidentiality and availability of customer information.

## Climate Change Risk

We joined efforts to improve our management in the use of natural resources, contributing to environmental care and preservation and the mitigation of climate change, as the focal point of our actions for a healthy planet. [\[GRI 201.2\]](#)

### Environment

We are mitigating the impact of climate change and preserving natural resources

6



Clean water and sanitation

7



Affordable and clean energy

12



Responsible production and consumption

13



Climate action

15



Life of land ecosystems

In line with our environmental policy and after completing the process of implementing the Environmental and Social Risk Management System - ESRMS, in 2020 we joined the CDP (Carbon Disclosure Project) in order to implement global best practices and, at the same time, strengthen the identification of risks arising from climate change, through access to specialized information on variables related to climate change, forests and water resources. Adherence to the CDP, complements the use of the latest version of the ENCORE tool, which not only assesses the relationship between natural capital and economic activities, but also assesses the impacts caused by alterations thereto. We believe it is important to integrate different tools that complement our analysis through ESRMS, in order to more assertively assess the environmental risks arising from the activities of our customers, as well as the impacts that climate change may have on their operation, being an additional factor of the risk analysis.

Since we consider knowledge a key element for understanding and analyzing environmental issues, we maintained our commitment to Asobancaria's financial innovation pilots by participating in a consultancy focused on renewable energy projects, in 2020. Our team specialized in Project Finance received training that defined a roadmap with the technical, risk analysis, legal and socio-environmental tools necessary to structure and participate in the financing of renewable energy projects, of fundamental importance for the transition of the country's en-

ergy matrix to a more eco-friendly one and the mitigation of climate change.

Learn more about our Environmental and Social Policy here and our website here.

[BdB's Environmental and Social Management Policy](#)

[Sustainability Website](#)



### Environmental and Social Risk Management System (ESRMS)

We are committed to managing the risks related to our operation in order to reduce the environmental and social impact of our customers' activities, including policies and procedures that can be applied in credit evaluations and in the evaluation of investment decisions.

#### Environment

We mitigate the impact of climate change and preserve natural resources

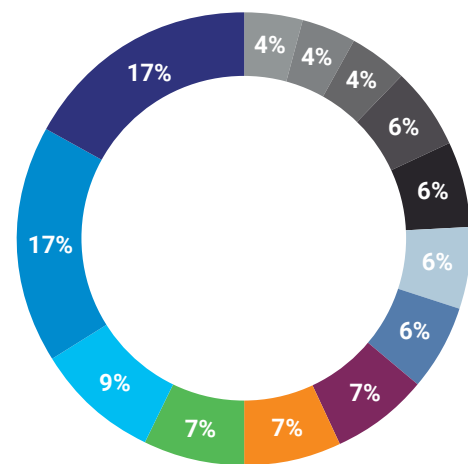


As part of its sustainability strategy, the Bank completed the implementation of the Environmental and Social Risk Management System (ERSMS) in 2020, recognizing the importance of identifying, analyzing and managing the potential environmental and social risks or impacts generated by the productive activities of our customers and how these, in turn, may be affected by climate change factors.

In order to adopt and integrate the best practices for the identification, categorization and monitoring of this type of risk in our processes, we have used national and international standards such as the Green Protocol, the Sustainable Development Goals, the Equator Principles and the Carbon Disclosure Project (CDP), among others, as a guide for structuring and implementing the ESRMS. Consequently, we defined that, for this first phase, the analysis was to be performed on customers with outstanding debt greater than or equal to COP 21 billion, regardless of their economic sector, which represents more than 75% of the amounts evaluated for the entire Commercial Portfolio.

and whether it considers mitigation measures or certifications that reduce potential impacts.

We assess customers based on the information collected in the FIRAS and complement it with external tools from the different environmental authorities to categorize customers into three risk levels: High (A), Medium (B) and Low (C). Once we have conducted the analysis, we are able to identify the possible environmental and social risks, based on which we define mitigation and monitoring recommendations that promote the conservation of biodiversity and the



- Food products
- Construction
- Health and social services
- Agriculture, livestock and fishing
- Textiles, apparel and leather
- Chemicals
- Wholesale and retail chains
- Public utilities
- Rubber and plastics
- Metals
- Business support
- Wood and paper services
- Investors

We included this analysis in the credit evaluation process, where we validate that the customer is not carrying out activities that generate socio-environmental vulnerabilities and, through the Environmental and Social Risk Identification Form (FIRAS, for the Spanish original) we collect information by inquiring about the company's environmental and labor situation, how it obtains its supplies and how it manages the waste generated by its activity, in addition to identifying the different permits or licenses required



sustainable management of natural resources, preventing their contamination.

At the close of December 2020, we evaluated 61 customers with a total amount of loan applications for COP 4.6 billion, of which 26% were identified as High Risk, 59% as Medium Risk and 15% as Low Risk. Based on the assessment, it was determined that 44 customers had to comply with special environmental conditions prior to disbursement and 14 customers following disbursement at a defined frequency according to the specific situation of each customer.

In order to implement the ESRMS assessment, we decided to assess all economic sectors in order to get as much information as possible on the socio-environmental practices of the companies and create a baseline for the analysis of the Bank's customers. The most representative sectors within the environmental and social risk analysis, totaling 44%, are: food products, construction, health and social services, agriculture and fishing, and textiles and apparel.

Given that ESRMS is in its first phase of growth within the Bank, we continued the training process focusing on the key areas for the implementation of the system. During the second half of 2020, the commercial force and the credit areas of all segments received reinforcement on the importance of the implementation of ESRMS as part of the Bank's strategy, the defined policy, the changes in the processes and we addressed the different doubts and recommendations that arose during the training in order to review them and make adjustments to be up to date in the implementation process.

Loans assessed with ESRMS	Number	Amount (COP)
Category A	16	827,824
Category B	36	2,778,439
Category C	9	1,075,763
<b>Total transactions assessed</b>	<b>61</b>	<b>4,682,026</b>

Figures in COP millions

## Emerging risks

The Bank has been working on the identification of Emerging Risks by applying the PESTEL methodology, which prioritizes such risks classified by the following factors: Political (P), Economic (E), Social (S), Technological (T), Environmental (E) and Legal (L). These are new or unidentified risks that have never been previously considered, or known risks that are evolving unexpectedly, which may affect not only a company but a whole sector or the entire economy.

This has made it possible to identify some emerging risks, such as:

- (E) Economic slowdown (deflation, production, unemployment).
- (S) Rapid and mass spread of infectious diseases.
- (T) Increase in the frequency and severity of cyberattacks against financial institutions.
- (T) Dependence on technology (critical outages, disconnection, obsolescence, information in the cloud).
- (E) Extreme weather events and/or natural disasters (floods, hurricanes, storms, droughts).
- (E) Failure to mitigate and adapt to climate change.

- (L) Reforms that allow new entities to provide services specific to the financial system.
- (E) Human-caused disasters (oil spill, fire).
- (T) Mass information theft or computer fraud incidents.
- (E) Deterioration of human health due to air, water and soil contamination
- (S) Social instability (riots, demonstrations, social rejection).
- (L) Increased consumer protection regulations affecting the business.

These risks have been analyzed and are mapped in the risk matrix. Particularly for 2020, two of the risks with the greatest impact on our operation were:

### Risk of economic slowdown

The global crisis caused by COVID-19 has generated significant impacts and a drastic contraction of the world economy.

### Potential Impact on the Business

Slower economic growth could affect the dynamics of loan placement, fees and the banking business in general. In addition, the decline of the labor market and the general economic situation could lead to an impairment in portfolio quality.



## Mitigation Actions

We have defined different strategies to support our customers in difficult times, facilitating the financial management of their products during the pandemic, through the design and implementation of different credit reliefs such as extensions, grace periods and capital re-deferrals, within the framework of Circulars 7 and 14 issued by the Financial Superintendence. All of this provides our customers with payment facilities, allows them to have greater cash flow, avoids defaults and additional interest payments, as well as negative effects on their credit rating.

Similarly, we began to implement the Debtor Support Program (PAD), structured within the framework of Circular 022 from the Financial Superintendence, through which structural payment solutions were proposed to customers, redefining the conditions of their credit through grace periods, installment reductions and re-deferrals, depending on the customer's risk segment.

We also designed new channels and tools to facilitate the request for relief through digital means, to make their requests and to quickly consult the status thereof and the measures taken during the contingency. We strengthened existing channels in order to guarantee that all our customers could access information on relief, implemented advisory services, personalized support and direct telephone contact.

Finally, we strengthened our origination process by fine-tuning our models to the new environment, incorporating new "non-conventional" information and supported the generation of new loans in collaboration with new partners. These strategies allow us to continue to grow without having to take excessive risks given the current situation.

### Failure to mitigate and adapt to climate change

One of the emerging risks that we analyze are the possible failures in the mitigation and adaptation to climate change from the transition



risk standpoint, which refers to the risks derived from the evolution to a low-carbon economy, with possible effects on the operations of our customers and the Bank's.

### Impact on the Business

This risk may materialize if companies do not follow environmental adaptation and mitigation measures, negatively impacting the development of their business and jeopardizing payment of their obligations. On the one hand, the impacts derived from climate change can affect natural capital and raw materials required by industries to maintain their operations; in other cases, certain economic activities have a negative impact on their socio-environmental surroundings, even incurring penalties that require them to stop production.

Considering the direction set by the National Government to address climate change by implementing mitigation and adaptation mea-

tures in the country, the different economic sectors are expected to make major investments in order to meet the goals set for 2030.

**Mitigation Actions**

We have developed different strategies to support and advise our customers in order to anticipate financial and operational impacts and, at the same time, achieve their socio-environmental responsibility goals.

We completed the implementation of the Environmental and Social Risk Management System (ESRMS), based on which we managed to identify possible socio-environmental risks of our customers in order to define action plans and measures focused on mitigating and adapting to climate change.

We promoted sustainable finance through the Sustainable Development Credit Line as a financing product, aimed at reducing the impact generated by our customers' activities.

We created commercial partnerships focused on boosting investment in electric and hybrid vehicles to encourage alternative means of sustainable transportation.

We issued our first Green Bond, in order to use these resources exclusively to finance projects that generate a positive environmental impact and contribute to the mitigation of climate change.

We recognize the importance of continuing to engage with our customers in supporting them and offering them the financing tools required to mitigate transition risks while effectively adapting to the changes generated by a low-carbon economy.

**ALM**

In 2020, the Asset and Liability Management (ALM) team faced major challenges and continued to strengthen its data knowledge, management and processing, as well as the behavioral analysis of the different items, supporting Senior Management in the definition of strategies

and decision-making for the positioning of the balance sheet.

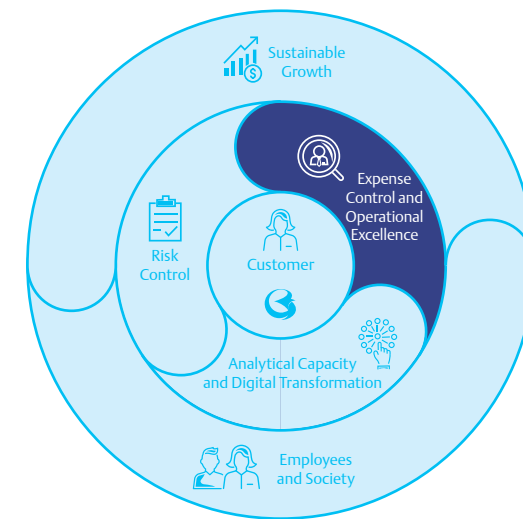
The effects of the pandemic and the global economic environment represented significant changes in monetary policy at the local and international levels which, through the funds transfer pricing (FTP) system, were efficiently reflected, transmitting them to the Bank's different products and managing to maintain our position compared to the competition.

Regarding the funding structure, we structured and received approval for the Issuance and Placement Program of Ordinary Bonds, Ordinary Green Bonds, Ordinary Social Bonds, Ordinary Sustainable Bonds and Subordinated Bonds for up to COP 5 billion from the Financial Superintendence of Colombia.



**Expense Control and Operational Excellence**

We efficiently manage expenses and we make processes agile, simple and secure in order to achieve excellence and efficiency in our operations.



**Environment**

We are mitigating the impact of climate change and preserving natural resources

The effect of the crisis generated by the pandemic allowed us to make great achievements in terms of organizational efficiency. In this regard, we expanded our portfolio of projects that contribute and support the different areas of the organization in achieving business objectives. Leveraged on the pillars of the 6Cs strategy, we implemented more than 40 projects in 2020 focused on business growth and sustainability.

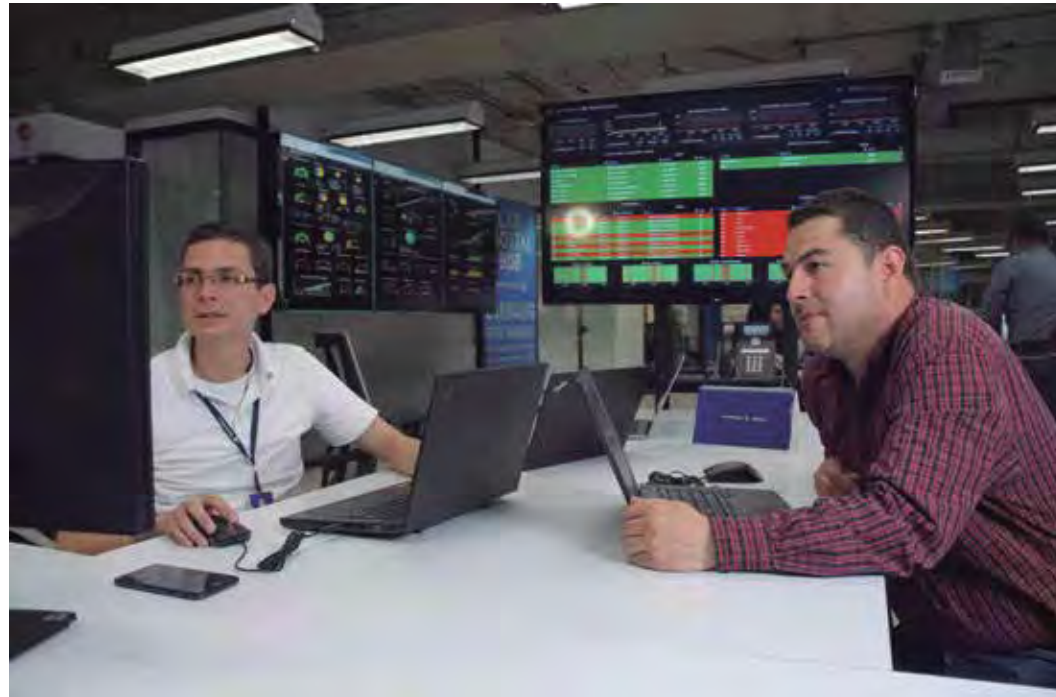
We focused on improving productivity of the services we offer to our customers in order to ensure timely attention; consequently, we designed back office processes in our service branches, which significantly reduced teller service times. We also implemented a new model in banking offices, based on providing self-management tablets integrated with the National Civil Registry (RNEC, for the Spanish original) for customer authentication and recognition, which generated efficiencies and optimization in customer authentication and mitigation of risks of identity theft.

To strengthen our organization's expense management strategies, we worked on initiatives to promote the savings of resources. One of them

is the paperless project, through which we eliminated 160 physical forms, reducing the use of more than 250 thousand sheets of paper per year. On the same front, we optimized the process of sending statements to our customers, so that they can download them from a digital platform. In addition, we improved the time to download statements from the SME and Micro-enterprise Portal (ICBS) from 15 to 3 minutes. More than 70% of the statements generated by the Bank are now delivered to customers electronically.

Furthermore, we created a technology cost optimization strategy, which allowed us to control expenses in 2020. We reduced expenses through strategic drivers such as contract renegotiation, service optimization and licensing, and rationalization or change of technology platforms. The execution of this strategy resulted in a reduction of more than COP 25 billion in the technology expense budget for 2020. Reduction by more than 11% of the annual budget for technology expenses.

**Expense optimization, resulting in annual savings of COP 60 million by eliminating the use of paper, COP 1,500 million by rationalizing cash transport services and COP 1,383 million from new administrative offices.**



## Operational Excellence

Aware of the importance of transforming our processes to offer the best service, in 2020 we redesigned 15 core processes to make them simpler and more agile for customers and more efficient within the organization. We focused on automation, digitalization and addition of value, understanding that, if we want to position ourselves as an agile Bank, we have to make sure that our processes are also agile.

In order to remain a pioneer in the use of technological solutions, we optimized processes through the use of robotization tools such as Robotic Process Automation (RPA) and Robotic Desktop Automation (RDA). These automations have enabled us to reduce manual processes and therefore operational risks. Freeing up of more than 80 thousand hours has made it possible for our employees to focus on activities that generate greater value. In 2020, we managed to set up 52 robots or virtual assistants, which improved 41 processes and benefited more than 60 different areas within the Bank. These automations have generated benefits amounting to COP 3.8 billion.

In order to improve customer experience, promote self-management and promote transactional migration to digital media, we implemented debit card unblocking through Servilínea, benefiting 2,700 customers per month; we simplified the processes for the onboarding of legal entity customers and the renewal of Time Deposits; we created an application for the administration of orders for seizure at all their stages: filing, processing, follow-up and closing, increasing productivity by 20%; we developed the automatic generation of reports, digitalization, savings on printing and scanning of documents; we implemented a new form of payment for credit card purchases by adapting the Mobile Banking channel with QR reading, and we created a new functionality for e-wallets for customers to achieve their saving goals. In addition, by reducing the fields on applications for financial services from 237 to 112, we managed to reduce the time required to complete the form by 50%, which meant savings of 9,167 business hours per month and improved the indicator of document return for these applications by 47%.

In order to provide services that meet the needs of companies, we created the Digital Opening Portal for Companies (ADE, for the Spanish original), in order to facilitate services such as account opening, document uploading and self-management of new developments, with our commercial support. As for service for retail customers, we improved our self-management portal, which allows the self-management of document uploading, product approval and electronic signature of promissory notes in the different commercial flows.

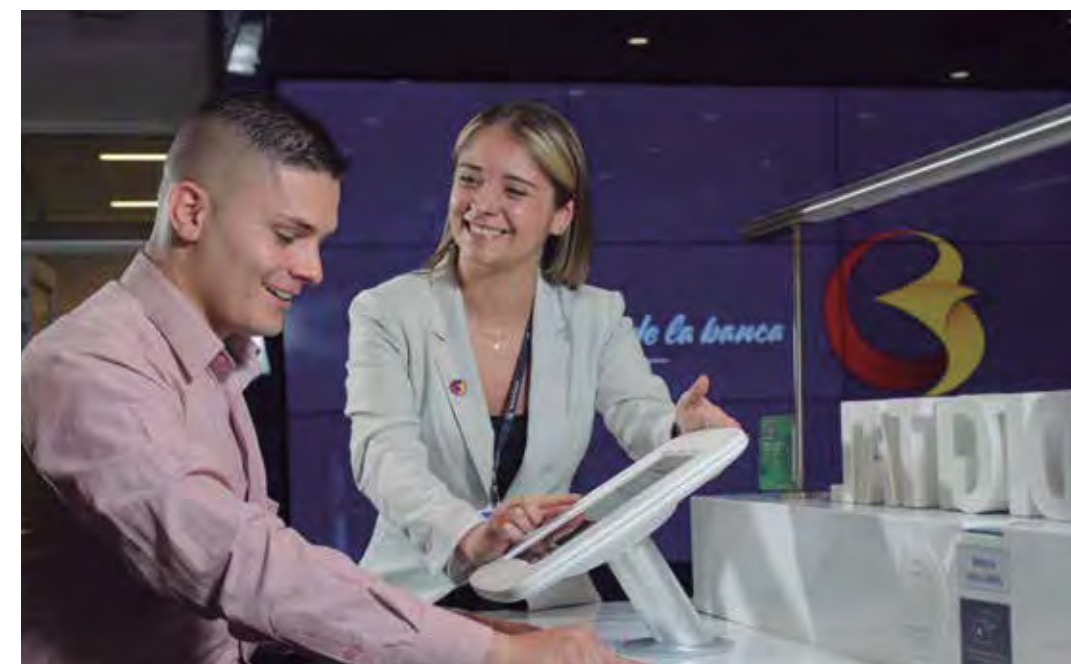
In order to facilitate our interaction with customers, we created a new operating model for routing requests filed through the corporate portals, allowing customers to send information digitally using the tool without going through the corporate service centers and automatically assigning them to the areas that will process them. Since its implementation in the last quarter of 2020, we have processed more than 55 thousand transactions.

