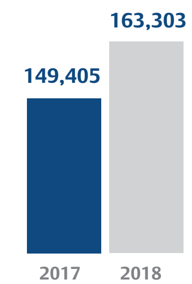
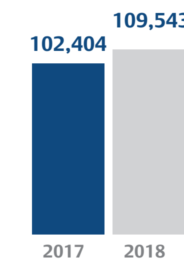
Financial Results

Bank Consolidated

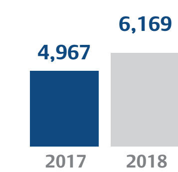
Total Assets



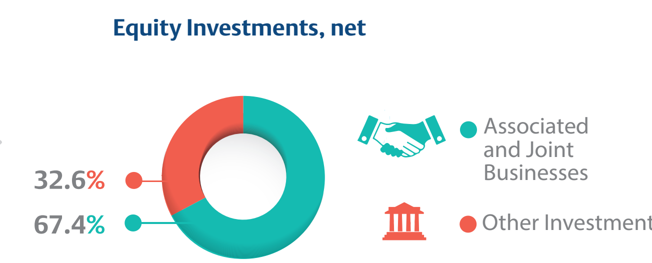
Growth: (9.3%)



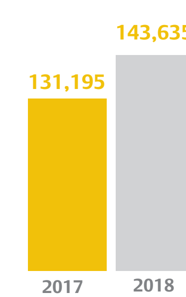
Growth: (7.0%)
Gross Loans *



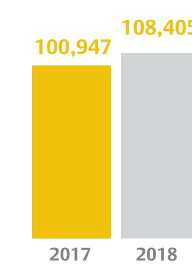
Growth: (24.2%)
Equity Investments, net



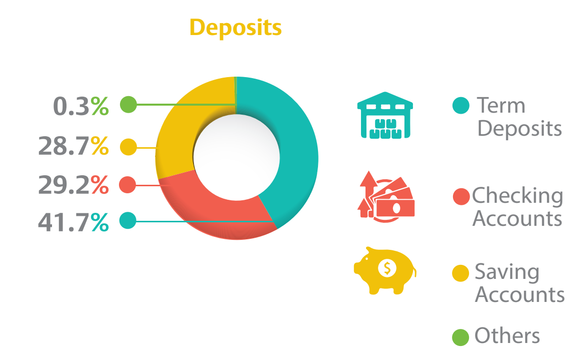
Total Liabilities



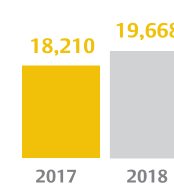
Growth: (9.5%)



Growth: (7.4%)
Deposits



Equity



Growth: (8.0%)

2018 Ratios

Net Income: COP 3,131
Net Income Attributable to Shareholders: COP 2,937

ROAA: 2.1%
ROAE: 17.1%
Net Interest Margin: 5.7%

Administrative Efficiency: 47.5%
Total Solvency Ratio: 13.5%
Loan Portfolio Quality: 4.0%

Figures in billions of COP
*Exclude repos and interbank operations.

Financial Results

Our profitable growth is based on the 6Cs corporate strategy, aimed at ensuring sustainable results and strengthening our leadership position in Colombia, as well as in Central America.

Macroeconomic Environment

International Context

The global upturn in economic activity, which began in mid 2016, was maintained in 2018, with an additional boost that was consolidated in the first half of the year. For the full year, the International Monetary Fund (IMF) estimates that the global activity grew 3.7%, which is the same rate observed in 2017.

It is important to highlight that global growth was less synchronized than in 2017. While most advanced economies grew beyond their potential, the global momentum mainly reflected the US dynamics, following the fiscal stimulus at the end of 2017, which favored investment through tax cuts for businesses. In fact, in the second quarter, this economy grew 4.2%, which is the best result in four years, beyond its long-term potential of 1.8%.

Also, the growth dynamic was not consistent throughout the year. The activity began a process of gradual convergence towards its long-term growth in the second half of the year, after the peak achieved in the first half of the year. China continued its economic adjustment process, by moderating its growth, while implementing measures to reduce risks due to its high level of indebtedness.

In line with the start of the moderation of activity, the IMF recently estimated that the economy would grow by 3.5% in 2019. However, there is a downward bias regarding the balance of risks over growth due to increased global protectionism, the persistence of uncertainty due to geopolitical tensions, the vulnerability of emerging economies and the volatility of financial markets.

Of all the risks mentioned above, the most relevant is perhaps the escalation of global protectionism, with the world's two largest economies, China and the United States, as the leading players. It was not until the end of the year that the two countries agreed to a three-month truce to negotiate. In the meantime, a resurgence of trade tensions remains a latent risk.

In relation to prices, they highlighted the upward pressure derived from the increase in the price of oil after the Brent bordered on USD 85 per barrel in October. In turn, by the middle of the year, a number of emerging economies recorded the transfer of devaluation to prices, resulting in a significant upturn in inflation. Notwithstanding the foregoing, in 2018 inflation virtually ended at the levels observed the preceding year, reflecting the sharp reversal of the momentum of oil prices and moderation of the devaluation in emerging economies. For the year 2019, inflationary risks are considered to be contained.

In particular, amidst the economic dynamism and significant inflationary pressures during most of the year, central banks increased their interest rates. In the United States, the Federal Reserve kept its projection of four rate increases, bringing it to the range of 2.25% - 2.50%. However, at the end of the year, the entity acknowledged downside risks on US activity and proposed lower rate adjustments for 2019, going from three to two. In any case, although the institution could be a bit more patient in 2019 in terms of increasing the rate, its goal is to carry on with the monetary normalization process.

In the meantime, the European Central Bank (ECB) completed the net purchase of assets in December 2018, although its policy guideline warned that interest rates will remain unchanged until the third quarter of 2019. However, despite the downside risks for the activity, the rate increases could be postponed. After the first rate adjustment, the ECB could start the net sale of assets.

Amidst the increase in the cost of financing at the global level, a number of emerging economies faced capital outflows. In countries with less solid foundations, significant devaluations were observed, as was the case in Argentina and Turkey, who had to operate with relevant interest rate increases. In turn, China, which started out looking to contain financial risks, ended the year with bank adjustments, aiming to restore the dynamics of its economy.

In short, the economic context was favorable, although challenging for emerging economies, especially for those with weaker foundations. Risk aversion was decisive in the performance of international markets, although not necessarily due to the economic context, but rather because of the geopolitical and trade tensions.

Summary of economic indicators

Colombia	**2.7%** **Growth** (annual var. %)[1]	**3.2%** **Inflation** (annual var. %)[2]	**4.25%** **Central Bank Rates** (annual var. %)[3]	**2,957** **Exchange rate** (USD/COP)[4]

Source: National Department of Statistics (DANE, for the Spanish original), Central Bank of Colombia. Calculations based on Banco de Bogotá's Economic Research.
1 Average growth of the Economic Tracking Indicator (ISE, for the Spanish original) during the January-December period for the seasonally adjusted series. Colombia's GDP grew by 2.7% on average in 2018.
2 January-December average.
3 Interest rates in effect at the end of December.
4 Local currency per dollar, January-December average. In Colombia, this is the average of the Representative Exchange Rate (TRM, for the Spanish original).

