

**IMPLEMENTATION REPORT OF BEST CORPORATE  
PRACTICES**

**ISSUER'S BUSINESS NAME  
BBVA COLOMBIA**

**LEGAL REPRESENTATIVE:  
OSCAR CABRERA IZQUIERDO**

**LEGAL REPRESENTATIVE APPOINTED FOR SENDING  
THE IMPLEMENTATION REPORT:  
ULISES CANOSA SUÁREZ**

**REPORT PERIOD: 2018**

**REPORT DATE: JANUARY 30<sup>TH</sup>, 2019**

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## INTRODUCTION

The implementation of the recommendations of the new Code of Best Corporate Practices of Colombia should be reported by issuers to the *Superintendencia Financiera de Colombia (SFC)* by this Implementation Report of Best Corporate Practices.

This report is aimed to inform the securities market about the implementation or not of the recommendations of the Code by each issuer. To this end, for each recommendation there are three boxes for YES, NO and N.A. (not apply), as well as a space to supplement its response as follows:

If the answer is yes, the issuer must briefly describe the way such implementation has been made. If not, the issuer must explain the reasons why it has not been adopted.

The “N.A.” response can only be provided by the issuer in cases that for legal reasons it is not possible to adopt the recommendation. In this case, the issuer must indicate precisely the law or regulation which prevents it.

Given that, some recommendations are made up of a number of specific aspects, is important to emphasize that these will only be understood as implemented if all of the aspects that compose them are met, unless the reason for not adopting some is of legal nature, which should be indicated.

Each recommendation has a box to indicate the date the issuer first implemented it. Additionally, there will be a box where the dates on which changes are made will be recorded.

Finally, when the issuer by its nature does not have the specific body to which the recommendation relates it shall be understood that it refers to the equivalent body within the entity.

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## I. SHAREHOLDER RIGHTS AND EQUAL TREATMENT

### Measure No. 1: The principle of equal treatment.

**1.1. The corporation gives equal treatment** to all the shareholders who have similar shares and conditions, without granting access to privileged information to some shareholders above others.

1.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Corporate Bylaws, the Corporate Governance Code and the regulations of the General Assembly of Shareholders, documents that are published on BBVA website, hold the rules and obligations of every shareholder. Additionally, the Corporate Governance Code in numeral 8.4, states that shareholders and investors have the right to receive from the Bank's directors and administrators an equitable treatment, ensuring the respect of the rights of information, inspection and notice provided by law, the Bylaws, and the Corporate Governance Code. This same document, in numeral 8.1, establishes that in the event that is provided to a shareholder information that may grant him some advantage, the Bank guarantees the access to the information to other shareholders, by posting the information on the Bank's website.

Through the link "*Investor Relations*" in BBVA Colombia website, frequently publishes relevant information and events, regarding the Corporate Governance System, highlighting the decisions taken by the General Shareholders' Meeting, composition of the Board of Directors with the complete information of their Curriculum vitae, the Annual Report of the previous financial year, the ordinary and preferential shares, the market price of the shares, new issues, and all relevant financial information.

In accordance to the guidelines of the Resolution 116 of the *Superintendencia Financiera de Colombia*, BBVA Colombia publishes in the Bank website, link "*Investor Relations*", and in the intranet, for the knowledge of the legal representatives, directors and the employees of the bank, the obligations to act out with impartiality with any shareholder, with the intent of assure equal treatment and guarantee the complete engagement of the shareholders in fulfilment of their rights and their execution in the General Shareholders' Meeting.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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<b>Implementation Date</b>	04.04.2003
<b>Modification Dates</b>	01.01.2008

**1.2. The Board of Directors has approved concrete procedures** to determine the corporation's ways **to relate to the different types of shareholders**, regarding matters such as: access to information; answer to information requests; communication channels; interaction between the shareholders and the corporation, its Board of Directors, and the remaining managers.

**1.2 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Corporate Governance Code, numeral 8, establishes the procedure in which the shareholder can relate with the organization, access to the information, resolve petitions, the different channels of communication, and the execution of the Inspection Right.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	01.04.2008
<b>Modification Dates</b>	

## **Measure No. 2: Information about shares.**

**2.1.** Through its web site, **the corporation informs the public**, in a clear, precise, and comprehensive way, **the different types of shares issued** by the corporation, the quantity

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issued per type, and the quantity of shares reserved, as well as the rights and obligations inherent to each type of share.

**2.1 Measure Implementation**

YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>In BBVA Colombia website on the link “<i>Investor Relations/the share</i>”, publishes information regarding ordinary shares and shares with preferential dividend, and also information of the nominal and intrinsic value of the shares. Furthermore, BBVA informs the quantity of shares for each kind of share, the authorized capital of the company, the shares in circulation and the ones on reserve.</p> <p>This recommendation is registered in the Corporate Governance Code (numeral 7.3, paragraph (e), which states that the Bank shall publish and disclose to the market on its Website this kind of information.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	12.01.2008
<b>Modification Dates</b>	

**Measure No. 3: No capital dilution.**

**3.1. In transactions that may cause the dilution of the capital** of minority shareholders (i.e. a capital increase with a waiver of preemptive rights in the subscription of shares, a merger, a segregation (spinoffs), among others), **the corporation will explain them to the shareholders in detail** through a previous report of the Board of Directors. Such a report will contain the opinion, about the terms of the transaction, of a renowned external independent advisor appointed by the Board of Directors (*fairness opinion*). These reports will be made available to the shareholders before the Assembly, within the terms for the exercise of inspection rights.

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**3.1 Measure Implementation**

YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Internal Regulations of the General Shareholders' Meetings (numeral, 3.5, paragraph 2) establishes:</p> <p><i>"3.5. RIGTH OF INSPECTION          (...) SECOND PARAGRAPH: When transactions cause capital to increase waiving preemptive rights in the subscription of shares, merges, division or segregation, the Board of Directors shall make available to the shareholders, during the term of notice of the meeting of Shareholders, a report containing the main terms of the transaction, which will be accompanied by the opinion of an independent external consultant appointed by the Board of Directors to the effect."</i></p> <p>During fiscal year 2018, BBVA Colombia did not increase capital by waiving the right of preference in the subscription of shares, mergers, segregation, or any other operation that entails a dilution of the capital of the minority shareholders.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	19.01.2016
<b>Modification Dates</b>	

**Measure No. 4: Information and communication with shareholders.**

**4.1. The corporation has an institutional web site** in Spanish and English, with a link of Corporate Governance, or of relations with shareholders and investors, or equivalent. It will include financial and non-financial information in the terms proposed by recommendations 32.3 and 33.3. Furthermore, under no circumstance, it will include the corporation's confidential information, or that relative to company secrets, or any other whose disclosure could be used to the detriment of the corporation.

**4.1 Measure Implementation** YES  NO  N.A.

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**YES. Briefly indicate:**

BBVA Colombia has had a friendly website since 2013, with information in Spanish and English, with extensive information including the suggested recommendations by the Corporate Governance Survey, as well as other information of interest to shareholders and investors of the company.

On BBVA's website the shareholders and investors may find: (i) About the company; (ii) Shareholders: Quote, equity, significant events reported to "Registro Nacional de Valores y Emisores-RNVE", financial information, shareholder's agenda, General Assembly of Shareholders, historic of dividends, etc; (iii) Investors Relations, results and their presentations, events, financial reports, characteristics of current debt emissions, reports on ratings; (iv) Corporate Governance: Bylaws, Shareholders Assembly regulations, Board of Directors, Committees of the Board of Directors, Annual Report of Corporate Governance, Internal Standards of Conduct, copy of the last 7 submitted surveys of the Country Code; v) Corporate Responsibility Report audited by the Fiscal Auditor, which shows the actions taken by BBVA Colombia to support social initiatives.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	02.09.2013
<b>Modification Dates</b>	

**4.2. The corporation has permanent-access mechanisms targeted exclusively to shareholders,** such as a web link (only for them), or an office devoted to the relations with shareholders and investors, periodical information sessions, among others. These spaces should permit them state their opinions, concerns or suggestions on the corporation's development, or about their condition as shareholders.

**4.2 Measure Implementation**

**YES**

**NO**

**N.A.**

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**YES. Briefly indicate:**

BBVA Colombia has an exclusive office dedicated only to the attention of the shareholders and investors, which constitutes the link with the company's governance bodies and whose main objective is to provide complete and clear information, related with the Bank and other topics that allow the shareholders and investors to make informed decisions and properly exercise their rights (Corporate Governance Code, numeral 8.7).

Furthermore,, every tree months BBVA Colombia schedules conferences, in order to report the results of the entity of that period and the Bank's business performance (Corporate Governance Code, numeral 7.1).

Additionally, investors and shareholders have a special space with complete and sufficient information of their interest in the Bank's website link "*Investor Relations*" (Link: <https://www.bbva.com.co/personas/investor-relations.html> ).

On the mentioned website link, BBVA Colombia informs the shareholders the different communication channels established to answer the requests of more restricted information, in compliance of the confidential protocols.

Finally and by legal and statutory regulation (Bylaws, article 53), the shareholders can exercise their inspection right before every General Shareholders' Meeting.

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**NO. Explain:**

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**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	01.01.2008
<b>Modification Dates</b>	

**4.3. The corporation organizes events to present quarterly results to its shareholders and to market analysts.** These may be in person or through distant-communication media (conference, video conference, etc.).

**4.3 Measure Implementation**

YES

NO

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<p><b>YES. Briefly indicate:</b></p> <p>BBVA Colombia, at the end of every trimester has an audio conference with the shareholders and investors to inform the results of the period.</p> <p>On the Bank’s website there is an Agenda of Events that has the dates of the events in which the trimestral and annual results are presented.</p> <p>This recommendation is registered in the Corporate Governance Code, numeral 7.1, paragraph e).</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	01.09.2013
<b>Modification Dates</b>	

**4.4. The corporation organizes or takes part in presentations, events, or fora on fixed-yield instruments, mostly addressed to debt-security investors and market analysts.** These events offer updates on the issuer’s business indicators, the management of its liabilities, its financial policy, its ratings, its behavior concerning *covenants*, etc.

**4.4 Measure Implementation** YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>BBVA Colombia informs the market the results and the development of the company, according to the previous answer.</p> <p>This recommendation is registered in the Corporate Governance Code, numeral 7.1, paragraph e).</p>
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**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	02.09.2013
<b>Modification Dates</b>	

**4.5. The corporation's bylaws provide that a shareholder or group of shareholders, representing at least five percent (5%) of the capital, may request the performance of Specialized Audits on matters other than those pertaining to the audits carried out by the corporation's Statutory Auditor (*Revisor Fiscal*). Depending on its capital structure, the corporation may determine a proportion below five percent (5%).**

**4.5 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

Article 73 of BBVA Colombia's Bylaws, establishes a procedure that allows any shareholders with the minimum of 4% of the subscribed shares, to instruct at his expense and responsibility, specialized audit about specific issues.

The procedure in which shareholders can request such audits is regulated in the numeral 8.6 of the Corporate Governance Code.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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<b>Implementation Date</b>	28.02.2006
<b>Modification Dates</b>	14.04.2016

**4.6.** For the exercise of this right, **the corporation has a written procedure** with the precisions provided in recommendation 4.6.

**4.6 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Corporate Governance Code (numeral 8.6) states the procedure that must be followed by the shareholders in order to propose specialized audits. Each of the items of this recommendation is registered in the aforementioned numeral of the Corporate Governance Code.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	28.02.2006
<b>Modification Dates</b>	19.01.2016

**Measure No. 5: Behavior of managers before takeovers or transactions to change the corporation's control.**

**5.1.** The members of the Board of Directors and of the senior management have agreed expressly, in their letters of acceptance or contracts, that as soon as they learn of a takeover bid or other relevant transactions, such as mergers or segregation (spinoffs), there will be periods during which they will not negotiate, directly or indirectly through a third party, any shares of the corporation.

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5.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The “*Internal Standards of Conduct on the Securities Markets*” of BBVA Colombia, has a section of general prohibitions to operate under special circumstances, with a general restriction to all employees and members of the Board of Directors that have knowledge of an operation that might involve privilege information, so they will not perform any business with shares of the company, values or financial instruments, by themselves or through an intermediary

This procedure is formalized by the Compliance area, which sends a communication that is accepted by the respective employee.

Additionally, the document “*Internal Standards of Conduct in the Securities Markets*”, Annex I, states that the information related to operations with large stock packages will be consider as Insider Information. Therefore, all the regulatory obligations and prohibitions related to this type of information must be fulfilled.

The document is published on the Bank’s website, link: “Investor Relation” - “Corporate Governance”.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	01.02.2001
<b>Modification Dates</b>	

**Measure No. 6: Listing of corporations clustered in conglomerates.**

**6.1.** Without prejudice to the independence of every single company of the conglomerate and to the responsibilities of its management bodies, the conglomerate has an **organizational structure** that defines for the three (3) governance levels (Shareholders Assembly, Board of Directors, and senior management), the key bodies and individual

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positions and the relations between them. Such a structure is public, evident, and transparent; it determines clear responsibility and communication channels; it facilitates the conglomerate’s strategic direction, and its effective supervision, control, and management.