Also, in 2020 we received the ICONTEC ISO:9001 certification update for our processes of commercial offering, implementation and service delivery through WEB Service, confirming our

commitment to high levels of availability, excellent service and customer focus.

In the processes related to payroll loans, we managed to reduce the documentation required from customers and facilitate their self-management, we included new sources for consulting information that allow us to increase certainty of the approved amounts and we implemented a credit simulator that has all the financial information and the conditions of the agreement for a more accurate simulation. We also introduced a process for the transmission of information so that the payroll offices could report payments of the new payroll loans in a timely manner, with a result of approximately COP 10,211 million for collection of 100% of the installment.

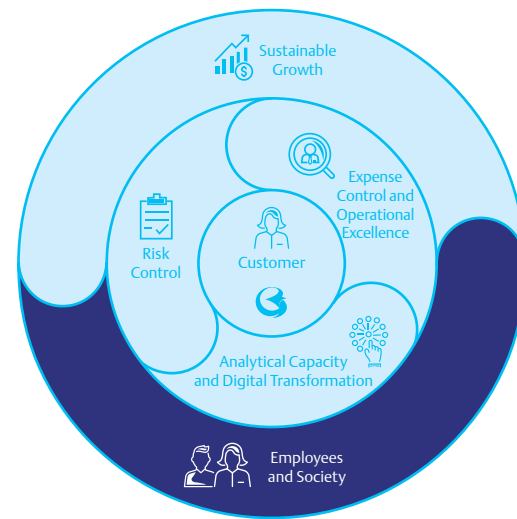
In addition, we expanded the platform for fund collection on-boarding agreements, providing customers who use this service at the branch with the opportunity to migrate to electronic channels. This tool has allowed the enrollment of 1,110 agreements throughout Grupo Aval, and we enabled the digital queue to offer pre-approval campaigns to customers who enter the queue at our branches for teller and/or advisory services, making easier to access our products and services.



In 2020, we received the updated ICONTEC ISO:9001 certification for our processes of commercial offering, implementation and service delivery through WEB Service.

## Employees and Society

Our 6C's corporate strategy establishes Employees as one of its pillars, in order to provide them with ongoing support through programs that help build a better quality of life in all their scenarios.



Our 6Cs strategy defines our impact on people as a relevant pillar, which we reflect in our Employees and society. Employees are our most valuable asset and, in this sense, the permanent support and promotion of their wellbeing and development is our greatest commitment. Our “Somos+” [We are +] philosophy is a statement based on six pillars, based on which we develop talent and generate an impact on society.



**“Somos+” Progress:** We promote the progress of the employees and their families. An example of this group of initiatives is the flexibility of the loans that we grant and the development programs that we design tailored to the teams.

**“Somos+” Wellbeing:** We aim to make our employees feel at home, with initiatives such as flexible hours, teleworking, extension of maternity and paternity leave and the remodeling of workspaces.

**“Somos+” Agility:** We promote an agile, practical and technological approach in everything we do. An example of this is the design of the Excellence Center responsible for automating and digitizing manual processes, using tools such as artificial intelligence. We are also adopting agile methodologies, to become more expedient in the implementation of solutions.

**“Somos+” Service:** We promote the service vocation of those of us working at the Bank to exceed the expectations of the people we

serve. Initiatives such as the development of a metrics ecosystem to monitor referrals in real time between areas, allows us to improve the experience of internal and external customers. This initiative is complemented by the design of an exclusive line to integrally service employees.

**“Somos+” Group:** We provide benefits derived from being a part of the largest financial group in the country. One of our most successful projects is the exchange plan we implemented with BAC, our Central American subsidiary, through which our employees grow professionally and are enriched by a new culture.

**“Somos+” Country:** We encourage our employees to join our commitment to make Colombia a more sustainable, diverse and inclusive country. We have environmental programs for energy efficiency and the reduction of energy consumption, as well as environmental and social volunteering, that allow us to positively impact the different regions of the country, which we have reached with this type of initiative.

## Our employees

[GRI 102.8]

Our commitment to promoting the development and wellbeing of our employees reached significant achievements in 2020.

## Total employees in Colombia by gender and type of contract [GRI 405.1][GRI 401.1]

Figures 2020  
Does not include agencies



### Rates by gender

	Number of employees				New employees	Employee turnover
	2018	2019	2020	Share %		
<b>Total</b>	<b>16,537</b>	<b>16,152</b>	<b>14,675</b>	<b>100%</b>	<b>6.35%</b>	<b>8.27%</b>
Men			5,826	40%	54%	49.70%
Women			8,849	60%	46%	50.30%



### Employees by type of contract

	Full Time		Part Time	Share %
	Permanent	Fixed Term		
Active	9,936	3	5	68%
			-	0%
SENA Apprentices	492		-	3%
Temporary	1,236		-	8%
Outsourcing	3,003		-	20%
<b>Total</b>	<b>14,675</b>			<b>100%</b>



### Gender diversity by type of contract

	Men		Women		Total
	Part Time	Fixed Term	Part Time	Fixed Term	
Active	0.00%	0.02%	0.09%	0.03%	
		99.98%		99.88%	
Civil Contract	35%		65%		100%
Direct	41%		59%		100%
Temporary	35%		65%		100%
Outsourcing	38%		62%		100%
<b>Total</b>	<b>40%</b>		<b>60%</b>		<b>100%</b>

## Total employees in Colombia by gender and type of contract

[GRI 405.1]

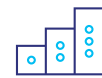
Figures 2020  
Does not include agencies



### Unionized and non-unionized

[GRI 102.41]

	Number	%
<b>Total employees</b>	<b>9,941</b>	<b>100%</b>
Unionized	5,574	56%
Non-unionized	4,367	44%



### Employee distribution by age range and gender

	Men		Women		Overall Total
	Number	%	Number	%	
18 - 25	39	12%	36	12%	75
25 - 35	229	68%	228	78%	457
35 - 45	59	17%	27	9%	86
45 - 55	12	4%	1	0%	13
<b>Total</b>	<b>339</b>	<b>100%</b>	<b>292</b>	<b>100%</b>	<b>631</b>



### Executives

<b>Total executives</b>	<b>0.79%</b>
Women in all management positions, including junior, middle and senior management	0.24%
Women in junior management positions, i.e. first level management	43.59%
Women in senior management positions, i.e. at a maximum of two levels from the CEO	30.86%
Women in management positions in income-generating functions	58.44%
Breakdown of the work force by minority group: foreigners	0.05%

## We provided wellbeing for our employees in times of crisis

2020 brought a very important challenge to our management of human talent. Following the social, economic and health emergency generated by COVID-19, we focused all our efforts on helping our employees to overcome the challenges posed by the pandemic.

For this purpose, and looking after the health and safety of our employees, we designed and implemented a strategy based on 5 pillars: Health education, Productivity while working from home, Wellbeing, Emotional intelligence, and Actively listening to employees.

In order to preserve employees' health, we defined a work-from-home scheme mainly for those working at administrative offices. We immediately assumed the preventive isolation of our vulnerable population, which includes: employees over 60 years of age, employees with basic illnesses, pregnant or breastfeeding employees and employees in need of support for the care of their minor children. Consequently, more than 7,000 people have been working at home since March. We also have dedicated 24 x 7 telephone lines for the care and guidance

of employees on prevention and suspicion of contagion, as well as support for emotional and psychosocial issues. This way, we developed 3 elements that consolidate our risk management:

- Establishment of biosafety protocols for administrative offices, branch network, mobile sales forces and recommendations for those working from home.
- Establishment of a channel for permanent communication through a site exclusively for COVID-19, which achieved more than 60 thousand hits per month.
- Design and implementation of the "Coron-App BdB" app that enables us to monitor the health of all employees on a daily basis and rapidly meet their needs.

During the management of the crisis, we carried out different initiatives to contribute to the wellbeing of our employees and their families, by caring for their physical, mental and social health, supporting their productivity, developing wellness activities, including: more than 10 webinars on emotional intelligence and personal finances led by experts, more than 1,800 individuals impacted through psychological



Following the social, economic and health emergency generated by COVID-19, we focused all our efforts on helping our employees to overcome the challenges posed by the pandemic.

support for dealing with stress and uncertainty, more than 100 communication pieces sent with recommendations and tips for health care, 18 guides socialized with content on how to be more productive working at home and 1 virtual magazine every two weeks with exclusive content to promote the wellbeing of employees and their families.

We also implemented a plan to support family members in the event of the death of family members and employees due to COVID-19. This support includes psychological assistance, financial counseling, economic support by maintaining the salary and benefits received by the employee for 6 months, as well as the possibility for the widow/ widower to be employed with us.

On another note, through a specialized survey tool that ensures data confidentiality, we have continuously monitored the voice of our employees. This has allowed us to understand their perception and how they feel from the different workplaces, quickly finding actions to continue strengthening the support strategy. The results have concluded that 92% of employees feel that their leader has shown genuine concern for the wellbeing of the team, 97% perceive that the Bank has maintained effective communication during the crisis, and 96% say that their work from home has been more or at least just as productive as their work before the pandemic.

### We are working on the transformation of our culture

In addition to our efforts in caring for our employees, we continue to advance in our goal of transforming the organizational culture, a challenge that is becoming increasingly complex and demands a permanent search for tools and initiatives to effectively promote the wellbeing and commitment of our employees.

We believe in the importance of this evolution and the need to attract the best talent to our organization. We have been working on our cultural transformation which has led us on a path of continuous learning, listening and inno-

vation. Understanding the way our employees experience the organization has been our greatest challenge in order to be the place where our people can find the best version of themselves. Therefore, in 2020, we will continue to significantly impact our employees' journey.

The success of a cultural transformation depends to a large extent on its leaders' conviction of the need to do so. Therefore, in this process, our first step was to seek alignment with Senior Management. To do so, we worked with the entire management team to define the desired culture for the Bank, that would allow us to continue successfully executing our strategy. Our leaders are aware that our most important asset is our talent and therefore, this issue is a top priority on their agendas.

Based on our "Somos+" philosophy, through which we frame our talent strategy, we have been implementing our initiatives aiming to strengthen this value proposition for our people. These initiatives also aim to ensure that our employees find in the Bank a diverse and inclu-



sive place where they can grow and, at the same time, see their contributions recognized.

### We are committed to the wellbeing of our human capital

Consistent with our strategy, we have made significant progress in reconciliation activities. With a defined focus on diversity, equality and inclusion, ensuring and promoting absolute respect for human rights, we have policies and benefits that aim to improve the experience of motherhood, responsible parenthood and childhood development. These advances have been decisive in enhancing the way our people experience the Bank.

The progress of our people through benefits that help them achieve their goals and those of their families is an ongoing social commitment; with lines of credit for homes, vehicles and education, we leverage their continued well-being.

Similarly, the digital transformation that we have carried out in recent years, has enabled employees who were previously immersed in more transactional processes and with a high level of document management activity to be retrained, providing them with greater mobility within the organization, as well as the possibility of strengthening their skills by performing new activities.

The improvement of our employees' experiences and interactions, together with the adoption of our culture label and the different behaviors and skills that define us, have been decisive in our recognition by experts as one of the best places to work (Great Place to Work) and as a respectful organization and promoter of diversity (Friendly Biz International Seal).

### We manage knowledge and strengthen our learning culture

Our Banco de Bogotá's Corporate University is a figure that promotes personal and professional growth for our employees. This way, we offer significant learning experiences and provide training resources and means, aimed at enabling and improving performance and developing the



competencies defined by the Bank, thus supporting the construction and appropriation of the organizational culture and strategy.

The University is made up of 6 thematic schools: Personal Development, Finance, Banking and Regulation, Customer, Strategy, Leadership and Management Skills, Technology, Digital Transformation and Analytics.

We also enrolled the second group of employees who will take the Master's Program in Data Analytics, designed to meet the needs of our digital transformation, in partnership with Universidad Central; and we supported more than 1,000 employees in open courses (diploma courses, certifications, congresses, forums), with a total of 19,000 hours of training in this category.



In order to expand the educational offer and in response to the current public health situation, we remain committed to bringing knowledge and relevant training to our employees; therefore, we migrated 42 courses to our virtual training platform, providing greater mobility and access, reaching 11,294 employees nationwide.

We also made progress on our online training with learning platforms, where Coursera, Crehana, McKinsey Academy and OpenWebinars were our partners in 2020 to bring top-level knowledge to our employees in digital transformation, data analytics, innovation methodologies and strategic skills. We established customized learning pathways with leadership support for more than 700 employees.

Committed to and in line with the Bank’s cultural transformation, we launched our Integral Cultural Transformation Program (PIT, for the Spanish original), which aims to strengthen our leaders’ leadership skills focused on our BdB Culture Label, providing 7,925 hours of training for 317 leaders.

Through our young talent program, we remain committed to the country’s youth and their future. In a partnership with SENA, we had 16

more graduating classes nationwide, giving 401 participants the opportunity to study a technical program in the banking sector.

We designed the “Road to Success” training program for Retail Banking, focused on increasing commercial performance and the level of service by strengthening leadership and coaching skills applied to the commercial management of Regional Directors and Area Managers, with a coverage of 160 participants.

Committed to recognizing and valuing the efforts of our employees during the pandemic, we provided the team that successfully led the implementation of the financial relief measures made available to our customers, with a personalized, dynamic and interactive learning space, under the coaching methodology, where we strengthened their skills in empathic delegation, teamwork, leadership and management of change. Fifteen leaders participated in this program, mostly in the design and implementation of relief measures.

We promote specialized training for the optimal performance of our employees in closed courses, providing an update of knowledge and

development of skills such as: teamwork, management of change, strategic planning, customer service and leadership, among others. We reached 1,731 participants in a total of 44,672 hours of instruction in this line of training.

We granted graduate assistance to 77 employees in the amount of COP 627 million: 29% for studies in data science and innovation, achieving a 25% discount for our employees.

**Training indicators [GRI 404.1]**

Indicator	2019	2020
Man-hours of training	935,679	875,503
Average hours of training by FTE	92.7	84
No. of Employees trained	10,096	11,361
Total investment in training COP	3,456,960,369	2,048,473,494
Investment/employee in training	342,409	180,307

**Average hours of job training by level and gender**

	Job level	2019		2020		2021 Goal
		Virtual	On-site	Virtual	On-site	
Female	Level 0	0	0	0	0	0
	Level 1	0	25	3	3	7
	Level 2	1	31	11	39	60
	Level 3	4	40	13	19	38
	Level 4	12	150	22	100	158
<b>Total Female</b>		<b>17</b>	<b>246</b>	<b>49</b>	<b>171</b>	<b>263</b>
Male	Level 0	0	4	0	0	0
	Level 1	0	17	0	7	8
	Level 2	1	25	10	41	61
	Level 3	4	40	13	18	37
	Level 4	9	60	20	70	108
<b>Total Male</b>		<b>14</b>	<b>146</b>	<b>43</b>	<b>136</b>	<b>215</b>
<b>Overall Total</b>		<b>31</b>	<b>392</b>	<b>92</b>	<b>307</b>	<b>478</b>
<b>Employees trained</b>		<b>9,454</b>	<b>5,203</b>	<b>11,294</b>	<b>3,901</b>	<b>13,634</b>



Job level	2019		2020		2021 Goal
	Virtual	On-site	Virtual	On-site	
Level 0	0	4	0	0	0
Level 1	0	42	3	10	15
Level 2	2	56	21	80	121
Level 3	8	80	26	37	75
Level 4	21	210	42	180	266
<b>Total</b>	<b>31</b>	<b>392</b>	<b>92</b>	<b>307</b>	<b>478</b>

	Total hours	Average training
Women	609,353	99
Men	266,149	62.5

**2020 Payroll employees**

Level	Men	Women	Overall Total
Level 0	1		1
Level 1	7	3	10
Level 2	307	226	533
Level 3	1,782	1,865	3,647
Level 4	2,164	4,081	6,245
<b>Total</b>	<b>4,261</b>	<b>6,175</b>	<b>10,436</b>



**Climate**

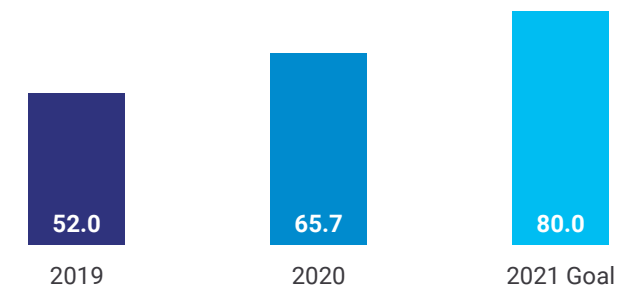
In 2020, transforming our employees’ journey into memorable moments and interactions continued to be part of our strategic objectives in terms of Talent and Culture in order to ensure that each employee in our organization finds the best version of him or herself through a suitable work environment.

Thus, with the participation of 87.9% of our employees in the work environment measurement carried out by Great Place To Work, we were certified as a Great Place to Work with a “Very Satisfactory” work environment.



**Our evolution in the measurement of the total work climate and by gender**

Work Environment Index



Organizational Climate	2019	2020	2021 Goal
Women	53.1	59.5	72.8
Men	50.9	71.9	82.6

**Performance**

Performance appraisal continued to be a fundamental moment in the employee’s journey, implementing a continuous feedback process where our employees have genuine and open conversations with their leaders, identifying opportunities for mutual improvement thus allowing to arrive to the performance appraisal moment, aligned with the results of individual, team and area performance.

In 2020, 76% of our employees took part in the feedback exercises prior to the performance appraisal, so that 96.8% of the total number of direct employees took part in the performance appraisal process, both at the auxiliary and executive levels, giving them the opportunity to learn the results of their performance and to develop, together with their leaders, the corresponding action plans and thus continue contributing to the organization’s strategic objectives. In 2021, we will further the performance appraisal process to reach 100%.

### Wellbeing, Occupational Safety and Health

Committed to the purpose of making our Bank safer and with a year marked by uncertainty due to the health and economic emergency generated by COVID-19, in 2020 we worked hard to continue contributing to the improvement of the quality of working life, and the physical, mental and social wellbeing of our employees in the work environment, as part of the Occupational Safety and Health Management System and the establishment of biosafety measures that would make our employees safe, achieving significant impacts such as:

Figures 2019		Figures 2020	
Reduction of occupational accidents by <b>26.66%</b>	Reduction of days of absenteeism by <b>35.72%</b>	Reduction of occupational accidents by <b>47%</b>	Reduction of days of absenteeism by <b>53%</b>
Reduction of days lost due to occupational accidents by <b>44.2%</b>	Evacuation drills in <b>84%</b> of the workplaces	Reduction of days lost due to occupational accidents by <b>87%</b>	Evacuation drills in <b>85%</b> of the workplaces
Promotion and prevention activities with more than <b>15 thousand participants</b>		Promotion and prevention activities with more than <b>20 thousand participants</b>	

Timely management of the health and economic emergency caused by COVID-19 has posed an important challenge in the alignment of Health and Safety Management Systems and the way in which organizations quickly develop actions to safeguard the integrity of their employees. At Banco de Bogotá, since March and before the virus reached our country, we developed preventive and preparedness actions in order to be ready and be able to react quickly.

#### “Primeros Pasos” [First Steps] Program

Committed to the wellbeing of our employees, we implemented the “Primeros Pasos” program, which aims to promote the breastfeeding process and the healthy enjoyment of the family environment. The program has 3 main lines of action: education, support and benefits, through which we aim to turn this experience into a memorable moment in the lives of our employees.

Benefits include the staggered return to work from maternity leave, extended paternity leave and psychological support, among others. We also have the support of Unicef, which assists the employee from the time she finds out she is pregnant until her child’s first birthday, carrying out different actions that guide the process of development and learning, and strengthening the family bond. In addition, it places major importance on the concept of responsible fatherhood, where men are fundamental actors in the development of their children.

In this way, we generate memorable experiences during the processes of maternity, paternity and childhood development, we contribute to the education of our employees to promote responsible parenthood through breastfeeding as a fundamental part of proper nutrition, and we increase the time mothers and fathers have to enjoy their children by extending maternity and paternity leave.

In 2020, we benefited more than 1,000 people and were recognized in the 17th version of the Fundación Éxito Child Nutrition Awards in the Business Category.

