

CORPORATE GOVERNANCE CODE

The Board of Directors, applying its legal and statutory duty to direct and define the general good governance policies of the Entity, and through the development of the provisions of Resolution 275 of May 23, 2001 by the Superintendence of Securities (currently, the Financial Superintendence of Colombia), has compiled and systematized the legal, regulatory, statutory and administrative regulations, as well as internal policies and best practices in the field of good governance, for which the following code is issued.

CHAPTER ONE

Election criteria and procedures, functions, structure, Responsibilities and independence of the Board of Directors, and general remuneration policies

1.1 For purposes of electing members of the Board of Directors, the electoral quotient system shall apply.

1.2 The General Shareholders' Meeting Assembly shall freely elect and remove the members of the Board of Directors for one-year periods. In addition, it shall establish the remuneration of the same, in accordance with the market parameters for this type of corporation, as well as with the particular conditions and qualities of each of its members.

1.3 The Board of Directors shall consist of five (5) principal directors, who shall have five (5) personal alternates.

1.4 The President shall attend the Board of Directors meetings and shall have a say without being entitled to vote; any other officer of the entity may also attend with an invitation of the Board or the President.

1.5 The Board of Directors shall have a Chairman and Vice-President elected within its structure by the directors, and shall have a Secretary who shall be elected pursuant to the by-laws. The deliberations and decisions of each meeting shall be attested to in the minutes, which shall comply with all the requirements set forth by law and by regulations for such purpose.

1.6 Alternate directors shall replace the principal directors in their absolute or temporary absences, pursuant to the terms herein established.

1.7 The Board of Directors shall meet normally at least every fortnight, summoned by the Chairman, the Statutory Auditor or two of its principal members.

1.8 The functions of the Board of Directors are as follows:

1.8.1 To freely appoint and remove the President of the Bank, the Vice-

Presidents, the General Secretary and Branch Managers as well as establishing their assignments.

1.8.2 Establish and suppress, upon compliance with the legal requirements, Branches and Agencies as deemed appropriate.

1.8.3 Direct the Bank's credit policy, complying with the legal provisions and regulations governing the matter.

1.8.4 Establish the administrative structure of the Bank, determining the personnel, functions and assignments of the same.

1.8.5 Submit to the General Shareholders' Meeting, jointly with President of the Bank, the reports and balance sheets for each financial year as well as the proposals for profits distribution accompanied by a progress report on the entity's business and general situation, including the description of the Bank's main risks, internal control activities as well as relevant findings. Such report shall be made available to investors and shareholders in accordance with the mechanisms set forth under the Good Governance Code.

1.8.6 Authorize subscribed capital increases and establish stock placement and issuance regulations, in accordance with the legal provisions, and submit such regulations to the approval of the Financial Superintendence.

1.8.7 Appoint, as deemed appropriate, advisory or consultation boards for the Bank's Branches, defining their capacities and remuneration.

1.8.8 Integrate Committees or Commissions comprised by two or more of its Members for the review and decisions regarding specific matters.

1.8.9 Create one or more committees, comprised by the number of members it may determine and designate, which will be renewed periodically and to which it shall delegate one or more of the capacities which are not exclusively inherent thereto, or to any other Management body, pursuant to Law.

1.8.10 To clarify, subject to consultation with the Financial Superintendence, the meaning of the Articles of these By-laws, in case of any doubt, of which it shall inform the General Shareholders' Meeting at the next meeting of the same.

1.8.11 Establish its own rules.

1.8.12 Adopt specific measures with regard to the corporation's government, its conduct and its information, in order to assure respect for the rights of those who invest in its stock or in any other security issued, the proper management of its affairs and public knowledge of its management.

1.8.13 Assure respect for the rights of all its shareholders and other securities investors, in accordance with the parameters set forth by the market regulatory bodies.

1.8.14 Adopt a Code of Good Governance containing all the rules, policies and mechanisms required by law, by the regulations, by the General Shareholders' Assembly, by the By-laws, and generally, the best practices of good corporate governance.

1.8.15 Authorize the issue of bonds.

1.8.16 Ensure proper compliance with internal control policies and procedures. Without prejudice to the special obligations assigned to such body under other legal or statutory provisions regulations, in the internal control area, in compliance with the duties set forth under Article 23 of Law 222 of 1995, the Board of Directors is the body responsible for the general functions referred to under item 7.7.1.1.1 of Chapter IX Title First – Internal Control of the Basic Legal Circular Letter, as well as any rule that may complement, modify or supersede the same.

1.8.17 Resolve conflicts of interest arising between shareholders and directors, managers or senior officers and between controlling and minority shareholders. If the conflict of interest involves a member of the Board of Directors, the same shall be resolved regardless to the vote of the person concerned. The herein Good Governance Code establishes the procedures for resolving conflicts of interest. Except for the above, any conflicts that arise as a result of any activity by an administrator of the Bank, whose development implies competition with the corporation or any act respect of which there is a conflict of interest, shall be authorized or resolved by the General Shareholders' Meeting. For such purpose, the administrator shall submit to the General Shareholders' Meeting all the information relevant decision making. If the administrator is a shareholder, its vote shall be excluded from the respective decision. In any case the General Shareholders' Meeting authorization shall be granted solely if the act does not undermine the interests of the corporation.

1.8.18 Authorize or not the development of specialized audits upon request by those shareholders representing at least ten per cent (10%) of the Bank's outstanding shares and/or investors who own at least twenty per cent (20%) of the total outstanding commercial securities issued by the Bank at the time of the application.

1.8.19 Exercise, in accordance with the Law, all the functions deemed necessary for the development of the Bank's corporate purpose, which are not included in the By-Laws.

1.9 The Board of Directors shall always act with an independent criterion *vis a vis* the Management, and developing the general principles and instructions given by the General Shareholders' Meeting to the Directors.

CHAPTER TWO

Criteria and procedures for the appointment and responsibilities of legal representatives and executives and remuneration policies

2.1 The President shall be the legal representative of the Entity, in charge of the administration of the Entity, pursuant to the By-Laws and to the provisions of the Board of Directors.

2.2 The President shall be appointed by the Board of Directors for a one year period and may be reelected indefinitely or removed freely before the expiration of its term.