**6.1 Measure Implementation**

YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>BBVA Colombia and its subsidiaries publish their organizational structure, including the three levels of government, on their respective websites.</p> <p>In addition, BBVA Colombia’s Corporate Governance Code defines a framework for the parent/subsidiary relationship, which indicates the Corporate Purpose of the BBVA Group in Colombia that is aligned with BBVA's Purpose in the world. This Purpose guides the strategy and decision making at the local and corporate level.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	01.02.2001
<b>Modification Dates</b>	13.12.2016

**6.2.** Under the previous provision, **the holding company and its most important subordinates have defined a framework for institutional relations** through the subscription of an agreement. Such an agreement is public, has been approved by the Board of Directors of each of the companies, and it regulates the topics indicated in recommendation 6.2.

**6.2 Measure Implementation**

YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p>
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BBVA Colombia has defined in the Corporate Governance Code (numeral 14) the framework for the parent/subsidiary relationship, which includes: i) The Corporate Purpose that guides the Group's strategy and decision-making; and ii) The Guiding principles such as: use of synergies, articulation of the company's social organs, cohesion of the Control Architecture and mechanisms of conflict resolution.

The Board of Directors of each subsidiary has adopted this framework through their Corporate Governance Code.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	01.12.2001
<b>Modification Dates</b>	13.12.2016

**Measure No. 7: Conflict resolution.**

7.1. Except for the disputes between shareholders, or between shareholders and the corporation or its Board of Directors that by explicit legal mandate must be settled necessarily before the ordinary jurisdiction, **the corporation's bylaws include conflict-resolution mechanisms such as direct agreements, amiable composition, settlement, or arbitration.**

7.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

Article 74 of the Bylaws of the Bank, establishes the direct settlement and in case of no solution, the arbitration clause.

ARTICLE 74- ARBITRATION CLAUSE: Any difference arising between the Bank and its shareholders or the Board of Directors, and the shareholders internally, during the social contract or at its dissolution or liquidation stages, shall be resolved directly between the parties. After ten (10) calendar days unless an agreement is reached, the dispute shall be resolved by a court of arbitration, which shall be subject to the following rules: 1. It will be composed of three (3) arbitrators appointed by mutual agreement between the parties. In case of disagreement, their designation will be delegated to the

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Director of the Center for Arbitration and Commercial Conciliation of the Bogotá Chamber of Commerce. 2. The arbitrators must be Colombian lawyers and their decisions are binding. 3. The tribunal will work in Bogotá and its organization is subject to the rules of the Arbitration and Commercial Conciliation Centre of the Bogota Chamber of Commerce.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	25.04.2007
Modification Dates	14.04.2016

## II. GENERAL ASSEMBLY OF SHAREHOLDERS

### Measure No. 8: Functions and competence.

**8.1.** Besides other functions assigned to the **General Assembly of Shareholders** by the legal framework, **the bylaws explicitly confer the functions of the General Assembly of Shareholders related in recommendation 8.1**, and emphasize their exclusive and non-delegable nature.

8.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Bank's Bylaws, article 25, confers these functions to the General Shareholders' Meeting, emphasizing its exclusive and not delegable character.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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<b>Implementation Date</b>	14.04.2016
<b>Modification Dates</b>	

**Measure No. 9: Regulation of the General Assembly of Shareholders.**

**9.1. The corporation has a regulation for the General Assembly of Shareholders**, which set up norms for any tasks within its competence. They range from its meeting calls, to the preparation of the information intended for shareholders, their attendance, the development and exercise of their political rights, so that they are fully aware about the regime that governs the Assembly's sessions.

9.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

BBVA Colombia has an Internal Regulations of the General Shareholders' Meeting, which can be consulted on the Bank's website. It regulates all topics regarding notice of call, preparation of the information that must be delivered or offered to all shareholders, the execution of the inspection right, attendance and the execution of all political rights of the shareholders.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	

**Measure No. 10: Meeting Call for the Assembly.**

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**10.1.** To ease the shareholders' exercise of their information rights, **the bylaws provide that the meeting call for the ordinary General Assembly of Shareholders must take place no less than thirty (30) common days in advance; in the case of the extraordinary meetings, the call will take place with at least fifteen (15) common days of anticipation.** This will be without prejudice to the legal terms set forth for company restructuring (e.g. mergers, segregation (spinoffs), or transformations).

10.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:** Article 17 of the Bank's Bylaws states that the notice of call for the ordinary meeting of the General Shareholders' Meeting must take place no less than thirty (30) common days in advance. For the extraordinary meetings, the call will take place with at least fifteen (15) common days of anticipation. The above, notwithstanding the legal terms established for any cases of company restructuring.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	19.01.2016
Modification Dates	08.03.2017

**10.2.** Besides the traditional and obligatory media set forth within the legal framework, **the corporation ensures the widest communication and publicity for the meeting call.** This will be done by using e-media, such as the corporate web site, individual alerting e-mails, and even the social networks if deemed appropriate.

10.2 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Paragraph of the article 17 of the Bylaws, about the notice of call, states:

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"FIRST PARAGRAPH- NOTICE. *The meeting call to shareholders will be done by one (1) notice published in one or more newspapers of national circulation at the registered office and will be communicated through the website of the Bank along with the information deemed necessary for the development of the Assembly. In the summon for extraordinary meetings In the summon for extraordinary meetings there shall be specified issues on which it will deliberate and decide, and other topics may not be discussed unless the majority of the shares represented say so otherwise and once topics on the agenda have been dealt with. In any case the Assembly may remove administrators and other officials whose appointment deems inappropriate.*"

This is ratified in the Internal Regulations of the General Shareholders' Meeting (numeral 3.3), that establishes: *"The meeting call to shareholders will be done by one (1) notice published in one or more newspapers of national circulation at the registered office and will be communicated through the website of the Bank along with the information deemed necessary for the development of the Assembly."*

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	28.02.2006
<b>Modification Dates</b>	08.03.2017

**10.3.** For increased transparency during the decision-making process of the General Assembly, besides its Agenda, stating point by point the subjects for discussion, **the corporation ensures that simultaneously with the meeting call, or at least fifteen (15) common days before the meeting, the shareholders receive the Agreement Proposals** that the Board of Directors will submit to the General Assembly of Shareholders concerning each of those points.

**10.3 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal Regulations of the General Shareholders' Meeting (numeral 3.2, Paragraph) lays out that all propositions that the Board of Directors present to the shareholders are available on the bank's website, 15 days prior to the meeting.

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For the ordinary and extraordinary meetings of the General Shareholders' Meeting, held on March 12 of 2018 and May 30 of 2018, respectively, , the Bank published all the information related to the meeting, 15 days in advance, on the Bank's website link Investor Relations- General Assembly of Shareholders 2018.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**10.4. The General Assembly of Shareholders will analyze and approve the corporation's segregation (spinoffs) (*escisión impropia*) only when this subject had been included explicitly in the respective meeting call.**

**10.4 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal Regulations of the General Shareholders' Meeting, numeral 3.4, section "Agenda", establishes:

*"(...) However, when the Assembly considers matters of segregation, a change of corporate objectives, renounce to preference rights, change of registered office, an increase or decrease of the authorized capital or an early dissolution, the agenda shall explicitly address these situations."*

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	

**10.5. The Agenda that the Board of Directors is proposing features the subjects for discussion accurately.** It does not permit that any significant issues become obscured under imprecise, nonspecific, overly general, or very wide expressions such as “*others*” or “*proposals and miscellaneous.*”

10.5 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

Numeral 3.4 of the Internal Regulations of the General Shareholders’ Meeting”, states the following:

*“3.4 Agenda*

*The agenda must be clear and properly disaggregated giving full disclosure of the issues that will be addressed. Similarly, and without prejudice to the rights of shareholders to submit proposals to the Assembly, different issues must be disaggregated in the agenda so as not to be confused with others except topics to be discussed jointly because they are related to one another, fact which should be noted.*

*The General Assembly of Shareholders retains the authority to address additional topics by a decision adopted by the majority of the shares represented and once topics on the agenda have been dealt with. In any case the Assembly may remove administrators and other officials whose appointment deems inappropriate.*

*However, when the Assembly considers matters of segregation, a change of corporate objectives, renounce to preference rights, change of registered office, an increase or decrease of the authorized capital or an early dissolution, the agenda shall explicitly address these situations. (...)”*

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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Implementation Date	31.08.2007
Modification Dates	

**10.6. In the case of amendments to the bylaws, each article or group of articles substantially different will be voted separately.** In any case, an article will be voted separately if any shareholder or group of shareholders, representing at least five percent (5%) of the corporate capital, request it during the Assembly. The shareholders will be informed of this right beforehand.

10.6 Measure Implementation      YES            NO            N.A.     

<p><b>YES. Briefly indicate:</b></p> <p>The Internal Regulations of the General Shareholders' Meeting (numeral 3.4, First Paragraph) states:</p> <p><i>"3.4. Agenda (...) FIRST PARAGRAPH: In the case of amendments to the bylaws, each article or group of articles substantially different will be voted separately. In any case, an article will be voted separately if any shareholder or group of shareholders, representing at least four percent (4%) of the corporate capital, request it during the Assembly. The shareholders will be informed of this right beforehand."</i></p> <p>During 2018, for the extraordinary meeting of the General Shareholders' Meeting the proposal for partial reform of the Bylaws of BBVA Colombia was included in the agenda of the General Shareholders' Meeting, number 7. During the term of the call, the comparative information of the articles that were modified was presented in a precise manner. See link: <a href="https://www.bbva.com.co/content/dam/public-web/colombia/documents/home/prefooter/gobierno-corporativo/asamblea-general-ordinaria-de-accionistas/2018/extraordinaria/DO-06-Propuesta-acuerdo-punto-7.pdf">https://www.bbva.com.co/content/dam/public-web/colombia/documents/home/prefooter/gobierno-corporativo/asamblea-general-ordinaria-de-accionistas/2018/extraordinaria/DO-06-Propuesta-acuerdo-punto-7.pdf</a></p> <p>The voting procedure was made following recommendation 10.6.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

Implementation Date	31.08.2007
Modification Dates	19.01.2016

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**10.7.** Without prejudice to the article 182 of the Code of Commerce, to strengthen and ensure the shareholders' rights of inspection and information before the Assembly, **the bylaws recognize their right to propose the inclusion of one or more points for discussion within the Agenda of the General Assembly of Shareholders, regardless of the size of their stock participation.** This will take place within reasonable period of time and provided that their request includes a justification. The shareholders will make such a request within five (5) common days following the publication of the meeting call.

**10.7 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

**NO. Explain:**

Considering that the floating capital of BBVA Colombia is 4,57% represented in 65.423 shareholders, it was included on the Bylaws of BBVA Colombia (Article 17 Second Paragraph) that the shareholders who represent at least 4% of the subscribed shares are allowed to submit written proposals to the Board of Directors about the Agenda, following the procedure established on the Internal Regulations of the Board of Directors.

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	14.04.2016
<b>Modification Dates</b>	

**10.8.** If the Board of Director refuses the request, **it must reply in writing** to those requests supported by at least five percent (5%) of the corporate capital, or a lower proportion as provided by the company based on its degree of ownership concentration. In such a reply, it will **explain the reasons for its decision**, and inform the shareholders of their right to make proposals during the Assembly, under the provisions of the abovementioned article 182 of the Code of Commerce.

**10.8 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

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The Internal Regulations of the General Shareholders' Meeting (numeral 3.4, Second Paragraph) states the procedure that must be followed by the shareholders in order to include issues or matters in the Agenda of the General Assembly of Shareholders. The procedure includes the items of the recommendation 10.8.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	19.01.2016
<b>Modification Dates</b>	

**10.9.** If the Board of Directors accepts the request, once expired the shareholders' term to propose subjects –as set forth in the preceding recommendations, **a complement to the meeting call for the General Assembly of Shareholders will be published** at least fifteen (15) common days before the meeting.

**10.9 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Regulation of the General Assembly of Shareholders (numeral 3.4, Second Paragraph) states the procedure that must be followed in order to include issues or matters in the Agenda of the General Assembly of Shareholders. The procedure includes the items of the recommendation 10.9.

**NO. Explain:**

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<b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b>

<b>Implementation Date</b>	19.01.2016
<b>Modification Dates</b>	

**10.10.** Within the same term provided in the paragraph 10.7, **the shareholders may submit new and well-grounded Agreement Proposals** to matters previously included on the Agenda. For these requests, the Board of Directors will act according to the provisions of the paragraphs 10.8 and 10.9 above.

**10.10 Measure Implementation**                      YES        NO                          N.A.                     

<p><b>YES. Briefly indicate:</b></p> <p>The Internal Regulation of the General Shareholders' Meeting (numeral 3.4, Second Paragraph) states that the shareholders that represent at least four percent (4%) of the corporate capital, can submit agreement proposals about the items included in the Agenda, following the procedure indicated by the recommendation 10.8 and 10.9.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

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Implementation Date	19.01.2016
Modification Dates	

**10.11., The corporation will use e-media, and particularly the institutional web site available only to shareholders,** to convey to them the documents and information related to each of the points of the Agenda for the meeting.