## Occupational safety and health (OSH)

[GRI 403.1] - [GRI 403.7]

### Evolution of Rates - OSH management system

[GRI 403.9] [GRI 403.10]



#### Absenteeism Rate (\*)

2018	2019	2020	2021 Goal
3.76	2.71	1.49	2.16



#### Death rate resulting from an injury due to an occupational accident

2018	2019	2020	2021 Goal
0	0	0	0



#### Injury rate due to occupational accidents with major consequences (excluding fatalities)

2018	2019	2020	2021 Goal
0.03	0.01	0.0	0.0



#### Recordable occupational injury rate

2018	2019	2020	2021 Goal
2.87	2.10	1.11	1.0



#### Death rate resulting from occupational illness

2018	2019	2020	2021 Goal
0.0	0.0	0.0	0.0



#### Case rate of recordable illnesses and diseases

2018	2019	2020	2021 Goal
0.01	0.018	0.08	0.05

(\*) Absenteeism Rate: The indicator is recalculated for all years taking into account the inclusion of only business days in Colombia, leaving out of the indicator of additional days worked such as additional working days, weekend operation days and trade fairs, among others.

### Occupational health and safety indicators



**Covid-19**  
(Number)

2020

167,280	Follow-up calls
1,244	Follow-up on Confirmed Cases
3,347	Follow-up on Suspected Cases
127	COVID-19 testing performed by the Bank
38	Communication pieces with recommendations



**Workplace gymnastics**  
(Participants)

2020

82	Workplace gymnastics workshop
23	Workshop on the importance of exercises



**Medical Centers**  
(Appointments)

2020

576	General medical care
127	Dental care



**Psychosocial program**  
(Participants)

2020

16	Emergency crisis and grief management workshop - San Andrés and Providencia
340	Work-at-home workshops: <ul style="list-style-type: none"> <li>• Assertive communication</li> <li>• Work-life balance</li> <li>• Stress management and time management</li> <li>• COVID recommendations</li> <li>• Recommendations to avoid sleep problems in times of pandemic</li> <li>• Recommendations for coping with grief due to COVID</li> </ul>
690	Workshop Top 10 strategies for managing psychological distress generated by COVID-19
676	Stand-up Comedy Workshop "SeguraMente es Comedia"
35	Personalized psychosocial support for cases with symptoms of anxiety or COVID-19 positive (# supports)

### Occupational health and safety indicators



**Musculoskeletal risk program**  
(Participants)

2020

44	Postural Hygiene Workshop
29	Home Workstation Workshop
92	Personalized Ergonomic Support (# supports)



**Promotion and prevention program**  
(Participants)

2020

1,199	Health Week
46	Workshop: Visual Health
33	Workshop: Considerations and recommendations for leaders when working at home
18	Workshop: Hearing Health
15	Workshop: Laptop Use
9	Talk: Accident prevention
82	Talk: Eating healthy and biohazard prevention
2,559	Happy Safe Holidays Campaign



**BdB Experiences**  
(Participants)

2020

12,183	Wellness activities for employees and their families
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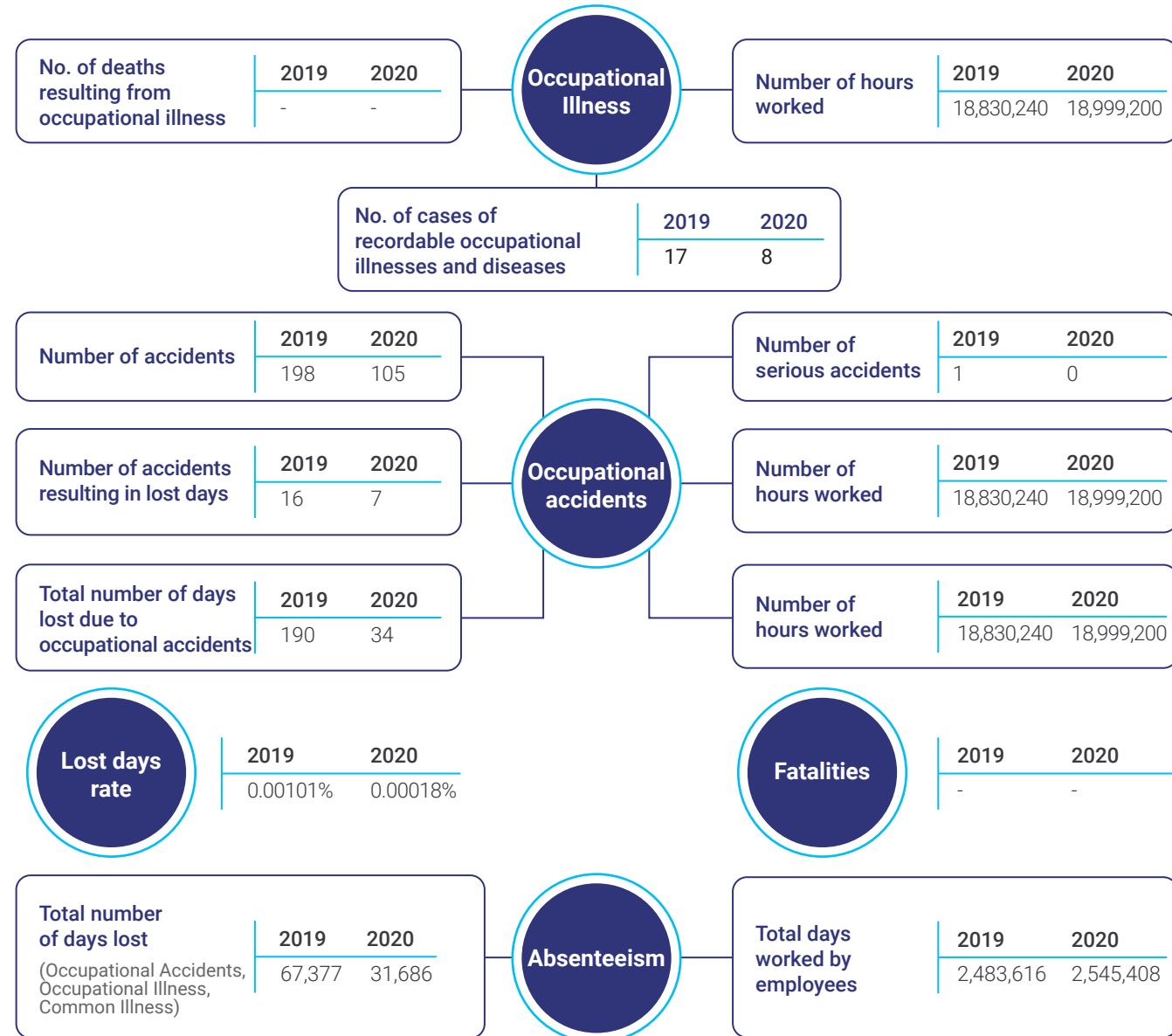


**Emergencies**  
(Number)

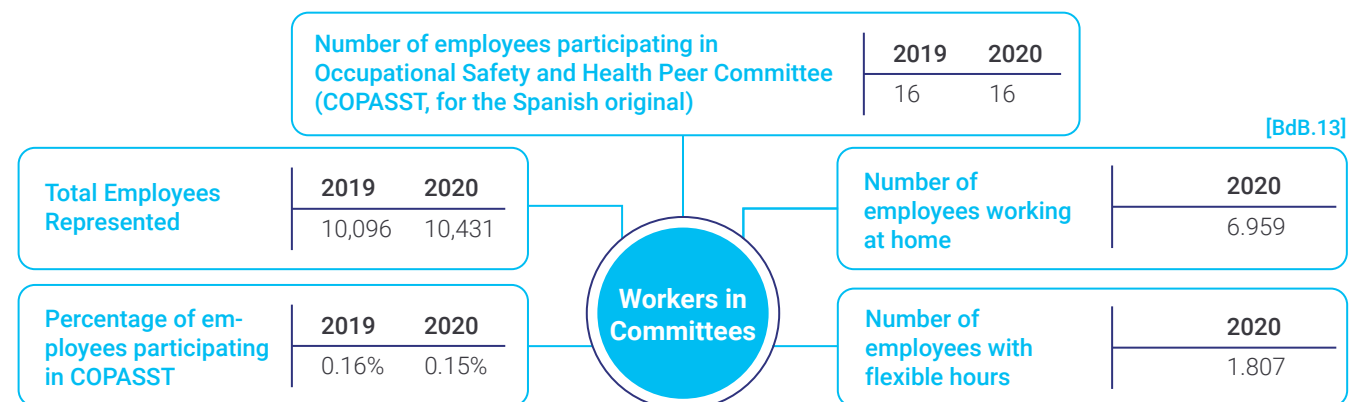
2020

1	Emergency drills
4,259	Employees participating in emergency drills (Participants)
580	Emergency volunteers trained

**Accident management**  
[GRI 403.10] [GRI 403.9]



**Workers represented on health and safety committees**



**We provide our employees with aid and benefits [GRI 401.2]**

We are working to improve the quality of life of our employees and their families. That's why, in 2020, we delivered aid and benefits totaling COP 16,827 million.

2020			
Benefits and aids	No. of benefits provided	No. of people	Total amount provided
Transportation	53,540	4,341	\$4,060
Food	36,215	3,443	\$5,624
Employee education	1,637	1,012	\$2,378
Disability	9,915	3,254	\$1,807
Education (children)	2,422	2,063	\$1,103
Glasses - Lenses and frames	5,594	2,841	\$884
Maternity	322	314	\$405
Funeral	26	26	\$21
<b>Total</b>	<b>109,671</b>	<b>17,294</b>	<b>16,827.42</b>

Figures in COP millions

**Diversity and Inclusion**

In the framework of the Corporate Strategic Plan, the Employees and Society component and our "Somos +" initiative, we continue our transformation process based on the BdB Culture Label, prioritizing its diverse, inclusive and non-discriminatory approach in each of the spaces, behaviors and actions of our employees.

Through this process, we trained more than 4,000 employees from commercial and operational areas nationwide in inclusion and diversity, in order to promote a more inclusive service.

In this way, we designed and implemented the Human Rights Management System (HRMS), in order to firmly ratify, respect and promote inclusion, diversity, equity and non-discrimination in our organization.

For this reason, the Human Talent Division and the Gender and Inclusion working group, with the support of the LGBTI Chamber of Commerce, carried out the process and achieved the Friendly Biz certification, an international seal that recognizes us as an organization committed and friendly to the diverse community.



**Employees trained in inclusion and diversity in 2020, by regional branches**

Regional Office	No. of Employees Trained
Central Region	586
Coastal Region	383
Eastern Region	630
Western Region	592
Antioquia Region	530
Bogotá Region	1,782
<b>Overall Total</b>	<b>4,503</b>



We also trained more than 130 people in administrative and operational areas related to labor issues, marketing, communications, customer service, call center, attraction and development, learning management and processes, to raise awareness and incorporate inclusive elements in their activities with a view to their activities and impact on the organization.

Aware of the fact that the promotion of an inclusive and diverse approach in our leaders and teams favors innovation, productivity and increases collaborative work, through a partnership with USAID and the ACDI/VOCA Foun-

ation, we carried out the Inclusiones and Decido SER certified courses for the organization's leaders, where employees developed skills focused on recognizing and valuing differences, leadership with a gender approach, conciliation and conflict resolution, and recognition and promotion of inclusion for teamwork.

The review of our talent attraction and development processes led us to include a course on diversity and inclusion in our onboarding process, which has enabled more than 500 new employees to highlight and incorporate our Culture Label since September

**New employees who have attended onboarding induction on inclusion and diversity\***

Type of contract	September	October	November	December
Direct	108	51	18	14
Temporary	101	81	42	10
Apprentices	24	29	43	6
<b>Total month</b>	<b>233</b>	<b>161</b>	<b>103</b>	<b>30</b>

\*The implementation of the course in the onboarding process began in September 2020.

We developed the 2<sup>nd</sup> Cycle of Inclusion and Diversity Conferences, where the central theme revolved around gender equality, women's empowerment and development, in order to generate spaces for the discussion and visibility of the role of women, their recent positioning and the challenges they face in professional, family and social aspects.

Finally, we started a process of transformation of internal and external communication, in order to incorporate the values of the culture label and its inclusive and diverse vision in messages, images, pieces and initiatives aimed at employees and external networks. Recognition and commemoration of international celebrations in favor of diversity, inclusion and non-discrimination, the creation of the BdB magazine to promote wellness activities for the families of both hetero and homoparental employees, and the development of inclusive programs with benefits for same-sex parents (Primeros Pasos Program), stand out among these initiatives.

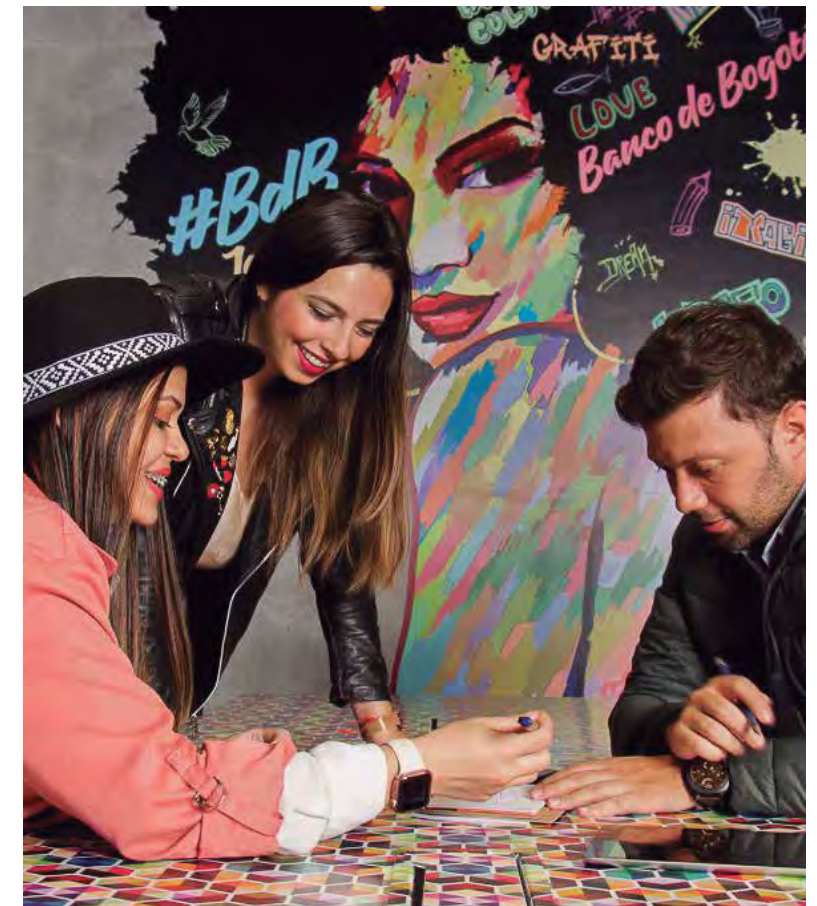
**Society**

**Our Strategic Allies (Supply Chain)**

Building long-term relations with our strategic partners, reducing potential risks, creating partnerships, strengthening our capacities together and achieving common goals drive us to work together in order to grow in a sustainable manner.

**2<sup>nd</sup> Cycle of Inclusion and Diversity Training**

Conference	Employee participation
Leadership and Gender: Women, success and balance	320
Leadership and Gender: Inclusion in organizations	240
Leadership and Gender: Woman, country and education	290
Leadership and Gender: Experiences that build a country	310



**Prosperity and inclusion**

We build long-term relations with our suppliers, working together to achieve the goals we have set



8  
Decent work and economic growth



12  
Responsible production and consumption

### Procurement and Logistics

In order to make our processes more agile and effective, we incorporated the Bank’s maintenance (both, equipment + premises) in a single specialized area operated under a fast scheme, supported by digital tools that provide information regarding the status of each request, ensure the quality and timeliness of service and generate an analysis process, aiming to make the operation more efficient.

The procurement exercise was executed on a category-based scheme, managed by experts in the different areas and supported by a 100% digital tool, that enables analytical capacity and the creation of value in the procurement decision-making process. For greater effectiveness, the strategic and transactional procurement exercise was separated, increasing efficiency in transactional activities and improving analytical capabilities in strategic procurement.

By 2021, we aim to digitize 100% of the enabling services provided by the Procurement and Logistics Division and implement advanced data analytics capabilities for the work teams.

### Enrollment of our suppliers

In 2020, we implemented the “Prospect Directory”, which allows suppliers to freely offer their products and/or services, thus enabling competition, plurality and transparency. We also included sustainability considerations from an environmental and social perspective among the enabling principles.

We worked on the automation of the supplier management process based on self-management schemes, which allows suppliers to update their information through digital and user-friendly channels.

In a corporate effort, we initiated the development of the “Supplier Portal”, which aims to centralize, facilitate and improve relations with our strategic partners, generate development plans and continuous improvement. Thus, as part of our strategic procurement, we created the “Excellence Center” team that is intended, among other things, to develop strategic suppliers.

We also made important adjustments to support our small and medium-sized suppliers in their



cash flows, making payments within 4 days from the date invoices are received. We improved the contracting process in terms of agility, considerably reducing contracting times by implementing 100% digital contracting processes, including the legalization and signing of contracts.

### Strengthening relationships with our partners

We continue building trusting and long-term relationships with our strategic partners, with a special focus on collaboration schemes for the development of strategies that benefit both parties - Cross-functional strategies, trust and communication and value creation, that ensure sustainable and mutually beneficial relationships.

### Suppliers by Geographic Area

Our purchases are mainly concentrated in Colombia; only 1% involve foreign suppliers.

### Sustainable Procurement

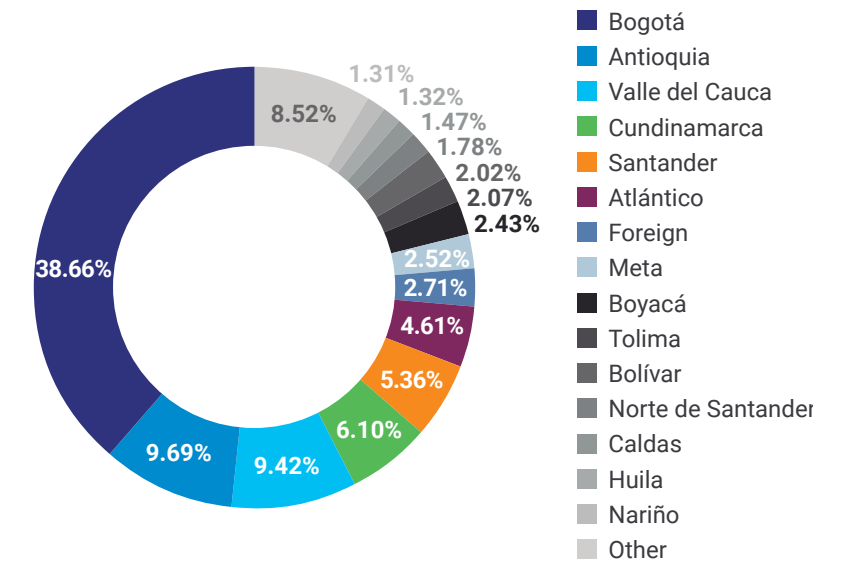
In 2020, we joined the Partnership for Supply Chain Competitiveness (ACCS, for the Spanish original) and Value 4 Chain of Grupo Par, with whom we conducted a diagnosis of our supply chain in order to learn the level of sustainability management by measuring economic, environmental, social and governance aspects of our most relevant suppliers and support them in the process of developing best practices to ensure a sustainable and competitive supply chain.

Through this diagnosis, we managed to evaluate the level of progress of 119 suppliers who completed the survey in sectors such as services, engineering and construction, technology, transportation, commerce, finance, tourism and industry. The results showed sustainability compliance by these suppliers for 55% out of 100%, with strengths in economic and social is-

### Local and foreign partners [BdB.3]

Type	No. of Suppliers	Amount	% Part
Foreign	106	28,106	2%
National	4,474	2,221,792	98%
<b>Total</b>	<b>4,580</b>	<b>2,249,899</b>	<b>100.00%</b>

Figures in COP millions



such as: employee development programs, occupational health and safety programs and activities, risk management, inclusion and equality practices, and opportunities for improvement mainly in environmental aspects such as carbon footprint measurement, monitoring and offsetting; implementation of sustainable infrastructure and wastewater treatment.

In 2021, we expect to consolidate our Sustainable Procurement Policy and the awareness and training plan for our supply chain, in order to support our suppliers in the process of consolidating as sustainable and environmentally and socially responsible companies.

**We conducted a diagnosis of our supply chain in order to determine the level of sustainability management by measuring the economic, environmental, social and governance aspects of our suppliers.**

### Our Commitment to the Environment

Climate change poses new global challenges, business opportunities and imminent risks in every sector of the economy. Therefore, we have joined efforts to improve our use of natural resources, contributing to environmental care and preservation and the mitigation of climate change as the focal point of our actions for a healthy planet.