2.3 The Entity shall have the legal representatives and the President shall have the alternates set forth by the regulations of the Board of Directors, as the case may be.

2.4 For purposes of the election of legal representatives and the President, the Board of Directors shall use as criteria of choice the following: the managerial skills of the candidate, its technical knowledge, negotiating abilities, and his human values and virtues.

2.5 The President's functions are as follows:

2.5.1 To exercise the Bank's representation before all types of persons, natural or legal, and before political, administrative and judicial authorities of the country or abroad, with the capacity of appointing legal or extrajudicial representatives, whenever deemed appropriate.

2.5.2 To enter into all kinds of acts and contracts on behalf of the Bank, observing the authorizations granted thereto by the Board of Directors.

2.5.3 Perform the general direction of the Bank's business, within the regulations issued by the Board of Directors, submitting thereto the contracts and operations as the case may be, for authorization.

2.5.4 Appoint the employees of the Bank whose appointment does not correspond, pursuant to the by-laws, to the General Shareholder's Meeting or to the Board of Directors.

2.5.5 To summon the Board of Directors for its regular meetings and, where deemed necessary, for extraordinary meetings.

2.5.6 Submit to the Board of Directors the development programs of banking activities and businesses.

2.5.7 Oversee the compliance of the by-laws and the regulations and provisions of the General Shareholders' Meeting and the Board of Directors.

2.5.8 To submit to the Board of Directors and to ensure permanent compliance of specific measures regarding the governance of the corporation, its conduct and information, in order to assure respect for the rights of those who invest in its shares or in any other security issued, for the proper management of its affairs and the public knowledge of its management.

2.5.9 Assure respect for the rights of shareholders and other securities investors, in accordance with the parameters set forth by the market control entities.

2.5.10 To provide the market with timely, complete and truthful information regarding its financial statements and its entrepreneurial and administrative behavior, without prejudice to the provisions under Articles 23 and 48 of Law 222 of 1995.

2.5.11 Compile in a Good Governance Code to be submitted to the Board of Directors for approval, all rules and mechanisms required by law, regulations, the General Shareholders' Meeting, the By-laws, and generally the best practices of good corporate governance. Such Code shall be kept permanently within the premises of the Entity and available to the shareholders and investors for consultation.

2.5.12 To announce the adoption of the Good Governance Code in a national newspaper as well as any amendment, change or addition thereto and indicating how it shall be known to the public.

2.5.13 Comply with the decisions of the General Shareholders' Meeting and of the Board of Directors.

2.5.14 Without prejudice to the special obligations assigned to the legal representative in other legal, statutory or regulatory provisions, regarding matters of internal control, the legal representative shall be responsible for the functions set forth under item 7.7.1.3 of Chapter IX First Title – Internal Control of the Basic Legal Circular Letter, as well as any other rules that may complement, modify or repeal the same.

2.5.15 Exercise all other functions assigned thereto by the General Shareholders' Meeting or by the Board of Directors.

2.6 The remuneration of the President, legal representatives and their alternates shall be determined by the Board of Directors, in accordance with criteria inherent to their levels of responsibility and management.

2.7 Prior to the taking of office of legal representatives, the corresponding resume shall be submitted to the Financial Superintendence, which shall carry out the prior review of the professional suitability and moral solvency of the appointed officer, in accordance with the parameters and capacities assigned thereto under the by law.

CHAPTER THREE

Mechanisms for the assessment and control of the activities of managers, senior executives and directors

3.1 The General Shareholders' Meeting is the highest governing body of the

Entity, to that extent; it is vested for determining mechanisms for the assessment and control of the activities of managers, principal executives and Directors. Likewise, the General Shareholders' Meetings is empowered to exercise direct control of such activities and carry out the examination of the situation of the Entity, within the limits set forth by the law.

3.2 The General Shareholders' Meeting shall carry out the examination, approval or disapproval of the end-of-year balance sheets as well as the accounts to be rendered by the Legal Representative of the entity and the Board of Directors.

Likewise, the General Shareholders' Meeting shall consider and approve the reports of the managers regarding the status of corporate businesses and the report of the Statutory Auditor according to law.

3.3 After each accounting period, at the time foreseen in the law or in the by-laws, the legal representative shall submit approval or disapproval, the following documents to the General Shareholders' Meeting:

3.3.1 A management report.

3.3.2 The general, individual and consolidated financial statements, together with their notes, cut for the purpose of the respective financial year.

3.3.3 They shall also submit the opinions on the financial statements along with other reports issued by the statutory auditor or by an independent public accountant.

3.4 The management report submitted by the legal representative shall contain a faithful statement about the evolution of business and the economic, administrative and legal situation of the Entity. The report should also include indications on:

3.4.1 Important events occurred after the period.

3.4.2 The foreseeable evolution of the Entity.

3.4.3 The compliance status with intellectual property and copyright rules by the Entity.

The report shall be approved in advance by the majority of votes of the attendees to the Board of Directors meeting wherein it has been considered, and the explanations or exceptions of those who do not share the same it shall be attached thereto.

3.5 The Entity shall have a Statutory Auditor, with its corresponding Alternate appointed by the General Shareholders' Meeting, for a period of one (1) year. It shall be chosen from an audit firm with recognized trajectory and experience. The Statutory Auditor shall be freely reelected or removed by the General Shareholders' Meeting.

3.6 The functions of the Fiscal Reviewer are, among others:

3.6.1 Ensure that transactions held or fulfilled on behalf of the entity comply with the requirements of the Law and of the By-laws and of the decisions of the General Shareholders' Meeting and of the Board of Directors.

3.6.2 Cooperate with the Financial Superintendence regarding the inspection and surveillance of the entity and submit reports or request by the Superintendence, as the case may be.

3.6.3 Oversee the regular registration of the accounting of the Entity, as well as the minutes of the General Shareholders' Meeting and of the Board of Directors, Audit Committee, as well as the due maintenance of correspondence and accounts vouchers/supports, providing the instructions necessary for such purposes.

3.6.4 Monitor the status of the Entity's assets and ensure that the conservation and security measures of the same as well as of those under its custody or otherwise are taken in a timely manner.