10.11 Measure Implementation YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Internal Regulations of the General Shareholders' Meeting (numeral 3.2, Paragraph) states that within fifteen (15) calendar days before the meeting, the information regarding the Proposals that the Board of Directors will submit to the General Shareholders' Meeting, will be available for the shareholders and the general public on the website and at the primary residency of the Bank.</p> <p>Therefore, for the ordinary and extraordinary meetings of the General Shareholders' Meeting held on March 12 of 2018 and May 30 of 2018, respectively, , the Bank published all the information related to the Assembly, with the foregoing indicated in the Regulations, on the web page link "Investor Relations -General Assembly 2018".</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

Implementation Date	31.08.2007
Modification Dates	19.01.2016

**10.12. The corporation bylaws recognize the shareholders' right to request the information or clarification that they deem appropriate with enough anticipation,** either through traditional channels and/or, if suitable, through new technologies, or to express in writing their questions on the subjects of the Agenda, the documentation received, or the public information issued by the corporation. Depending on the term of the

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corporation to call for a General Assembly of Shareholders, it will determine the period within which the shareholders will exercise this right.

**10.12 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The numeral 3.5 of the Internal Regulations of the General Shareholders' Meeting, on the section named "*Right to Inspect*", indicates: "The Bank will aid its shareholders in decision making by placing at their disposal, within the term of the call and at the registered office, the legal information required and the ability to exercise the right of inspection, including among other the resumes and most relevant details of the nominees as members of the Board of Directors.

Additionally, the Bank must make available to shareholders the financial information regarding its subsidiaries in order for decisions to be taken."

The Internal Regulations of Shareholders allow within the channels of communication with shareholders the reception of requirements, the attention of enquires and facilitates the required information to take informed decisions.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08. 2006
<b>Modification Dates</b>	14.04.2016

**10.13. The corporation foresees that the requested information may be denied** if, based on internal procedures, it may be considered: i) non-reasonable; ii) irrelevant to learn about the corporation's progress or interests; iii) confidential, which will include reserved information within the securities market; business secrets; and transactions in progress, whose success for the company will be contingent upon their secrecy; iv) any other information that if disclosed will compromise imminently and seriously the competitiveness of the company.

**10.13 Measure Implementation**

YES

NO

N.A.

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<p><b>YES. Briefly indicate:</b></p> <p>Article 66, numeral 2, of the Company's Bylaws, states that the requested information may be denied when this is qualified as unreasonable, irrelevant, confidential, or if the disclosure of it threatens the competitiveness of the Bank in accordance with the Regulations of the General Shareholders' Meeting.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	28.02.2006
<b>Modification Dates</b>	14.04.2016

**10.14.** When an answer provided to a shareholder may grant him some advantage, the **corporation guarantees the access to that answer to the other shareholders**, on a concomitant basis, according to the mechanisms set forth for that purpose, and under the same conditions.

**10.14 Measure Implementation**

YES

NO

N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Corporate Governance Code (numeral 6.1.) states that when an answer provided to a shareholder may grant him some advantage, the Bank guarantees the access to that answer to the other shareholders, by posting the information on the Bank's Website.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

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<b>Implementation Date</b>	28.02.2006
<b>Modification Dates</b>	19.01.2016

**Measure No. 11: Norms on representation.**

**11.1.** Without prejudice to the limits set forth in the article 185 of the Code of Commerce, the External Circular 24 of 2010, and the regulations which may amend, supplement, or substitute them, **the corporation does not limit the shareholder's right to be represented at the General Assembly of Shareholders**, including the delegation of his vote to any other person, whether it is a shareholder or not.

11.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

Both, the Company's Bylaws (article 21) and the Internal Regulations of the General Shareholders' Meeting (numeral 5.1) allow shareholders to be represented in the General Shareholders' Meeting and delegate their vote to any person, it does not matter if that person is not a shareholder.

BBVA Colombia Company Bylaws:

*"Article 21- Shareholders Representation. "Any shareholder may be represented at meetings of the General Assembly of Shareholders through power of attorney in writing where the name of the attorney is stated, the person who is being replaced and the date of the meeting or meetings for which it is conferred. It is understood that the power given to a meeting is valid for the number of sessions of the Assembly corresponding to the same meeting. The powers will be submitted to the General Secretariat of the Bank with notice of no less than two (2) business days and until the time set in the notice of summon for the meeting. It is understood for these effects that Saturdays are not business days.*

*Paragraph: The meeting principals and representatives will be identified in accordance with the legal provisions."*

The Internal Regulations of the General Shareholders' Meeting establishes the following:

**" 5. SHAREHOLDERS REPRESENTATION**

**5.1. POWER OF ATTORNEY**

Any shareholder may be represented at meetings of the General Assembly of Shareholders through power of attorney in writing where the name of the attorney is stated, the person who is being replaced and the date of the meeting or meetings for which it is conferred. It is understood that the power given to a meeting is valid for the number of sessions of the Assembly corresponding to the same meeting. The powers will be submitted to the General Secretariat of the Bank with notice of no less than two (2) business days and until the time set in the notice of summon for the meeting. It is understood for these effects that Saturdays are not business days.

The meeting principals and representatives will be identified in accordance with the legal provisions (...)."

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**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

**Implementation Date**

29.08.1996

**Modification Dates**

**11.2. The corporation minimizes the use of blank-voting representatives or those without voting instructions** by promoting actively the use of a standard letter of representation that the company conveys to the shareholders or publishes on its web site. The model features the points of the Agenda and the respective Agreement Proposals, determined under the procedures previously set forth, which will be submitted to the shareholders for consideration. The purpose is that shareholders, as they deem appropriate, may instruct their representatives about their voting on each case.

**11.2 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

This recommendation is registered in the numeral 5.1 "POWER OF ATTORNEY" of the Internal Regulations of the General Shareholders' Meeting.

Additionally, in 2018, the proxy form for natural person and legal entity was published on the Bank's website, in order to be used by the shareholders if they so chose, both in the ordinary and extraordinary General Shareholders' Meeting.

This practice will also be implemented in the annual meeting of 2019.

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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Implementation Date	19.01.2016
Modification Dates	

**Measure No. 12: Attendance of other persons besides the shareholders.**

**12.1.** To revitalize the General Assembly's role in defining the corporate will, and to turn it into a much more participatory body, its regulation require that **the members of the Board of Directors and particularly the presidents of the Board committees and the President of the corporation attend the Assembly** to address the shareholders' concerns.

12.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal Regulation of General Shareholders' Meeting. (numeral 7.3) establishes that the members of the Board of Directors and particularly the presidents of the Board committees and the Chief Executive Officer must attend the Assembly to address the shareholders' concerns.

In BBVA Colombia, the members of the Board of Directors attend to the meetings of the General Shareholders' Meeting, as it can be seen on the online transmissions done for each meeting.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	21.08.1996
Modification Dates	19.01.2016

**III. BOARD OF DIRECTORS**

**Measure No. 13: Functions of the Board of Directors.**

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.

**13.1.** The bylaws specify explicitly the **functions that will not be delegated to the senior management**, among them the ones provided in recommendation 13.1.

**13.1 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

Article 38 of the Company Bylaws states the functions of the Board of Directors and the functions related to the measure 13.1. of the Code of Best Corporate Practices of Colombia,, stating that they cannot be delegated to the CEO.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	29 .08.1996
<b>Modification Dates</b>	14.04.2016

**13.2.** Without prejudice to the autonomy of the governance bodies of the subordinated companies, **when the corporation acts as the holding company of a conglomerate**, these functions of the Board of Directors keep a group perspective and are **implemented through general policies, guidelines, or information requests that respect the balance between the interests of the holding company, those of the subordinates, and those of the conglomerate as a whole.**

**13.2 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

BBVA Colombia is the holding of BBVA Asset Management and BBVA *Valores*, and is part of the BBVA Group, being subordinate of BBVA S.A., international financial company.

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By being part of the BBVA Group, the Bank is under the General Managerial model and risk control from the holding.

This model allows the Bank to develop its activity inside the strategic and the control policy established by the social bodies of the Bank, but this must be in accordance to the model defined by the holding, which has always sought to adapt to an always changing economic and regulatory environment confronting the management in a global manner.

Article 70 of the Company's Bylaws, states that the Bank as a holding shall ensure that its subordinated companies (affiliates and subsidiaries) have an appropriate internal control system. To achieve this, the Bank issues the minimum general guidelines that considers should be applied, considering the nature, magnitude and other characteristics.

Additionally, article 38 of the Company's Bylaws indicates the functions of the Board of Directors of BBVA Colombia, which have a group approach when establishing that the Board of Directors is responsible for the approval and monitoring of the strategic plan, business plan, management objectives and the annual budgets of the Bank, its subsidiaries; define the structure and governance model of the Bank and its subsidiaries; approve the remuneration, compensation, bonus and evaluation policy for the Management and other employees whose functions affect the risk profile of the Bank and its subsidiaries.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	17.08.2010
<b>Modification Dates</b>	19.01.2016

#### Measure No. 14: Regulation of the Board of Directors.

**14.1. The Board of Directors has approved internal regulation** for its organization, operation, the rights and duties of its members, its President, and its Secretary. This regulation is informed to the shareholders, and they are binding upon the members of the Board.

14.1 Measure Implementation

YES

NO

N.A.

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**YES. Briefly indicate:**

The Internal Regulations of the Board of Directors of BBVA Colombia and the Regulation of the Executive Members of the Board of Directors are mandatory; therefore, its content shall be enforced.

It regulates its organization, functions, Directors' responsibilities, as well as the functions of the President and the Secretary, their duties and rights.

The Regulation is available on the Bank's website, link "*Investor Relations/Corporate Governance*",

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**Measure No. 15: Size of the Board of Directors.**

**15.1.** In its bylaws, the corporation has decided not to have alternate members in its Board of Directors.

**15.1 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The article 26 of the corporate Bylaws establishes: "*The Bank's Board of Directors shall consist of five (5) principal members elected by the shareholders with the application of the electoral quotient. The serving term of the members of the Board of Directors is two (2) years, from their election.*"

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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<b>Implementation Date</b>	07.05.2008
<b>Modification Dates</b>	08.03.2017

**Measure No. 16: Appointment of the Board of Directors.**

**16.1.** Departing from the premise that, once elected all the members of the Board of Directors act in the corporation’s best interest, **the corporation**, enforcing the highest transparency, **identifies the origin of the different members of the Board** according to the scheme provided in recommendation 16.1.

**16.1 Measure Implementation** YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Internal Regulations of the Board of Directors, Chapter I, numeral 3 “<i>Composition</i>” states that the Board of Directors is composed of five (5) members, who shall have a specific origin based on the the recommendation 16.1.</p> <p>In addition, BBVA Colombia’s website presents information about the members of the Board of Directors where the curriculum vitae and the origin of each one of the members (independent, proprietary or executive) is included. The above is available on the Bank’s Web page, link ““<i>Investor Relations/Corporate Governance/ Board of Directors</i>””.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	23.12.2015
<b>Modification Dates</b>	19.01.2016

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**16.2. The corporation has procedures,** implemented through the Nomination and Compensation Committee, or some other with similar functions, which enable the Board of Directors, based on its own dynamics and the findings of the annual assessments, reach the objectives indicated in recommendation 16.2.

**16.2 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Corporate Governance Committee must support the Board of Directors with everything related to the selection and appointment of the members of the Board of Directors. To achieve this, it has implemented a procedure under the conditions of this recommendation.

The foregoing is indicated in the Selection, Appointment and Succession Policy of the Board of Directors, as well as in the Regulations of the Board of Directors, Chapter II, numeral1.

During 2018, due to the resignation of one of the members of the Board of Directors and in accordance with the Selection, Appointment and Succession Policy of the Board of Directors, the Corporate Governance Committee (hereinafter the "Committee") after evaluating the curriculum vitae, profile, academic and professional career of the candidates and, taking into account the structure, size and composition of the Board of Directors, the needs of the vacancy, and the policy of Selection, Appointment and Renewal., the Committee considered appropriate the application and presented the proposal for the selection of Dr. Xavier Queralt Blanch to the General Shareholders' Meeting. Dr. Queralt has technical knowledge in the technical field, in risks and business, international experience, dedication of time, as well as the absence of incompatibilities and inabilities, good repute and the requirements of suitability and independence that allow the proper performance of the duties.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.03.2013
<b>Modification Dates</b>	19.01.2016

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**16.3. The Board of Directors informs the shareholders about the professional profiles deemed necessary** so that the different stakeholders (mainly any controlling, significant, or institutional shareholders, any groups of shareholders or families, if there are any, and the Board itself) may identify the most appropriate candidates.

**16.3 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

BBVA Colombia presents the professional backgrounds, experience, curriculum vitae and expertise of the members of the Board of Directors, which are available on the website, so the best candidates can be identified.

The Selection, Appointment and Succession Policy of the Board of Directors states the profile that Directors must fulfill.

As indicated in point 16.2., for the re-election of the members of the Board of Directors and to fill the vacancy of one of the Directors, the Board, with the support of the Corporate Governance Committee, identified the professional and personal profiles necessary for the conformation of the Board of Directors, including diversity of knowledge, skills, experience and gender, that allowed the proper development of their functions, counting with Directors with training and experience, national and international, in areas such as banking, finance, accounting and risks, as well as in the legal, academic and business fields.

Therefore, within the proposals presented in the ordinary meeting of the General Shareholders' Meeting, the election of the Board of Directors was included in point 13, informing the shareholders, within the period of notice prior to the meeting, the profiles, experience and careers of the Directors proposed to be reelected and to fill the vacancy and including the curriculum vitae.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	16.03.2012
<b>Modification Dates</b>	17.03.2016

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**16.4. The corporation** considers that the mere review of the résumés by the shareholders is not enough to decide on the candidates' fitness. Consequently, it **has internal procedures to assess any legal incompatibilities and inabilities, as well as a candidate's appropriateness to the needs of the Board of Directors.** These procedures evaluate a set of criteria that the candidates' functional and personal profiles must meet, and verify their compliance with some objective requirements to become a member of the Board of Directors, and some additional requisites to become an independent member.