### Operational Eco-efficiency

We are committed to mitigating climate change through innovative actions to prevent and offset our direct and indirect impacts, allowing us to achieve operational excellence in a sustainable manner and contribute to the fulfillment of the Sustainable Development Goals (SDGs) on environmental matters.



### Environment

We measure our consumption to preserve natural resources

Our environmental pillar includes proper resource administration and management. Through operational efficiency, we actively manage our internal consumption in: carbon footprint, water and energy consumption, waste and paper management and travel expenses.

### Carbon footprint

[GRI 305.1] [GRI 305.2] [GRI 305.3]

We measure our carbon footprint to understand the impact of our operations and our business on the environment, both in administrative buildings and branches nationwide. We also design actions that mitigate, reduce and offset them.

We measure 100% of our carbon footprint in branches and administrative buildings, under the methodological guidelines of the GHG Protocol and ISO 14064-1 (2006), building a complete view of the impacts of our operation on ecosystems. We also continue to design mitigation and compensation plans for our emissions.

Our carbon footprint reduction target by 2023 is 6% as follows: 2021: 2%, 2022: 2% and 2023: 2%

### BdB Colombia Carbon Footprint

Carbon Footprint	2018		2019		2020	
	Value	%	Value	%	Value	%
Scope 1	1,851.79	25%	1,905.84	24.0%	1,166.24	17.1%
Scope 2	3,687.32	49%	5,100.93	64.2%	5,145.63	75.5%
Scope 3	1,956.08	26%	941.65	11.8%	506.00	7.4%
<b>Total</b>	<b>7,495.19 met</b>	<b>100%</b>	<b>7,948.42</b>	<b>100.0%</b>	<b>6,917.86</b>	<b>100.0%</b>

Tons of CO2 equivalent

### Energy Efficiency

[GRI 302.1]

During 2020, our approach was focused on the implementation of responsible energy and water consumption policies, framed in an internal efficiency macro-project that includes: good consumption habits campaign, intelligent consumption measurement tool, changes from fluorescent to LED lighting, timely care and maintenance of air conditioners, water leaks and devices to reduce consumption in offices such as solar protection films and network analyzers.

12% reduction in energy consumption at our banking branches

In 2020, we deployed a campaign in all branches and administrative buildings, with friendly and high-impact content and tips, which aimed to raise awareness among all employees of the responsibility regarding the consumption of natural resources.

We continued to use the intelligent tool for monitoring and measuring energy consumption in branches and administrative buildings, which permits us to establish consumption baselines and determine deviations, in order to take and apply relevant actions or corrective plans.

We act quickly and stay at the forefront of the market, migrating to clean and more energy-efficient technologies such as LED lighting, intelligent air conditioners, network analysis devices and solar protection film systems to maintain comfortable office environments.

In 2020, we installed more than 300 solar panels in our Corporate Headquarters located in Bogotá, to prevent 50 tons of CO2 emissions per year, which is equivalent to planting a forest of 2,480 trees. In 2021, we expect to install solar panels at other branches and offices to strengthen our energy supply through clean energy sources.

This way, we plan to reduce the Bank's overall consumption by 10%, continuing the good consumption habits' campaigns and the implementation of clean and high-efficiency technologies, such as solar panels, energy-efficient air conditioners, and changes from fluorescent to LED lighting, among others.

### Percentage decrease

Decrease due to good practices / closing of additional-hours service 4.2%

4.2%

Decrease due to offices that closed altogether

2.5%

Decrease due to certain offices that closed in April, May and June due to COVID-19

2.3%

Decrease due to offices that closed altogether

2.9%

### 2020 Energy Consumption

Indicator	2020
FTE*	14,675
Energy consumption in MW	31,375
Energy consumption In MW / FTE *	2.13

\*FTE: Full time employee: total employees at administrative buildings and branches



**Water efficiency**

[GRI 303.5]

14% reduction in water consumption at our banking branches

We are aware of our responsibility as an entity to assume the impact of the resources we consume, including our water consumption. That is why we have also measured this utility by using an intelligent tool which, as in energy, enables us to establish baselines of consumption and determine deviations to take and implement action plans or corrective actions.

We plan to reduce overall consumption by 5%, through a good habits campaign, immediate care for leaks and implementation of efficient devices to reduce consumption.

**Waste management and paper consumption**

[GRI 306.2] [BdB 4] [BdB 5]

We manage our waste within the organization based on the 3Rs Principle: “Reduce, Recycle and Reuse”, for better management and proper disposal.

*Paper Consumption*

In 2020, we carried out different actions for responsible paper consumption, which enabled us to reduce our impact on consumption compared to the previous year. As part of this strategy, we proposed awareness campaigns accompanied by practical exercises such as reducing the number of nearby and available printers, thus developing a strong campaign to digitize documents that are reflected in internal (digital contracts) and external (extracts) contexts.

As a result of these exercises, we achieved a consumption of 313 tons of paper corresponding to an internal consumption of 191.3 tons and an external consumption of 122.3 tons, based on our initial and final inventories for 2020 and on the requests of the areas within the Bank.

In 2021, we are committed to reducing paper consumption by 3% from 2020.

**Water consumption [GRI 303.5]**

Indicador	2020
FTE	14,675
Water consumption m³	76,864
Water m³ / FTE*	5.23

\*FTE: Full time employee: total employees at administrative buildings and branches

Our water consumption is mainly for domestic use from the Bank’s main offices for employee consumption. In the Pacific region and in San Andrés, we have allocated additional economic resources to supply drinking water. [GRI 303.1]

**Paper consumption [BdB.8]**

	2018	2019	2020
Tons of paper	417.8	363.2	313.6

*Use of materials - Circular Economy*

Betting on circular economy, in 2020 we continued the process of using materials generated by administrative buildings and branches. We also trained and raised our employees’ awareness on the correct separation of waste at the source and the importance of strengthening our savings’ culture. Thanks to this, we managed to donate more than 17.7 tons of usable material to Fundación Sanar, which benefits the foundation with psychological and social support sessions for children with cancer and their families.

We also worked with the company Ele de Colombia, a partner committed to the environment, with whom we managed more than 6 tons of usable waste from our administrative buildings in 2020, turning them into ecological products such as eco-pencils. Through this initiative, we managed to offset more than 12 tons of CO2 eq/year.

**Donation of usable material to Fundación SANAR in 2020 [BdB.7]**

Materials	Total material donated in 2020 in kg	Value donated In COP
Archive	8912.9	5,347,740
Newspaper	152.2	18,264
Cardboard	6773.5	1,490,170
PET	938,1	656,670
Caps	443.2	576,160
Scrap	486.0	121,500
<b>Total kg donated</b>	<b>17705.9</b>	<b>8,210,504</b>

The material donated totaled 17,705.9 kg, amounting to COP 8,210,504.

**Environmental programs**

We generate shared value for our customers by implementing sustainable businesses and actions, that promote the mitigation of the impact of climate change, the protection of biodiversity, and the conservation of the environment, through the design of innovative products and services that consolidate our sustainable business model and contribute to building the country.

**Environment**

We design initiatives and manage sustainable actions to promote climate change mitigation



7 Affordable and clean energy



11 Sustainable cities and communities

**Sustainable Mobility**

[BdB 6]

At Banco de Bogotá, we remain committed to the development of more sustainable and environmentally friendly cities. We are the first entity in the financial sector with an Integral Sustainable Mobility Plan endorsed by the Bogotá’s Secretary of Mobility, and in 2020 we ratified our commitment by signing a symbolic pact for sustainable mobility with Bogotá’s Mayor, Claudia Lopez, as part of the celebration of the District’s Car and Motorcycle Free Day, in which more than 200 employees participated.

Our sustainable mobility ecosystem aims to reduce CO2 emissions, improving air quality and the wellbeing and health of our employees and customers. In 2020, we launched our electric car charging station, totally free of charge 24x7, for

all citizens at our Corporate Headquarters in Bogotá, with 3 types of chargers and unlimited use.

We also extended the sustainable mobility program to our employees in our branches and in Medellín, making available to them the Try My Ride carpooling app through which they can share their rides by bicycle, car or group walks, saving money, time and helping the environment. We also implemented an incentive system in which employees post their trips, share, accumulate points and redeem them for rewards.

In order to encourage the use of bicycles and avoid the spread of the virus during the pandemic through the use of individual transportation, we built 150 bike racks at our offices in Bogotá, Medellín and Cali, amounting to more than 230 spaces, in addition to skateboard racks. More than 4,000 employees benefit from the program

- More than 4,000 employees benefit from the program
- More than 2,100 allocations in the free bicycle system
- Reduction of 7 tons of CO2

**Reforestation in the Colombian Amazon and in the El Encenillo and El Silencio reserves**

Thinking of our Colombian Amazon region and with the support of Saving the Amazon Foundation, we are leaving our legacy in the lungs of the world. Therefore, in 2020 we planted more than 2,800 native trees together with the Tayazú indigenous community in Vaupés, creating social fabric and jobs through this project.

In addition, by planting these trees, there will be a greater amount of nutrients available on 13.5 hectares, which translates into a reduction in the mortality rate of non-mature plant species at the local level.

Our customers are also part of the change: thanking their participation in answering our service satisfaction surveys, we planted trees in the Amazon.

By carrying out this project, Saving the Amazon aims to make a systemic change in the so-

cial dynamics of the region, providing benefits that contribute to the sustainable development goals, particularly the end of poverty, zero hunger, gender equality, decent jobs, economic growth and reduction of inequalities.

We remain committed to the restoration of our country’s forests by planting more than 9,000 native trees in the biological reserves of Fundación Natura, contributing more than 45,000 trees in 6 years, thus creating our own Banco de Bogotá forest. This plantation achieves the accumulated capture of 868 tons of CO2 eq/year and offsets 13% of the total 2020 carbon footprint.

It is important to mention that our partnership with Fundación Natura is the result of our sponsorship of the Carrera Verde (Green Race), the first zero carbon race in the world, where 3 trees are planted for each runner, in nature reserves in perpetuity.

**Ecological recovery**

In 2020, together with the Coca Cola Foundation, the SEMANA Foundation and Ptar Salitre, we joined the Grupo Río Bogotá, with the main objective of positioning the importance of the Bogotá River, which has become a source of pollution, on the national agenda, in addition



to taking actions to raise awareness regarding the recovery of this important tributary, which contributes 32% of the country’s GDP.

Thanks to our engagement with the Grupo Río partnership, we learned that approximately 270 tons of solid waste per month (sofas, televisions, mattresses, etc.), enough to furnish not only an apartment but an entire residential complex, reach the Bogotá River every day. With the aim of carrying out an environmental education campaign, Banco de Bogotá created Apartamentos el Río, an awareness initiative whose objective was to show citizens in a different and interactive way how they can help reduce pollution of the Bogotá River through their personal actions and from home.

We furnished a 50-meter duplex apartment located in the Chapinero neighborhood in the city of Bogotá with waste found in the river. The exhibition included on-site visits for media and influencers, in order to expand on the news. With a view to reporting the details of this initiative to all citizens, we created a website (apartamentoselrio.com) in which everyone could view through a 360° tour what kind of waste is in the river and how we could prevent this pollution through proper waste disposal.

To support this initiative, we took into account the branches in Bogotá with the greatest affluence of customers, exhibiting samples of objects that could be found in the river with a QR code to go into the website to find more information about this proposal.

**We Have a Positive Impact on People**

**Human rights “Promote, respect and remedy”**

[BdB.10]

We are committed to protecting, respecting and remedying the human rights of our stakeholders in the framework of the Guiding Principles on Business and Human Rights, strengthening the procedures for due diligence in response to human rights issues, ensuring the consolidation of relationships of trust with our partners, customers, employees, and others, and ensuring the sustainability of the business.

**Transparency and strong institutions**

**We promote ethics and communicate our actions in a transparent manner**

As part of the framework of our Corporate Sustainability Strategy, we are committed to the incorporation of economic, environmental and social criteria, adopting the best national and international practices that enable us to consolidate a Sustainable Business Model.

As part of our purpose to improve people’s quality of life, contribute to prosperity and reduce the environmental impact, we designed our human rights framework in order to contribute to peace building, contribute to the consolidation of a more

fair, equitable and inclusive society, and contribute to the Sustainable Development Goals.

This is how we consolidated our Human Rights Policy, which is framed by the United Nations Guiding Principles for Business, committing ourselves to respecting and promoting all human rights, as well as to remedy any impact that may be caused by our business activities.

This policy was developed in conjunction with our stakeholders, who contributed relevant as-



16  
Peace, justice and strong institutions



17  
Partnership to achieve goals

pects that are part of the commitments we have adopted from our different roles as lender, employer, service provider and purchaser of goods.

Therefore, we understand human rights as inherent rights without distinction of race, sex, nationality, ethnic origin, language, religion or any other condition, which ensure the wellbeing and quality of life of all human beings.

Thus, we defined the following six commitments: care and respect for all people by promoting harassment-free environments, preventing discrimination, promoting wellbeing and safety and ensuring freedom of association; promoting transparency, fighting corruption and illegality in all its forms; ensuring inclusion, diversity and gender equality in all our processes of recruitment, remuneration and training, and a diverse and inclusive work environment; preserving the environment by reducing negative impacts and promoting initiatives that have a social and economic impact on communities; protecting information privacy by ensuring the correct use of stakeholder data; and finally, promoting communication that encourages respect for human rights.

We also conducted an analysis of the results in order to identify the main risks and impacts (salient issues) on which to focus our strategy.

Based on this analysis and considering the operating context of the Bank and its internal dynamics, plans have been proposed to manage the risks identified and make the due diligence process a dynamic and permanent experience.

This process resulted in 24 identified risks, 9 prioritized risks from which 19 cross-cutting action plans emerged corresponding to Communication and Training, 10 related to the Bank's risks in the role of buyer of goods and services, 11 action plans in the role of employer, 18 action plans in the role of service provider and, finally, 3 plans in the role of lender, for a total of 61 action plans, which focus on all the stakeholders assessed: corporate customers, retail customers, suppliers, communities and society, shareholders & investors and employees.

Based on the foregoing, and as an essential part of our due process and progress, we raise awareness and disseminate the main issues related to this matter to our employees, in order to strengthen our culture and ensure that we are an inclusive place that promotes respect for the human rights of all people with whom we interact.

For more information on our Human Rights Management System, please visit the following website [www.bancodebogota.com](http://www.bancodebogota.com)



## Financial Education

[GRI FS16]

Through our financial education program, we aspire to promote the country's economic and social development, with the purpose of having more financially prepared and educated people, thus generating employment, income and social wellbeing opportunities. These healthy practices have a positive impact on our business and on society, since they enable more people to access financial services, promoting conscious decisions based on their quality of life and that of their families.

## Prosperity and Inclusion

We are working to increase access to financial and banking services for all



Decent work and economic growth



Industry, Innovation and Infrastructure



Reducing inequality

Financial education is undoubtedly one of the most important pillars of our sustainability strategy, because of its high impact on society and its important contribution to the process of inclusion and incorporation of the Colombian people in the banking system.

We promote the country's economic and social development, by forming more prepared and financially educated people, generating employment, income and social welfare opportunities; we promote informed financial decisions, which result in quality of life, and that of their families and society. This objective is purely educational and has no commercial purpose, and it is intended to benefit all the populations of the country, at no cost.

### Virtualization of our financial education actions

In 2020, we strengthened our "Financial Education for Life" program with digital content and multimedia tools so that the Colombian people could face the challenges of managing their finances, in response to the current situation with timely and interesting content.

Through specialized strategic allies, such as the German Sparkassenstiftung Foundation, influencers and experts in financial education, we have provided the Colombian people with the contents and recommendations to encourage



savings, budget management, home purchase, and managing business ventures, among others. More than 2,000,000 Colombians have benefited in 2020.

One of our main strategies consisted of the "De Principio a Financiero" Program, a digital financial education project of Banco de Bogotá, in partnership with Dinero magazine and Foros Semana, whose content was developed through 12 virtual sessions, with clear and practical language, so that people can easily identify successes and failures in the main aspects of managing their finances, recommendations to improve their daily activities and the key moments in their financial and tax life.

We had the participation of special guests such as the Minister of Housing, Jhonatan Malagón; the Bank's Enterprise Banking Vice-president, Rafael Arango; Porvenir's CEO, Miguel Largacha, and Sandra Solórzano, CEO of Seguros Alfa.

The contents covered in this series of talks included:

- How to file income tax returns and not fail in the attempt.
- Getting the piggy-bank ready to keep on studying.
- To invest or not to invest, that is the question.
- My wallet, in the new normal.
- How to organize my business finances.
- Savings recommendations at each point in your life.
- The what and how of each type of investment.
- Business strategy and decision making for managers.
- Home ownership, rent or buy? What to do?
- Ensuring life for the future with policies and insurance.
- Taking care of your wallet in times of expense.
- How to retire in Colombia?



### Corporate Citizenship

[BdB.12]

As part of our corporate strategy, we aim to have a positive impact on society through every action we take, promoting a balance between economic progress, social well-being and environmental protection, by making high-impact investments in communities.

### Corporate Volunteering [BdB.13]

15



### Environment

We promote the sustainable management of all types of forests to recover degraded forests and increase afforestation and reforestation

Climate action

11



### Social Impact

Through our volunteering activities, we have positive impacts in the communities where we operate

Sustainable cities and communities

We remain committed to building a better country and developing our communities. In 2020, we carried out several actions through which we contributed to improving the quality of life of the communities:

- We had the opportunity to build the house of Martha Guerrero and her children in Belén, Boyacá in a partnership with the Catalina Muñoz Foundation.
- In Soacha, Cundinamarca, we built new houses for several families with the support of Fundación Techo, helping them overcome extreme poverty while contributing to the Sustainable Development Goals.
- More than 120 of our employees supported 310 vulnerable families in Zipaquirá, Cundinamarca and Bello, Antioquia with the delivery of grocery kits through the Mano Amiga Corporation, which is a non-profit organization that provides high-quality education to economically disadvantaged children, breaking poverty circles. Nearly 100% of the students' parents have informal jobs, so they must go out to sell their products or work for pay by the day. During the quarantine decreed by the Government, families were unable to leave and had no income to buy food.

Donation of a house to Martha Guerrero and her family in Belén, Boyacá.



2020 Results [BdB.16]

Impact on People



5,369

Mobile classrooms  
January - March 2020



1,187

Face-to-face workshops  
January - March 2020



19,817

Virtual workshops  
March - December 2020



3,037

Conferences and Webinars  
March - December 2020



1,654,529

De Principio a Financiero digital program  
August - October 2020

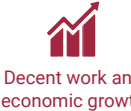


312,486

Visits to the financial education web portal  
January - December 2020



8



9



10



1,996,425

Total people benefited by initiative in 2020



**Strategic philanthropy**

[BdB.17]

**Social Impact**

We promote education by making contributions that will generate a positive impact on young people and adults so that they have access to employment, decent work and entrepreneurship.

Through the economic contributions generated from our social mandate, we supported the strengthening of education and other humanitarian causes of many non-profit organizations and foundations. We make social contributions in the form of donations through Corporación Banco de Bogotá para el Fomento de la Educación (Banco de Bogotá’s Corporation for the Promotion of Education).

**Corporación Banco de Bogotá 2020**

DONATIONS	
Description	2020 (COP)
Promotion of microcredit	\$1,200,000,000
Environmental education	\$374,500,000
Scholarship plan	\$345,000,000
Comprehensive service	\$179,000,000
Education	\$170,682,901
Disability	\$101,000,000
Health and prevention	\$72,000,000
Nutrition	\$11,000,000
<b>Total</b>	<b>\$2,453,182,901</b>

**Strengthening of social organizations**

In order to play a more active role with social organizations, providing spaces for conversation to promote their development beyond donations, we conducted a training program called “Strengthening Fund Management for Social Projects and Organizations”, in which we provided support and the necessary tools to strengthen strategies for their fund raising and self-sustainability. This program impacted 40 non-profit organizations that benefited through Corporación Banco de Bogotá para el Fomento de la Educación.

The training is focused on two strategies: the Ladder of Providence, with a methodology to diagnose and assess the organization’s degree of maturity in terms of fund management and determine actions to move forward; and the

second session, on Strategies to identify and manage funds to learn about various fund management alternatives and their critical success factors.