3.6.5 Provide instructions, practice inspections and request reports as necessary for establishing permanent control over the values of the institution or in charge thereof.

3.6.6 Verify the Cash Count at least once a week.

3.6.7 Authorize through its signature, the financial statements of the Entity and submit the corresponding reports in this regard.

3.6.8 Ensure that the administration of the Entity complies with the specific duties established by the surveillance agencies, especially those linked to the information duties and the Good Governance Code.

3.6.9 Timely submit in writing, to the General Shareholders' Meeting, the Board of Directors or the President of the Bank, as the case may be, the relevant findings present during the operation of the Bank and during the development of its business. The Statutory Auditor shall request the Bank's Management to report such findings to shareholders and to the market in general, through the mechanisms established by the Good Governance Code.

3.6.10 To summon the General Shareholders' Meeting to extraordinary meetings when unforeseen or urgent circumstances may require so as advisable in the opinion of the statutory auditor and when, under the terms of the Good Governance Code and the Law, it may be so requested by shareholders representing at least ten per cent (10%) of the subscribed shares and investors representing at least twenty per cent (20%) of the total commercial securities at the time of the request.

3.6.11 Ensure that the administration of the Entity complies with the specific

duties established by the surveillance bodies, especially those relating to information duties and to Good Governance Code.

3.6.12 Verify that the entity addresses complaints or claims submitted by shareholders and investors regarding non-compliance with the Good Governance Code, taking the appropriate measures.

3.6.13 To comply with the other duties set forth under the by-laws or the law and those which, being compatible with the aforementioned, are recommended by the General Shareholders' Meeting or by the Board of Directors.

3.7 Internal Control.

The Board of Directors shall define the policies and design the internal control procedures to be implemented, as well as to order and oversee that the same meet the needs of the entity.

The managers and officers of the Entity shall be responsible for the implementation and faithful compliance with the internal control measures and procedures adopted.

Internal control shall promote the efficiency of the Entity, so as to reduce the risks of losses of operational and financial assets, and for fostering the drafting and disclosure of reliable financial statements, as well as compliance with legal and statutory provisions.

In consideration of all of the aforementioned, this code establishes the general parameters of the Entity's internal control system.

3.7.1 Concept of Internal Control

Internal Control System is understood as the set of policies, principles, standards, procedures and verification and evaluation mechanisms established by the Board of Directors, the senior management and other Bank officers to provide a degree of reasonable security regarding the achievement of the following objectives:

- i. Improve the efficiency and efficaciousness of operations of entities supervised. For such purpose, effectiveness is understood as the ability to achieve the goals and/or results proposed; and efficaciousness is understood as the ability to produce maximum results with the minimum resources, energy and time.
- ii. Prevent and mitigate the occurrence of fraud, originating both inside and outside of the organizations.
- iii. To carry out adequate risk management.
- iv. Increase reliability and timeliness in the Information generated by the organization.
- v. To provide adequate compliance with the rules and regulations applicable

to the Bank.

3.7.2 Responsibility

The Board of Directors shall be responsible for defining policies and designing the internal control system structure. The aforementioned shall be in writing, motivated and disclosed at the management level of the organization.

Each of the Entity's officers shall ensure fulfillment of the objectives set forth by the Board of Directors, during the development of its functions, applying the appropriate operational procedures.

Likewise, internal and external auditors, as well as the Statutory Auditor, constitute a harmonious complement within the internal control policy of the Entity, thus, the officers and the management shall provide them with all the necessary cooperation.

3.7.3 Audit Committee

For the proper implementation of the work of the Board of Directors, regarding the definition of policies and the design of internal control procedures, as well as the supervision of the operation of such systems, the Board of Directors it shall form an Audit Committee dependent on such body, whose composition and functions are set forth under Chapter Thirteen of the herein Code.

3.8 Risk Management Control during Treasury Operations.

3.8.1 The Board of Directors and the company's senior management, regardless of its other responsibilities, shall guarantee the proper organization, monitoring and follow-up of treasury activities. Such responsibilities include establishing risk limit policies in these activities, as well as the approval of the Entity's policies, strategies and rules of action in this field.

In any case, the Entity shall comply, with at least the requirements set forth under Chapter XX of Circular Letter 100 of 1995, Basic Financial and Accounting of the Financial Superintendence.

3.8.2 For these purposes, the following are considered as treasury activities:

- Money market operations.
- Exchange market operations.
- Transactions with securities, except its own issues, including fixed and variable income certificates, and those indexed at a rate or benchmark.
- Specific treasury transactions such as repurchase or resale agreement transactions, short sales, temporary securities transfers and simultaneous transactions, among others.
- Derivative operations.
- Any other, which due to its economic nature, or by operation of the law or the regulations, is considered a treasury operation.

3.8.3 The rules defined by the Board of Directors and by the senior management of the Entity shall cover at least the following aspects:

- A code of conduct for staff engaged with the development of treasury activities, including trading, risk control and management and operational areas. This code shall include provisions regarding information confidentiality, handling of privileged information and conflicts of interest.
- Roles and levels of responsibility of officers and managers, collectively and individually.
- Nature, scope and legal support of treasury activities.
- Strategic businesses in which the treasury shall operate.
- Market or markets in which the treasury shall operate.
- Procedures for measuring, analyzing, monitoring, controlling and managing risks.
- Risk position limits, taking into account the type of risk, business, counterparty, product or organizational area.
- Procedure in case of overtaking risks or strong and unexpected changes in the market.
- Internal control and risk monitoring systems.
- Technological platform and technical team intended for the activity.
- The types of internal and external reports to be generated.
- Remuneration schemes.

3.8.4 The entity shall have an area responsible for the identification, estimate, management and control of the risks inherent in the treasury business. This area should be independent of area in charge of negotiations.

The Entity shall have a manual or automatic system for measuring and controlling the risks inherent to treasury business. This system shall support the work of the area responsible for risk control.

Risk analyses shall be carried out at least in respect of credit or counterparty, market, liquidity, operational, and legal risks, and shall include at the least the requirements set forth in Circular Letter 100 of 1995 Basic Financial And Accountant of the Banking Superintendence and the rules that may replace or modify the same.