16.4 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

In BBVA Colombia, the appointment of the Board of Directors is done by a procedure that evaluates if the Directors meet the requirements of prevailing legislation, the specific regulations applicable to financial institutions, and the provisions of the Company's Bylaws.

In particular, directors should meet the necessary suitability requirements for the exercise of the position. Thus, they must be considered to be of commercial and professional good repute, with adequate knowledge and expertise to perform their duties and be in a situation in which they can exercise good governance of the entity.

The Board of Directors will endeavour to ensure that the selection procedures for directors favors experience, knowledge, skills and achievements of the candidate, and in general, that the candidate is not under any kind of inabilities, incompatibilities, examining the amount of time willing to spend fulfilling the duties according to the needs of corporate bodies and the committees in which the Director participates.

The Bank has implemented the Regulation of the Directors, which includes all this topics, and also, the Selection, Appointment and Succession Policy of the Board of Directors.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.07.2012
<b>Modification Dates</b>	17.03.2016

**16.5.** Besides the **independence** requirements set forth by the Law 964 of 2005, the corporation **has voluntarily adopted a more rigorous definition** for this concept than that **DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.

of the said law. Such definition has been accepted as a reference framework through the regulation of the Board of Directors; it includes, among other requirements to be assessed, that of the relationships or links of any kind of a candidate to become an independent member with any controlling or significant shareholders or their related parties, either domestically or abroad. Furthermore, it requires a double statement of independence: (i) that of the candidate before the corporation, its shareholders, and senior-management members, expressed in his letter of acceptance, and (ii) that of the Board of Directors with respect to the candidate's independence.

**16.5 Measure Implementation**

YES  NO  N.A.

<b>YES. Briefly indicate:</b>
<b>NO. Explain:</b>
<p>BBVA Colombia uses the Independence definition from Law 964 of 2005 (Internal Regulations of the Board of Directors, numeral 6), which is also implemented by the New Country Code.</p> <p>The Internal Regulation establishes that, in addition to compliance with the requirements of Law 964 of 2005, its necessary to asses "(...) the relations or relation of any nature of the candidate for Independent Member with controlling or significant shareholders and its Related Parties, nationals and internationals, demanding for this purpose a double declaration of independence: (i) of the candidate regarding the company, its shareholders and members of the Senior Management, instrumented through its Letter of Acceptance and, (ii) of the Board of Directors, regarding the independence of the candidate. "</p>
<b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b>

<b>Implementation Date</b>	
<b>Modification Dates</b>	

**16.6. Based on its internal regulations, the corporation considers that the Board of Directors, through its President and with the support of the Nomination and Compensation Committee, or that which fulfil its duties, is the most appropriate body to centralize and coordinate the process to appoint the Board before the General Assembly.** In this way, the shareholders that wish to become Board members based on

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their stock participation, may learn about the Board’s needs, express their aspirations, and negotiate any stock-based balances and distribution among the different types of members. Moreover, they may present their candidates and agree that the Nomination and Compensation Committee assess their fitness before the vote during the General Assembly of Shareholders.

**16.6 Measure Implementation**

**YES**

**NO**

**N.A.**

<p><b>YES. Briefly indicate:</b></p> <p>The Chairman of the Board of Directors, alongside the Corporate Governance Committee, constituted by two independent members and presided by one of them, will coordinate the Selection, Appointment and Succession Procedure and the appointment of the Board of Directors and will ensure that the requirements for the position are met so the balance of knowledge, competence and experience is maintained.</p> <p>The Selection, Appointment and Succession Policy of the Board of Directors states the procedure for appointment of Directors and in it the aspects indicated by this recommendation.</p> <p>During 2018 and due to the resignation of one of the members of the Board of Directors, the Selection, Appointment and Succession Policy of the Board of Directors, the Corporate Governance Committee (hereinafter the "Committee") analyzed the composition of the Board of Directors, as well as the need for its members to have a diversity of knowledge, skills and experience that would allow them to perform their functions properly, and the re-election of other Directors and applications for vacancy coverage.</p> <p>For this purpose, the Committee evaluated the balance of knowledge, skills and experience, as well as the other conditions that the candidates had to meet and the dedication of time for the adequate performance of their function according to the needs of the Board of Directors of the BBVA Colombia.</p> <p>The Committee valued the curriculum vitae, profile, academic and professional career of Dr. Xavier Queralt Blanch and taking into account the structure, size and composition of the Board of Directors, as well as the policy of selection, appointment and renewal, the Committee considered the application appropriate and presented the proposal for the selection of Dr. Queralt o the General Shareholders’ Meeting. Dr. Queralt has extensive training and experience, both nationally and internationally, in economics and finance, dedication of time, as well as the requirements of suitability required.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	31.07.2012
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<b>Modification Dates</b>	17.03.2016
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**16.7. Regulation of the Board of Directors foresees that the assessment of the candidates' suitability must take place before the General Assembly of Shareholders.** Consequently, the shareholders will have, with enough anticipation, sufficient information on the proposed candidates (personal qualities, suitability, background, experience, integrity, etc.) to evaluate them well.

**16.7 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Selection, Succession and Appointment policy of the Board of Directors (numeral 3, sixth paragraph) indicates that the information related to the candidates, as well as the report made by the Corporate Governance Committee, which will include the evaluation of incompatibilities and legal inabilities, and the compliance with the requirements to be a member of the Board, is available to the shareholders prior to the Meeting, together with all the material necessary to facilitate informed decision making at the time of voting.

During 2018, within the proposals submitted to the General Shareholders' Meeting, the election of the Board of Directors was included in point 16 of the agenda of the extraordinary meeting,, informing the shareholders, within the period of notice prior to the meeting the profiles, experience and career of the Directors proposed to be reelected and to fill the vacancy and including the curriculum vitae.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.07.2012
<b>Modification Dates</b>	17.03.2016

### **Measure No. 17: Functional structure of the Board of Directors.**

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.



**17.1.** Regulation of the Board of Directors provides that **the independent and proprietary members are always a majority with respect to the executive members** whose number, if they are included in the Board of Directors, will be the minimum necessary to meet the information and coordination requirements that exist between the Board of Directors and the corporation's senior management.

**17.1 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal Regulations of the Board of Directors (numeral3) states:

*"3. Composition (...)*

*FIRST PARAGRAPH: Regulation of the Board of Directors provides that the independent and proprietary members are always a majority with respect to the executive members whose number, if they are included in the Board of Directors, will be the minimum necessary to meet the information and coordination requirements that exist between the Board of Directors and the Senior Management of the Bank."*

During 2018, BBVA Colombia's Board of Directors was made up of five (5) Directors, two (2) independent, two (2) proprietary and 1 (one) of executive. Consequently, it is evident that the independent and patrimonial (in total 4) are majority with respect to the executive (1).

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	08.07.2005
<b>Modification Dates</b>	19.01.2016

**17.2.** Beyond the minimum rate of twenty-five percent (25%) of **independent members** set forth by the Law 964 of 2005, **the corporation analyzes and adjusts upwardly their number on a voluntary basis.** Not being a fixed rule, this occurs in a way that the proportion of proprietary and independent members within the Board of Directors is comparable with the stock participation of the controlling and significant shareholders, and that of the floating capital, where the minority shareholders are.

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**17.2 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Board of Directors of BBVA Colombia is composed by 5 principal members, without replacement, two of which are independent, two proprietary and one executive (Internal Regulations of the Board of Directors, numeral 3).

Taking into account the previous structure, 40% of the Members are independent.

Additionally, matters related to the independence of the members of the Board of Directors are established in numeral 6 of the Regulations of the Board of Directors.

**NO. Explain:****N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	08.07.2005
<b>Modification Dates</b>	19.01.2016

**Measure No. 18: Organization of the Board of Directors.**

**18.1. The bylaws specify the functions of the President of the Board of Directors, and his leading responsibilities are the ones provided in recommendation 18.1.**

**18.1 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

Article 43 of the Company's Bylaws outlines the functions of the Chairman of the Board of Directors, and numeral 11A of the Internal Regulation of the Board of Directors establishes the main responsibilities, in accordance with recommendation 18.1.

**NO. Explain:**

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N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	08-07-2005
Modification Dates	14.04.2016

18.2. The corporation's internal regulations foresee the possibility that the **President of the Board of Directors may have a different treatment than that of the other members**, both in his obligations and his remuneration, because of the scope of his specific functions and his increased time commitment.

18.2 Measure Implementation

YES

NO

N.A.

YES. Briefly indicate:

The Remuneration Policy of the Board of Directors (numeral 3.2) states that due to the scope of its specific functions and the greater dedication of time required, the Chairman of the Board of Directors may have a higher remuneration, within the margins that peer financial institutions manage within the local market.

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	17.03.2016
Modification Dates	

18.3. The bylaws specify the norms for the appointment of the **Secretary of the Board of Directors**, among which are those indicated in recommendation 18.3.

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.

**18.3 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Bylaws (article 43BIS) sets the rules to appoint the secretary of the Board of Directors, according to the recommendation 18.3.

**NO. Explain:****N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	14.04.2016
<b>Modification Dates</b>	

**18.4. Regulation of the Board of Directors set forth the Secretary's functions,** among them are those indicated in recommendation 18.4.

**18.4 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal Regulations of the Board of Directors (numeral 11, paragraph b) includes the functions of the Secretary of the Board of Directors, according to the recommendation 18.4.

**NO. Explain:****N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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Implementation Date	19.01.2016
Modification Dates	

**18.5. The Board of Directors has created a Nomination and Compensation Committee.**

18.5 Measure Implementation                      YES      NO      N.A.  

<b>YES. Briefly indicate:</b>  The Board of Directors approved to create the Nomination and Remuneration Committee on August 31, 2007, which is recorded in Minute 1512 of 2007.
<b>NO. Explain:</b>  
<b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b>  

Implementation Date	31.08. 2007
Modification Dates	

**18.6. The Board of Directors has created a Risk Committee.**

18.6 Measure Implementation                      YES      NO      N.A.  

<b>YES. Briefly indicate:</b>  The Board of Directors approved to create the Risk Committee on January 19, 2016, which is recorded in Minute 1616 of 2016.
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**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	19.01.2016
<b>Modification Dates</b>	

**18.7. The Board of Directors has created a Corporate Governance Committee.**

**18.7 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Board of Directors approved to create the Corporate Governance Committee on August 31, 2007, which is recorded in Minute 1512 of 2007.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
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Modification Dates

**18.8.** If the corporation considers that it is unnecessary to create all these committees, their functions are distributed among the committees that do exist, or they are performed by the Board of Directors at large.

**18.8 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

Since 2016, the Board of Directors has the four Committees recommended by the Colombian Country Code with all the functions assigned to them.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

**Implementation Date**

31.07.2008

**Modification Dates**

19.01.2016

**18.9. Each of the committees of the Board of Directors has its internal regulation** for its creation, its functions, the subjects in which the committee must work, and its operation. They pay special attention to the channels of communication between the committees and the Board of Directors; and in the case of conglomerates, to the tools for the interaction and coordination between the committees of the Board of Directors of the holding company and those of the subordinate companies, if they exist.

**18.9 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Committees have their respective regulation, which includes the recommendations of this measure 18.9.

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**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	25.04.2007
<b>Modification Dates</b>	13.12.2016

**18.10. The committees of the Board of Directors are comprised exclusively by independent or proprietary members exclusively;** they have a minimum of three (3) members, and are chaired by an independent member. In the case of the Nomination and Compensation Committee, the independent members are always a majority.

**18.10 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Committees of Audit, Risk, Corporate Governance and Nomination and Compensation have been composed exclusively of independent and proprietary members. In addition, the Chairman of the Committees is an independent member.

The Corporate Governance Committee, which supports the Board of Directors in the exercise of functions related to the appointment, remuneration and evaluation of the Board of Directors, is constituted mostly by Directors of independent origin.

This recommendation 18.10 is registered in the Internal Regulations of the Board of Directors (numeral 13) and in the Internal Regulations of each Committee (numeral 3).

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**18.11. The committees of the Board of Directors may have the support, specific or permanent, of senior management members, with experience in the matters of the committee’s competence, and/or that of external experts.**

**18.11 Measure Implementation** YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Internal Regulations of the committees in numeral 5 “Internal and External Colaboration” states that in the meetings of the committees the executives of whom the areas that manage affairs depend on, may be summoned. Additionally, at the request of the executives of such areas, the employees that have knowledge or responsibilities in matters included in the agenda may be summoned when their presence at the meeting is deemed appropriate.</p> <p>Likewise, the Committee may contract external services of advisory of relevant issues when considered that for reasons of specialization or independence, these cannot be presented by experts or technicians of the group.</p> <p>During 2018, the sessions of the Audit, Risks, Appointments and Remuneration Committees and Corporate Governance, were permanently supported by the Vice Presidents of the respective areas, according to their competence.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	31.07.2012
<b>Modification Dates</b>	19.01.2016

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**18.12. In the creation of its committees, the Board of Directors takes into account the profiles, knowledge, and professional experience** of their members, with regard to the committee's subject matter.

18.12 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Support Committees of the Board of Directors consist of three (3) members of the Board of Directors, appointed by their knowledge, skills and experience.