“The Bank has been our main partner since the constitution of our Notas de Paz Foundation, we have consolidated a good relationship with the entity and they have supported us financially on an annual basis to improve the living conditions of the most vulnerable Colombian people, among others to promote culture and interest in music. Given the current situation, this training has been of great assistance because it has enabled us to understand the guidelines for proper fund management in a practical manner,” said María Andrea Correa, director of the Notas de Paz Foundation.

In 2020, through Corporación Banco de Bogotá, we made a social investment that was mainly aimed at promoting microcredit, contributing COP 1.2 billion. In total, we made contributions for more than COP 2.45 billion.



**Social Investment Figures**

Similarly, the social investment made in the community in 2020 was distributed as follows, based on the London Benchmarking Group’s reporting methodology:

2020		
Category	Amounts Invested (COP)	Percentage
Donations	\$533,682,901	12%
Investment in the community	\$2,626,146,906	60%
Commercial initiatives	\$1,263,106,954	28%
<b>Total</b>	<b>\$4,422,936,761</b>	<b>100%</b>

Of our total contributions, 91% were made as cash contributions and 9% as in-kind contributions, which generated general administrative expenses of COP 198 million.

Our commitment is to continue supporting social initiatives that promote education and nutrition, by increasing our contribution by 10% in 2021.

Type of contribution	Total amount in 2020
Cash contributions	\$4,035,562,294
Paid volunteer hours (business hours)	\$0
Donations in kind: products or services, projects/partnerships or similar	\$387,374,467
General administrative expenses	\$198,000,000





**150+**

| San José Oxígeno Branch, Costa Rica

## Our Affiliates and Subsidiaries

Through our management, we permanently contribute to the economic growth of Colombia and Central America, to the development of our customers and employees, and to the progress of society.

Bac Credomatic digital customers  
**1.6** million at year-end

Porvenir enrollments  
**more than 78%** through digital channels

Implementation of **Blue Yonder** system for greater visibility of Almaviva's inventories

Our affiliates and subsidiaries have positioned themselves as leaders in each of their markets, through products, services and personalized attention that address the needs of our customers.



Reinvention of auto and mortgage fairs, with placements close to **USD 21 million**

 **Net Income**  
**USD 319** million\*

 **Assets**  
**USD 31,515** million

 **Equity**  
**USD 3,035** million



Market share of Mandatory Pensions increased from 44.2% in 2019 to **59.0% in 2020**

 **Net Income**  
**COP 578** billion

 **Assets**  
**COP 3,970** billion

 **Equity**  
**COP 2,643** billion



Digital opening of a mutual fund in the **costumer** segment

 **Net Income**  
**\$119** billion

 **Assets**  
**\$514** billion

 **Equity**  
**\$445** billion



New business strategy increased **new commercial contracts by 67%**

 **Net Income**  
**COP -3** billion

 **Assets**  
**COP 152** billion

 **Equity**  
**COP 69** billion

Consolidated Figures for BAC, Porvenir and Almaviva  
\*Includes MFG's Net income as of June, date on which the acquisition was closed.

## BAC Credomatic Inc. and Subsidiaries

### (Central American Operation)

With more than 65 years of experience in the banking market, BAC Credomatic operates in 6 countries in a unified manner as a single institution throughout Central America, offering a wide variety of products and services to its customers through a centralized marketing strategy and a solid infrastructure and technological platform operated by local management teams in all the countries of the region. This has enabled BAC to manage regional best practices efficiently and benefit from economies of scale by providing improved services to its customers.

For example, to simplify the automation of corporate customers' treasury, ERP Conector was created. This solution allows the integration of financial systems with the Bank quicker and easier, improving runtimes and reducing the amount of technological resources required in the implementation of these projects. This connector will significantly accelerate the digital transformation by streamlining all treasury processes of the companies.

Continuing towards the development of the strategy based on Agility, Simplicity and Digitalization, aimed at improving customer service and care, in 2020 BAC Credomatic focused all of its efforts on meeting the most pressing needs, providing remote operation facilities with the Bank. This made it possible for the active digital customer base to increase by 8 percentage points to 42%, reaching more than 1.6 million customers at year-end. The result has been satisfactory; as of December, 4 out of every 5 of these digital customers use the mobile platform exclusively.

In addition, the WhatsApp chat channel consolidated its position as the main means of digital contact, helping to efficiently manage demand, resulting in better service, and achieving that 46% of all conversations were through this means. Coupled with this growth, self-service was a key factor in managing demand, allowing customers to easily find the required answers or forms without having to contact an agent. This



facility led to 21% of all WhatsApp conversations being successfully migrated to self-service.

Among the aspects to be highlighted is the implementation of contactless payments, which began in 2019 and consolidated in 2020.

This new mechanism improved the customer experience when making payments, streamlining their transactions and providing them with greater security. By the beginning of 2020, 62% of the total number of BAC Credomatic cardholder transactions at the company's own payment terminals were carried out through this method.

The momentum of the Secure Payment strategy generated significant growth at year-end, increasing contactless payments to 77% of total card payments processed.

2020 brought new challenges due to the confinements, which allowed BAC Credomatic to continue demonstrating its digital capabilities by reinventing on-site formats of the auto and mortgage fairs and moving them to virtual events. At AutoExpo in Guatemala, the Bank set up a digital showroom with the participation of twelve auto distributors and their more than thirty brands, as well as eight motorcycle agencies in the country. Customers visiting the site were able to browse the showroom and explore 360° views of the exterior and interior of the main models present at the show. The event led to placements that amounted to USD 13.8 million by the end of the year and the generation of a relevant pipeline for 2021.

Honduras also launched the BAC Virtual Home Fair on the public website. During this fair, participants were able to access exclusive promotions, schedule virtual appointments with mortgage executives and browse real estate projects in the digital catalog. The event was attended by 1,887 registered customers, 51 virtual appointments and a year-end placement of USD 7.1 million.

BAC Costa Rica, in partnership with American Express, launched the Shop Small program in an attempt to provide sustainability and continuity to the businesses most affected at local

level. The program carried a robust campaign in the main media where it starred each of these small establishments. Through this program, we managed to support close to 2,000 businesses that obtained a total increase in sales of 38% and customers received benefits for more than USD 7,000.

Grupo Financiero BAC Credomatic continues to strengthen its presence in all Central American countries, closing 2020 with USD 26.6 billion in total assets, with a growth of 11.1% compared to 2019, in addition to USD 16.3 billion in total net loans. Deposits grew 18.0% compared to the previous year, amounting to USD 20.2 billion. 2020 net income stood at USD 312.4 million, which is a 23.6% decrease compared to 2019.

Its business model includes credit card products and services, consumer and commercial loans, transaction services and commercial financing.

The figures at year-end 2020 are listed below:

#### BAC Credomatic - Consolidated Balance Sheet

	Dec 2019	Dec 2020
<b>Total Assets</b>	<b>23,965</b>	<b>26,624</b>
Cash	3,966	5,775
Total Loans and Capital Leases, Net	16,231	16,270
Total Net Investments	2,247	2,968
Other Assets	1,521	1,612
<b>Total liabilities</b>	<b>20,854</b>	<b>24,024</b>
Total Deposits	17,149	20,228
Bank and Financial Debts	2,676	2,815
Other liabilities	1,029	982
<b>Equity</b>	<b>3,111</b>	<b>2,600</b>

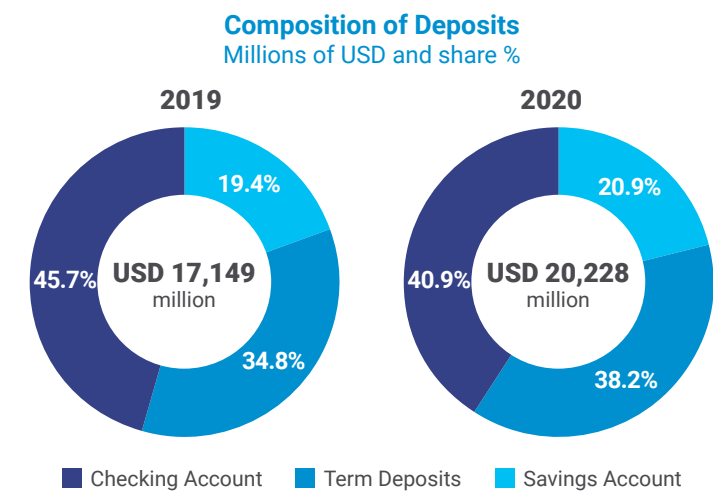
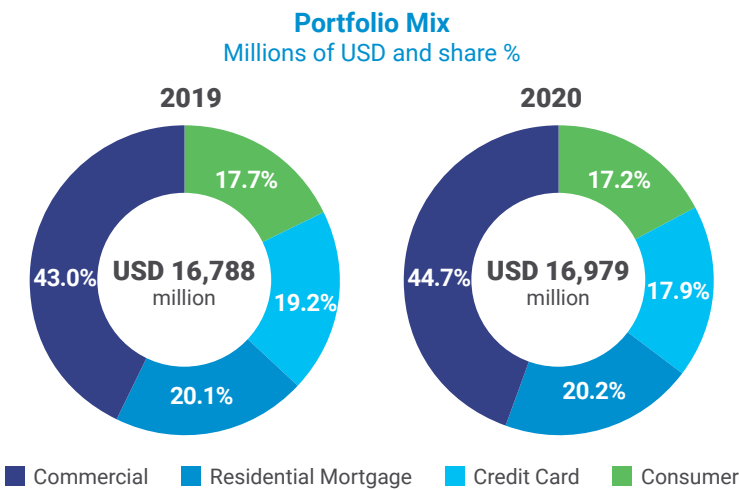
Figures under IFRS  
Figures in millions of USD

Grupo Financiero BAC Credomatic continues to strengthen its presence in all Central American countries, closing 2020 with USD 26.6 billion in total assets.

Gross loan portfolio underwent several changes in its composition compared to 2019. Commercial portfolio share stood out, increasing 1.7 percentage points reaching 44.7% in 2020. The mortgage and residential portfolio remained stable while credit card portfolio dropped 1.3 percentage points compared to 2019, being one of the most affected as a result of the limitations caused by the pandemic.

Liabilities grew 15.2% in 2020. It is worth highlighting the 18.0% increase in deposits, reflecting the Bank's concerted effort to recompose the mix towards more efficient sources. At year-end, demand deposits accounted for 59.1% while term deposits represented 40.9% of the total.

Net Income for 2020 is USD 312.4 million, down 23.6% from 2019, mainly affected by higher provision expense in line with the pandemic situation and the relief measures provided to its customers, however, maintaining optimal levels of portfolio quality and coverage. Meanwhile, solvency ratio held strong at levels of 12.8% at December 2020.



**BAC Credomatic – Main Indicators**

	2019	2020
<b>Profitability Ratios</b>		
ROAA <sup>(1)</sup>	1.8%	1.2%
ROAE <sup>(2)</sup>	14.0%	11.2%
<b>Solvency Ratio</b>		
	<b>12.9%</b>	<b>12.8%</b>
<b>Loan Portfolio Quality</b>		
Non-performing Loans/Gross Loan Portfolio <sup>(3)</sup>	1.4%	1.7%
Past Due Loans/Gross Loan Portfolio <sup>(4)</sup>	3.0%	3.2%
Loan Provision/Past Due Loans	100.5%	122.0%
Loan Provision/Gross Loan Portfolio	3.0%	3.9%

(1) Net Income for the year / Average Assets (December-March-June-September-December).  
 (2) Net Income for the year / Average Equity (December-March-June-September-December).  
 (3) Non-performing loans more than 90 days overdue.  
 (4) Past due loans more than 30 days default.  
 Figures under IFRS

**Multibank Financial Group**

**(Central American Operation)**

Multi Financial Group, Inc., an incorporated entity in accordance with the laws of the Republic of Panama, began operations in 2007 and is mainly focused on investment banking. Multi Financial Group, Inc. and Subsidiaries from now on referred to as "MFG" provides a wide variety of financial services primarily in corporate, investment, mortgage and consumer banking, as well as insurance, factoring, leasing, training and real estate services. The main subsidiary of the Banking Group is Multibank Inc., which groups the financial, insurance and securities operations of the Banking Group. It began operations in 1990, leveraged in the track record of its founders through the financial company Gran Financiera, founded in 1969.

On October 31, 2019, the shareholders representing 99.1% of the issued and outstanding ordinary shares of Multi Financial Group Inc. (holding of Multibank Inc.), subscribed an agreement with Grupo Aval through Leasing Bogotá S.A. Panamá, a subsidiary of Banco de Bogotá, to acquire MFG's shareholders' capital.

In May 2020, the acquisition of the ordinary shares of MFG was closed, and Grupo Aval acquired 99.6% of its shares by the end of 2020. As of the closing of the acquisition transaction in May 2020, a process of optimization of MFG's corporate structure was carried out, which involved the merger by absorption of more than 80 companies. Additionally, the banking license in the Cayman Islands was canceled, and the operations of the companies established in Costa Rica were reduced.

MFG reported consolidated assets of USD 4,892 million, an increase of USD 142 million compared to year-end 2019 (USD 4,749 million). Loan portfolio decreased by USD 305 million, reaching a balance of USD 3,132 million by the end of 2020, reflecting the conservative loan disbursement policy in response to the particular economic performance during the year, as well as the restructuring process associated with the closing of the acquisition transaction, which mainly involved a decrease in the commercial and auto portfolios.







Deposits totaled USD 3.01 billion by the end of 2020, an increase of 8.8% compared to the same period of the previous year. Deposits stand out as the Group's main source of funding, representing 73% of total funding, which totaled USD 4,121 million (71% and USD 3,896 million, respectively, at year-end 2019). 72% of the total deposits are term deposits, 13% are savings accounts and 15% are demand deposits.

At December 2020, Multibank achieved a Panamanian market share of 4.6% in total gross portfolio and 5.5% in local gross portfolio of the Panamanian Banking System (5.6% at December 2019), with a relevant market share as a financial provider in the automobile (16.3%), agricultural (14.8%) and construction (8.2%) sectors by the end of 2020, compared to 15.9%, 14.2% and 8.1%, respectively, for the aforementioned sectors at December 2019. Multibank maintains a market share in total deposits of 3.6% and 3.2% in local deposits.

The Group's net equity decreased by 24.9% to USD 436 million by the end of 2020, representing

8.9% of total assets (12.2% at December 2019), due to the early redemption of preferred shares for USD 102 million in order to optimize the cost of funds and capital, as well as net income for the fiscal year. This equity reflects a solid capital adequacy ratio, which reached 14.6% at the end of 2020, significantly above the minimum legal requirement of 8%.

The Group's recurring net income (excluding specific items regarding the closing of the acquisition transaction) totaled USD 19.3 million for 2020 which represented a 60.4% decrease from net income of USD 48.6 million achieved in 2019, affected by lower interest and fee income given the overall economic activity, coupled with higher credit provisions associated with the economic downturn environment that marked 2020. Meanwhile, administrative expenses remained relatively stable during the period, increasing 1.1% compared to 2019. Net income for 2020, recorded a decrease of 164% compared to 2019, caused by, in addition to the aforementioned factors, non-recurring items related to the closing of the acquisition transaction.

## Sociedad Administradora de Fondos de Pensiones y Cesantías Porvenir S.A. and Subsidiary

2020 was a year that marked major challenges, which led to important initiatives in COVID-19 management and in the strategic dimensions.

In 2020, the brand was consolidated as the second highest recalled in the country in the Pension and Severance Funds category, according to a brand tracking study by Corporación Publicitaria de Colombia S.A. in December 2020. In addition, initiatives and tools were developed to improve customer support and experience, such as the new Pension Simulator, the implementation of NPS and reinforcing Financial Education and Savings Promotion programs. Finally, keeping the customers' needs in mind, we expanded our digital services and transactions portfolio, turning refund services, old-age pension and severance pay withdrawal 100% digital, and the WhatsApp customer service channel was implemented.

Porvenir Ambassadors Campaign was also carried out, in which more than 2,200 employees participated and were certified in a targeted program that promoted money-saving practices and financial health on a basic level and an advanced level focused on investments. Moreover, a new 2020 - 2024 Benefit Plan was launched, through which we improved life quality of all of our employees by means of wellness integrated programs.

With the advent of COVID-19 in the country, the entire business operation adjusted quickly and successfully to remote work, which meant encouraging a culture of self-care and prevention to each of our employees. In addition, we launched a support program to maintain their motivation, commitment and identity, as well to track the health and well-being of their families.

The digital transformation process showed significant progress thanks to the design and implementation of highly relevant digital assets that have generated outstanding results

in terms of efficiency and experience. Among them stands out achieving 98% participation in digital transactions, automatic definition of old-age pensions in 92% of cases, more than 33% of severance pay withdrawals made through digital channels and the enrollment through digital/digital assisted mechanisms reached more than 78%. Likewise, as part of the robotization strategy, 11 robots were put into production, which have generated aggregate efficiencies, obtaining reductions of up to 80% in times. Finally, through advanced analytics, the business cases for the commercial model have evolved, and thanks to the contribution of first level analytical cases, a 100% digital severance payment transaction initiative was boosted, generating potential savings through the reconciliation of legal processes.

2020 was a year of excellent results despite the adverse economic outlook in the country due to the world economic situation during the COVID-19 pandemic. First of all, severance funds annual growth was 15.5%, were assets under



management (AUMs) amount to COP 7.1 trillion. At the end of the year, the market share in terms of affiliates was 55.2% with 4,683,702 affiliates, out of a total of 8,491,303 in the system.

Regarding funds managed in mandatory pension, there were 516,005 new affiliates, achieving a market share of 59.0% and a total of 10,077,844 affiliates. Similarly, it is worth mentioning that all three funds recorded nominal growth, while in terms of market share it was the Conservative and Higher Risk funds that increased compared to 2019 by 0.34 and 1.98 percentage points, respectively. As a result, in 2020 the market share in terms of AUMs was 44.2% amounting to COP 140.1 trillion.

The voluntary pension funds reached COP 5.1 trillion in December 2020, an annual growth of 12.9% and a market share of 21.0%. In terms of affiliates, voluntary pension funds increased from 181,659 affiliates in December 2019 to 187,658 in December 2020 (3.3% growth), with a market share of 24.0%.

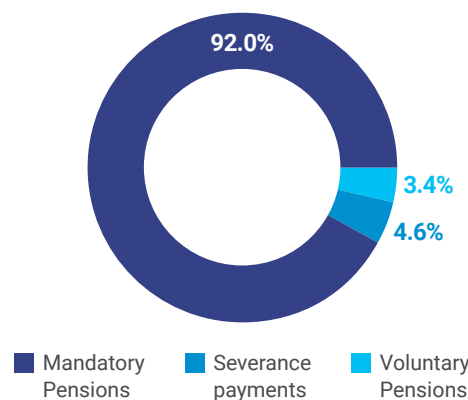
Asset annual growth was 9.5% mainly attributed to the increase in fixed income and equity investments held for trading, which amount to

COP 2.3 trillion, particularly corresponding to equity investments in national issuers and the stabilization fund. Additionally, investment in associates and joint ventures increase 23% annually by Aportes en Línea S.A.

Liabilities registered an annual increase of 3.0%, which amounts to COP 38.8 billion, mainly due to the increase in financial obligations in US dollars as a result of the increase in the Representative Exchange Rate (TRM, for the Spanish original). At the end of 2020, total liabilities are equivalent to 33.4% of total assets. In turn, equity increased by 13.0% due to higher reserves compared to 2019.

Net income grew 1.6% compared to 2019, a favorable outcome given the country's macroeconomic context and the effects of the pandemic. The result achieved was leveraged on an adequate management of the investment portfolios, given capital market volatility that stood out in the first half of the year. In addition, an increase in the valuation of the voluntary pension portfolio and the number of affiliates during 2020 stands out, which helped AUMs amount to COP 152 trillion, representing a 12.4% growth, compared to 2019.

Share of Funds



Porvenir - Main Figures

	2019	2020
Assets	3,627	3,970
Liabilities	1,288	1,327
Equity	2,339	2,643
Net Income	569	578
<b>Profitability Ratios</b>		
ROAA <sup>(1)</sup>	16.8%	15.4%
ROAE <sup>(2)</sup>	26.8%	24.8%

Figures under IFRS  
Figures in COP billions  
Source: Porvenir's Consolidated Financial Statements.

(1) Annual Net Income/Average Assets (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).  
(2) Annual Net Income Attributable to Shareholders/Average Shareholders' Equity (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).