3.8.5 The Entity's senior management shall set limits on both maximum losses and maximum levels of exposure to different risks. These limits shall be consistent with the Entity's position of technical equity, and specifically the capital allocated to the treasury area and to each trading team. The abovementioned policy should include at least the following aspects:

- Limits shall be established on an individual basis, but foreseeing aggregation or overall calculation at least once a day.
- Limits shall be consistent with the Entity's global limits. Limits shall be established for exposures to market and credit risks.
- Limits shall be reviewed periodically.
- All operations shall be recorded in a timely manner, in order to control

compliance with such limits.

- Traders shall know and comply with the limits as part of their duties.
- Traders shall have timely information about the limits and their level of use. Control of compliance of the limits shall be carried out by an area independent of the negotiating area.
- Procedures shall be established in case of non-compliance with the limits.

3.8.6 The Board of Directors should analyze the new products, their implications in risk management and the impact on equity. Participation in new markets and negotiation of new products shall be authorized by the competent bodies of the organization.

3.8.7 The area in charge of treasury risk control shall inform the senior management on a daily basis, about positions at risk and the results of negotiations, including exposures by risk type, business area and portfolio, limits and utilization, as well as effects on the Entity's profits, on equity and risk profile.

The Board of Directors shall be informed, on a monthly basis, regarding the levels of risk and performance of the treasury area, including non-compliance with limits, unconventional operations or operations outside the market conditions, and operations with companies or persons engaged with the Entity, and forthwith, about major or systematic violations of policies and risk limits.

3.8.8 Treasury operations should be revised at irregular but appropriate time intervals by the Entity's internal and external auditors, particularly with respect to the following aspects:

- The boundary system.
- Reconciliation and closing of operations.
- The timeliness, relevance and reliability of internal reports.
- The quality of the documentation of the operations.
- Segregation of functions.
- The relationship between market conditions and the terms of the transactions carried out.
- Transactions with companies or persons engaged with the Entity.
- Reports shall be submitted to the Board of Directors, including previous defects and recommendations that have not been resolved or addressed.

3.8.9 The Entity shall submit in the notes to the financial statements a summary of its treasury operations and in particular of its activities with derivative instruments, in accordance with the provisions of Chapter XX of Circular Letter 100 of 1995, Financial Basic and Accounting of the Financial Superintendence, or the rules that modify or replace the same.

CHAPTER FOUR

Identification on the main beneficiaries of the shares comprising control over the corporation

4.1 The Entity shall periodically inform the market of its economic relations with its majority shareholders, for which it shall duly respond to the requests made by the control bodies, such as:

4.1.1 The information set forth under in External Circular Letter No. 031 of 1998 of the Banking Superintendence, and the rules that may modify, complement or replace the same.

4.1.2 Information on Shareholders' Structure.

4.1.3 Direct shareholders holding a share greater than or equal to 1% of the entity's capital, namely first level shareholders.

4.1.4 Information regarding second and third level shareholders engaged with the entity.

4.2 Such information is delivered the market, through the processing of the reports corresponding to the Financial Superintendence.

Such information shall rest in public files in such Superintendence, and may be accessed by all persons directly through personal or electronic means, in accordance with the mechanisms established by such authorities for allowing access to such information by the public.

CHAPTER FIVE

Criteria applicable to negotiations carried out by directors, managers and officers with the shares and other securities issued by the corresponding issuer, to its share repurchase policy, and to the disclosure of the same to the market.

5.1. The Entity cannot acquire or hold its own shares, unless the acquisition is necessary for preventing losses of previously debts accrued in good faith. In such case, the shares acquired shall be sold at a private or public auction, or otherwise shall be made available, within the six (6) months following the acquisition.

5.2 Except for cases of legal representation, the managers and employees of the Entity cannot represent shares different than those of their own in the General Shareholders' Meetings, while exercising their office, or substitute the proxies conferred thereon. They shall not be able to vote on the balance sheets either.

5.3 In its corporate by-laws the Entity establishes the general rules applicable



to the negotiation of shares issued. For each issuance of securities, the Board of Directors shall issue and publish, in accordance with the legal provisions, the corresponding issuance and placement regulations. The Board of Directors shall approve any increase in the subscribed capital.

5.4 The General Shareholders' Meeting may convert into share capital, anytime, by issuing new shares that will be delivered to shareholders in the proportion of the contributions held at the time of issuance, or of the increase in face value of those already existing, any reserves of gains, the proceeds of premiums obtained through placement of shares, and any kind of distributable liquid profits. It is understood that this rule does not apply to those reserves which are not liable of capitalization, due to their nature or by legal provisions.

5.5 Shareholders shall have preferential subscription rights in any new issue, as established by law and under the by-laws.

5.6 The managers of the Entity shall not, by themselves or through a third party, alienate or acquire shares of the same Entity, while exercising their offices, but only in the case of operations outside of speculation, and with the authorization of the Board of Directors, granted with the favorable vote of two-thirds of its members.

This restriction does not apply when the manager acquires shares exercising its right of preference.

CHAPTER SIX

Selection criteria for principal suppliers. Criteria applicable to the disclosure of legal and economic engagements between major suppliers and purchasers and the issuer, and between those and majority shareholders, directors, managers and executives.

6.1. The Entity shall have a Registry of Suppliers, where all persons intending to enter into contractual relationships with the Entity shall be registered, and wherein the Supplier's resume will be recorded, as well as its experience specialties and generally all relevant aspects to carry out the award and contracting processes.

6.2 The Entity shall not contract with suppliers who are not registered in the aforementioned registry.

6.3 The following cannot form part of the supplier registry:

6.3.1 Those persons whose resources have an unknown origin or who do not comply with all the knowledge requirements established in the SARLAF (Asset Laundering Management System and the Financing of Terrorism).

6.3.2 Persons having kinship relationships with the directors, managers or officers of the Entity, or legal persons whose controlling person, is any of such persons, unless the Board of Directors has approved their inclusion in the

registry.

6.4 The President of the Entity shall establish a scale of capacities for purposes of approving contracting and rating of suppliers.

6.5 During the negotiation process, criteria of timeliness, quality and price shall be analyzed before the award decision is taken.