Colombia

In 2018, the Colombian economy recovered after a decline of three consecutive years. For the full year, the GDP grew by 2.7%, which is the best result since 2015, leaving behind the adjustment for the drop in the price of oil.

In relation to performance by sectors, services have shown the greatest advances, as professional services grew by 5.0% during the year, followed by social services with an annual growth of 4.1%. However, activities such as trade and industrial production should not be overlooked, because although are far from having the best performance, their records reflected recovery in activity. In the first case, the rebound in household confidence, the stability of inflation and reductions in the monetary policy rate that hit the market, supported the recovery of the indicator. The performance of industrial production was also outstanding. It showed advances in most subsectors, by reducing the concentration of growth in oil refining observed in 2016 and 2017.

In perspective for 2019 and 2020, we expect the local economy to remain on the road to recovery, which ensures convergence toward long-term growth, estimated at between 3.0% and 3.5%. Our area of Economic Research points to a growth of 3.0% for 2019.

The rebound in economic activity has also become evident in the external sector with the advance of imports. In 2018, foreign purchases increased by 11%, the highest growth since 2011. This improvement is based on the performance of domestic demand, as goods intended for investment and consumption have shown progress throughout the year. However, this behavior has not extended to exports, as they continue to be subject to the prices of raw materials. For the full year, foreign sales expanded by 10%, driven by traditional goods, such as oil (27%), while non-traditional exports reached a modest 2%.

As a result, the space for additional adjustment of the external deficit has been limited, as shown by the recent results of the balance of payments. For the full year, the current account deficit was -3.8% of GDP, compared to the -3.3% reported in 2017. However, this record has remained stable throughout the year, which suggests that the process of adjusting external accounts has ended, at least in the short term.

It is important to remember that the correction of the current account deficit was one of the arguments that supported the currency revaluation in 2017. This behavior was not exhibited in the same magnitude over the last year, because the average exchange rate of the US dollar was COP 2,957, which is a revaluation of just 0.2% in annual terms. Nevertheless, it should be noted that in the latter part of the year, both external and internal pressures characterized the volatility and devaluation of the local currency. In terms of the first factor, the drop in the price of oil and the constant episodes of global risk aversion added to the Central Bank's decision to accumulate international reserves by auctioning put options starting in October, which became a constant limiting factor for the revaluation of the exchange rate.

Despite this volatility in the currency, it had no impact on inflation, which continued to show favorable behavior throughout the year and ended 2018 at 3.2%, which is within the target range of the Central Bank. In the short term, there are some risks, but they are all manageable for now, such as the impact of the *El Niño* weather phenomenon on food, the devaluation of the exchange rate and the inflationary effect of the Tax Reform Law, which in any case turned out to be lower than initially projected. Although these factors could cause upward pressure on prices, it would not put the target inflation at risk in 2019; which we expect to be 3.2%.

It was precisely the outstanding performance of prices in 2018 that provided the Central Bank of Colombia with the opportunity to carry on with its expansive monetary policy, with two additional interest rate cuts in the first half of the year, bringing it to 4.25%. After that, the Central Bank decided to keep the rate stable. Based on the behavior of the monetary policy in 2019, we expect the interest rate to increase in 2019. A Central Bank with a degree of caution suggests that increasing rates can take a little longer than expected or that they may be of a lesser magnitude.

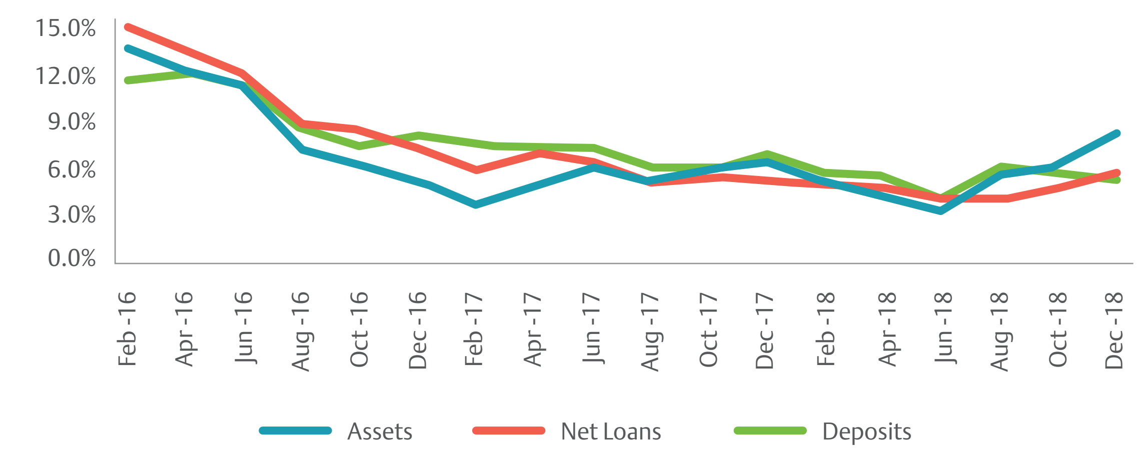
The tax policy also played a leading role in 2018, in response to the adjustments made by the new Government to the 2019 budget, which reduced the payment of amortizations for debt servicing in order to increase spending on investments and operations. To do so, it used internal and external debt swaps, along with a new tax reform called the Financing Law. The estimated amount of additional resources from this measure is approximately COP 8 trillion, which is not enough to cover all the anticipated needs after the changes to the budget (COP 14 trillion). Therefore, the Government announced spending cuts to comply with the fiscal rule that establishes a deficit of -2.4% of the GDP for 2019. The Government has recently discussed the possibility of adjusting the fiscal rule to include unforeseen expenses.

Economic Research Team, Banco de Bogotá

Colombian Banking System

In 2018, the Banking System in Colombia showed an increase in annual growth rates, amounting to 7.9% in Assets, 5.5% in Net Loan Portfolio and 5.1% in Deposits.

Colombian Banking System: year-on-year growth rates



Source: Financial Superintendency of Colombia

In line with the positive performance of the Colombian economy in 2018, which ended a period of decline, the Colombian financial system reflects the gradual growth of the gross leasing and loan portfolio, which stood at COP 443,737 billion. This meant an annual growth rate equivalent to 6.0%, mainly driven by the consumer and mortgage loan portfolio, which increased by 8.8% and 12.2%, respectively.

In terms of portfolio quality, it stood at 4.5% in 2018, which is 25 basis points higher than the 2017 indicator. The commercial loan portfolio had the highest impairment during the course of the year, with a quality indicator of 4.36% for 2018. This is due to an increase in past due commercial loans of 23.9% during the year, vs. a growth in the gross commercial loan portfolio of 3.3%.

The deposits of the financial system amounted to COP 391,059 billion, up 5.1% from 2017. Performance by type of deposit shows that saving accounts were the most dynamic, with a 6.2% increase, followed by checking accounts, which grew by 6.0% during the same period.