## Fiduciaria Bogotá S.A.

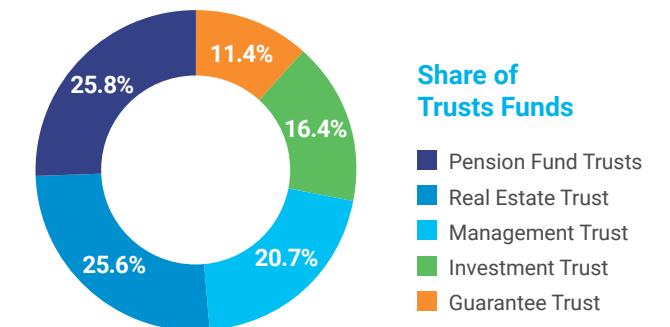
In 2020, Fiduciaria Bogotá faced one of the greatest challenges in recent times due to the enormous repercussions and uncertainty generated by the COVID-19 pandemic. This situation had a major impact on financial assets, as a result of significant withdrawals of funds by customers due to market volatility and the global economic situation. In order to counteract these effects, control mechanisms were adopted for an adequate response to the health emergency, constantly and rigorously monitoring the various actions carried out under the strategic framework for crisis response, for which four fronts were proposed: business continuity, governance for crisis response, liquidity and technology.

A key aspect was the progress made in digital transformation. Thanks to the updating and strengthening of the technological infrastructure, we managed to meet the transactional increases and new customer requirements in a timely manner. One of the relevant aspects to be highlighted is the widespread digital distribution of the "Sumar" mutual fund and the the online enrollment process for real estate buyers. Thanks to all these efforts, Fiduciaria Bogotá continues to consolidate its position as a benchmark in the country's trust sector. In addition, several initiatives focused on strengthening and improving the customer experience were promoted, by updating the Customer Journey Maps and improving the satisfaction measurement model.

Assets under trust management in 2020 amounted to COP 75.4 trillion, thus consolidating its market position, reporting an annual growth of 2.5%. Among the trusts managed, pension funds stand out at 25.8% of the total resources managed for COP 19.4 trillion, followed by real estate at 25.6% and a balance of COP 19.3 trillion and management trusts at 20.7% accounting for COP 15.6 trillion.

At 2020, COP 514 billion in assets were reported, a 4.8% growth over 2019, mainly due to investments in controlled companies. Liabil-

ities recorded a 32.9% decrease due to lower accounts payable to consortia. Equity at 2020 is COP 445 billion, a 14.7% increase over 2019. Net income decreased 5.6%, mainly due to a significant reduction in trust services fee income.



Fidubogotá - Main Figures

	2019	2020
Assets	490	514
Liabilities	102	69
Equity	388	445
Net Income	126	119
<b>Profitability Ratios</b>		
ROAA <sup>(1)</sup>	27.7%	24.4%
ROAE <sup>(2)</sup>	36.1%	30.7%

Figures under IFRS  
Figures in COP billions  
Source: Fidubogotá's Financial Statements.

(1) Annual Net Income/Average Assets (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).  
(2) Annual Net Income Attributable to Shareholders/Average Shareholders' Equity (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).

One of the relevant aspects to be highlighted is the widespread digital distribution of the "Sumar" mutual fund and the online enrollment process for real estate buyers.

## Almaviva S.A. and Subsidiaries

The 2020 strategy continued to focus on providing customers with the best logistics services experience by implementing cutting-edge solutions in their supply chains. This is why offering customers value-added and integrated services while providing them with peace of mind continues to be our greatest challenge, which we also achieved through certified processes that ensure the security of the logistics chain.

The pandemic situation throughout the year posed a major challenge for the continuity of 100% of the operation and also to achieve the implementation of the strategic projects proposed for the year, ensuring the defined path to transformation. In this vein, Almaviva has successfully ventured into the implementation of solutions that provide our customers with greater visibility of their inventories (BlueYonder). Similarly, hardware solutions were implemented to improve product referencing, making storage and dispatch processes more efficient.

As for pandemic management, Almaviva's operation was classified as a priority and essential, and in March we began to implement the regulations defined by the national government and health authorities. To this end, 3 awareness campaigns were carried out, home office was implemented for 307 employees, with whom the "Mi portafolio de vida" program was also launched with the objective of working on the physical, social, cognitive and emotional dimensions of employees. 20 workshops were held with the participation of 860 employees and, in addition, there was strict follow-up of suspected and positive cases.

At the end of December 2020, Almaviva S.A.'s total assets amounted to COP 151.9 billion, with a decrease of 5.1% compared to 2019, mainly due to the refund of income tax credit balances, depreciation of property, plant and equipment, as well as amortization of rights of use and investments in subsidiaries, which decrease as a result of lower income in Zona Franca and Global Cargo.

As for liabilities, a decrease of 6.1% was reported with a balance of COP 82.6 billion, mainly due to the decrease in other right-of-use liabilities.

For 2020, a loss of COP 2.6 billion was generated, representing a contraction of 530 percentage points compared to 2019. This variation is due to the decrease in revenues from Customs Brokerage, Distribution and Warehousing Transportation services, and the increase in operational risk events and severance costs as part of the organizational structure adjustments.

Although the results showed a decrease, it is important to highlight the implementation of the Efficiency Committee scheme, whose objective is to develop an internal culture of money-savings, efficiency, as well as expense and budgeted costs control. This initiative made it possible to maintain a level of expenses very similar to that recorded in 2019.

Almaviva implemented the BlueYonder solution to facilitate inventory visibility for customers.

### Almaviva - Main Figures

	2019	2020
Assets	160	152
Liabilities	88	83
Equity	72	69
Net Income	1	-3
<b>Profitability Ratios</b>		
ROAA <sup>(1)</sup>	0.4%	-1.6%
ROAE <sup>(2)</sup>	0.8%	-3.8%

Figures under IFRS  
Figures in COP billions  
Source: Almaviva's Consolidated Financial Statements.

(1) Annual Net Income/Average Assets (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).

(2) Annual Net Income Attributable to Shareholders/Average Shareholders' Equity (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).

## Banco de Bogotá S.A. Panamá and Subsidiary

2020 was undoubtedly a year of great challenges, which implied exhaustive balance sheet management based on detailed analyses of reality and opportunity, considering the global situation, allowing an efficient diversification of the Bank's income. Thus, despite the significant contraction in net interest income margins, we managed to meet our net income goals thanks to the successful management of our investment portfolio.

By the end of December 2020, the Bank had assets amounting to USD 2,378 million, with a 26% contraction compared to December 2019 as a result of the withdrawal of certain demand resources that had entered in 2016 and were known to eventually leave. Among assets, the participation of demand deposits in banks (71%) stands out, favoring available liquidity levels. Demand placements were 5% higher on average compared to 2019. Meanwhile, investment portfolio was set at USD 333.5 million at year-end, decreasing 3.5% compared to December 2019, mainly due to a lower corporate bond portfolio.

Liabilities, in turn, reported a balance of USD 2,244 million at the end of 2020, with a 99.8% concentration in deposits. Similarly to assets, the balance of liabilities at the end of 2020 decreased by 27% due to the aforementioned outflow of resources. For its part, the Bank's equity increased by 12% compared to 2019, reaching USD 133.5 million. This was mainly due to the accurate management of the available-for-sale investment portfolio, which generated valuations that were transferred directly to equity.

Net income closed at USD 8.5 million, a 16.6% decrease compared to 2019. The fundamental reason for this result is the effect of lower external interest rates that impacted net interest margin. However, it is worth noting the extraordinary performance in the active management of the negotiable investment portfolio, which offset the pressures on net interest margin.

It is important to highlight that in the face of the health emergency caused by the pandemic, the availability, sustainability and integrity of the channels and transactions were 100% guaranteed, resulting in a greater number of customers migrating to attention and information through digital channels, which meant an accelerated step towards a more digital banking. Similarly, the Bank's operation had an agile and efficient reaction capacity to maintain the offer of services and products to customers on a continuous basis throughout the year.

2020 was also an opportunity to redesign internal processes related to documentation and information flows, migrating to digital tools that allowed efficiencies and process assurance. As part of this, the project to update the Banking Core (ABanks) began and the projects to update the Core Operating System of the Security Firm License (Sysde) and the Atom Generation tool (Desimplex) were completed.

### Banco de Bogotá Panamá - Main Figures

	2019	2020
Assets	3,212	2,378
Liabilities	3,092	2,244
Equity	119	134
Net Income	10	9
<b>Profitability Ratios</b>		
ROAA <sup>(1)</sup>	0.4%	0.3%
ROAE <sup>(2)</sup>	9.0%	6.8%

Figures under IFRS  
Figures in USD millions  
Source: Consolidated Financial Statements Banco de Bogotá Panamá.

(1) Annual Net Income/Average Assets (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).

(2) Annual Net Income Attributable to Shareholders/Average Shareholders' Equity (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).



150+

| Corporate University - Corporate Headquarters

## Our Financial Results

We maintain our leadership position in the country and in the region through a robust balance sheet, efficient and profitable results, and a culture focused on constant evolution and excellent service for all our customers.

A vibrant financial sector, serving as the backbone of an economy, being an efficient distributor of capital, is an absolute requirement for the equitable growth we need in Latin America.

### General Bank – Consolidated

 Net Loan Portfolio  
**COP 132,005** billion

 Deposits  
**COP 147,287** billion

 Equity  
**COP 22,499** billion

 Consolidated net income attributable to shareholders  
**COP 2,198** billion

 Return on assets  
**1.2%**

 Return on equity  
**10.5%**

### Banco de Bogotá – Separate


 Net Loan Portfolio  
**COP 59,897** billion

 Deposits  
**COP 65,856** billion


 Equity  
**COP 20,557** billion


 Net income  
**COP 2,211** billion

 Return on assets  
**2.1%**

 Return on equity  
**10.7%**

 Consolidated assets total  
**COP 208.3**  
trillion

 Consolidated Portfolio  
**67.5%**  
is located in Colombia and Panama

 We consolidated our position as  
**the most profitable bank in 2020**

## Banco de Bogotá Consolidated

### Consolidated Statement of Financial Position

	2019	2020
<b>Assets</b>	<b>175,020</b>	<b>208,268</b>
Cash and Cash Equivalents	24,809	27,498
Net Financial Lease and Loan Portfolio <sup>(1)</sup>	113,110	132,005
Net investments in debt securities	16,124	25,037
Net investments in equity securities	7,213	8,333
Other Assets	13,763	15,395
<b>Liabilities</b>	<b>153,160</b>	<b>185,770</b>
Deposits	117,795	147,287
Other liabilities	35,365	38,482
<b>Equity</b>	<b>21,860</b>	<b>22,499</b>

### Main Indicators - Consolidated

	2019	2020
Net income <sup>(2)</sup>	3,074	2,505
Net income attributable to shareholders <sup>(2)</sup>	2,766	2,198
<b>Profitability Ratios</b>		
ROAA <sup>(3)</sup>	1.8%	1.2%
ROAE <sup>(4)</sup>	14.4%	10.5%
Net interest margin <sup>(5)</sup>	5.9%	5.4%
Fee income <sup>(6)</sup>	35.6%	31.0%
Administrative Efficiency <sup>(7)</sup>	51.5%	49.8%
Total Solvency Ratio	12.8%	12.1%
Basic Solvency Ratio	9.1%	7.8%
<b>Loan Portfolio Quality<sup>(8)</sup></b>		
Past Due Loans / Gross Loan Portfolio <sup>(9)</sup>	4.2%	4.7%
Loan provision/Past due loan portfolio <sup>(9)</sup>	104.3%	115.0%

(1) Includes repos and interbank operations.

(2) Figures in COP billions.

(3) Annual Net Income/Average Quarterly Assets for the year (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).

(4) Annual Net Income Attributable to Stakeholders/Average Attributable Quarterly Assets for the year (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).

(5) Annual Net Interest Income/Average Quarterly Earning Assets for the year (includes the quarters ending in December of the previous year, and those ending in March, June, September and December of the current year).

(6) Gross fee income/Net Interest Income before provisions + gross fee income + other operating income. Excludes other income from operations.

(7) Total Operating Expenses/Total Net Interest Income + Net Commission and Fee Income + Net Income from Trading Activities + Other Operating Income. As of the 2019 follow-up, the efficiency ratio includes the following as operational expenses: personnel expenses, administrative expenses, depreciation and amortization, and other expenses.

(8) Loan portfolio indicators are calculated with gross loans, including loan portfolio accounts receivable.

(9) Past due loans: 30 or more days overdue.

## Our Consolidated Results<sup>(1)</sup>

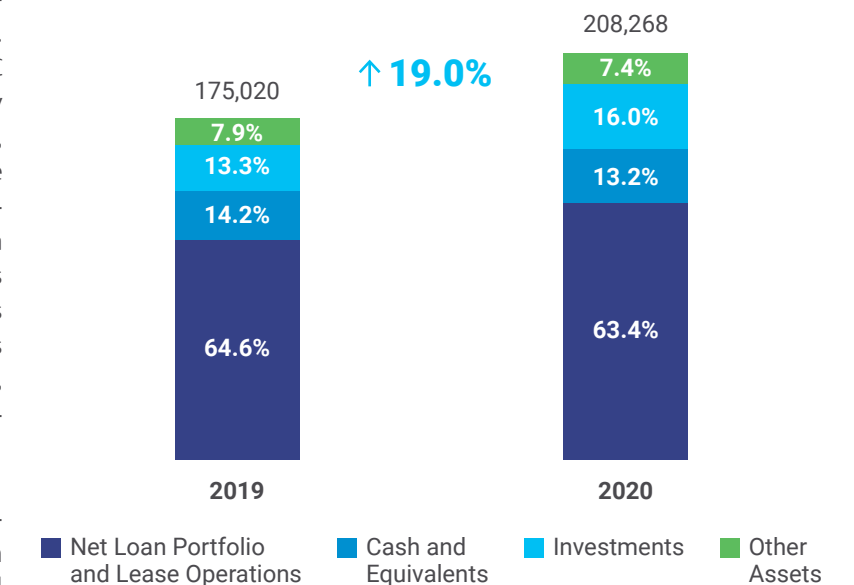
In 2020, Grupo Banco de Bogotá continued to consolidate its position as the leading banking group in the region through a recognized business franchise in Colombia and Central America. This year, the operation of our subsidiary BAC Credomatic was complemented in Panama by the acquisition of Multibank Financial Group, thus helping us to confirm our leadership in the market. At the end of 2020, 67.5% of our consolidated loan portfolio was located in Colombia and Panama, investment grade rated countries by international rating agencies. Our business in Colombia consists of Banco de Bogotá and its affiliates: Porvenir, Fiduciaria Bogotá, Almaviva, Banco de Bogotá Panama, Bogotá Finance Corporation, Ficentro, Megalínea and Dale!

As a universal bank, one of our strategic objectives is to achieve sustainable growth in both Colombia and Central America, by firmly and securely increasing our market share and contributing to the development of the countries where we operate. This is why, based on our “6Cs” strategic plan and complemented by our business pillars of maintaining a diversified operation, achieving economies of scale and fostering transformation through digital efforts, we accomplished outstanding results in 2020 that will enable us to continue supporting our customers, and at the same time achieve operational excellence with optimal risk control, along with the collaboration of the best human talent.

### Assets

For 2020, our consolidated assets amounted to COP 208,268 billion, an annual increase of 19.0%; excluding the foreign currency effect, this growth was 16.4%. Breaking down performance by region, the Central American operation had an increase of 650 basis points in its share compared to 2019, reaching 53.9% of total assets. This growth was mainly driven by the acquisition of MFG, entity that represents 13.6% of our assets in the region.

### Asset Composition COP billions and share %



Gross Loan and Finance Lease portfolio, excluding Repos and Interbank operations, increased at an annual rate of 16.6%, amounting to COP 135,845 billion. Isolating foreign exchange fluctuations during the year, consolidated loan portfolio grew 14.1%; from a regional perspective, Colombia grew 6.5% while Central America grew 27.8% (22.0% considering a constant exchange rate) as a result of the acquisition of MFG. Separating the MFG loan portfolio, which represents 8.6% of the Bank's total consolidated loan portfolio, growth in Central America would have been 6.8%.

By segment, the commercial loan portfolio amounted to COP 79,234 billion, an annual growth of 17.5%, standing as the most representative loan portfolio with a share of 58.3% of total gross loan portfolio. Excluding the foreign currency effect, the commercial loan portfolio grew 15.6% compared to 2019, where Central America was the largest contributor, with a growth of 38.8%, increase mainly explained by MFG, whose loan portfolio is concentrated in

(1) The analysis is based on the consolidated financial statements under Full IFRS principles.

the commercial segment, reaching a share of 46.7% of this modality in Central America. Excluding MFG, the region's growth would have been 10.9%.

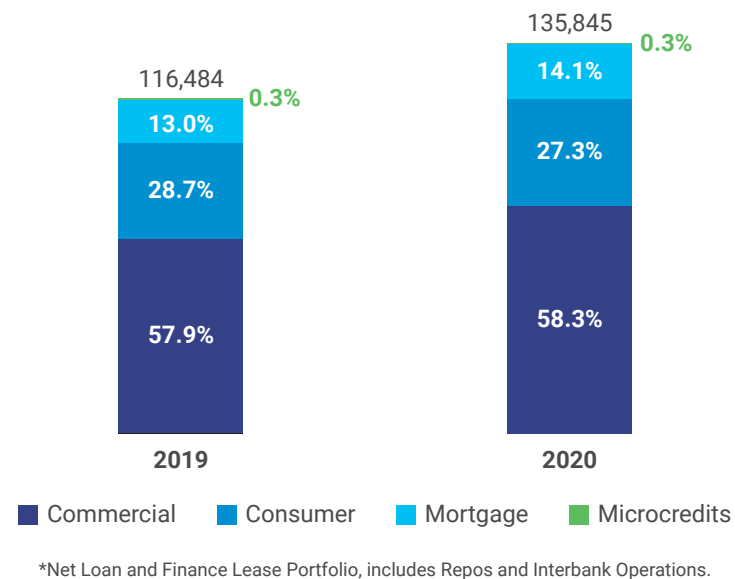
Similarly, the dynamism of the consumer and mortgage portfolios stood out, amounting to COP 37,149 billion and COP 19,095 billion, with annual growth rates of 11.1% and 25.6%, respectively. Calculating growth in constant Colombian pesos, the consumer portfolio grew 8.0% and mortgage 21.4%. Consumer loan growth is the result of the Bank's strategy to increase its market share in this segment in Colombia. Additionally, mortgage portfolio growth reflects the conservative approach of Grupo Banco de Bogotá in strengthening secured portfolio lines mainly in Central America.

At December 2020, Loan Portfolio Quality Indicator (30 days past due loans/gross loan portfolio) was 4.7%, up 50 basis points from 4.2% in 2019. This increase is the result of a broader impact than initially expected, on the payment capacity of certain customers and a generalized contraction in customers' credit demand, which reduced portfolio placement rates, partially supported by the extraordinary participation of digital banking in our consumer sales.

Coverage indicator of provisions over 30 days past loans due is 115.0%, up from 104.3% in 2019. In Colombia this indicator is 118.1%, compared to 107.7% reported in 2019, increase driven by a prudent credit risk analysis approach in which we continuously monitor the impact of the economic environment on our customers' fulfillment of the obligations, and also by a decrease in charge-off levels as we observe less rollover among delinquency levels, effect of the relief measures granted.

In Central America, coverage ratio increased from 97.9% in 2019 to 109.0% in 2020. Similar to the behavior in Colombia, the increase in provisions is the result of a rigorous analysis of both prospective and actual credit risk, as well as the impact related to shifts in economic growth perspectives and main macroeconomic variables in the countries where we operate.

**Evolution of Gross Loans and Finance Leases\***  
COP billions and share %



Our consolidated Cost of Risk indicator (net provision expense to average loan portfolio) for 2020 is 3.2%, up 80 basis points from 2019. This increase is mainly explained by Colombia, where the indicator increased 140 basis points to 3.7% in 2020. The increase in provision expense of 64.1% reflects the effort towards effective and planned risk control that will enable us to address potential impairments in the medium-term. In Central America, the increase was 20 basis points to 2.6%. Thanks to the soundness of Grupo Banco de Bogotá, this increase in provision expenses did not prevent the organic strengthening of our capital.

Finally, our Net Loan and Finance Lease portfolio, excluding Repos and Interbank operations, grew at an annual rate of 15.4%, amounting to COP 128,500 billion.

Equity Securities Investments portfolio amounted to COP 8,333 billion, with an annual growth rate of 15.5%, mainly driven by a higher valuation of the Bank's investment in our associated company Corficolombiana. This incorporates the associate's continuous income generation, mainly derived from its investments in infrastructure and energy, which were reflected in our income through equity method.