6.6 Any contract shall be covered by compliance policies, in accordance with the risks inherent to each particular contract, which must be underwritten with an Insurer Company legally established in Colombia, wherein the Entity is listed as beneficiary.

6.7 Any contract must have the prior approval, of a general or particular nature, issued by the legal area of the Entity.

6.8 Any employee, director or manager involved in a conflict of interest with respect to a negotiation, shall inform their immediate boss, and shall refrain from participating therein. In case of non-compliance with this provision, the person shall be subject to the corresponding civil, criminal and labor actions and sanctions.

CHAPTER SEVEN

Concrete mechanisms for the prevention, management and disclosure of conflicts of interest

7.1 The policy of the Entity includes eliminating and overcoming any conflict of interest that could take place during development of its corporate purpose.

The Bank shall have a Code of Ethics, Conduct and Sanctioning Regime and a Conflict of Interest Manual.

7.2 Conflict of interest is understood as a situation under which, a person (Natural or Legal), faces different alternatives of conduct, because particular interests may prevail with respect to legal or contractual obligations (Labor or economic activity).

A conflict of interest also occurs when a person seeks to gain a material, moral or other advantage, or otherwise, having the option of deciding between duty and created interest, or when a person seeks to waive its duties as consideration for any privilege.

7.3 All directors, managers and officers shall avoid any situation that may involve a conflict between their personal interests and those of the Entity, for which they must refrain from:

- Grant rebates, discounts, decreases or exemptions of any kind, based on reasons of friendship or kinship.



- Manage a service of the Entity for relatives up to the fourth degree of kinship and second degree of affinity, or for any company wherein the officer or any of its relatives in the degrees aforementioned is related to or has any interest, without having obtained prior approval by the Regional Vice-Presidency for opening of accounts or of the Board of Directors for all other services.
- Perform or offer its services or professional experience to third parties without written permission of the Human Resources Division or the Regional Personnel Director, who shall assess whether there is a conflict of interest.
- Take undue advantage of the benefits exclusively granted by the Entity to its employees; in favor of third parties.
- Give preference to personal benefit, while dealing with current or potential customers, suppliers, contractors and competitors.

7.4 All directors, managers and officers facing a conflict of interest or under a potential conflict of interest shall timely inform the Entity of any situation that may involve any conflict, including family or personal relationships.

7.5 No majority may occur within the Board of Directors comprised, by persons bound by marriage, or by kinship within the third degree of kinship or second degree of affinity, or first civil relationship.

Persons who hold any position within the Entity cannot belong to the Board.

7.6 The Board of Directors shall direct the credit policy of the Entity, complying with the legal and regulatory provisions regulating the matter.

7.7 Directors, managers and officers of the Entity shall refrain from granting, in contravention of statutory or statutory provisions, credits or discounts to shareholders, or to related individuals, under conditions that could jeopardize the institution's solvency or liquidity.

7.8 The Bank may grant loans for carrying out operations aimed at acquiring control of other companies or associations, without prejudice to the provisions of Item C of Article 10 of the Structural Law of the Financial System.

7.9 Active credit transactions entered into by the Entity with its shareholders holding five per cent (5%) or more of the subscribed capital, with its managers, as well as those entered into with the spouses and relatives of its partners and managers within the second degree of kinship or affinity or sole civil relationship, shall require approval of the unanimous vote of the members Board of Directors. The minutes of the corresponding Board meeting shall also attest to the fact that compliance with the rules on limits on the granting of credit or maximum indebtedness quotas in force on the date of approval of the transaction has been verified.

For such operations, conditions different than those generally used by the Entity with the public cannot be agreed, depending on the type of transaction, except

those entered into with managers, for meeting their health, education, housing and transport needs.

7.10 The maximum limit for entering into active credit transactions, for transactions with sufficient admissible guarantees adequately covering the risk exceeding 5% of technical equity, shall be twenty per cent (20%) with respect to shareholders having a direct or indirect participation in capital, equal to or greater than 20%. Regarding other shareholders, the maximum limit shall be 25%, subject to compliance of such conditions.

7.11 The calculation of obligations in charge of the same person, in the case of shareholders, shall be carried out in the same manner as set forth under Articles 10 and 11 of Decree 2360 / 1993, except that there shall be no exceptions foreseen under Article 12 of such decree shall apply, and that the obligations of relatives of the 3rd degree of kinship and 2nd affinity shall also be added.

7.12 The entity cannot carry out active credit transactions with the natural or legal person who acquires or holds participation greater than or equal to ten per cent (10%) of its capital, within one year counted as from the date in which the event occurs.

7.13 The Entity cannot allow its financial services affiliates or subsidiaries, or affiliates of stock broker corporations to acquire its shares, or securities issued, endorsed, accepted or whose issuance is managed thereby.

7.14 In its relationships with its financial services affiliates, stock broker corporations, the Entity cannot acquire any assets whatsoever, unless they seek to facilitate the liquidation of the affiliate. Nor it may it carry out active credit transactions, in the case of trust corporations, stock brokers, and pension and severance fund administrators, unless in the event of excess of pending clearances covered the day after the transaction or in specific cases authorized by the National Government.

7.15 The Entity cannot enter into transactions with its financial services affiliates or subsidiaries of stock broker corporations implying conflicts of interest.

7.16 Members of the Board of Directors and the Legal Representatives of the Entity cannot be members of boards of other credit entities, unless they are shareholders.

7.17 Shareholders, directors, managers or employees engaged in practices constituting conflicts of interest shall be subject to civil, criminal and labor actions and penalties, contemplated for such purpose under the law, the corporate code of conduct and the internal labor regulations.

7.18 SOLUTION OF CONFLICTS OF INTEREST BETWEEN A MANAGER AND THE CORPORATION. When a manager is under a situation involving a conflict of interest regarding the corporation, it shall request a summoning of General Shareholders' Meeting in order to submit its case and shall provide such corporate body with all information relevant for decision-making. The vote of the

Manager concerned, if it is a shareholder, shall be excluded from the respective determination.

7.19 SOLUTION OF CONFLICTS OF INTEREST BETWEEN A DIRECTOR OR MANAGER AND A SHAREHOLDER. Directors or Managers may not ignore, limit or restrict in any way the rights of any shareholder, who shall have all the capacities conferred by law for exercising the same.