This recommendation is registered in the numeral 3 of the Internal Regulation of the Committees.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	31.08. 2007
Modification Dates	19.01. 2016

**18.13. The committees draft minutes of their meetings** and send a copy of them to all the members of the corporation's Board of Directors. If the committees have delegated functions that enable them to take decisions, the minutes will comply with the requirements of the articles 189 and 431 of the Code of Commerce.

18.13 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The corresponding minutes of the meetings are drawn up and made available to all the Directors through a network in the Bank's servers for exclusive access to them.

This recommendation is registered in the Regulations of the Board of Directors numeral 13.

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NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	31.07.2012
Modification Dates	19.01.2016

**18.14.** Except if the applicable legal or regulatory framework demands their creation, in the case of conglomerates, the internal regulations foresee that **the Boards of Directors of the subordinate companies may decide not to create specific committees** to deal with certain matters, and those matters may be assumed by the committees of the Board of Directors of the holding company. However, this will not imply a transfer of the responsibilities of the Boards of Directors of the subordinate companies to the holding company.

**18.14 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

BBVA Colombia's subsidiaries are BBVA Asset Management S.A. and BBVA *Valores*, that qualify as financial services companies, not issuers, have only the Audit Committee, which has to operate by legal requirement since 1998.

The Risk, Corporate Governance and Nomination and Compensation Committees of BBVA Colombia, may take the topics of their own areas of competence, but extending its scope to subsidiaries.

This recommendation is registered in the Internal Regulations of the Board of Directors numeral 13.

NO. Explain:

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

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<b>Implementation Date</b>	13.12.2016
<b>Modification Dates</b>	

**18.15. The main duty of the Audit Committee is to assist the Board of Directors in its supervisory functions** through the assessment of the accounting procedures, the interaction with the Statutory Auditor and, in general, the monitoring of the corporation's Control Architecture, including its risk management system.

**18.15 Measure Implementation**                      YES        NO        N.A.   

<b>YES. Briefly indicate:</b>  The Audit and Compliance Committee has the functions specified in the legal regulation, the Company bylaws and its own Internal Regulations (numeral 4).  Among the functions of the Audit Committee there is the function to assist the Board in overseeing the functions contained on the recommendation 18.15 and other related to financial information, Internal Control , etc.
<b>NO. Explain:</b>
<b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b>

<b>Implementation Date</b>	02.05.2008
<b>Modification Dates</b>	19.01.2016

**18.16. The members of the Audit Committee are knowledgeable** in accounting, finance, and other related matters. This enables them to treat the committee's subject matters with accuracy, and with an adequate understanding of their scope and complexity.

**18.16 Measure Implementation**                      YES        NO        N.A.   

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stating that the Committee has developed its activity without any incident and having fulfilled the functions assigned to it in relation to the supervision of the internal control system of financial and accounting information; monitoring and supervision of internal audit and statutory audit; the annual plan of the area and its regular monitoring; as well as the analysis on the scope and content of the Fiscal Auditor's Report.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**18.18. The committee's internal regulation assigns it the functions indicated in recommendation 18.18.**

**18.18 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Internal Regulations of the Audit Committee meet the functions listed by the recommendation 18.18.

The Regulation is available on the website of the Bank, link "*investor relations/Corporate Governance*".

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**18.19. The main goal of the Nomination and Compensation Committee is to support the Board of Directors in its advising and decision-making duties relative to the nomination and compensation of Board members and senior managers. In addition, it**

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must monitor regularly the observance of Corporate Governance norms, recommendations, and principles (in those cases when this function is not assigned explicitly to another corporate committee).

**18.19 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Appointments and Remuneration Committee has among its functions to offer advice concerning the appointment and remuneration of Senior Management and succession plan.

The tasks related to the appointment and reappointment of members of the Board, their performance evaluation, review of the status of Directors, the remuneration and succession system depends on the Corporate Governance Committee.

The scope of competence of each of these Committees is regulate in the respective Internal Regulations.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**18.20.** Some members of the Nomination and Compensation Committee are knowledgeable in strategy and human resources (selection, recruitment, hiring, training, staff management), compensation policies and related matters, so that they understand their scope and complexity within the corporation.

**18.20 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The members of this Committee due to their extensive experience in Administrative and Management Positions have expertise in matters within their competence. Additionally, the Committee may request

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the attendance at the meetings of people with knowledge related to human resources (recruitment, selection, hiring, training, administration, salary policy and personnel management) such as Talent and Culture area of BBVA Colombia. The Committee will also be able to count on the advising that is necessary to form an opinion on the functions of their competence.

The above can be found in the Internal Regulations of the aforementioned Committee.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**18.21.** Upon request of the President of the Assembly, the President of the Nomination and Compensation Committee may inform the General Assembly of Shareholders on the concrete tasks that the committee has performed, such as monitoring the compensation policies for the Board of Directors and senior managers.

**18.21 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

In accordance with the Internal Regulations of the Appointments and Remuneration Committee, the Chairman of the committee may submit the report on the activities of the Committee during the year.

This Report shall be presented to the General Shareholders' Meeting by the Chairman of the Committee if the President of the General Shareholders' Meeting asks for it,

This recommendation is registered in the Internal Regulations of the Appointments and Remuneration Committee, numeral 7.

**NO. Explain:**

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**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**18.22.** The internal regulation of the Nomination and Compensation Committee assigns it the functions provided in recommendation 18.22.

**18.22 Measure Implementation**                      **YES**      **NO**      **N.A.**  

**YES. Briefly indicate:**

The Internal Regulations of the Remuneration and Compensation Committee meets the functions of the recommendation 18.22 regarding Senior Management of the Bank.

The tasks related to advisement on the appointment and reappointment of members of the Board, evaluation of their performance, the review of their status of Advisers and their remuneration system, depends on the Corporate Governance Committee.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**18.23.** The main objective of the **Risk Committee** is to assist the **Board of Directors** in its responsibility to oversee the management of risks.

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18.23 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

Numeral 2 of the Internal Regulations of the Risk Committee establishes that the main task of the Committee is to assist the Board of Directors in the performance of their duties regarding the area of control and risk management.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	19.01.2016
Modification Dates	

**18.24.** Upon request of the President of the Assembly, the **President of the Risk Committee may inform the General Assembly of Shareholders** on the concrete tasks that the committee has performed.

18.24 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

In accordance with the rules of the Risk Committee, the Chairman of the committee may submit a report to the Board related to the most significant aspects of their activity during the year.

This report shall be presented to the General Shareholders' Meeting by the Chairman of the Committee if the Chairman of the General Shareholders' Meeting asks for it.

This recommendation is registered in the Internal Regulations of the Risk Committee, numeral7.

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**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	19.01. 2016
<b>Modification Dates</b>	

**18.25.** Given any necessary adjustments to distinguish between corporations of the financial sector and those of the economy's real sector, and without prejudice to the functions prescribed to this committee by the norms in force, **the Risk Committee's internal regulation assigns it the functions provided in recommendation 18.25.**

**18.25 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Internal Regulations of the Risk Committee establishes the functions of the recommendation of the New Colombian Country Code 18.25.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	19.01. 2016
<b>Modification Dates</b>	

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.

**18.26.** The main objective of the Corporate Governance Committee is to **assist the Board of Directors in its functions to propose and supervise the corporation's governance measures.**

**18.26 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Committee of Corporate Governance has an Internal Regulation approved by the Board, which regulates the functions of this committee, including the supervision and review of corporate governance model of the Bank and its subsidiaries, as well as to advice in the appointment and reappointment of members of the Board, their performance evaluation, the review of their status of Directors and their remuneration system.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**18.27.** The internal regulation of the Corporate Governance Committee assigns it the functions provided in recommendation 18.27.

**18.27 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal Regulations of the Corporate Governance Committee establishes the functions of the recommendation 18.27 of the New Colombian Country Code and advice on the appointment and reappointment of members of the Board, their performance evaluation, the review of the status of Directors and its remuneration system.

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**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

**Implementation Date**

31.08.2007

**Modification Dates**

19.01.2016

### Measure No. 19: Operation of the Board of Directors.

**19.1 The President of the Board of Directors** with the assistance of the Secretary and of the President of the corporation **prepares a work plan for the Board**, for the period under assessment. This tool helps to determine a reasonable number of ordinary meetings per year, and their estimated length.

**19.1 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

In the Internal Regulations of the Board of Directors (numeral 10.2), it is pointed out that at the beginning of each fiscal year, the Board prepares the corresponding schedule for the year, so that it will be in charge of all functions that are legally and statutorily related to it. At the same time, the Chairman of the Board, together with the Secretary General and the Executive Chairman, review the work plan of the Board, which will include the schedule of the regular meetings of the Board, the estimated duration and the topics to be discussed, including the definition and monitoring of the Entity's strategy.

In addition, during 2018, this practice was fulfilled through meetings between the President and the Secretary of the Board of Directors, who monthly and prior to each meeting of the Board of Directors and of the support committees, coordinated the preparation of the agenda, the notice of call and the estimated duration of sessions.

**NO. Explain:**

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N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	31.08.2007
Modification Dates	19.01.2016

**19.2. The Board of Directors of the corporation holds between eight (8) and twelve (12) ordinary meetings per year;** except for the entities subject to surveillance, which must hold at least one (1) meeting per month because of their regime.

19.2 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal regulations of the Board of Directors of BBVA Colombia, numeral 10.1, paragraph a) establishes:

*"10. BOARD MEETINGS*

*10.1. TYPES OF MEETINGS:*

*a) Regular meetings: The Board shall meet ordinarily at least one (1) time per month."*

Therefore, during 2018, 12 ordinary meetings and one extraordinary meeting were held.

**NO. Explain:**

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

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Implementation Date	31.08. 2007
Modification Dates	31.07.2012

**19.3. One (1) or two (2) of the Board’s meetings per year make a distinctive emphasis on the definition and monitoring of the corporation’s strategy.**

19.3 Measure Implementation YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Board holds sessions in which they develop issues of strategic or business plan, management objectives, annual budgets, among others (Corporate Bylaws, article 38).</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

Implementation Date	31.08.2007
Modification Dates	31.07.2012

**19.4. The Board of Directors approves a concrete calendar for its ordinary sessions.** However, it may also meet, on an extraordinary basis, as many times as necessary.

19.4 Measure Implementation YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Board approves each year the schedule of ordinary sessions of the starting year. This recommendation is registered in the Internal Regulations of the Board of Directors (numeral 10.2):</p> <p><i>“10.2. ISSUES TO BE ADDRESSED</i>  <i>At the beginning of each fiscal year the Board must prepare the annual schedule in order to comply with its legal functions and comply with the Bank’s bylaws. At the same time the Chairman of the Board of</i></p>
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*Directors, together with the General Secretary and the Chief Executive Officer, shall review the work plan for the Board, which will include a schedule of regular meetings of the Board, estimated duration and topics. The topics covered will include the definition and monitoring of the strategy of the Bank.”*

In session of the Board of Directors of December 13, 2017, the calendar of ordinary sessions of the Board of Directors and support committees for the year 2018 was approved. During 2018 the Board of Directors met 12 times and one extraordinary session was held.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	31.07.2012

**19.5. At least five (5) common days before the meeting, the Board members receive, simultaneously with the meeting call, the documents** or information related to each of the points on the Agenda. This ensures their active participation and their well-thought decision-making.

**19.5 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal Regulations of the Board (numeral 10.4) states that for the proper exercise of their duties, the Board members shall have access to the information related to the topics of the agenda, with at least five calendar days in advance.

The numeral of the Internal Regulations was partially modified in the extraordinary meeting of the General Shareholders' Meeting, held on May 30, 2018, in order to update and document the practice adopted by BBVA Colombia regarding the delivery of the information to the members of the Board of Directors, as follows:

*“10.4. INFORMATION FOR MEMBERS OF THE BOARD*

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.



*For the proper performance of their duties, members of the Board of Directors must have a minimum of five (5) calendar days in advance to access relevant information for decision making, except in emergency situations or in situations in which its necessary to adjust or clarify the information provided..*

*Such information will be available through a web resource in the Bank's servers - of exclusive access.*

*Notwithstanding the foregoing, the additional information required by members of the Board shall be processed through the same Secretariat."*

BBVA Colombia's Administration prepares and publishes the information related to the topics of the agenda, with 5 calendar days prior to the Board meeting. For this purpose, the information associated with each item on the agenda is shared through a restricted access network resource that is hosted on the Bank's servers, allowing a safe and adequate handling and access of confidential information. This allows the Directors to make informed decisions, by having permanent access of the reports and pertinent information.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	19.01.2016
<b>Modification Dates</b>	30.05.2018

**19.6. The President of the Board of Directors, with the support of the Board's Secretary, assumes the ultimate responsibility for the timeliness and usefulness of the information delivered to the members.** Consequently, in the set of documents provided (the *dashboard* of the Board of Directors) the quality will be most important than the quantity.

**19.6 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Internal Regulations of the Board (numeral 11A paragraph f) establishes that due to the fact that the Chairman of the Board is responsible for the effective functioning of the Board, s/he will ensure that the

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Board members receive prior to each session enough information on matters to be treated, either directly or through the Board's Secretary.

The numeral 11B, paragraph b), of the Internal Regulation of the Board also includes as a function of the Secretary of the Board to assist the Chairman, so the members of the Board can receive the information adequately and on time.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**19.7. The ultimate responsibility to prepare the Agenda for the meetings of the Board of Directors corresponds to the Board's President** and not to the President of the corporation. The structure of the Agenda follows given parameters that ensure a logical order for the presentation of the subjects and for the debates.