Other Assets amounted to COP 15,395 billion, reporting an annual growth of 11.9%, mainly due to an increase in income tax asset for unrealized loss on hedging derivatives charged to other comprehensive income, an increase of our additional general provision, and to a lesser extent, the goodwill generated by the acquisition of MFG.

### Liabilities

Consolidated liabilities amount to COP 185,770 billion at the end of 2020, with an annual increase of 21.3%; excluding the exchange rate effect, liabilities grew 18.8%. Our funding, which includes deposits and borrowings, amounts to COP 179,710 billion, up COP 32,556 billion (22.1%) in the same period; 19.6% excluding exchange fluctuations. This growth reflects our strong primary funding position and is driven by our customers' liquidity preferences.

At December 2020, our consolidated deposits amounted to COP 147,287 billion, an increase of COP 29,492 billion (25.0%); without the foreign currency effect, the growth is 22.3%. Term deposit comprised 40.6% of total deposits, growing 22.7% compared to 2019. Savings accounts posted the largest increase in the deposit category with 28.2%, while checking accounts grew 25.3%.

Our Colombian operation represents 47.6% of consolidated liabilities, reaching COP 88,363 billion and reflecting an increase of 4.1% compared to 2019. The composition of liabilities in this region has remained relatively stable, with deposits being the most representative source (76.4%), followed by borrowings (19.4%) and other liabilities (4.2%).

Similarly, the composition of deposits has gone unchanged throughout the year, showing some minor changes towards an increase in the share of savings accounts, given the decrease in term deposit yields caused by the reduction in market's benchmark rates in line with the country's expansionary economic policy.

In turn, in Central America, total liabilities amounted to COP 97.407 billion, increasing 42.7% (36.2% excluding the foreign currency effect), where MFG represents 15.6% of liabilities and 12.9% of total deposits in the region, showing a significant restructuring towards more efficient funding sources, where deposits account for 81.9% of total liabilities. It is important to note that we have continued to maintain an adequate balance between demand deposits, with a share of 44.6% of the total, and term deposits with the remaining share.



Our deposits to net loans ratio was 1.15x at December 2020, reflecting the Group's prudential liquidity management in scenarios of uncertainty and the effect of flight-to-quality phenomenon during the crisis, given the strength of our franchise. We expect a normalization of this ratio to around 1.0x in the future, aligned with our strategic objective of keeping our portfolio growth in line with the level of deposits.

### Equity

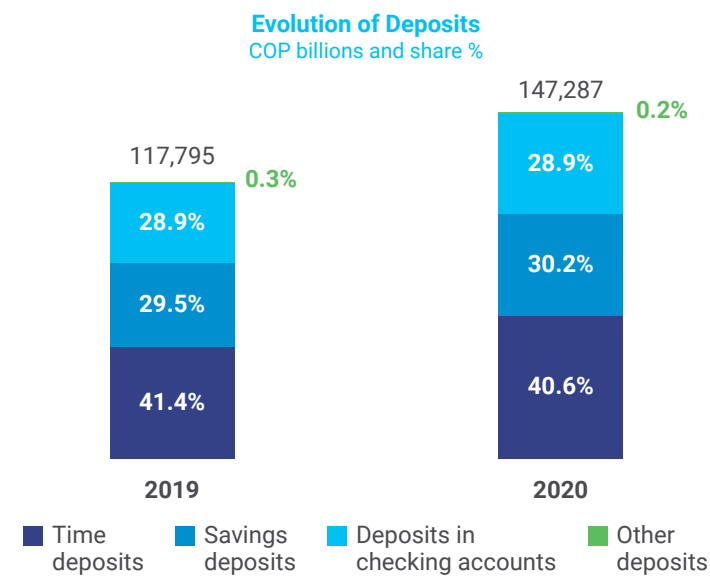
Our consolidated equity was COP 22,499 billion at the end of 2020, showing an annual growth of 2.9%, mainly due to higher reserves.

At the end of 2020, our Consolidated Total Capital Adequacy Ratio is 12.1% and the Consolidated Tier One Ratio is 7.8%, significantly above the required minimums of 9.0% and 4.5% by Colombian regulations, respectively. The Bank's Technical Capital amounted to COP 19,752 billion at the end of 2020, showing a 6.7% increase over 2019. Risk-weighted assets amounted to COP 163,781 billion, with an annual growth of 13.7%.

### Net Income

Consolidated net income attributable to shareholders amounts to COP 2,198 billion, with an annual decrease of 20.6%. This decrease was mainly influenced by the 58.1% increase in loan loss provision expense, which amounted to COP 1,608 billion, carried out in order to address the effects of the pandemic, thus continuing with the conservative credit risk management strategy. However, despite the pressures generated by the sharp falls in central bank rates, we managed to increase our net interest income by 10 percentage points compared to 2019, demonstrating the strength of Grupo Banco de Bogotá and consolidating our position as the most profitable Bank nationwide in 2020.

For 2020, net interest income amounts to COP 8,256 billion, growing 10.1% compared to the previous year (2.5% excluding the foreign currency effect), mainly by Loan and Financial Lease Portfolio Income, which had an increase of 6.8%.



Breaking down growth by region, Central America is the largest contributor, with a growth of 16.3%, and 3.3% when isolating the impact of foreign exchange fluctuations, where commercial portfolio income grew 29.6%, followed by mortgage loans (17.6%) and consumer loans (14.6%).

Also, net fee income amounted to COP 4,254 billion, decreasing 6.6% compared to 2019 and 12.5% when normalizing the effect of devaluation of the Colombian peso. In Central America, the 5.8% decrease was caused by a reduction in bank and credit card fees, while in Colombia the 7.5% decrease was related to lower banking service fees. This was the result of a lower volume due to mobility restrictions imposed by the pandemic. However, we observed a significant migration of our customers to digital channels, through which the Bank contributed to the Government's aid package, by granting certain fee exemptions to transaction through these channels during the period of greatest economic impact.

### Main Performance Indicators

Our Net Interest Margin was 5.4%, 60 basis points lower than 2019, as a result of the generalized decrease in portfolio rates due to the reduction of benchmark rates, which was partially offset by the timely management of funding costs. Likewise, interest income from investments was affected as a result of less favorable market conditions.

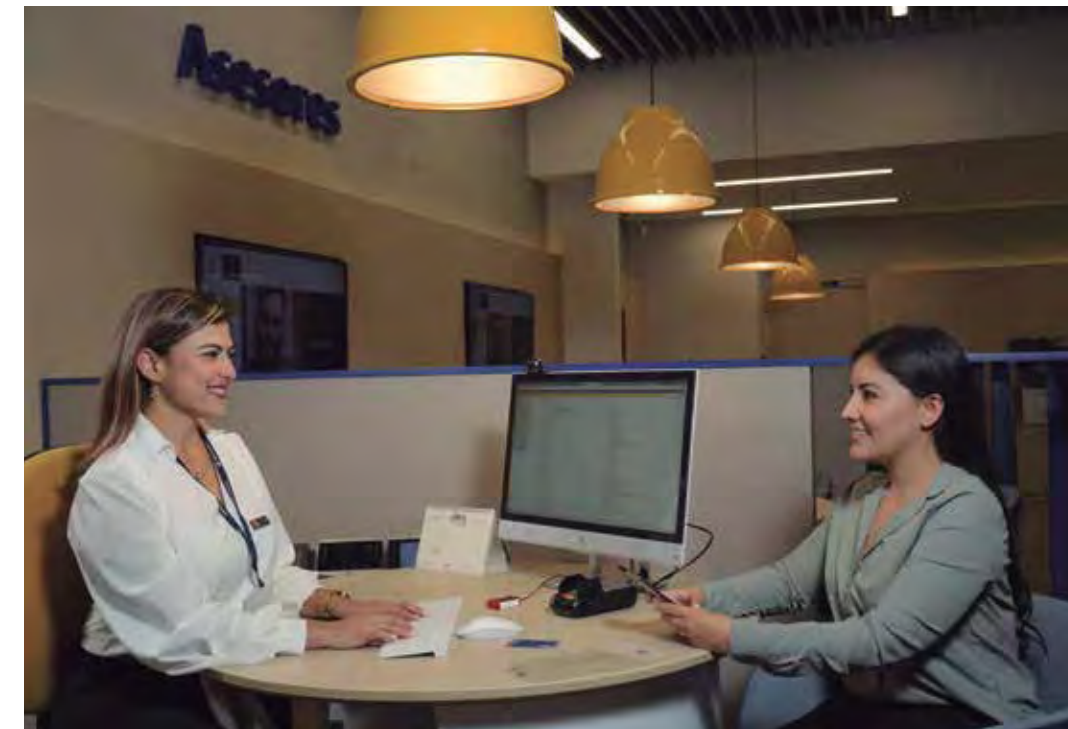
In turn, our net cost of risk indicator in 2020 was 3.2%, 80 basis points higher compared to 2019, as a result of the Bank's conservative strategy to cover the increase in deterioration associated with the pandemic and thus, ensure that appropriate levels of coverage were maintained in the face of growing credit risk.

Our net fee income stood at COP 4.254 billion, decreasing 6.6% compared to 2019 and 12.5% excluding the impact of foreign currencies. This downturn is mainly explained by the decrease in transactional volume that generates bank and credit card fees both in Central America and Colombia. This result led to a decrease of 460 basis points in our Fee Income ratio, closing 2020 at 31.0%.

Our Efficiency ratio at the end of 2020 was 49.8%, down from 51.5% observed in 2019,

reflecting our commitment to implement effective controls to achieve increasingly efficient operations. Our total income grew 9.1%, higher than the 5.5% increase in our operating expenses. Income growth was mainly observed in Central America, where we obtained a significant foreign exchange gain, given the devaluation of the Colón, in addition to higher interest income on debt securities. In terms of expenses, Colombia had lower administrative expenses related to commercial matters.

Finally, our Profitability ratios for 2020 are 10.5% on average equity (ROAE) and 1.2% on average assets (ROAA), lower than those of 2019 (14.4% and 1.8%, respectively), given the impact of the significant growth in our provisions expense upon attributable net income.



## Banco de Bogotá Separate

### Separate Statement of Financial Position

	2019	2020
<b>Assets</b>	<b>98,148</b>	<b>105,759</b>
Cash and Cash Equivalents	9,665	9,179
Net Financial Lease and Loan Portfolio <sup>(1)</sup>	55,841	59,899
Net investments in debt securities	6,588	9,110
Net investments in equity securities	21,765	23,067
Other Assets	4,289	4,504
<b>Liabilities</b>	<b>77,992</b>	<b>85,202</b>
Deposits	56,210	65,856
Other liabilities	21,782	19,347
<b>Equity</b>	<b>20,156</b>	<b>20,557</b>

### Main Indicators

	2019	2020
Net income <sup>(2)</sup>	2,641	2,211
<b>Profitability Ratios</b>		
ROAA <sup>(3)</sup>	2.8%	2.1%
ROAE <sup>(4)</sup>	13.9%	10.7%
Net interest margin <sup>(5)</sup>	5.4%	5.2%
Fee income <sup>(6)</sup>	22.4%	18.7%
Administrative Efficiency <sup>(7)</sup>	37.7%	34.2%
Total Solvency Ratio	19.1%	18.1%
Basic Solvency Ratio	13.2%	12.5%
<b>Loan Portfolio Quality<sup>(8)</sup></b>		
Past Due Loans / Gross Loan Portfolio <sup>(9)</sup>	4.3%	4.6%
Loan provision / Past due loan portfolio <sup>(9)</sup>	131.9%	165.3%

(1) Includes repos and interbank operations.

(2) Figures in COP billions.

(3) Annual Net Income/Average Assets of the year (includes the months of the respective year).

(4) Annual Net Income/Average Equity of the year (includes the months of the respective year).

(5) Net interest income of the period/Average Earning Assets (includes the months of the respective year).

(6) Gross fee income/Net Interest Income before provisions + gross fee income + other operating income. Other operating income is excluded and does not include share in profits of controlled companies and subsidiaries and dividend income.

(7) Operating Expenses/Operating Income (Net Interest Income, Net Fee Income and Other Income). The calculation for 2020 excludes PRPs, Restituted and Other expenses. Replicating this exercise for 2019, efficiency would have been 36.9%.

(8) Loan portfolio indicators are calculated with gross loans, including portfolio accounts receivable.

(9) Past due loans: 30 or more days overdue.

### Relevant Information of the Bank in Colombia

#### Disclosure and Control of Financial Information

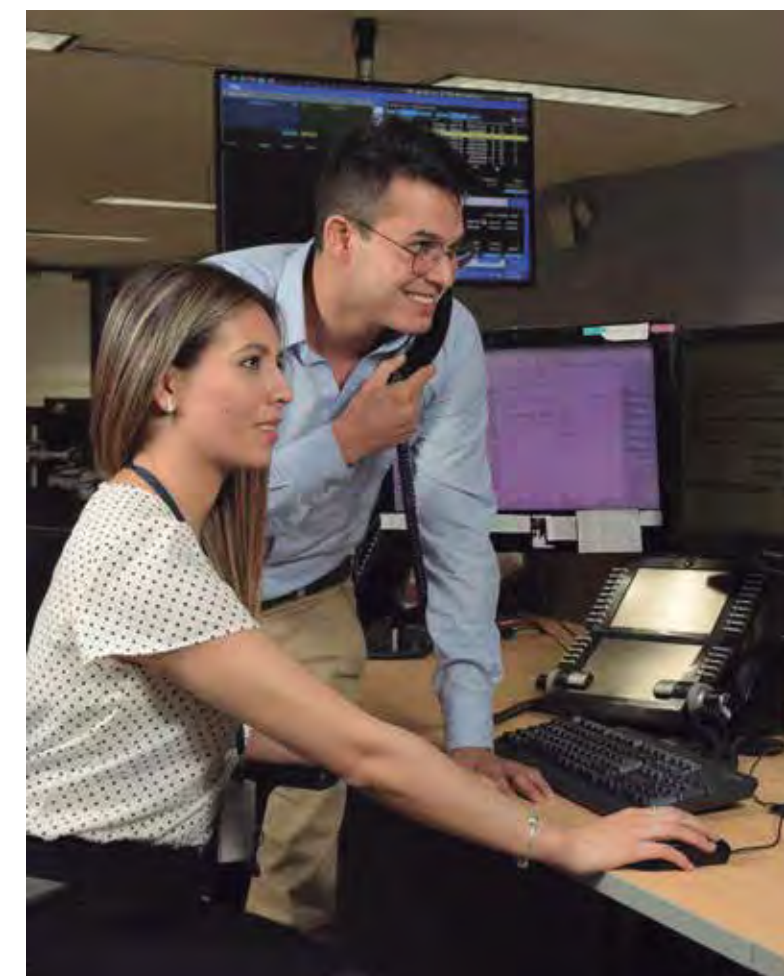
At Banco de Bogotá, we continuously exercise the responsibility of establishing and maintaining appropriate systems for the disclosure, follow-up and control of financial information, effectively relying on control and monitoring systems, as well as on specialized risk departments that ensure that the financial information provided to different institutions is adequate. In turn, according to their areas of competence, the Audit Committee, the Statutory Auditor and the Board of Directors conducted the corresponding evaluations of the operation and internal controls in place for the Bank to adequately record, process, summarize and present the financial information.

Banco de Bogotá manages integral risk based on the compliance with current regulations and internal standards. As described in Note 7 to the Separate Financial Statements, the Bank's risk culture is based on different principles that enable it to maximize performance for investors through effective risk management, and is transmitted to all the areas of the Bank, allowing ongoing control of Credit Risks, Market Risks, Liquidity Risk, Operating Risk, Legal Risk and the Risk of Money Laundering and Terrorist Financing.

#### Relevant Subsequent Events

In line with Note 35 of the Financial Statements, and in compliance with the provisions of paragraph 1, Law 603/2000 and IAS 10, the Bank reports that its Board of Directors authorized the issuance of ordinary bonds in the local market under the limit of the Bond Issuance and Placement Program approved in March 2020.

The issuance was carried out on February 10, 2021, through a Dutch Auction in which COP 600 billion were placed. The bid/cover ratio was over 2X, reflecting investor confidence in Banco de Bogotá.



#### Foreseeable Evolution for the Entity

In relation to Paragraph 2, Law 603/2000, next year, Banco de Bogotá will continue to consolidate the goals and objectives defined in its strategic planning, which will allow it to increasingly continue to commit to the financial inclusion process, in terms of corporate sustainability and the country's growth, as a solid, efficient and leading entity of the financial system.

The Bank will strengthen and capitalize on its relationship with its customers by improving its value proposition and expanding its presence and coverage nationwide through optimum channels, specialized models, skilled personnel, its different subsidiaries, its technological and physical infrastructure and its proactive growth strategy.



The Bank will also advance in its regional consolidation process, taking advantage of synergies with affiliates, in order to position itself as a strategic partner in the development and internationalization of companies.

#### Operations with Partners and Administrators

Regarding the provisions of Paragraph 3, Law 603/2000, Banco de Bogotá declares that the transactions carried out by the Bank with its partners and administrators are in line with the institution's general policies, and are regulated and described in Note 33 of the Financial Statements.

#### Intellectual Property and Copyrights

Pursuant to the provisions of Law 603/2000 and, as per Paragraph 4 thereof, Banco de Bogotá declares that it has a long-standing policy of

compliance with intellectual property and copyright regulations in relation with the different services and products required or owned for the performance of its work, whenever required. The Technology, Marketing and Comptroller departments conduct audits throughout the country to monitor compliance with such policies and legal provisions. Furthermore, Banco de Bogotá, where applicable, keeps records of its name, brands, products, services, and publications up-to-date.

#### Free Circulation of Invoices

Pursuant to the requirements of Article 87, Law 1676/2013, which promotes access to credit and sets forth regulations regarding secured transactions, Banco de Bogotá has established policies to comply with regulations regarding the free circulation of invoices issued by sellers or suppliers with which the Bank has business relationships, thereby avoiding anti-competitive practices.



# 1. Materiality Report

[GRI 102.42][GRI 102.46][GRI 102.47]

To address the current context of sustainable development, which is framed in our Corporate Sustainability Model aligned with the organization’s strategic objectives, as well as our stakeholders’ expectations, in 2016 we conducted a materiality analysis, which provided fundamental input to identify the most important aspects on which we must take action. In 2020, we conducted a general review of new trends and international benchmarks in order to consolidate additional relevant issues that are fundamental to our strategy. This exercise ratified our identification of material issues, by including in our environmental management issues related to Sustainable Investment, Circular Economy and Care in times of crisis. We understand that a topic is of material nature because it has economic, environmental and social effects from the perspective of our senior management (internal), or because it significantly impacts the decisions of stakeholders (external).

## Stages of the BdB materiality exercise

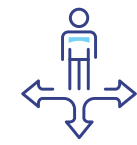


The process included the following key steps:

### Identification stage

For this process, we considered the different international and local references that we have adhered to, such as: Global Compact Colombia Network, Sustainable Development Goals (SDGs), Dow Jones Sustainability Indices, GRI Standard, the guidelines defined in Colombia through the Colombian Banking Association (Asobancaria) and the Green Protocol, the Colombian voluntary environmental agreement, on which we have based our environmental strategy, our strategic objectives framed in the 6C’s and the engagement dialogs carried out with our stakeholders. Based on the foregoing, we identified our most relevant issues in accordance with these references, mainly identifying those of our core business and the financial sector, grouping together the main issues that we will manage in the future within our sustainability strategy.

We kept in mind the following aspects for this stage:



Universe of issues to be prioritized



Interviews with management



Stakeholder map



Dialogs with Stakeholders



Materiality matrix

**Universe of issues to be prioritized:** Eleven sources of information related to relevant issues for the financial industry were consulted, including international standards, media, management reports and civil society organizations.

**Interviews with management:** Seven interviews in which we analyzed aspects such as opportunity, profitability, risks and impacts, challenges for the sector and perception of relevance for stakeholders.