If a conflict of interest arises between a Director or Manager and a Shareholder, the Board of Directors shall be summoned for exposing the case. Compliance with current regulations and the interest of the corporation shall prevail for the decision making.

7.20. RIGHT of WITHDRAWAL OF SHARELHODERS. The shareholders of the Bank shall have the right of withdrawal in accordance with the special legal regulations governing the matter.

CHAPTER EIGHT

Criteria, policies and procedures applicable to the transparency of information to be provided to shareholders, other investors, the market and the public general.

8.1 At the end of each fiscal period, pursuant to the periodicity established in the by-laws, and at least once a year, on December 31, the Entity shall cutoff its accounts and disclose general purpose financial statements, duly certified. Such financial statements shall be disclosed together with the relevant professional opinion, if any.

When required by governmental entities exercising inspection, surveillance or control, the Entity shall prepare and disclose financial statements for intermediate periods. These states will be suitable for all purposes, except for profits distribution.

8.2 As a securities issuer, the Entity shall submit to the Financial Superintendence the following end-of-year information:

8.2.1 Information previous to the General Shareholders' Meeting. The Entity shall submit the profit distribution proposal at least fifteen (15) business days in advance of the date set for the General Shareholders' Meeting, with the report as of the date foreseen for such meeting, or otherwise the income statement for the period, and generally any information requested by the Superintendence in the future.

8.2.2 Information Subsequent to the General Shareholders Meeting. Within the fifteen (15) business days following the date of the General Shareholders' Meeting wherein the financial statements are approved, the Entity shall submit the documents required by the Superintendence general or specific manner, as

follows:

- Update form that for such purpose established by the Superintendence of Securities, duly processed.
- Copy of the General Shareholders' Meeting Minutes with its annexes attached, and
- A certificate of existence and legal representation, with a date of issue less than three months.

8.3 For informing investors of the Entity about the financial, administrative and legal situation of the Entity, being an entity issuing securities registered in the National Register of Securities and Intermediaries, it shall:

8.3.1 Comply with the legal obligation to quarterly file the information generally required by the Financial Superintendence.

8.3.2 Inform in a truthful, sufficient and timely manner the Financial Superintendence, the Stock Exchanges where it has its securities registered and /or the centralized securities systems, immediately upon its occurrence or according to its knowledge, any significant legal, economic or financial fact with respect to themselves, its businesses, or for determining the price or for the market circulation of the securities registered in the Registry. When the information represents a notorious fact it may be disclosed within the eight (8) calendar days following the occurrence of the fact.

8.4 The Superintendence, when deemed necessary, shall order the disclosure of any information through the newsletters of the stock exchange or in newspapers of national circulation, in charge of and on account of the issuer entity.

8.5 Investors may resort to the National Registry of Securities and Intermediaries where they will find all the financial, administrative and legal information of the Entity, necessary for making decisions about their investments.

8.6 Shareholders representing at least ten percent (10%) of the Bank's outstanding shares and/or investors owning at least twenty per cent (20%) of the total commercial securities outstanding issued by the Bank, may request specialized audits with a firm with recognized reputation and trajectory, at its cost and under its responsibility, under the terms set forth in the Corporation's Bylaws and under its Good Governance Code. In no event, this fact shall extend to documents relating to industrial secrets, intellectual property rights, information subject to bank reserve or data that if disclosed, could be used to the detriment of the entity.

CHAPTER NINE

Specific mechanisms for identifying and disclosing the principal risks of the issuer.

9.1 The Entity shall carry out a comprehensive management of the structure of its assets, liabilities and off-balance sheet positions, estimating and controlling the degree of exposure to principal market risks, with the aim of protecting itself from possible losses due to changes in the economic value of such elements of the financial statements. Liquidity, interest rate and exchange rate risks shall be taken into account in this regard.

Such management shall require a permanent measurement and assessment of the structure regarding terms, amounts and types of instruments of assets, liabilities and off-balance sheet positions, using at least the criteria established for such purpose by the Financial Superintendence under the Financial and Accounting Basic Circular Letter.

9.2 A study on the exposure levels to liquidity, interest rate and exchange rate risks and risk-taking policies established by the Board of Directors shall be included for submission, along with the financial statements for consideration by the General Shareholders' Meeting, along with the report of the board of directors and the President of the entity, on the dates foreseen in the bylaws or the law

9.3 If the Entity has fixed term certificates of deposit and fixed term savings deposit certificates, registered in the National Securities and Intermediaries Registry, it shall accredit the rating assigned to the indebtedness originating in the placement of such certificates with the Superintendence of Securities, destined to the National Registry of Securities and Intermediaries.

CHAPTER TEN

Mechanisms for assuring transparency in the election of Statutory Auditor, based on an objective and public assessment of different alternatives.

10.1 The Statutory Auditor and its corresponding alternate shall be appointed by the General Shareholders' Meeting for a period of one (1) year, from the number of alternatives submitted for consideration at the corresponding Meeting. The Board of Directors, through the Audit Committee, shall participate in the process of electing the Statutory Auditor in accordance with the provisions of legal regulations in force, in particular the Basic Legal Circular Letter of the Financial Superintendence of Colombia.

10.2 For the appointment, the prohibitions and requirements established under Articles 205 and 215 of the Commercial Code shall be taken into account (E. P. No. 4377 of 7 December 1.990, Notary 1a. of Cali).

In addition to the inabilities and incompatibilities set forth under the Law and the

by- laws, the Statutory Auditor shall not be a shareholder of the entity, nor have a marital or kinship link within the fourth degree of kinship or first of affinity or being a co-partner of the Legal Representative or any member of the Board of Directors, of the treasurer, accountant or auditor. The functions of the Statutory Auditor are incompatible with the performance of any other position or employment within the entity or its subordinates.

10.3 As a guarantee of transparency in their choice, shareholders may submit alternatives to the General Shareholders' Meeting for consideration, by sending the quote and the general and specific conditions under which the service would be rendered, so that an informed choice is made from the existing alternatives, of a firm of recognized trajectory and experience, always provided that the requirements of the Good Governance Code are met.