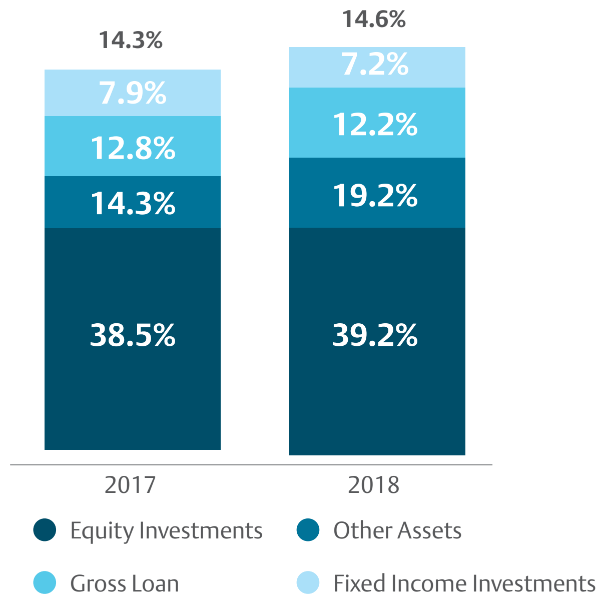
Given the higher growth of the loan portfolio vs. the growth of deposits, the ratio of deposits to gross loan portfolio of the banking system decreased compared to December 2017, going from 88.9% to 88.1% in 2018.

In terms of profit, there has been a growth of 27.5%, corresponding to COP 2,087 billion, compared to 2017, influenced by the net interest income that increased by COP 1,877 billion, equity method income by COP 1,382 billion, offset mainly by the other expenses that increased by COP 1,138 billion, due to personnel expenses that grew by COP 540 billion.

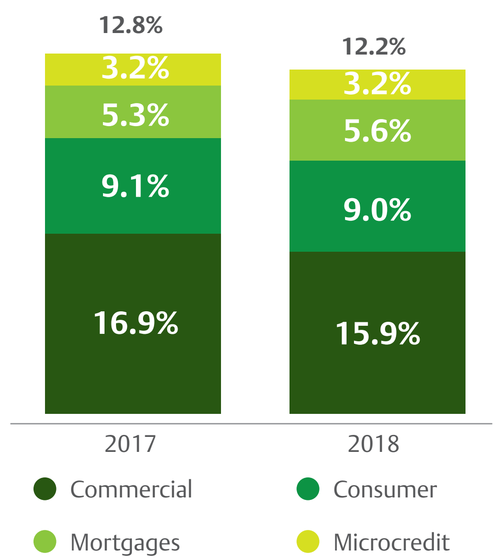
Our Share in the Colombian Banking System

We continued to be one of the most important banks in the Colombian Banking System, maintaining a significant share in the different items of the financial statements.

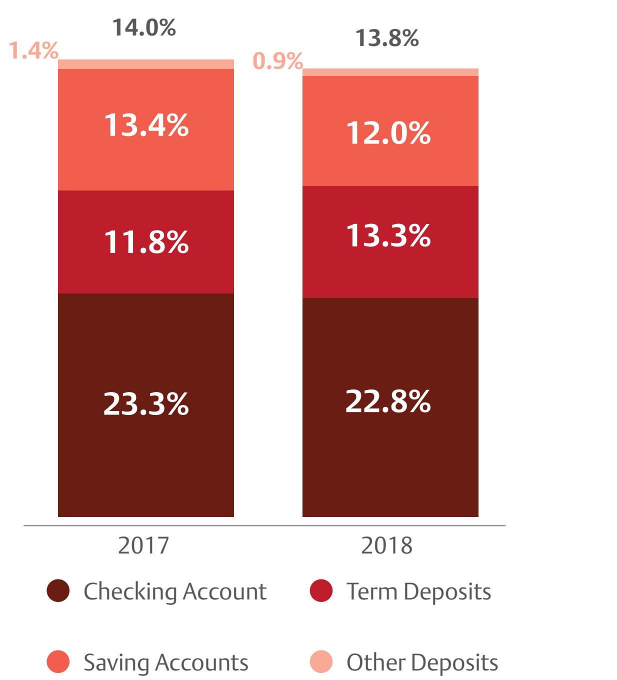
Assets



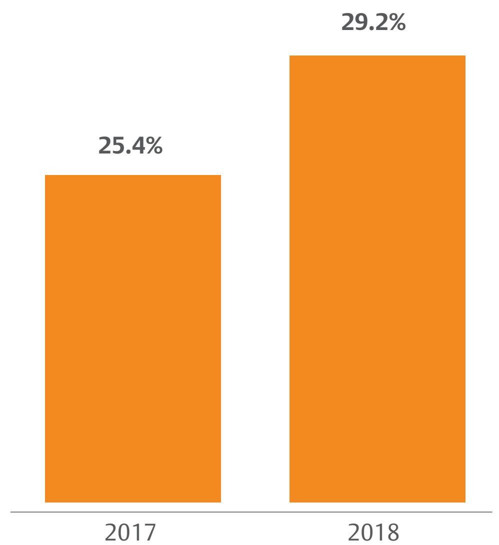
Gross Loan Portfolios



Deposits



Net Income



In 2018, we achieved a 14.6% share in Assets, with a growth of 24 basis points compared to the preceding year.

With regard to the Gross Leasing and Loan Portfolio, we had a decrease of 65 basis points in market share, mainly in the Commercial Loan Portfolio, because over the last year, we were focused on protecting profitability and Portfolio Quality in our Corporate Segment. In turn, the Consumer Loan Portfolio decreased by 11 basis points, while the Mortgage Loan Portfolio stood out with an increase of 29 basis points in market share, based on a successful business strategy.

In terms of deposits, our market share decreased by 12 basis points, mainly in Saving Accounts and Checking Accounts, offset by the increased dynamics in deposits through TDs, which grew in market share by 152 basis points. It is important to mention that the decrease in deposits is due to the moderate growth of the loan portfolio.

Profit continues to be on a road of constant growth, which has enabled us to increase our market share, going from 25.4% in 2017 to 29.2% in 2018, which is equal to an increase of 384 basis points.

Summary of economic indicators Central America

	Growth (Annual Var. %)[1]	Inflation (Annual Var. %)[2]	Central Bank interest rate (%)[3]	Exchange rate (USD/X)[4]	Currency
Costa Rica	2.7%	2.2%	5.25%	578.0	Colón
El Salvador	2.4%	1.1%	N.D.	1.0	Dollar
Guatemala	3.3%	3.8%	2.75%	7.52	Quetzal
Honduras	3.8%	4.4%	5.50%	23.9	Lempira
Nicaragua	-1.4%	5.0%	N.D.	31.6	Córdoba
Panama	3.2%	0.8%	N.D.	1.0	Dollar

Source: Consejo Monetario Centroamericano, Bloomberg. Figures Economic Research Banco de Bogotá
1 Average growth of the monthly index of economic activity (IMAE) for the trend-cycle series in the period January-December when the information is available. Some economies have information to October or November.
2 Average January - December
3 Interest rates as of December
4 Local currencies per dollar, twelve month average (Jan-Dec).

Central America

In 2018, the growth rate of the economy of Central America was less robust than expected, on account of specific shocks in some of its economies. In the meantime, the positive results of the US economy represented a wind in favor of the region, given the increase in the external demand for goods and services, and the good dynamics of remittances. For 2018, the International Monetary Fund (IMF) estimated that regional activity had an annual growth of 2.9%, which is lower than the preceding year (4.0%), but is still a favorable rate.