**19.7 Measure Implementation**      YES      NO      N.A.  

**YES. Briefly indicate:**

The Internal Regulations of the Board of Directors (numeral 10.3) establishes that the Chairman of the Board will ensure that the agenda of the meetings will be structured following parameters established by the Board itself, to give a logical order of presentation of issues and debates.

**NO. Explain:**

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N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	31.08.2007
Modification Dates	19.01.2016

**19.8. On the Annual Corporate Governance Report and on the institutional web site, the company publishes the attendance of the Board members to the meetings of the Board of Directors and to its committees.**

19.8 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Corporate Governance Report submitted to the General Shareholders' Meeting of 2018, informs the number of meetings held by the Board during the year, as well as the attendance of its members.

This report is part of the Annual Report and is published on the website of BBVA Colombia.

Additionally, on the Bank's Website, link Investor Relations –Corporate Governance–Board of Directors, the Bank publishes the percentage of attendance for the last year.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	31.08.2007
Modification Dates	19.01.2016

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.

**19.9. Every year, the Board of Directors assesses the effectiveness of its work as a collective body, that of its committees, and that of its members individually considered, including peer evaluation.** Furthermore, it evaluates the reasonableness of its internal regulations, and the dedication and performance of its members, proposing changes in its organization and operation deemed pertinent. In the case of conglomerates, the Board of Directors of the holding company demands that the assessment process takes place also within the Boards of Directors of the subordinate companies.

**19.9 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Internal Regulations of the Board of Directors (Chapter II, numeral 1) states:

*“The Board of Directors of the Bank and the Board of Directors of the subsidiaries will assess annually the effectiveness of their work as a body, the effectiveness of its committees and the members as individuals, including peer evaluation. Proposals for improvement will be done when it deems appropriate.*

*For the evaluation of the Committees, the Board of Directors of BBVA Colombia also has as a reference, the Annual Report of the Committees. If deemed appropriate, the Board may alternate the internal self-assessment with the external assessment done by an independent consultant hired for this purpose.*

*The annual assessment will also aim to identify the most appropriate personal and professional profiles for the composition of the Board and evaluate the time and dedication that are necessary to allow members to perform their duties.”*

In 2018, the Directors made the self-assessment according to the Internal Regulations. The results of this self-assessment was published in the Annual Corporate Governance Report.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	13.12.2016

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**19.10. The Board of Directors alternates internal evaluation techniques with external evaluation performed by independent advisors.**

19.10 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal Regulations of the Board establishes the possibility of having an independent advisor for external evaluations.

Internal Regulations of the Board of Directors (Chapter II, numeral 1):

*"(...) If deemed appropriate, the Board may alternate the internal self-assessment with the external assessment done by an independent consultant hired for this purpose. (...)"*

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	31.08.2007
Modification Dates	13.12. 2016

**Measure No. 20: Duties and rights of the members of the Board of Directors.**

**20.1. Regulation of the Board of Directors complements the dispositions of the company's regulatory framework regarding the duties and rights of the Board members.**

20.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

Within the Internal Regulations of the Board of Directors it was included the Chapter II named "Regulation of the Director of the Board of Directors", which includes, among other things, the rights and duties of the

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Board members; issues regarding conflicts of interest, the conduct rules, adequacy, the disqualifications and incompatibilities, remuneration, etc.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	31.07.2012

**20.2. Regulation of the Board of Directors develops the company's understanding of the duties of the Board members indicated in recommendation 20.2.**

**20.2 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

Chapter II of the Internal Regulations of the Board of Directors, called "Regulation of the Director of the Board of Directors", establishes the duties of the recommendation 20.2: due diligence, loyalty, confidentiality, non-competition and prohibition of using company assets, for the adequate understanding in the performance of h/s duties

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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Implementation Date	31.08.2007
Modification Dates	31.07.2012

**20.3. Regulation of the Board of Directors develops the contents of the rights of the Board members indicated in recommendation 20.3.**

20.3 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

In the Internal Regulations of the Board of Directors (Chapter I, numeral 10.4), provides that for the proper performance of their duties, the Board members have the right to prior and necessary information to form an opinion on the issues on the agenda. Additionally, h/s may request additional information and advice required, and the assistance of external experts in matters which by its special complexity or importance it is required (Internal Regulations of the Board of Directors, numeral 10.5).

It also explains the right to remuneration, induction and training aimed at people who join as new members of the Board of the Bank or subsidiaries.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	31.08.2007
Modification Dates	31.07.2012

**Measure No. 21: Conflicts of interest.**

**21.1.** In its internal regulations, **the corporation has a clear and formal policy and procedure for the identification, management, and resolution of conflicts of interest, whether direct or indirect through related parties,** that may affect the members of the Board of Directors and other managers.

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**21.1 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal Regulations of the Board of Directors includes the duty to avoid conflicts of interest and a procedure in case of actions or operations that the Board Member should refrain from doing, either directly or with related parties (Chapter II, numeral 4).

BBVA Colombia also has the Internal Code of Conduct in the Stock Market, which in numeral 5 regulates the situations of conflict of interest. Hence, it aims to control potential conflicts of interest, applying to the Affected Person, including Board Members.

Finally, Article 67 of the Bylaws also addresses this issue, indicating that the directors and executives of the Bank must disclose potential conflicts of interest that arise in the performance of their duties and refrain from making decisions, transactions or intervene in operations unless it is authorized under the procedure established for this purpose.

**NO. Explain:****N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	31.07.2012

**21.2. The procedure for the management of conflicts of interest makes a distinction about their nature as** occasional or permanent. If they are occasional, the applicable procedure indicates the rules and steps to be followed, which should be relatively easy to implement and hard to avoid for those affected. In the case of permanent conflicts of interest, the procedure stipulates that if the situation affects the corporation's overall operations, it must be regarded as a cause for the obligatory resignation of those affected, for it makes it impossible for them to hold the position.

**21.2 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

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The Internal Regulations of the Board of Directors (Chapter II, numeral 4), when developing the conflicts of interest, distinguishes between sporadic and recurrent indicating the treatment to be followed in case of one or the other.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**21.3. The members of the Board of Directors, legal representatives, senior managers, and other administrators** of the corporation **inform the Board periodically about any relationships**, whether direct or indirect, that they keep between them, or with other entities or structures of the conglomerate to which the issuer belongs, or with the issuer, or with providers, or clients, or any other stakeholders, out of which given conflicts of interest might arise, or that might influence their opinion or vote, thereby building up the managers' *"map of related parties."*

**21.3 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Internal Regulations of the Board of Directors establishes as a duty of the members of the Board of Directors to communicate to the Board, any conflict, direct or indirect, that they or persons related to them may have with the interests of the Company.

Additionally, BBVA Colombia has a map of related parties that is regularly updated, based on which, the Members of Board of Directors, Senior Management and other managers reveal potential conflicts:

1. The BBVA Code of Conduct, which contains the guiding principles to which all BBVA employees are committed with their customers, colleagues and the Company, and which is the cornerstone of the company's reputation.

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2. The BBVA Policy in the field of the Securities Market that includes the framework of action under parameters of prudence, transparency and integrity in the intervention of BBVA in the Markets.

3. The Internal Code of Conduct in the Field of the Securities Market that develops the Policy and establishes the ethical assumptions for carrying out the operations on its own account, the management of privileged information and the proper handling of conflicts of interest.

4. The Standard of Conduct in Businesses that establishes provisions to prevent, reveal and properly manage possible conflicts of interest.

5. Tools and controls for managing conflicts of interest.

Consequently, BBVA has policies, guidelines, regulations and tools that ensure that it has a map that constitutes an effective control of periodic disclosure of information by members of the Board of Directors, legal representatives and senior management.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**21.4. Any relevant conflict-of-interest situations**, understood as those that would force the affected to refrain from attending a meeting and/or voting, involving the members of the Board of Directors and remaining managers, **are featured in the public information** that the corporation posts every year on its web site.

**21.4 Measure Implementation** YES  NO  N.A.

**YES. Briefly indicate:**

The Corporate Governance Report, which is part of the Annual Report, will reveal whether any relevant conflict of interest happened, which has forced the Member of Board to abstain from voting at the meeting.

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The annual report is published on the website of the Bank.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	22.12.2015
Modification Dates	

**21.5. For these purposes, the definition of Related Party that the corporation applies is consistent with the International Accounting Standard No. 24 (IAS 24).**

**21.5 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The definition of Related Party is the one that corresponds to the International Accounting Standard N° 24 (NIC24 ). It is included in the Internal Regulations of the General Shareholders' Meeting (numeral 11.1):

*"11.1. RELATED PARTY DEFINITION*

*a) That which directly or indirectly through one or more intermediaries: i ) controls the Bank, is controlled by the Bank, or is under common control with the Bank (this includes parent company, subsidiaries and other dependents of the same parent company); ii ) has a participation in the Bank that gives it significant influence over it; or iii ) has joint control over the Bank;*

*b) Key management staff of the Bank or its parent company;*

*c) The spouses and relatives within the fourth degree of consanguinity, affinity or first civil of a person who is in the cases a) or d );*

*d) An entity over which any person of the cases b) or c) exercises control, joint control or has significant influence, or has directly or indirectly a significant voting power"*

**NO. Explain:**

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N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	22.12.2015
Modification Dates	

**Measure No. 22: Related Party Transactions.**

**22.1. The corporation has a policy that specifies the concrete procedures for the assessment, approval, and disclosure of related-party transactions,** including any pending balances, and the relationships among those transactions.

22.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

BBVA Colombia has implemented a policy in which a procedure to evaluate, approve and disclose transactions with related parties is defined.

This recommendation is registered in the Internal Regulations of General Shareholders' Meeting, numeral 11. In the extraordinary meeting of the General Shareholders' Meeting held on May 30, 2018, paragraph 11 of the Internal Regulations of the General Shareholders' Meeting was partially amended to comply with this recommendation, discriminating the stages of valuation, approval and disclosure of the transactions with related parties.

**NO. Explain:**

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

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<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	30.05.2018

**22.2.** The corporation's policy on related-party transactions addresses the matters provided in recommendation 22.2.

**22.2 Measure Implementation** YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Internal Regulations of the General Shareholders' Meetings (numeral 11), determines the Bank's policy regarding the definition, approval and disclosure of the transactions of the Bank with related parties.</p> <p>In relation with recommendation 22.2 on issues related to the valuation of transactions with related parties, the Internal Regulation of the Audit Committee (numeral 4, subnumeral xxi) establishes the function of the Committee of evaluate and report to the Board of Directors the situations of conflict of interest that may arise in the entity.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**22.3.** The policy foresees that the Board of Directors does not need to authorize explicitly the related-party transactions if they are recurrent and pertain to the ordinary course of business, and performed by virtue of contracts of adhesion or master agreements, whose conditions are fully standardized, are applied massively, and carried out at market prices that have been set, on a general basis, by those who provide the given good or service, and the individual amount of which is not relevant to the corporation.

**22.3 Measure Implementation** YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p>
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The Internal Regulations of the General Shareholders' Meetings (numeral 11.3), states that the operations that simultaneously meet the following three characteristics are exempt from approval: (i) those that are carried out under contracts whose conditions are standardized and applied massively to a large number of customers; (ii) those that are carried out at rates set on a general basis by the person supplying the goods or services in question; and (iii) those whose amount is not relevant to the Bank.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	19.01.2016

**Measure No. 23: Compensation of members of the Board of Directors.**

**23.1. The corporation has a compensation policy for the Board of Directors approved by the General Assembly of Shareholders that is reviewed every year. It identifies all the compensation elements that may be actually met.** These elements may be fixed or variable. They may include fixed honoraria for being a Board member, honoraria for attending the Board sessions and/or its committee meetings, and other allowances of any type earned throughout the appointment, for whatever cause, either in cash or in kind. They also include any obligations assumed by the corporation in terms of pension or life-insurance payments, or other items, awarded to senior or newer members, as well as any liability-insurance coverage (Directors and Officers – D&O policies) that the company acquires for its Board members.

**23.1 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Bank has a Remuneration Policy of the Board of Directors, approved by the General Shareholders' Meeting on March 17, 2016, that consists of a fixed remuneration attendance and membership to the meeting of the Board of Directors and the Committees. The remuneration also consists of the insurance fees regarding tort liability of the Directors, paid by the Bank for the benefit of the Directors.

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In addition, for the Directors living abroad, the policy includes the pay of the emoluments necessary for attending sessions that must have their physical presence.

The Remuneration Policy of the Board of Directors is published on the Bank's website.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	17.03.2016
<b>Modification Dates</b>	

**23.2. If the corporation adopts any variable compensation systems** related to the company's progress in the medium and long terms, **the compensation policy sets limits to the amounts** that may be distributed to the Board of Directors. If the variable component is related to the corporation's profits or other management indicators by the closing of the term assessed, whatever qualifications [*salvedades*] made by the Statutory Auditor in his report, which could lessen the term's results, will be considered.

23.2 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

**NO. Explain:**

The remuneration of Board of Directors is not regulated by law. BBVA Colombia does not recognize a variable compensation linked to the entity's results, but, as indicated in response to recommendation 23.1, the remuneration policy consists of a fixed remuneration in cash and remuneration corresponding to the insurance premiums paid by the Bank for the benefit of the Directors, and the payment of expenses when Directors live abroad, when they move to Bogotá to attend the sessions of the Board of Directors.