10.4 The General Shareholders' Meeting may freely elect and remove the Statutory Auditor and its alternate, determine its remuneration and order that the appropriate actions be exercised against the Statutory Auditor.

10.5 The Statutory Auditor shall be chosen from an audit firm of recognized trajectory and experience and in turn, shall appoint a public accountant who personally shall hold the position.

10.6 The Financial Superintendent shall vest upon the Statutory Auditor of the Entity its taking of office.

The taking of office shall occur the Financial Superintendent confirms the character, qualifications and experience of the statutory auditor elected by the General Shareholders' Meeting.

CHAPTER ELEVEN

Mechanisms for guaranteeing the relevant findings of the Statutory Auditor for disclosure to the shareholders and other investors

11.1 In order to disclose the relevant findings made, the Statutory Auditor shall:

11.1.1 Submit a written report to the Board of Directors, the General Shareholders' Meeting or to the President of the Entity, as the case may be, regarding the relevant findings about the functioning of the Entity and of the development of its business, ensuring compliance with the provisions set forth under item 8.3.2 of the herein Code, for assuring that shareholders and other investors have the information necessary for making decisions regarding the corresponding securities.

11.1.2 Cooperate with the government entity exercising the inspection and surveillance of the company and submit the reports requested as the case may be.

11.1.3 To summon the General Shareholders' Meeting to extraordinary meetings

when deemed necessary.

11.2 The opinion of the Statutory Auditor regarding the Financial Statements of the Entity submitted to the General Shareholders' Meeting shall state at least state:

11.2.1 If it has obtained the information necessary to perform its functions.

11.2.2 If during the course of the review the procedures advised with the accounts audit technique have been followed.

11.2.3 If in its opinion the accounting is carried out pursuant to the legal regulations and the accounting technique, and if the operations registered comply with the by-laws and decisions of the General Shareholders' Meeting or of the Board of Directors, where appropriate.

11.2.4 If the balance sheet and the income statement have been faithfully taken from the books and if in its opinion the former presents in a reliable manner, in accordance with generally accepted accounting rules, the respective financial situation at the end of the period and the second reflects the outcome of operations during such period.

11.2.5 Any reserved opinions or exceptions regarding the truthfulness of the financial statements.

11.3 In addition, the report of the Statutory Auditor to the General Shareholders' Meeting shall include:

11.3.1 If the acts of the Entity's ,managers comply with the by-laws and the orders or instructions of the General Shareholders' Meeting or of the Board of Directors.

11.3.2 If the correspondence, receipts, accounts and books of Minutes and Registration of Shares, if applicable, are kept and maintained properly.

11.3.3 If adequate measures of internal control exist as well as those regarding conservation and custody of the Entity's assets.

11.4 The Statutory Auditor may request the Management to inform its findings to the Financial Superintendence and the Stock Exchange, as circumstantial information, under the terms of Chapter Eight of the herein Code.

CHAPTER TWELVE

Mechanisms for allowing shareholders and investors or their representatives to hire at their cost and responsibility, specialized audits of the issuer, with firms with a recognized reputation and experience.

Shareholders representing at least ten percent (10%) of the Bank's outstanding shares and/or investors who own at least twenty per cent (20%) of the total

outstanding commercial securities issued by the Bank, when they become aware of facts that may adversely affect their investment, they may, at their own cost and responsibility, request specialized audits from the Bank, employing firms of recognized reputation and experience.

CHAPTER THIRTEENTH

Mechanisms for implementing internal control systems to enable the follow-up of internal control activities and to know the relevant findings.

The Bank has an audit committee that depends on the Board of Directors, for the proper fulfillment of the work of that corporate body. The Audit Committee is responsible for the assessment of the internal control of the same, as well as of its continuous improvement, without implying a substitution of the responsibility of the Board of Directors in this area.

13.1 The Audit Committee is a body to support the administration management, the decision-making regarding control and improvement of the same, in order to achieve an adequate development of the corporate purpose.

13.2 The Audit Committee shall consist of at least three members of the Board of Directors of the Bank, with experience, with knowledge about the issues relating to the functions assigned to the Board of Directors and be mostly independent, understanding by independents those who in no event are:

- Employees or directors of the entity or any of its affiliates, subsidiaries or controlling bodies, including those persons who have been in such position during the year immediately prior to the appointment, except in the case of reelecting an independent person.
- Shareholders who directly or by virtue of an agreement direct, guide or control most of the voting rights of the entity or who determine the majority structure of the administrative, management or supervisory bodies of the entity.
- Partners or employees of associations or companies providing advisory or consulting services to the entity or companies belonging to the same economic group of which it forms part, when the income for such item represents twenty percent (20%) or more of its operational income.
- Employee or director of a foundation, association or corporation receiving significant donations from the entity. Significant donations are deemed to represent more than twenty percent (20%) of the total donations received by the respective institution.
- The Manager of an entity in whose board of directors a legal representative of the entity participates.
- Individuals receiving from the entity any remuneration other than the fees as a member of the Board of Directors, the Audit Committee or any other committee created by the board of directors.

13.3 Meetings of the committee may be summoned, in order to provide information deemed relevant regarding matters within its competence, the



President, Financial Vice-President, the controller, the statutory auditor, as well as any other officer who the committee deems as fit.

13.4 The members of the Board of Directors elected to form the audit committee shall remain in office for a minimum period of one year. However, it should be ensured that the periods of stay are not coincident, so that the Committee can always have an experienced member within the functions of the same.

13.5 The Board of Directors shall adopt an operating regulation for the Audit Committee, in pursuant to the regulations in force.

CHAPTER FOURTEEN

Mechanisms allowing minority shareholders to obtain the summoning of a General Shareholders' Meeting when deemed necessary for guaranteeing their rights or for obtaining information.

14.1 The General Shareholders' Meetings shall be of two kinds: ordinary and extraordinary meetings. Ordinary meetings shall be held once a year on the date stated in the summons, within the months of January to March every year. If it had not been summoned after such months have elapsed, it shall meet in its own right on the first business day of April at ten o'clock in the morning, at the offices of the Presidency.