The biggest change in perspective was recorded by Nicaragua, since political instability impacted its economy. In April, when political and social tensions began, the activity averaged a growth of 2.7%. However, investment decisions were postponed and household consumption declined due to deteriorating confidence, to the point that in November, the economy showed a reduction of -4.4%. The sectors affected most were tourism (-25%), trade (-20%) and construction (-18%). Although more recent information suggests that the activity may have bottomed out, a recovery has yet to be confirmed.

In turn, Panama experienced another kind of shock. A prolonged strike in the construction sector in May impacted the economy, with repercussions that went on even longer. After the growth trend of the Panamanian economy exceeded 4.5% at the beginning of the year, it decreased to 1.2% in May. However, by October, this same statistic reached 3.3%, confirming the expected recovery, which will be extended and will also be supported by two events: the celebration of World Youth Day, an event that will attract significant income from tourism, as well as the completion of the Cobre Panama mine, which began operations in February 2019.

In turn, the Costa Rican economy went from a growth trend of 3.0% by the end of 2017 to 1.9% in November 2018. The difficulty in adopting a structural tax reform, the strike of a segment of public sector workers that went on for a quarter and the impact of the political situation in Nicaragua slowed the growth of its economy. In addition, the approval of the tax reform law stands out, which means a breakthrough on the path of fiscal sustainability, although additional measures are required to ensure the stabilization of the public debt.

After significant growth in 2017, Honduras and El Salvador grew at a rate of 3.8% and 2.5%, respectively, showing a slight moderation of -0.1 percentage points and -0.2 percentage points in that order. In turn, Guatemala showed an upward trend from 2.7% in 2017 to 3.4% in 2018, finding a significant boost in the 13% increase in remittances.

In a context of moderation in pressures on oil prices, by the end of 2018, inflation in the region ended the year at 1.8%, after reaching a maximum of 2.8% in September. Although all the economies showed a slowdown in prices, the modest decline in Costa Rica stood out, going from -0.5 percentage points to 2.0%. The limit on its decline is explained by the transfer of devaluation to prices, particularly in the last quarter, when it rose to an annual rate of 6.0%.

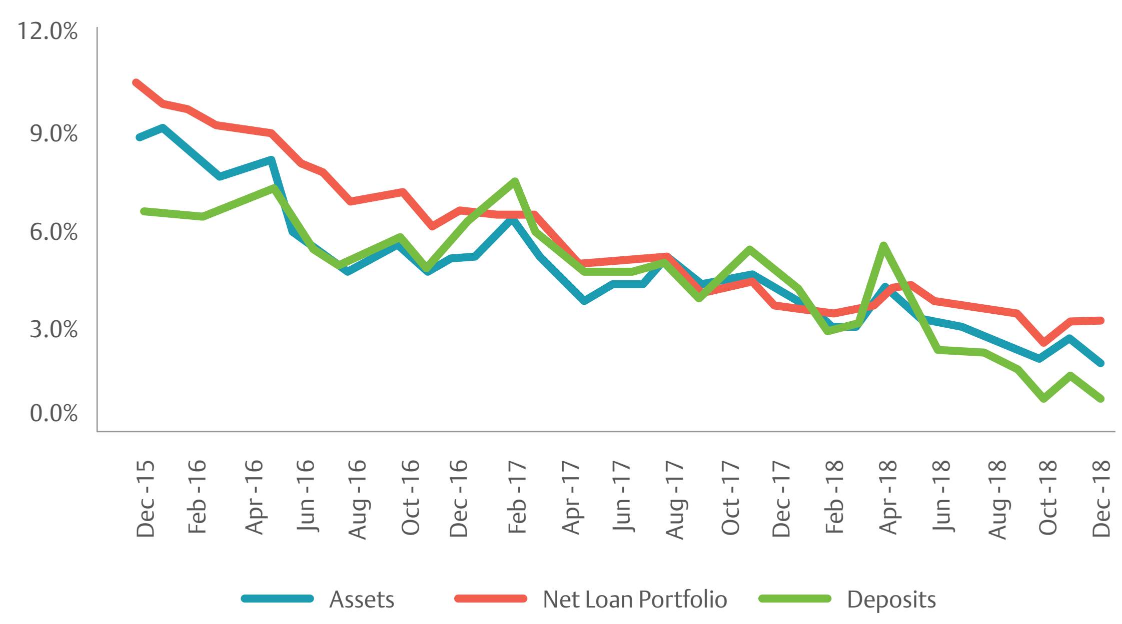
Precisely, with the aim of controlling inflationary expectations, the Central Bank of Costa Rica was the only bank in the region to increase its rate in 2018, through an adjustment of +50 basis points to 5.25%.

The outlook of Central America for 2019 is one of recovery, with the dilution of the particular shocks mentioned above and despite the uncertainty usually added by electoral processes. These processes will be held in El Salvador (February), Panama (May) and Guatemala (June). The IMF estimates that the economy will grow by 3.7% during this period.

Central American Banking System

In the Central American financial system, assets recorded a year-on-year growth of 1.8%, explained to a large extent by the net portfolio growth of 2.4%. In turn, deposits stood at the same level as in 2017.

Central American Banking System: year-on-year Growth Rates



Source: Data obtained from the superintendencies of each country. All "financial groups" in Guatemala are included, as well as those banks that do not belong to a financial group. Panama considers banks with a general license, the total loan book and total deposits.
*Panamaian figures available as of November 2018.

Central American Banking System by country						
Dec-2018	Assets		Net Loan Portfolio		Deposits	
Millions of Dollars	USD	YoY Variation	USD	YoY Variation	USD	YoY Variation
Guatemala	47,143	1.7%	25,253	0.7%	33,393	2.5%
Honduras	22,979	7.6%	12,893	12.3%	13,310	4.4%
El Salvador	18,492	5.3%	12,225	5.5%	12,327	5.2%
Nicaragua	6,744	-12.9%	4,294	-14.5%	4,294	-17.7%
Costa Rica	44,850	-3.5%	28,853	-2.6%	29,659	-2.1%
Panama	100,882	3.0%	68,115	4.0%	72,539	0.4%
Total	**241,089**	**1.8%**	**151,633**	**2.4%**	**165,523**	**0.0%**

Source: Data obtained from the superintendencies of each country. All "financial groups" in Guatemala are included, as well as those banks that do not belong to a financial group. Panama considers banks with a general license, the total loan book and total deposits. Panamaian figures available as of November 2018.

Honduras is the country with the highest growth in Assets, with a year-on-year increase at December 2018 of 7.6%, followed by El Salvador at 5.3%, Panama at 3.0% and Guatemala at 1.7%. Costa Rica and Nicaragua showed decreases of 3.5% and 12.9%, affected by fiscal uncertainty and the sociopolitical crisis, respectively.

With regard to the Net Loan Portfolio, this is the fastest growing variable at the regional level, where Honduras is the country with the best performance, growing by 12.3% year-on-year at December 2018, followed by El Salvador at 5.5%, Panama at 4.0%, and Guatemala at 0.7%. Costa Rica and Nicaragua showed reductions at -2.6% and -14.5%, respectively. As for Costa Rica, the economy is going through slight growth, uncertainty caused by the decline in public finances, which resulted in an increase in interest rates, and exchange rate movements affected the placement of credit. In turn, the sociopolitical situation in Nicaragua resulted in a reduction in deposits leading to a restriction of credit for economic activities.