Consequently, the compliance with this recommendation does not apply to BBVA Colombia, as long as it does not recognize a variable component for Directors. However, the answer is marked as NO, taking into

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account that the SFC guideline in the reporting process states that the answer of “does not apply” (N / A) can only be chosen in the event that for legal reasons it is not possible to adopt the recommendation.

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	
<b>Modification Dates</b>	

**23.3. The proprietary and independent members of the Board of Directors are explicitly excluded from compensation schemes that include stock options or from a variable compensation linked to absolute changes in share prices.**

**23.3 Measure Implementation**                      YES        NO        N.A.   

<b>YES. Briefly indicate:</b>  As indicated previously, in the Remuneration Policy of the Board of Directors, which is for Independent and Proprietary Directors only, the compensation is fixed in cash and it does not include a variable compensation linked top absolute changes in share prices.
<b>NO. Explain:</b>  
<b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b>  

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	13.03.2016

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.



**23.4. Within the compensation policy, for every term assessed, the General Assembly of Shareholders approves a maximum cost for the Board of Directors, including all the compensation elements authorized.**

23.4 Measure Implementation YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>In the ordinary meeting of the General Shareholders' Meeting, held on March 12, 2018, the maximum amount of remuneration for the Board was approved, for membership and attendance to the meetings of the Board and the respective Committees.</p> <p>This recommendation is registered in the Remuneration Policy of the Board of Directors (numeral 5), which states that the General Shareholders' Meeting shall establish the annual cost of the Board of Directors.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

Implementation Date	31.08.2007
Modification Dates	12.03.2018

**23.5. The shareholders know the complete actual cost of the Board of Directors during the term assessed, including all the compensation elements awarded to the Board members plus any spending reimbursements.** Furthermore, it is published on the corporation's web site, itemized and detailed as the Board approves.

23.5 Measure Implementation YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>In the Annual Report of BBVA Colombia for the year 2018, in the Note of the Financial Statements, <i>Transactions with Related Parties</i>, the remuneration of the Board is included, disaggregating the fixed remuneration and remuneration in kind, corresponding to travel and other expenses.</p>
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This report is published on the Bank's website, with the level of disaggregation and detail approved by the General Shareholders' Meeting in the Remuneration Policy of the Board of Directors.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	19.01.2016
<b>Modification Dates</b>	

**Measure No. 24: The President of the corporation and the senior management.**

**24.1. The corporation's governance model creates an effective separation between the corporation's administration or governance (represented by the Board of Directors) and the ordinary course of business (in the hands of the senior management and led by the President of the corporation).**

24.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Corporate Governance System is essentially based on the distribution of functions between the Board of Directors, its various support committees and Senior management in an adequate decision-making process.

The Board, being the natural body of administration or government, management and monitoring of the Company and corresponding to the Senior Management, led by the President of the Bank, in the ordinary course of business.

The role of the Board of Directors and the role of the Senior Management are defined in the Corporate Governance Code, numerals 3.2 and 3.3.

**NO. Explain:**

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N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	31.08.2007
Modification Dates	19.01.2016

**24.2. In general, the policy of the Board of Directors consists of delegating the ordinary course of business** to the senior management team, thereby focusing its activities on the overall strategy, supervisory, governance, and control functions.

24.2 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Corporate Governance System is essentially based on the distribution of functions between the Board of Directors, its various support committees and Senior Management in an adequate decision-making process.

The roles of the Board of Directors and the Senior Management are defined in the Corporate Governance Code, numerals 3.2 and 3.3. The Board is the body of administration or government, management and monitoring of the society and corresponding to the Senior Management, led by the President of the Bank, in the ordinary course of business.

Article 38 of the Corporate Governance Bylaws establishes the functions of the Board of Directors including, among others, the general functions of strategy, supervision, governance and control of the Board of Directors.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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**24.3.** As a general rule, the President of the corporation identifies, assesses, and appoints the senior management members directly, for they are his immediate staff. Otherwise, **the corporation may have the Board of Directors appoint the senior management members upon the proposal of the President of the company.** However, no matter who makes the final appointment, the Board's Nomination and Compensation Committee will get to know and assess the candidates to hold key executive positions within the company, and it will issue its opinion.

**24.3 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The legal representatives of the Bank and other Senior Managers are appointed by the Board, from a proposal made by the Appointments and Compensation Committee, after consulting the President of the Bank.

The Appointments and Compensation Committee has among its functions to support the Board in matters relating to the selection and evaluation of Senior Management officials, to propose to the Board the appointment of the Chairman and Vice chairmen, among others.

(Internal Regulations of the Appointments and Remuneration Committee, numeral 4)

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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**24.4. The corporation has a clear policy to delegate functions** approved by the Board of Directors and/or a power scheme that permits to assess the degree of empowerment of

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the President of the corporation, and that of the remaining members of the senior management.

24.4 Measure Implementation YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>By express legal mandate and in accordance with the Bylaws (article 41 “<i>Legal representation</i>”), the faculties of the legal representative of the Bank, the Chairman, the Vice Chairmen and other officials appointed by the Board, are defined by the Law and the Bylaws, a situation that is public knowledge through the certificates of existence and legal representation issued by the Supervisory authority (<i>Superintendencia Financiera de Colombia</i>), allowing the general public to be aware of the level of empowerment of these officials.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

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**24.5. The Board of Directors**, through the Nomination and Compensation Committee, or whoever fulfills its functions, **leads annually the performance assessment of the President of the corporation**, and learns about the assessments of the other senior management members.

24.5 Measure Implementation YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Appointments and Compensation Committee supports the Board of Directors in the evaluation of the President’s performance. This function is in the Internal Regulations of the Committee numeral 4, paragraph g).</p>
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<b>NO. Explain:</b>
<b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b>

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**24.6. The corporation has a compensation policy for the President of the company, and for the remaining senior management members** approved by the Board of Directors. It identifies all the compensation elements that may be actually met, bound to the attainment of long-term objectives and to risk levels.

**24.6 Measure Implementation**                      YES  NO  N.A.

<b>YES. Briefly indicate:</b>  BBVA Colombia has a policy of remuneration of Senior executives and employees whose professional activities have a significant impact on the risk profile of the bank, approved by the Board and reviewed annually, according to the Corporate Bylaws article 38, numeral 4).
<b>NO. Explain:</b>
<b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b>

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**24.7.** If the compensation of the President of the corporation **includes fixed and variable components, its technical design** and method of calculation **impede that the variable component may surpass the maximum limit set forth by the Board of Directors.**

24.7 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

In BBVA a key element of the orientation to results is its model of variable compensation, which is aligned with the best practices and recommendations in the market. The variable compensation is conceived as the final result of the objectives achieved both at Bank and individual level, taking into account the accomplishments, the contribution and achievement of the targets set earlier the same year, but not exceeding the limits set by the Board of Directors.

This recommendation has been adopted by BBVA Colombia through its Bylaws (article 38, numeral 4). The Board of Directors have the function of approving the Remuneration Policy of the Senior Management.

In 2018, the Board of Directors approved the variable compensation Policy of the Board of the Senior Management for the results of the financial year of 2017.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
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#### IV. CONTROL ARCHITECTURE

**Measure No. 25: Environment of control.**

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.

**25.1. The Board of Directors is ultimately responsible for the existence of a sound environment of control** within the corporation, adapted to its nature, size, complexity, and risks, in a way that it meets the provisions indicated in recommendation 25.1.

25.1 Measure Implementation YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>Article 38, numeral 38, of the Company’s Bylaws, on the functions of the Board states that they must define and approve the strategies and policies related to Internal Control System (ICS) and evaluate the effectiveness of implemented controls and make recommendations for its improvement, looking to achieve a solid control environment.</p> <p>The Corporate Governance Code (numeral 9) indicates all aspects included in recommendation 25.1 related to the control environment, indicating further that the Board of Directors is responsible for the existence of the solid control environment within the entity.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	17.08.2010
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**25.2. In the case of conglomerates,** the Board of Directors of the holding company will **foster a comprehensive** and formal **Control Architecture** covering all the subordinate companies. It will establish responsibilities for the related policies and guidelines throughout the conglomerate and define clear reporting lines. All this will promote an all-inclusive perspective of the conglomerate’s risks as well as the adoption of pertinent control mechanisms.

25.2 Measure Implementation YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p>
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The internal control system of the BBVA Group is based on the best practices developed both in the "Enterprise Risk Management - Integrated Framework" of the Committee of Sponsoring Organizations of the Treadway Commission and in the "Framework for Internal Control Systems in Banking Organizations", which is prepared by the International Bank for Payment of Basel (BIS).

Thus, the Group's Internal Control System reaches all areas of the organization and is designed to identify and manage the risks faced by its entities, in order to ensure the established corporate objectives.

This is found in different policies and manuals such as Corporate Risk Management Corporate Policy, the Policy of Administration System of Operational Risk of BBVA Colombia, BBVA *Valores* and BBVA Fiduciaria.

Additionally, the final section of article 70 of the Company's Bylaws states:

*"ARTICLE 70.- CONTROL ARCHITECTURE:*

*(...) The Bank in its capacity as parent must ensure that its subordinate enterprises (subsidiaries or affiliates) are provided with an adequate Control Architecture, for which it DISCLAIMER: The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail. Page 41 out of 42 shall issue minimum guidelines that it considers should be applied according to the nature, size and other characteristics thereof".*

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	17.08.2010
<b>Modification Dates</b>	14.04.2016

### Measure No. 26: Risk management.

**26.1.** The corporation's **risk management objectives** are the ones indicated in recommendation 26.1.

**26.1 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

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<p>In the Risk Management model of the Group, the evaluation, monitoring and reporting is considered as a crosscutting element which should allow the model to have a dynamic and foresight vision that could make possible the compliance of the risk appetite approved by the corporate bodies, even when confronting unfavorable scenarios.</p> <p>This process covers all categories of material risks and has the following objectives: identification, assessment, effective management (act to avoid impact) monitoring and reporting.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	02.08.2010
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**26.2. The corporation has a *map of risks*, understood as a tool to identify and monitor the financial and non-financial risks to which it is exposed.**

**26.2 Measure Implementation**

**YES**

**NO**

**N.A.**

<p><b>YES. Briefly indicate:</b></p> <p>BBVA Colombia has a Risk Appetite Framework approved by the Board of Directors. Following the approval of the Risk Appetite Framework, the Vice-Presidency of Risks submits to the Board of Directors a monthly report on the follow-up to compliance with the Framework.</p> <p>Regarding technology, the Group ensures the integrity of the information systems and management and provision of the necessary infrastructure to support risk management, in line with the needs arising from the different types of risk that it could face.</p> <p>This system includes tools for admission, management, evaluation and monitoring of risks through which the risk policies are carried out.</p>
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Additionally, through the Risk Analytics function, the Group has a corporate framework of models for the different types of risk (credit, market, operational, etc.) as well as for its various purposes: economic and regulatory capital, provisions, stress models, etc.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	02.08.2012
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**26.3. The Board of Directors is responsible for defining a risk management policy, and for setting maximum limits of exposure for each risk identified.**

**26.3 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Company's Bylaws, Article 38, numeral 12, indicates that one of the functions of the Board of Directors is the approval and monitoring of the Risk management policy.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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**26.4. The Board of Directors knows about, and supervises periodically,** the corporation's actual exposure to the maximum risk limits determined, and it proposes corrective and follow-up actions in case of deviations.

**26.4 Measure Implementation** YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Board of the Bank, following the model of BBVA Colombia, has established the criteria for measuring, monitoring and reporting for the analysis of large credit exposures that might pose a risk of concentration.</p> <p>The aim is to ensure the alignment with defined risk appetite. Particularly, it has been established methods for measuring and monitoring exposures at the level of individual concentrations, concentrations of retail portfolios and wholesale sectors. It has been established a process of measuring and monitoring on a quarterly basis for the review of concentration risks.</p> <p>Additionally, BBVA Colombia has adopted this recommendation, which is register in article 38 of the Bylaws, which establishes as a function of the Board the periodic supervision of the maximum risk limits defined by the Board of Directors, for which it also has the support of the Risk Committee.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

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**26.5. Within the risk management policy framework, the senior management performs the processes and is responsible for managing the risks;** therefore, it must identify, assess, estimate, control, monitor, and report them. In doing so, it defines methodologies

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and ensures that the management of risks is coherent with the risk strategies and policies set forth, and with the top limits approved.

**26.5 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Risk Policy approved by the Board of Directors states that the Vice-Presidency of the Risk area is responsible for the implementation of policies and general management and risk control model, monitoring and reporting all this to the Board.

BBVA Colombia, as a supervised entity, complies with the rules regarding the Risks and other guidelines established by the *Superintendencia Financiera* for the Board of Directors and the administration.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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**26.6. The corporation has la policy to delegate risks** approved by the Board of Directors. It establishes the limits of risk that may be managed directly at each of its levels.

**26.6 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Board of Directors of the Bank is in charge of defining the risk delegation policy, according to the decision-making process used within the BBVA Group, which is supported by a committee structure.

On the other hand, the Risk Committee is responsible for submitting to the Board of Directors proposals for delegation rules for the approval of the different types of risk that correspond to assume at other lower levels of the Entity.