14.2 The Superintendent may order the summoning of the General Shareholders' Meeting to extraordinary meetings hold them, directly, in the following cases:

When it has not met on those occasions set forth under the Law or in the by-laws; when serious irregularities have been committed in the management to be known by or remedied by the Meeting, and by request of a plural number of shareholders determined in the By-laws, and in the absence of such summoning, for a number representing not less than the one-fifth of the shares subscribed.

The order to summon the Meeting shall be fulfilled by the Legal Representative or by the Statutory Auditor.

14.3 When under this Code of Good Governance, the shareholders or investors require the summoning of General Shareholders' Meeting, in the case of shareholders it shall be required that the request be made by a plural number of shareholders representing at least ten per cent (10%) of the subscribed shares. Regarding Investors, the request shall be made by a plural number of investors representing at least twenty per cent (20%) of the total investments at the time of the request, without prejudice to the regulations regarding the public stock market.

CHAPTER FIFTEEN

Specific mechanisms for identifying and disclosing the main risks of the issuer.

15.1 The Entity shall carry out a comprehensive management of the structure of its assets, liabilities and off-balance sheet positions, estimating and controlling the degree of exposure to main market risks, with the aim of protecting itself from possible losses due to changes in the economic value of such elements of the financial statements. Liquidity, interest rate and exchange rate risks shall be taken into account in this regard.

Such process shall require a permanent measurement and assessment of the structure by terms, amounts and types of instruments of assets, liabilities and off-balance sheet positions, using at least the criteria set forth for such purpose by the Superintendence Financial Center in the Basic Financial and Accounting Circular Letter.

15.2 On the dates foreseen in the bylaws or the law for the submission of financial statements for consideration of the general shareholders' meeting, along with the report of the board of directors and the President of the entity, a study regarding the levels of the exposure to liquidity, interest rate and exchange rate risks and on risk-taking policies established by the Board of Directors shall be included.

15.3 If the Entity holds fixed-term certificates of deposit and fixed term savings deposit certificates, registered in the National Securities and Intermediaries Registry, it shall accredit the rating assigned to the indebtedness deriving from the placement of such certificates with the Financial Superintendence, destined to the National Registry of Securities and Intermediaries.

CHAPTER SIXTEEN

Mechanisms for allowing shareholders and investors to claim a breach of what is foreseen under the Good Governance Codes.

16.1 The Legal Representative of the Entity shall assure compliance with the by-laws and with the rules and provisions of the General Shareholders' Meeting and the Board of Directors.

16.2 The shareholders and investors of the Entity may submit respectful requests to the Entity, when they believe that there has been a breach of the provisions of the Good Governance Code, and in such cases, the management of the Entity will provide a clear and sufficient response, with the utmost diligence and timeliness.

16.3 Shareholders and investors of the Entity may file complaints or claims with the Statutory Auditor, due to breach of the Good Governance Code.

For such purpose, the Entity shall duly and timely respond the requests by the



Statutory Auditor regarding the complaint, and shall respond to the observations submitted by the Statutory Auditor on the matter, upon establishing the existence of the aforementioned breach.

16.4 The President of the Entity shall take the steps to inform the market, investors and shareholders, the rights and obligations of the same, as well as the existence and content of the herein Code. For such purpose, the President shall announce the adoption of this code in a newspaper of national circulation, as well as any amendments, changes or supplements applied thereto. Likewise, the text of this code shall be available to shareholders, at the headquarters of the Entity, or by any other means of an electronic nature allowing access to any person regarding its content.

16.5 The Entity shall establish an office for attending investors, under the direction of an officer thereof. Such office shall serve as a liaison between investors and the governing bodies of the Entity, and will take care of the necessary processes for responding to the needs and requirements of the investors in a timely manner.

CHAPTER SEVENTEEN

17.1 GENERAL CORPORATE GOVERNMENT GUIDELINES FOR PARENT COMPANY - AFFILIATES – RELATED PARTIES

This chapter sets forth the Bank's guidelines managing its relationships with its parent company, affiliates or related companies.

17.1.1 PARENT COMPANY GUIDELINES REGARDING THE INTERNAL CONTROL SYSTEM

To observe the general guidelines provided by the parent company regarding matters relating to internal control, including the possibility of ordering audits by its corporate comptroller or independent audit firms for validating compliance with the internal control system and other systems comprising the same. The cost of these audits shall be borne by the Bank, taking into account that the purpose of these audits relates to its internal control system, respect of which the Bank shall comply with the guidelines set forth by the Financial Superintendence in this regard to through External Circular Letters 14 and 38 of 2009 (as well as those that it may issue through rules that may modify or replace the same).

17.2 PRINCIPLES

In its relationships with its parent company, affiliates or related parties, the Bank shall observe the following principles:

17.2.1 EVIDENCE

The Bank's relationships with its parent company, affiliates or related parties shall at all times be transparent in order to generate no doubt

about its acts.

Due to the aforementioned, the contractual relationships between the entities cited shall be duly documented, and include evidence of the previous analysis carried out by each party for the purpose of entering into a contract with such entities.

17.2.2 MARKET TERMS

The goods and services legally feasible to be provided or acquired between the Bank, its parent company, affiliates or related parties, shall be, in terms of price, quantity and quality, at prices and characteristics similar to those in the market

As an exception, where a corporation not listed in the stock exchange and whose direct and indirect shareholders belong to the same group, the goods and services may be acquired or provided at prices and characteristics different than those of the market, even at cost.

17.2.3 AUTONOMY

The Bank, its parent company, affiliates or related companies carry out their activities in an independent and autonomous manner.

Therefore, decisions shall be taken in each entity by means of their respective corporate bodies, which have their own decision-making capacity for developing the corporate purpose of the entity.

17.2.4 CONTROL

The Bank as an investor, especially when acting as a controlling company, shall design policies and procedures to protect its investors, reaching understandings with the companies where it has a share, intended for receiving necessary financial and operational information, on a monthly, quarterly, semi-annual or annual basis, to monitor and follow-up liquidity, interest rate, operating, credit, money laundering and other risks, in such a way that through their representatives at shareholders' meetings and boards of directors, can carry out an effective and efficient inspection, an objective analysis of the concerns and follow recommendations or better practices, all of the aforementioned taking into account the respect for information confidentiality and for the Habeas Data of the clients of each entity.