Despite great growth exhibited in the financial systems of countries like Honduras and El Salvador, countries with the largest share of the total net loan portfolio in the region are still Panama, Costa Rica and Guatemala, with 44.9%, 19.0%, and 16.7%, respectively. In Panama, the growth of the portfolio is explained mainly by the industry and consumer sector, with a year-on-year growth of 30.4% and 8.7%, respectively; Guatemala, in turn, was dynamic in the consumer and business loan portfolio, while in the case of Costa Rica, construction is the most dynamic sector.

Regarding deposits, El Salvador reflects the highest growth at 5.2%, followed by Honduras at 4.4%, Guatemala at 2.5% and Panama at 0.4%. Costa Rica's deposits decreased by 2.1%, particularly due to the devaluation of the currency, while Nicaragua's deposits dropped by 17.7%, mainly due to capital outflows to other countries, the increase in unemployment and the demand for cash, caused by the uncertainty of the crisis.

Finally, Central America's profit increased by 0.5%, supported by the growth of El Salvador, Costa Rica and Guatemala at 9.4%, 5.4% and 4.0%, respectively. On the other hand, Nicaragua's reduction of 29.3% affects this increase, along with the reductions of Panama and Honduras at 2.6% and 2.5%, respectively.

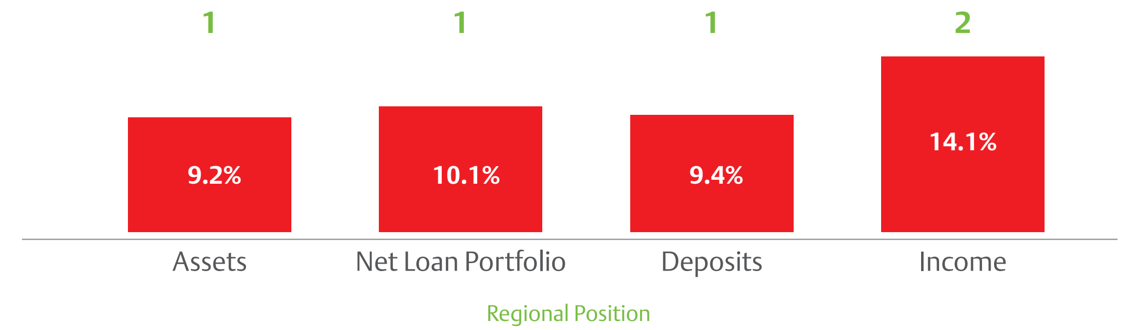
Like the loan portfolio, in December 2018, Panama is the country with the largest share of profits in the region at 39.6%, followed by Guatemala and Costa Rica at 28.4% and 12.3%, respectively.

Rodolfo Tabash Espinach, President of BAC Credomatic and his work team.

BAC Market Share

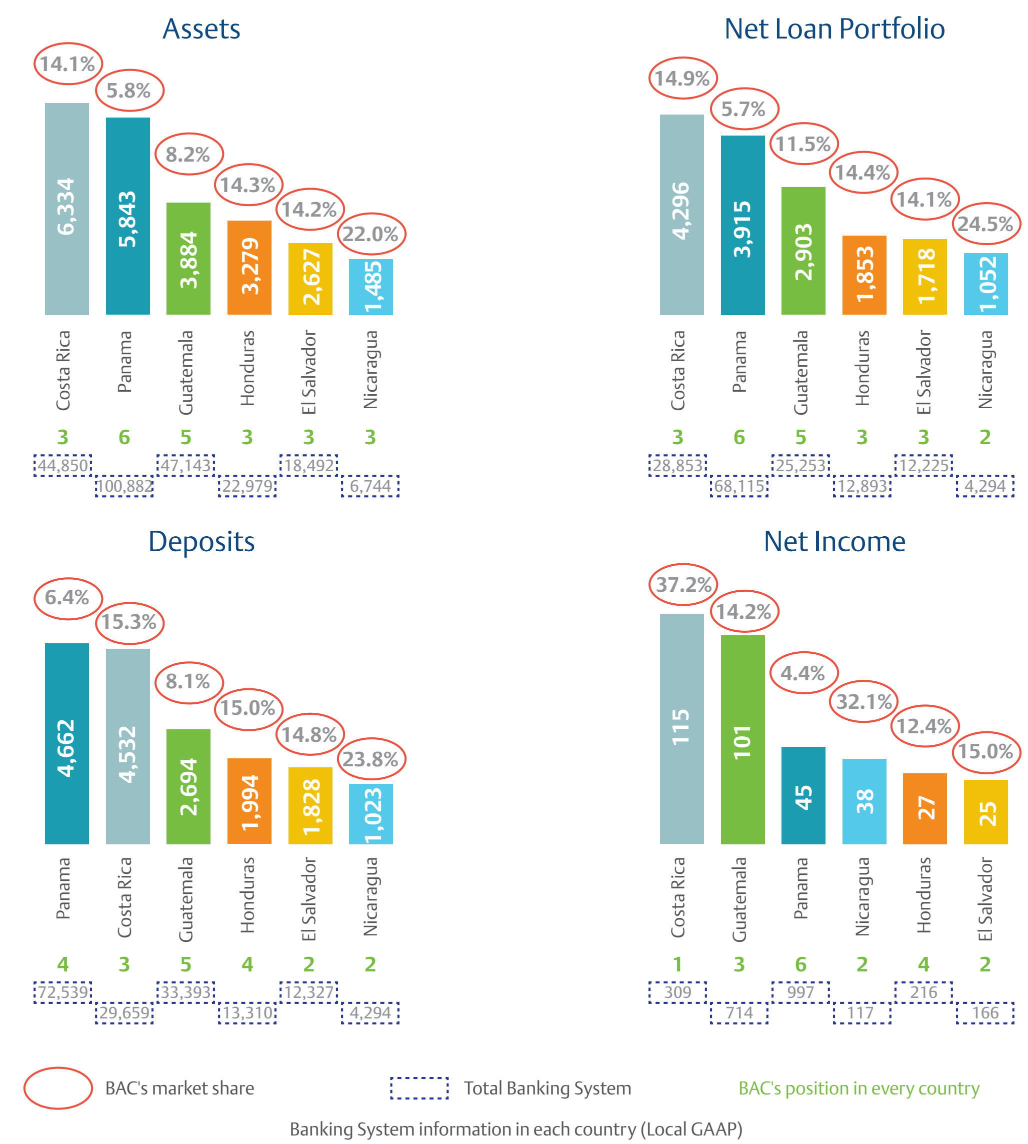
In terms of market share, BAC Credomatic maintains a significant presence in all the countries where it operates. However, the Group has the largest market share of the main categories of the financial statements categories such as assets, net loan portfolio, deposits and net income, in Nicaragua, Costa Rica, El Salvador and Honduras.

Regional Market Share



Information at September 2018
Source: Superintendencies of Panama, Costa Rica, Guatemala, Honduras, El Salvador and Nicaragua's banks.

Market Share by country



Figures in millions of USD
Panamaian figures as of November 2018.

These results translate into steady growth, positioning it as the main bank in the region, measured by level of Assets, with a 9.2% market share (according to the September results, the latest information available).