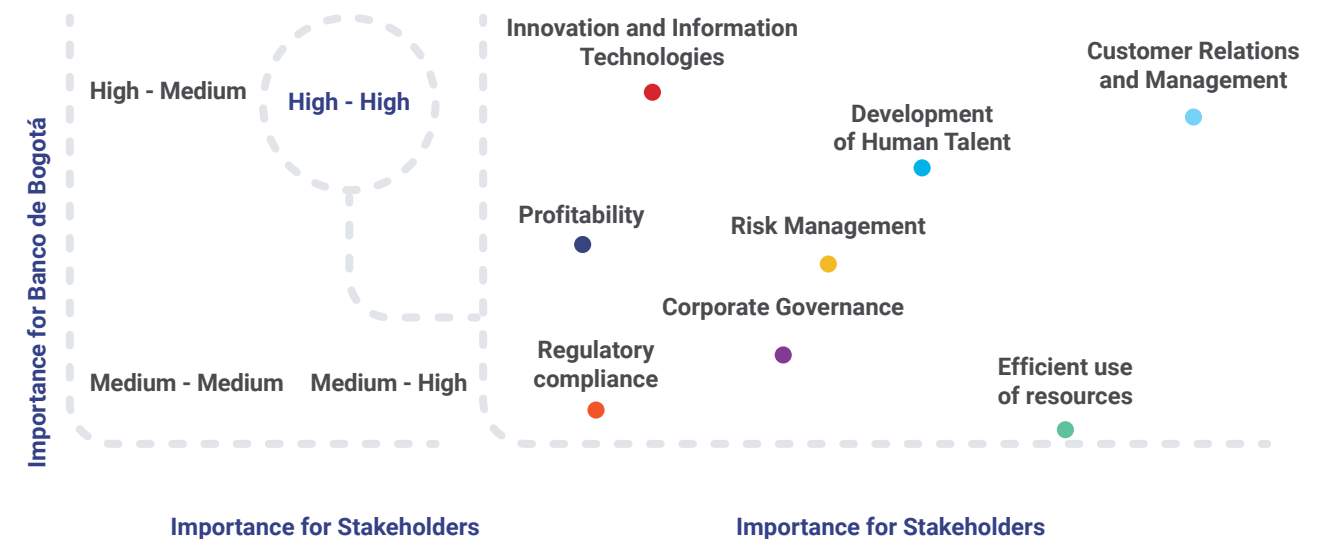
**Dialogs with stakeholders:** Engagement in dialogs with stakeholders, customers, suppliers, main shareholder, sales employees and branch managers, considering criteria of risk and opportunity in managing said issues.

**Stakeholder map:** Construction of the map based on the identification and prioritization of the Bank’s Stakeholders.

### Prioritization stage

Based on the analysis of the process described above, the materiality matrix was developed considering:

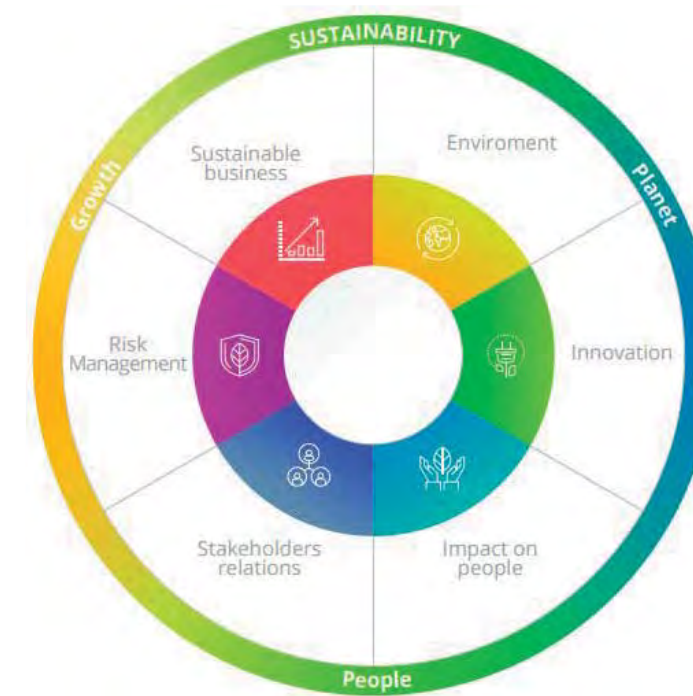
1. Issues relevant for Banco de Bogotá’s management.
2. Issues relevant for Stakeholders.



The result of our materiality exercise yielded 8 material issues, identifying the following, among others:

- **Customer relations and management:** we exist, innovate and are constantly preparing ourselves for our customers and, therefore, the Bank's permanence over time depends on how we relate with and manage them. As banking pioneers in Colombia, we have a major challenge and a great responsibility that drives us to always be at the forefront of the products, services and channels we offer.
- **Development of human talent:** this is very important for the development of our business, because they are part of our essence and the contribution of each of our employees is an essential part of the sustainability, growth and satisfaction of our customers. Our achievements and recognition in the financial sector are essentially the result of each employee's contribution.
- **Risk management:** identifying the main risks to which we are exposed and ensuring that adequate management systems are in place is essential to the sustainability of our business. Such risk management includes reputational, financial (including credit risk), legal operations (including regulatory risk), "SARO" operational risk, money laundering and terrorist financing (SAFLAFT, for the Spanish original), market and liquidity risks.
- **Innovation and information technology:** this matter is of great importance for our Bank's sustainable development, as it allows us to create differentiating initiatives in customer service, and therefore it is one of our institutional purposes. We are committed to having a positive impact on the lives of the clients we serve, designing solutions that add value to our financial services and products.
- **Profitability:** healthy growth (volume growth, market share) and profitability (improving our income, achieving a good level of profits, and having returns on assets in line with expectations) are of great importance to our long-term permanence and to meeting the expectations of all our stakeholders.
- **Corporate governance:** we understand the importance of good corporate governance practices and the influence they have on preserving the value that we offer our stakeholders and in strengthening our relations with them.
- **Regulatory compliance:** the continuity of our business necessarily depends on compliance with national and international regulations at all levels. In this regard, we ensure regulatory compliance in our everyday operations, and we manage it from a perspective of risks, impacts and opportunities.
- **Efficient use of resources:** we are aware of the challenge that comes with the efficient use of the resources we use in our operations, so we identify this material issue as an opportunity to strengthen our sustainability strategy.

Based on the foregoing review, we consolidated 4 strategic fronts that give rise to our Sustainable Business Model, which is framed in the three perspectives of sustainability: prosperity, planet and people.



#### Approval stage

For us, sustainability is based on the ethical commitment we have always assumed to establish a company that promotes ethical values, that is cautious in its decisions, considers the needs and expectations of its stakeholders, is strategically managed and is profitable. In 2020, we ratified our commitment to ethics and to the consolidation of a Sustainable Business Model, through the implementation and management of the strategic fronts of our strategy, of our programs and associated initiatives under the management of the Bank's Sustainability Division.

#### Review stage

With the disclosure of our Annual Management Report, we carry out the review and feedback of our material issues with the support of an independent third party. This process is carried out every two years in order to review the context in which the Bank is located, review the context and trends, align the material issues and, if necessary, redirect our sustainability model and the importance of each of the issues that make up materiality. Based on these strategic issues, we carry out the prioritization and alignment of the Sustainable Development Goals (SDGs) with our sustainable programs and initiatives.

## 2. Annual Corporate Governance Report 2020

### Banco de Bogotá

The Bank has prepared this report corresponding to 2020, approved by the Board of Directors, prior review and favorable report from the Audit Committee, to be presented at the General Shareholders' Meeting in order to report on the operation of the governance model of the Bank and its subsidiaries (hereinafter Grupo Banco de Bogotá) and on relevant changes occurred during 2020. Its contents comply with the provisions of 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 2020 and up to the date of this report, in terms of our Corporate Governance practices:

1. Update of the Corporate Governance Code, in relation to aspects of the reform to the Rules of Procedure for the Audit Committee, services provided by the Statutory Auditing firm and the Corporate Governance report (January 2020).
2. Implementation of processes to carry out that Ordinary General Shareholders' Meeting, virtually (March 2020).
3. Implementation of virtual Board meetings' process (March 2020).
4. Internal audit of the Corporate Governance process (December 2020).
5. Best Corporate Practices Implementation Report 2020 (January 2021).

#### i. Ownership Structure of Grupo Banco de Bogotá.

The Bank's capital at December 31st, 2020 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 (68.7%), Grupo Paz Bautista (11.7%), other shareholders (11.2%) and other companies from the Sarmiento Angulo Organization (8.3%).

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

Member	Shares
Sergio Uribe Arboleda	11,274
Luis Carlos Sarmiento Gutiérrez	2,766
Sergio Ignacio Arboleda Casas	1,355
José Fernando Isaza Delgado	744
Álvaro Velasquez Cock	178
Alfonso de la Espriella Ossio	147
Jorge Iván Villegas Montoya	125

The [bank's website](#) presents the composition of Grupo Banco de Bogotá and Note 1 to the consolidated financial statements presents the Bank's shareholdings in subsidiaries.

In 2020, purchase of 7,682 of the Bank's shares, which represent 0.002% of total outstanding shares, were performed by a Senior Management member, who obtained proper authorization from 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. Management Structure of Grupo Banco de Bogotá.

The Board of Directors is comprised of five principal members and their personal alternates, and their appointment was approved by the General Shareholders' Meeting 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	
Principal Members	Alternate Members
Luis Carlos Sarmiento Gutiérrez	Jorge Iván Villegas Montoya
Sergio Uribe Arboleda*	Sergio Arboleda Casas*
Alfonso de la Espriella Ossio	Ana María Cuéllar de Jaramillo
Carlos Arcesio Paz Bautista	Álvaro Velásquez Cock
José Fernando Isaza Delgado*	Carlos Ignacio Jaramillo Jaramillo*

\*Independent Members.

A summary of the resumés of the Directors, including the year of their appointment as Board members, is published at the [bank's website](#).

In 2020, there were no changes in the composition of the Board of Directors.

The Board of Directors Committees, at the date of this report, are the Audit Committee, the Credit Committee, the Board's Integral Risk Management Committee and the Sustainability Committee, whose composition is the following:

Board of Directors Committees	
<b>Credit Committee</b>	Luis Carlos Sarmiento Gutiérrez
	Sergio Uribe Arboleda
	Alfonso de la Espriella Ossio
	Carlos Arcesio Paz Bautista
<b>Sustainability Committee</b>	José Fernando Isaza Delgado
	Sergio Uribe Arboleda
	José Fernando Isaza Delgado
<b>Audit Committee</b>	Sergio Uribe Arboleda
	Alfonso de la Espriella Ossio
	Álvaro Velásquez Cock
<b>Integral Risk Management Committee</b>	José Fernando Isaza Delgado
	Ana María Cuellar de Jaramillo
	Jorge Iván Villegas Montoya

Rules of Procedure for these committees are published at the [bank's website](#).

For all the meetings of the Board of Directors and its Committees the necessary quorum was met in order to deliberate and the respective decisions were made unanimously by all the members. Furthermore, it is worth mentioning that the Board met on 59 sessions during 2020, with the assistance of principal and alternate members, with an average attendance of principal and alternate members of 98.98%.

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

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

No Board Member of the Bank holds management positions at the Bank or its subsidiaries.

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, high potential personnel, to fulfill the Bank's strategy and objectives.

Note 33 to the separate financial statements and Note 35 to the consolidated financial statements for 2020 disclose the fees paid to Board members as well as benefits for key management personnel.

The Chairman of the Board of Directors and his alternate were responsible for directing Board meetings, which were held virtually since March 24th, 2020. 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 of 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 convened 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 the relevant material for each meeting at the virtual platform (Sharepoint) used for the Board and its committees, verified the deliberative and decision-making quorum, prepared the minutes, duly safeguarded the minutes and their supporting documents and issued the respective extracts, in accordance with the functions defined in the rules of procedure.

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 2020 separate and consolidated financial statements.

In 2020, 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, implementing the virtual Sharepoint that provides information security for the Board's virtual meetings.

As stipulated in the Rules of Procedure for the Board of Directors, the General Shareholders' Meeting will evaluate the Board's performance, through the study and approval of the Management Report submitted for its consideration. The 2019 Management Report was approved at the General Shareholders' Meeting held in March 2020.

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, lending projects that fell under its competency were studied and approved and 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, in a year that brought along many challenges. Follow up was also performed on the issues that were reported by Internal Audit and the Statutory Auditor, prioritizing them in accordance to their importance.

At the meetings of the Integral Risk Management Committee, monitoring on the management indicators' dashboards was performed, in order to duly control the risks that the Banks faces. Similarly, follow up on the requirements by the Financial Superintendence was carried out, in matters related to the Bank's and its subsidiaries' risk management systems, as well as on the actions implemented by Management.

In 2020, the Rules of Procedure for the Sustainability Committee were approved and in its meetings the Bank's sustainability strategy was commented, with the respective exercise of alignment with and prioritization of the Sustainable Development Goals. Additionally, the Committee was informed about the work performed by each of the Bank's areas in order to close gaps with the Dow Jones Sustainability Index, which has become the most relevant indicator to review the progress on the sustainability strategy.

As a result of this strategy, the Bank was included in the Sustainability Yearbook, S&P Global, which recognizes companies with best sustainability practices worldwide.

Lastly, activities with social and environmental impact, performed in 2019 and 2020, were reviewed.

### 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 normal market conditions, in accordance with the policies and guidelines established in the Corporate Governance Code, the Code of Ethics 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 2020 provide information on transactions with related parties.

### iv. Managing Conflicts of Interest.

In order to 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 in force, which must be observed by the entity's Board members, managers and employees. The management of these situations will be framed under the principle that the decisions, in all cases, will be carried out with the greatest objectivity, giving priority to the interests that benefit the Bank before the interests of anyone else involved.

Similarly, the Bank has managed 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, 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) in place that is 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 (ICS) 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 the efficiency and effectiveness of the Bank's operations; (ii) Design security protocols and prevent and mitigate the occurrence of frauds, originated both within and outside the Bank; (iii) Carry out adequate risk management; (iv) Increase the reliability and timeliness of the information generated by the Bank, particularly financial information; and (v) Provide proper compliance with the rules and regulations applicable to the organization.

In 2020, 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 ICS are defined in the Rules of Procedure for the Board of Directors and the Corporate Governance Code, respectively.

### vi. Risk Management System.

The Bank has an Integral Risk Management (IRM) system that aims to provide a comprehensive view of risks, strong governance with an active role from the Board of Directors and 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 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 the identification, measurement, monitoring and control of risks, 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.

The 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-ups of their materialization, which in turn allows for the establishment of response and supervision plans to mitigate them.

Finally, information on the management of the risks faced by the Bank while carrying out its operations in 2020 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 met in compliance with the legal and statutory provisions, in accordance with the rules of procedure for its operation. The ordinary Shareholders' Meeting was held virtually, due to the health crisis.

For the aforementioned Meeting, summoning was carried in compliance with the provisions of the Code of Commerce, those set forth in the Company Bylaws and those regulated in the Internal 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 General Shareholders' Meeting was held on March 26th, 2020, with a quorum of 88.8% 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, among others.

For this meeting, all the necessary information for decision-making effects was made available to the shareholders within the legal term to do so, as required by regulations on the right to inspection and the Bank's Corporate Governance documents. Shareholders' requests on information, certificates, changes in the transfer of shares and dividend payments, among others, were addressed, as well as inquiries on the virtual Shareholders' Meeting.

Summon to the Meeting, shareholder rights and obligations, and characteristics of the shares were made known to the shareholders and the market in general through the website of the Financial Superintendence of Colombia as Relevant Information, and through the Bank's website. The documents that were approved at the Ordinary General Shareholders' Meeting were also published on the Bank's website prior to the meeting.

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

#### **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, through its website, in the "Investor Relations" section.

In 2020, quarterly results conference calls were held corresponding to the fourth quarter of 2019, first, second and third quarters of 2020, in which information was presented to shareholders, investors, analysts and other stakeholders on the consolidated financial performance of Banco de Bogotá. The information referred to these calls is included in the Management Report.

#### **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 2020.

#### **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 26th, 2021, the Best Corporate Practices Implementation Report for 2020, which is published on the Bank's website.

### 3. Verification Memorandum

**Deloitte.**

Memorandum of independent review

## Memorandum of independent review

Independent Review of the Management and Sustainability Report 2020 – Banco de Bogotá

#### Responsibilities of the Management of Banco de Bogotá and Deloitte

The preparation of the 2020 Annual Management Report of Banco de Bogotá, between January 1st and December 31, and its content are the responsibility of the organization which is also responsible for defining, adapting and maintaining management systems and internal control which information is obtained.

Our responsibility is to issue an independent report based on the procedures applied and previously agreed upon for our review.

This Report has been prepared exclusively in the interest of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the Management of the Company.

We have performed our work in accordance with the Independence regulations required by the ethics code of the International Federation of Accountants (IFAC).

#### Scope of our work

The scope of a limited review is substantially less than an audit. Therefore, we do not provide an audit about the Management and Sustainability Report.

We have carried out the review of the content adaptation of Banco de Bogotá Management and Sustainability Report 2020, to the Guide for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards).

#### Standards and review processes

We have carried out our work in accordance with ISAE 3000 - International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accounts (IFAC).

Our review work consisted in the formulation of questions to the Administration, as well as to the different areas and operations of Banco de Bogotá that have participated in the elaboration of the Management and Sustainability Report 2020, in the application of analytical procedures and tests of revision by sampling that is described below:

- Interviews with Banco de Bogotá employees to know about the principles, management approaches and data consolidation systems applied to prepare the Report.
- Analysis of how the content, structure and indicators were defined, based on the materiality exercise according to the GRI Standards
- Analysis of the processes to collect and validate the data presented in the report.
- Checking, by sample, testing and review of quantitative and qualitative evidence corresponding to the GRI contents and Banco de Bogotá internal indicators included in the 2020 Management and Sustainability Report, and proper compilation from the data supplied by Banco de Bogotá the sources of information.

Confirmation that the 2020 Management and Sustainability Report of Banco de Bogotá has been prepared in accordance with GRI Standards: Core option "in accordance".

**Deloitte.**

#### General contents:

It was confirmed that the report conforms to the requirements of the core option "in accordance" with the GRI Standards regarding the general basic contents.

#### Specific contents:

We review the management approach, the GRI, DJSI and internal contents of its material issues:

Material	RI content and / or own indicator of Banco de Bogotá
General content.	102-8. Information about employees and other workers.
	102-41. Collective bargaining agreements.
Financial inclusion	BdB1. Percentage of people banked and economic benefits generated by this concept
Environmental and social business	201-1. Direct economic value generated and distributed.
Government, ethics and transparency.	205-3. Confirmed cases of corruption and measures taken.
Supply Chain	Bdb3. Number of contracted local and foreign allies.
	302-1. Energy consumption within the organization.
	303-1. Water extraction by source.
	305-1. Direct GHG emissions (scope 1).
	305-2. Indirect GHG emissions when generating energy (scope 2).
Operational Eco-efficiency.	305-3. Other indirect GHG emissions (scope 3).
	BdB-7. Amount of tons of recycled paper.
	BdB-8. Paper consumption measurement.
Human talent management.	401-1. New employee hires and staff turnover.
	401-2. Benefits for full-time employees that are not given to part-time or temporary employees.
	403-1. Management system of health and safety at work.
	403-9. Work-related injury.
	404-1. Average hours of training per year per employee.
	BdB-13. Number of collaborators participating in networking and flexible hours.
Financial education.	BdB-16. Number of program beneficiaries and coverage (financial education).



## Deloitte.

Material	RI content and / or own indicator of Banco de Bogotá
	FS16 Initiative; to enhance financial literacy by type of beneficiary
Corporate citizenship.	BdB17. Amounts invested in social development of the communities where we have a presence by strategic line (London Benchmarking Group)
Customer relationship	BdB20. Customer satisfaction measurement

### Conclusions

Based on the work carried out described in this report, the procedures carried out and the evidence obtained, no subject matter has come to our knowledge that leads us to think that the indicators within the scope of the review and included in the 2020 Management and Sustainability Report of Banco de Bogotá for the period between January 1 and December 31, 2020, have not met all the requirements for the preparation of reports, in accordance with the essential option of the Global Reporting Initiative (GRI) Standards. For those indicators of the GRI Standards where Banco de Bogotá did not report quantitatively (figures), only the qualitative information that included procedures, policies, evidence of activities carried out, among others, was reviewed.

### Alternative lines of actions

Deloitte has provided Banco de Bogotá with a report with the most significant alternatives of action for the future preparation of Reports, which do not modify the conclusions expressed in this report, also a few observations that will strengthen the consolidation, management, measurement and communication processes of the organization's sustainability performance.

### Declaration of Independence

We confirm our independence from Banco de Bogotá. All of our employees carry out annual updates to the Ethics Policy where we promptly declare that we have no conflicts of interest with Banco de Bogotá, its subsidiaries and its stakeholders.

Jorge Enrique Múnera D.  
Deloitte Asesores y Consultores Ltda.  
Partner  
Bogotá, March 2021

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## 2020 MANAGEMENT AND **SUSTAINABILITY REPORT**

# 150+