With regard to its loan portfolio, BAC Credomatic has shown the most significant growth in highly profitable items such as credit cards and personal loans, largely due to the strategy to earn the loyalty of transnational customers. This kept it in first place in the placement of the net loan portfolio, with a share of 10.1% at September 2018.

In Deposits, the Group has made significant efforts to increase this category in its funding mix, which translates into a relevant position in the system, with a market share of 9.4%, thanks to its approach to modern, versatile electronic banking, which has enabled the instant creation of bank accounts and quick, secure transactions, as well as to customer-friendly mobile banking.

Profit remains on an upward trend, which allows the Group to increase its market share at the regional level on an ongoing basis. At September 2018, BAC Credomatic held 14.1% of the financial system's total profits.

Profit remains on an upward trend, which allows the Group to increase its market share at the regional level on an ongoing basis.

Financial Performance

Banco de Bogotá - Balance Sheet		
	CONSOLIDATED	
Figures in IFRS (Billions of COP)	2017	2018
Assets	**149,405**	**163,303**
Cash and Equivalents	16,925	22,061
Loans and Financial Leases, Net (1)	104,244	111,018
Fixed Income Investments, Net	12,337	11,989
Equity Investment, Net	4,967	6,169
Other Assets	10,932	12,065
Liabilities	**131,195**	**143,635**
Deposits	100,947	108,405
Other Liabilities	30,248	35,230
Equity	**18,210**	**19,668**

Banco de Bogotá - Main ratios		
	CONSOLIDATED	
	2017	2018
Net Income (2)	**2,296**	**3,131**
Net Income Attributable to Shareholders (2)	**2,064**	**2,937**
Profitability Ratios		
ROAA (3)	1.6%	2.1%
ROAE (4)	12.5%	17.1%
Net Interest Margin (5)	**6.0%**	**5.7%**
Fee income (6)	**35.6%**	**34.8%**
Administrative Efficiency (7)	**49.2%**	**47.5%**
Total Solvency Ratio	**13.5%**	**13.5%**
Basic Solvency Ratio	**8.8%**	**8.9%**
Loan Portfolio Quality (8)		
Past Due Loans / Gross Loans (9)	3.5%	4.0%
Loan Allowances / Past Due Loans (9)	90.8%	116.7%

(1) Includes repos and interbank operations
(2) Figures in billions of COP
(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 Shareholders/Average Attributable Quarterly Equity 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) Net Interest Income from the Period/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) Personnel expenses + administrative expenses before annual depreciation and amortization/operating income before allowances.
(8) Loan portfolio indicators are calculated with gross loans, including portfolio accounts receivable.
(9) Past due loans: more than 30 days overdue.

Consolidated Statements

Banco de Bogotá is a universal bank, with a proven franchise business in Colombia and Central America. Our business in Colombia is comprised of Banco de Bogotá, Porvenir, the largest pension and severance fund in the country, Fiduciaria Bogotá, one of the main entities of the trust company sector in Colombia; Almaviva, the oldest general warehouse in Colombia; Banco de Bogotá Panama, Bogotá Finance Corporation, Ficentro and Megalínea. Through BAC Credomatic, we are the leading bank group in Central America.

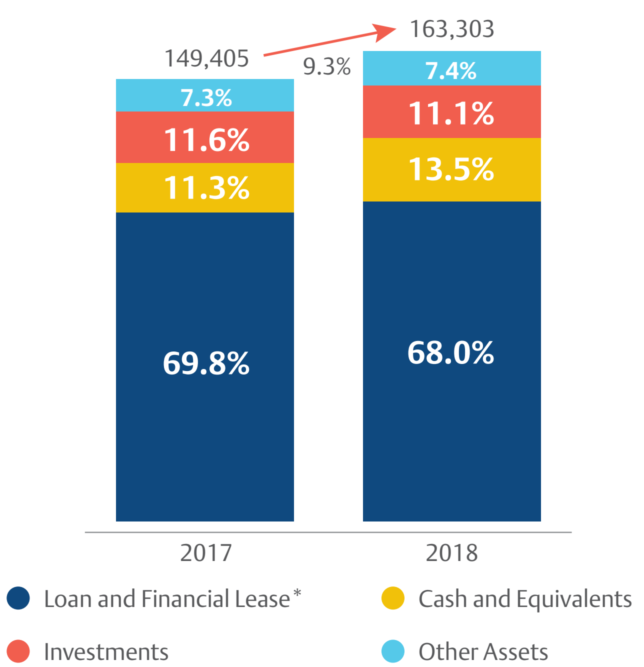
In 2018, we continued to focus efforts on maintaining our leadership in both Colombia and Central America. Our strategy has been oriented by customer loyalty, sustainable business growth, proper risk management, process improvement, digital transformation, employee wellbeing and efficient control of the operation.

Assets

Our Consolidated Assets amount to COP 163,303 billion, an annual increase of 9.3%; excluding exchange rate fluctuations, the annual growth of assets is 4.9%. From a regional perspective, 51.9% of the assets corresponds to the operation in Colombia. This share decreased by 112 basis points compared to 2017, given the greater growth of our business in Central America in 2018, due to the increase in the exchange rate.

Assets Composition

COP billions and % share



* Net loan and financial lease portfolio, includes repos and interbank operations.

The Gross Loan and Finance Lease portfolio, excluding repos and interbank operations, grew at an annual rate of 7.0%, amounting to COP 109,543 billion. Excluding the foreign currency effect, the consolidated portfolio grew 2.8%; in terms of performance broken down by region, Colombia grew by 1.2% and Central America by 13.9% (4.6% excluding the foreign currency effect).

By categories, the commercial loan portfolio amounted to COP 63,839 billion, an annual growth of 4.2%, standing as the loan portfolio with the highest share at 58.3% of the total gross loan portfolio. Without taking into account the exchange rate impact, the commercial loan portfolio grew 1.3% compared to 2017, with Central America as the largest contributor, at a growth of 7.1% excluding the impact of the exchange rate, due to the evolution of placements mainly in Costa Rica, Guatemala and Honduras.

At the consolidated level, the dynamism of the consumer loan and mortgage portfolios stood out, amounting to COP 31,171 billion and COP 14,116 billion, with annual growth rates of 10.1% and 13.9%, respectively. Excluding the foreign currency effect, the consumer loan and mortgage portfolios grew 4.3% and 6.7%, respectively, based on the evolution of business in Colombia. This behavior reflects the growth potential of these loan portfolios and the successful implementation of our strategy of increasing their participation in the loan portfolio.

On December 31, 2018, the Loan Portfolio Quality Indicator (loan portfolio over 30 days past due/gross loan portfolio) is 4.0%, up from 3.5% at December 2017. This was the increase observed in our operation in Colombia, mainly due to the increase in the commercial loan portfolio. Similarly, the operation in Central America had an increase in commercial and consumer loans more than 30 days past due, especially in Nicaragua due to the sociopolitical situation that the country has been going through since April 2018.

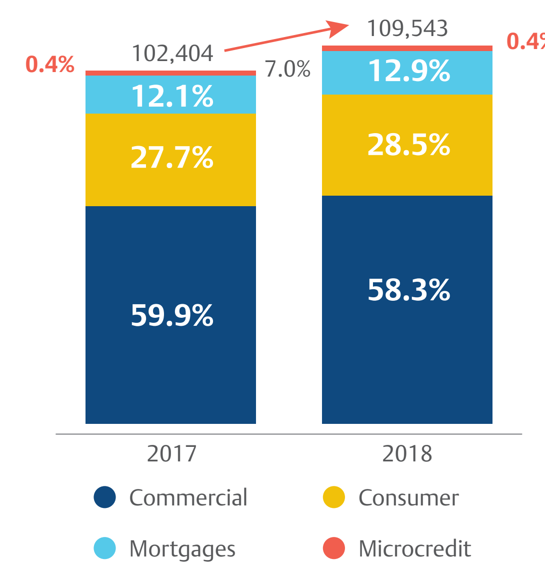
The balance of the Consolidated Loan provision amounted to COP 5,133 billion, an annual growth of 59.1%, given the adoption of IFRS 9, which resulted in a gross increase in our balance sheet provisions. According to the regulation, those adopting the standard for the first time can record the debit associated with the increase in provisions against the Equity account. The effect of associated deferred taxes partially offsets the gross increase in provisions, which is included in our Other Comprehensive Income (OCI) account.

As a result of these higher provisions, our Hedging Indicator for past due loan provisions is 116.7%, up from 90.8% in 2017. In Colombia, the hedging indicator was 121.9% in 2018, an increase of 181 basis points compared to the 103.8% reported in 2017, due to the 41.0% increase in provisions given the implementation of IFRS 9 in 2018. Also, the hedging indicator in Central America was affected by the implementation of said standard, recording an indicator of 106.3% compared to 62.8% in 2017. Our consolidated indicator of net provisions expense to average loan portfolio is 2.4%, up 10 basis points from 2017.

Finally, our Net Loan and Finance Lease portfolio, excluding repos and interbank operations, grew at an annual rate of 5.3%, amounting to COP 104,411 billion.

Gross loan and financial lease portfolio evolution*

COP billions and % share



* Gross loan and financial lease portfolio, exclude repos and interbank operations.

Equity Security Investments[1] portfolio amounted to COP 6,169 billion, with an annual growth rate of 24.2%, mainly attributed to greater equity method earnings of Corficolombiana recorded in 2018, which increases the value of the Bank's investment in the entity, based on the results of the Infrastructure sector and the implementation of IFRS 15 in the accounting of road concession income.

Other Assets amount to COP 12,065 billion, reporting an annual growth of 10.4%, mainly due to the 7.5% increase in capital gains (amounting to COP 6,008 billion), and accounts receivable at 27.3% (amounting to COP 2,019 billion).

Liabilities

Consolidated Liabilities amount to COP 143,635 billion at the end of 2018, with an annual growth rate of 9.5%, which is equivalent to COP 12,440 billion; excluding the exchange effect, liabilities grew at a rate of 5.3%. Our funding, which includes deposits and borrowings, stood at COP 136,965 billion, up COP 10,723 billion (8.5%) in the same period (4.3% excluding exchange fluctuations).

As for the operation in Colombia, which accounts for 54.3% of the consolidated liabilities, total liabilities amount to COP 77,940 billion, reflecting an annual increase of 7.7%, corresponding to COP 5,549 billion. Our liabilities consist of: 74.1% customer deposits, 19.9% borrowings and 6.0% other liabilities.

Meanwhile, in Central America, total liabilities amount to COP 65,695 billion, most of which account for deposits, thus maintaining an adequate balance between demand deposits, at a share of 53.7% of the total, and term deposits, at 46.3%.

In terms of Deposit composition, term deposits and checking accounts weigh slightly more than in 2017, with a decrease in the share of saving accounts. TDs account for 41.7% of the total deposits, growing 9.2% compared to 2017 (4.7% excluding the foreign currency effect), reaching a balance of COP 45,255 billion. In both Colombia and Central America, the greatest contribution of deposits is given by TDs, which represent 37.7% and 46.3% of total deposits with an annual growth of 1.5% and 17.5%, respectively. In Central America, the increase -excluding the foreign currency effect- is 7.9%.

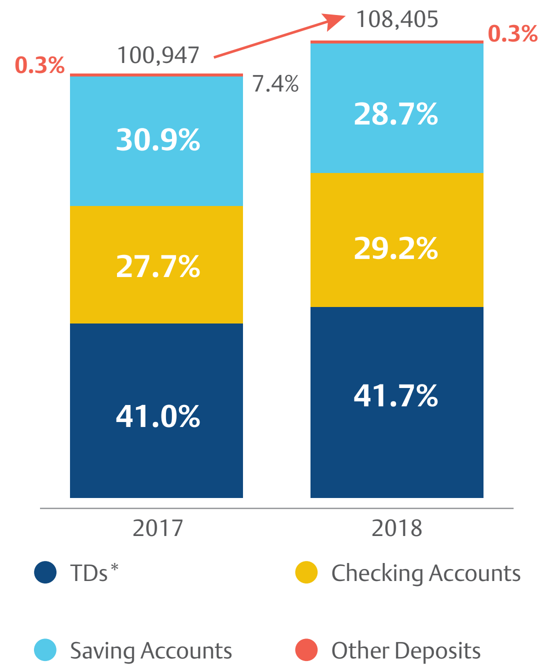
Checking accounts amount to COP 31,653 billion, with an annual variation of 13.2% and 7.9%, excluding the exchange effect. Checking accounts represent 34.1% in Central America, while in Colombia, they contribute to 24.9% of the total deposits. The growth rate compared to 2017 is 10.4% and 16.9%, respectively; excluding the foreign currency effect, it is 1.3% in Central America.

Deposits in saving accounts decreased by 2.6%, excluding the foreign currency effect, contributing to 28.7% of the total deposits.

Our net deposits to loans ratio was 1.04x at December 2018; the strategy continues to involve maintaining this index close to 1.0x in the future.

1 Corresponds to investments in associates and joint ventures, and equity instruments with less than 20% share.

Deposit evolution
COP billions and % share



Equity

Our Consolidated Equity is COP 19,668 billion at the end of 2018, showing an annual growth of 8.0%, mainly due to greater reserves and income for the fiscal year.

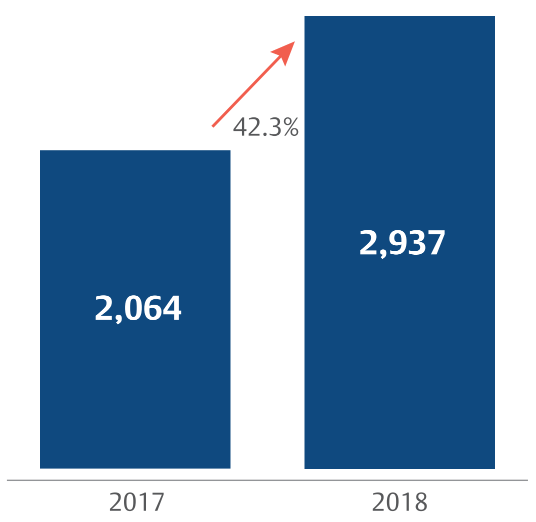
At the end of 2018, our Consolidated Capital Adequacy Ratio is 13.5% and the Consolidated Tier One Ratio is 8.9%, up from the minimum of 9.0% and 4.5% required by Colombian regulations, respectively. The Bank's Technical Capital amounted to COP 17,731 billion at the end of 2018, up 5.9% from 2017, mainly due to the foreign currency adjustment of the Financial Statements, which had a positive impact because of the annual devaluation of the exchange rate, and the increase in the legal reserve. Risk-weighted assets amounted to COP 130,879 billion, with an annual growth of 5.8%, mainly due to the Loan Portfolio.

Net Income

Consolidated net income attributable to shareholders amounts to COP 2,937 billion, with an annual growth of 42.3%. This increase was influenced by the net Interest Income, which amounted to COP 6,867 billion, and the 4.8% annual increase in Fee Income and Other Net Services, totaling COP 4,022 billion. In addition, in an effort to develop a more efficient management model from the capital perspective, a significant transaction was carried out in October involving the sale of real estate through leasing for COP 313 billion before taxes, which recognizes the value of the Bank's assets.

We also recorded greater income through equity method, mainly from our investment in Corficolombiana, given the implementation of IFRS 15, which changes the accounting of income from road infrastructure projects, by recognizing returns in accordance with the levels of risk assumed at each phase of implementation, maintaining the projects' total income.

Net Income
Attributable to Shareholders
COP billions and % share



In addition, as a result of the decision to focus on our banking business, in September 2018, we refrained from participating in the share issuance carried out by Corficolombiana. As a result of the implementation of IAS 28, we received nonrecurring profit of COP 123 billion, derived from the increase in Corficolombiana's total equity, minus the dilution of our shareholding on the investment.

Main Management Ratios

Our Net Interest Income amounts to COP 6,867 billion, up 4.7% compared to the preceding year. The Net Interest Margin is 5.7% in 2018, with a decrease of 32 basis points compared to 2017, mainly as a result of the adoption of IFRS 9, as well as the lower rate of our investment portfolio. i.e., despite the interest rate reduction in Colombia, which was affected by the drop of the Central Bank's rate, and excluding the effect of IFRS 9 on our portfolio's net interest margin, we demonstrated our ability to counter the effect on the margin.

Our Net Cost of Risk Indicator in 2018 is 2.4%, up 10 basis points compared to 2.3% in 2017. The operation in Colombia remains stable at 2.4%. The Central American operation reports an increase of 30 basis points from 2.1% in 2017 to 2.4% in 2018, mainly due to the increase of this indicator in Nicaragua and, to a lesser extent, in Costa Rica.

Our net income from fees and other services amounts to COP 4,022 billion for 2018, with an annual increase of 4.8%, attributed to greater fees from the management of pension and severance funds, from the Colombia operation, which grew at an annual rate of 6.4%, and from bank service fees in Central America, which increased 5.4% compared to the preceding year. The share of this income is proportional between Colombia and Central America.

For 2018, our Fee Income Ratio was 34.8%, a decrease of 82 basis points compared to 2017, as a result of the increase in other operating income during the year.

Our Efficiency Ratio at the end of 2018 was 47.5%, improving 168 basis points compared to 2017, as a result of a concerted effort to control spending in recent years, achieving a moderate growth of 3.8% in operating expenses, based on the good performance of the business in Colombia, where a 1.3% increase was observed, a behavior below the annual inflation of 3.2%. In addition, the improvement in the indicator is influenced by the 7.5% annual increase in total income, mainly due to the profit sharing of Corficolombiana after implementing IFRS 15.

Our Profitability Ratios for 2018 are 17.1% for return on average equity (ROAE) and 2.1% for return on average assets (ROAA), compared to the ratios of 12.5% and 1.6%, respectively for the year 2017. This was the result of good business performance in 2018.

Unconsolidated Financial Performance

Banco de Bogotá - Balance Sheet		
	UNCONSOLIDATED	
Figures in IFRS (COP Billions)	2017	2018
Assets	**83,276**	**91,360**
Cash and Equivalents	6,195	8,214
Loan and Financial Leases, Net (1)	53,183	55,843
Fixed Income Investments, Net	4,594	4,526
Equity Investment, Net	16,294	19,113
Other Assets	3,009	3,665
Liabilities	**66,553**	**73,098**
Deposits	51,973	54,131
Other Liabilities	14,580	18,966
Equity	**16,723**	**18,263**

Banco de Bogotá - Main Ratios		
	UNCONSOLIDATED	
	2017	2018
Net Income (2)	**1,924**	**2,825**
Profitability Ratios		
ROAA (3)	2.3%	3.3%
ROAE (4)	12.0%	16.8%
Net Interest Margin (5)	**5.4%**	**5.2%**
Fee income (6)	**21.8%**	**22.3%**
Administrative Efficiency (7)	**38.7%**	**35.9%**
Total Solvency Ratio	**21.2%**	**20.7%**
Basic Solvency Ratio	**13.8%**	**13.2%**
Loan Portfolio Quality (8)		
Past Due Loans / Gross Loans (9)	3.9%	4.4%
Loan Allowances / Past Due Loans (9)	123.4%	136.0%

(1) Includes repos and interbank operations
(2) Figures in billions of COP
(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 Shareholders/Average Attributable Quarterly Equity 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) Net Interest Income from the Period/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 from allowances + gross fee-income + other operating income. Excludes other income from operations. (Does not include Net Income Share from affiliates, nor dividends from the unconsolidated operation.)
(7) Personnel expenses + administrative expenses before annual depreciation and amortization/operating income before allowances. 2017 ratio was recalculated, due to the fact that the deterioration of other assets is reclassified to operating expenses, previously classified within administrative expenses.
(8) Loan portfolio indicators are calculated with gross loans, including portfolio accounts receivable.
(9) Past due loans: more than 30 days overdue.

Relevant Information

Disclosure and Control of Financial Information

In 2018, Banco de Bogotá exercised 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. Additionally, the operation and internal controls that allow the Bank to properly record, process, summarize and submit financial information was evaluated by the Audit Committee, the Statutory Auditor and the Board of Directors.

Banco de Bogotá manages comprehensive risk management based on the fulfillment of the current regulations and internal standards. As described in Note 6 to the Unconsolidated Financial Statements, the Bank's risk culture is based on different principles that enable it to maximize performance for investors through effective risk management, which is transmitted to all the units 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 Events

On August 6, 2018, the Ministry of Finance and Public Credit issued Decree 1477/2018 which amends Decree 2555/2010 regarding adequate equity requirements for credit institutions. The primary objective of the new decree is to increase both the quality and quantity of capital at credit institutions, in line with Basel III's capital adequacy ratio definitions.

Relevant Subsequent Events

In line with Note 33 of the Financial Statements, and pursuant to the provisions of Paragraph 1, Law 603/2000 and IAS 10, the Bank reports that no events requiring disclosure took place between the reporting date, corresponding to the year ended December 31, 2018, and the date of authorization of these Financial Statements.

Foreseeable Evolution for the Entity

In relation to Paragraph 2 of 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 social responsibility 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 subsidiaries 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 of Law 603/2000, Banco de Bogotá declares that the transactions carried out by the Bank with its partners and managers are in line with the institution's general policies, and are regulated and described in Note 31 to 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 Systems (IT), 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 of 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.