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**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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**26.7. Within conglomerates, there must be a comprehensive management of risks, so that there is cohesion among the belonging companies and control of them.**

**26.7 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

BBVA Colombia has a Model of Institutional Relations Between Holding and Subsidiary. This model allows the BBVA Colombia Group to be integrated into the management and supervision of the risks to which it is exposed, defining the role of the Board of Directors of the subsidiaries and their relationship with the Board of Directors of BBVA Colombia as a holding, as well as establishing channels for communication between the Bank's risk areas and those of its subsidiaries.

Likewise, this Model contributes in the fulfillment of the Board's role of supervising compliance with the risk appetite at the Group level, allows monitoring the application of corporate and local policies on risks, encouraging a culture of risk and set a standard expert criterion.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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**26.8.** If the corporation has a complex and diverse structure for business and transactions, **there is a risk management post (CRO Chief Risk Officer)**. In the case of companies integrated in control configurations and/or business groups, the incumbent has faculties over the conglomerate at large.

26.8 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

BBVA Colombia has the Vice-Presidency of the Risk Area, which is competent within the Group in Colombia, BBVA Colombia and its subsidiaries (BBVA Asset Management and BBVA Valores).

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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**Measure No. 27: Control activities.**

**27.1. The Board of Directors is responsible for ensuring that there is an adequate internal control system**, adjusted to the corporation and its complexity, and coherent with the risk management in force.

27.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Bank adopts this recommendation which is registered in the article 38, numeral 38, of the Company's Bylaws, on the functions of the Board, which establishes that the Board must define and approve the strategies and policies related to Internal Control System, looking for a Control Architecture with

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<p>consolidated scope and a reporting line that allows evaluate the effectiveness of the implemented controls.</p> <p>In addition, as the final clause of article 70 of the Bylaws also indicates, the Bank as a holding should ensure that its subsidiaries have an adequate Control Architecture, for which it must issue the general guidelines that in its concept must apply, taking into account the nature, magnitude and other characteristics of the subsidiaries.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

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**27.2. The Board of Directors is responsible for overseeing the effectiveness and suitability of the internal control system.** This could be delegated to the Audit Committee, with no lessening of the Board's supervisory responsibilities.

**27.2 Measure Implementation**

YES

NO

N.A.

<p><b>YES. Briefly indicate:</b></p> <p>It's a function of the Board of Directors, to evaluate the effectiveness of implemented controls for the correct administration of risks and make recommendations for improvement, based on the recommendations of the Audit Committee.</p> <p>Thus, the Corporate Governance Code states in numeral 9.3.2 "<i>Control Architecture</i>": that for the proper functioning of the internal control system, the Bank has the Audit and Compliance Committee that serves as support for the Board of Directors in the implementation and supervision of internal control.</p>
<p><b>NO. Explain:</b></p>

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**27.3. The corporation applies and demands the self-control principle.** It is understood as the *ability of the individuals who participate in the various processes to consider control as an inherent part of their responsibilities, fields of activity, and decision-making.*

27.3 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

BBVA Colombia considers risk culture as an essential element for the consolidation and integration of the rest of the model components.

The culture includes at all levels of the organization, the implications from a risk perspective, proper of the group activities and businesses.

The risk culture is articulated and promoted among officials of the Bank, through internal communication, promoting the diffusion of the model through the most appropriate channels; also through training, with the main objective of spreading and establishing the model of prudent risk management.

It is important to mention that for the incentive of the teams, the control of risk is taken into account the values and the culture of the function at all levels.

**NO. Explain:**

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

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**Measure No. 28: Information and communication.**

**28.1. Within the corporation, there is top-down and horizontal communication about the culture, philosophy, and policies concerning risk,** and about the limits of exposure approved, so that the staff at large regards the risks and control activities within their functions.

28.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

As indicated in the previous answer, the risk culture of the Bank is promoted among employees of the institution, through communication, promoting the diffusion of the model through the most appropriate channels; also by training, with the main objective of spreading and establishing the model of prudent risk management.

Thus, the Corporate Governance Code (numeral 9) states that the Board of Directors is responsible for the existence of a solid control environment within the Bank, and to encourage a culture of risk and control throughout the Bank. It is important to mention that for the incentive of the teams, the risk control, the values and the culture of the function at all levels are taken into account.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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**28.2. Within the corporation, there is a bottom-up mechanism to report information** (toward the Board of Directors and the senior management) reliable, clear, and complete, which provides support and permits an informed decision-making, risk management, and control.

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**28.2 Measure Implementation**

YES

NO

N.A.

<p><b>YES. Briefly indicate:</b></p> <p>BBVA Colombia also has a bottom-up mechanism to report information towards the Board of Directors, which is a presentation of Reports by the Senior Management. The reports are related to management of the company, evolution of business, risk management and other matters that the Board of Directors deems relevant for the fulfillment of its functions.</p> <p>Additionally, Senior Management submits the reports to the Board of Directors through an on line resource with restricted access, hosted in the servers of the Bank. This allows a safe and adequate handling of the confidential information, which the Directors may access from any place and device, using the assigned user and password. The above enables the Directors to make informed decisions -making by the Directors to have permanent and timely accessibility of the reports.</p> <p>Furthermore, the Risk Department has a decision-making process supported by committees. The Global Risk Management Committee (GRMC) is the highest level in the executive risk area, which proposes, contrasts and, when appropriate, approves, among others, the internal regulatory framework for risks, procedures and necessary infrastructures to identify, evaluate, measure and manage the risks faced by the BBVA Group in the development of its business, as well as the admission of more relevant risk operations.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

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**28.3. The corporation's mechanisms for communication and report of information:**

- i. Allow the senior management to engage the corporation as a whole, highlighting its responsibility in risk management and the setup of controls.
- ii. Enable the corporation's personnel to understand their role in risk management and the identification of controls, as well as their individual contribution in connection with the work of others.

**28.3 Measure Implementation**

YES

NO

N.A.

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<p><b>YES. Briefly indicate:</b></p> <p>As mentioned in the answer to the recommendation 28.2, the model of communication and report of information of BBVA, allows that the risk management and the definition of controls apply to the entire Bank. Therefore in every area of the Bank there is a Specialist of Internal Control (Internal Financial Control, Internal Risks Control, Technology, fraud prevention and security; Operational Control and support areas, such as Human Resources, Legal, etc.) whose function is to control the different areas in their transversal specialty, define the mitigation measures and promote improvement and proper implementation of them. Additionally, this line is part of Operational Risk area that provides a methodology and tools for management.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

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**28.4. There are internal anonymous-tip systems or “whistle blowers”** through which the employees may inform anonymously any illegal or unethical behaviors, or those that may contravene the corporation’s risk management and control culture. The Board of Directors receives a report on these claims.

**28.4 Measure Implementation** YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>BBVA Colombia has a Denounce Channel that is an essential part of the BBVA Compliance System as one of the processes established to ensure the effective application of the rules and guidelines of the Code of Conduct (Corporate Governance Code, numeral 9.4).</p> <p>The communications through this channel include but are not limited to report suspicious professionally unethical or illegal conduct, frauds, acts against the integrity of the markets and intellectual property.</p>
<p><b>NO. Explain:</b></p>

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N.A. Precise the law or regulation that prevents the adoption of the recommendation:

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**Measure No. 29: Monitoring of the Control Architecture.**

**29.1. The Board of Directors, through the Audit Committee, is responsible for overseeing the effectiveness of the different components of the corporation’s Control Architecture.**

29.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

Among the functions of the Board, through the Audit Committee must monitor the effectiveness of internal control of the Bank and the different components of the architecture of control, addressing the following components: i) environment control, ii) risk management, iii) internal control systems, iv) information and communication, and v) monitoring.

This is registered in the Internal Regulations of the Board of Directors (chapter I, numeral 14) and the Internal Regulations of the Audit Committee.

**NO. Explain:**

N.A. Precise the law or regulation that prevents the adoption of the recommendation:

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**29.2.** The corporation's **monitoring activities, aimed at confirming the effectiveness of the Control Architecture**, involve, in a special way, the **cooperation of the internal audit functions and of the Statutory Auditor** in matters within their competence, and particularly those regarding the company's financial information.

**29.2 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

In BBVA Colombia, both the internal audit and the Statutory Auditor supervise the process of preparation and presentation of the financial information issued by the Bank and its subsidiaries. Likewise, the Entity's Control System foresees the implementation of permanent monitoring mechanisms and procedures, which allows assessing the quality and performance of the system, corresponding to the Internal Audit and the Fiscal Audit performing the evaluations of these systems and carrying out the corresponding recommendations.

The functions of these bodies of control, related to Control Architecture, are included in the Corporate Governance Code, numeral 9.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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**29.3. The corporation's internal audit function has bylaws** approved by the Audit Committee. They describe explicitly the scope of its duties, and should comprise the topics indicated in recommendation 29.3.

**29.3 Measure Implementation**

YES

NO

N.A.

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<p><b>YES. Briefly indicate:</b></p> <p>The Internal Audit has an Internal Bylaws approved by the Audit Committee that according to what is stated in the Internal Regulations of this Committee is in charge of analysing and approving the Internal Audit Statute and the Annual Internal Audit Plan.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

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**29.4. The head director of the internal audit remains professionally independent** of the senior management of the corporation or conglomerate that has hired him, by being functionally dependent from the Audit Committee exclusively.

29.4 Measure Implementation

YES

NO

N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Director of Internal Audit of the Bank is appointed and reports to the Board, with functional dependence to the Audit Committee. This is included in the Internal Audit Bylaws.</p> <p>Additionally, among the functions of the Board it is to adopt the measures necessary to ensure the independence of the Internal Auditor (Regulation of the Board of Directors numeral 11.38).</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

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Modification Dates	

**29.5. The corporation's Board of Directors is responsible for appointing and dismissing the head of the internal audit** upon the proposal of the Audit Committee. The market is informed of his dismissal or resignation.

29.5 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Board of Directors of BBVA Colombia appoints the Director of Internal Audit, form the proposal presented by the Audit Committee, in accordance with the corporate Bylaws (article 38, numeral16) and the Regulations of the Audit Committee (numeral 4, paragraph xx).

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	31.08.2007
Modification Dates	

**29.6. The Statutory Auditor of the corporation or conglomerate is clearly independent of them.** The respective audit report makes a statement about this capacity.

29.6 Measure Implementation

YES

NO

N.A.

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<p><b>YES. Briefly indicate:</b></p> <p>BBVA Colombia adopts this recommendation, which is registered in the Company's Bylaws in article 44, which states that the Statutory Auditor is independent and free from conflicts of interest and unrelated to any situation of subordination to the governing bodies</p> <p>The auditing firm appointed as Statutory Auditor of BBVA Colombia, holds its independent status and thus revealed in its opinion on the financial statements at year end.</p> <p>Additionally, one of the functions of the Audit Committee is to ensure the effective independence of the Statutory Auditor, supervising and evaluating their services periodically.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	14.04.2016

**29.7.** If the corporation is the holding company of a conglomerate, the Statutory Auditor is the same for all the companies, including those that are *offshore*.

29.7 Measure Implementation YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>The Statutory Auditor of BBVA Colombia is the same for its subsidiaries.</p> <p>This recommendation is registered in the Corporate Governance Code numeral 6.1, paragraph b) that establishes:</p> <p>"6. CONTROL ENTITIES 6.1. EXTERNAL CONTROL ENTITIES B. STATUTORY AUDIT (...) Furthermore, according with Corporative Policies, the Statutory Auditor is the same for all the companies of BBVA Colombia Group, and it will be changed according with Corporate Policies as well. (...)"</p>
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<b>Implementation Date</b>	25.04.2007
<b>Modification Dates</b>	14.04.2016

**29.9. The corporation sets forth a maximum contract term with the auditing firm that ranges between five (5) and ten (10) years**, in order to avoid excessive proximity with such a firm and/or its teams, and to safeguard its independence. Regarding Statutory Auditor-natural person without contract with any auditing firm, the maximum contract term is 5 years.

**29.9 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

With respect to appointment and rotation of Statutory Audit, BBVA Colombia applies to the policy followed by the holding, BBVA S.A., for all its consolidated group. The policy is designed within the framework of the Spanish Audit Law ( L22 / 2015) and of the European Union Regulation no. 537/2014, which establishes in its article 17 that the maximum duration of the Fiscal Audit is of 10 years including the extensions.

As a result, BBVA Colombia takes into account this recommendation, and thus, in compliance with this Spanish regulation, the Audit and Compliance Committee of BBVA S.A. has carried out the selection process for the change of the Statutory Auditor of BBVA and its consolidated group as of 2017. Because of that process, KPMG Auditores has been proposed as the new Statutory Audit for BBVA, S.A. and its consolidated group as from 2017.

In the extraordinary meeting of the General Shareholders' Meeting held on May 30, 2018, the Bylaws (article 44) and the Corporate Governance Code (numeral 6.1, paragraph b) were partially amended in compliance with this recommendation. Thus, it was included in the aforementioned articles that the Fiscal Auditor will be elected for the same period of the Board of Directors and extendable for a maximum term of to 10 years.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	19.01.2016
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Modification Dates	30.05.2018
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**29.10.** Within the maximum contract term, halfway through it, the corporation **promotes the turnover of the auditing-firm associates assigned to it**, and that of their work teams. At the end of such term, the turnover of the firm itself must obligatorily take place.

**29.10 Measure Implementation** YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p> <p>BBVA Colombia promotes the rotation of the partners of the Statutory Auditor and their teams, accepting this recommendation.</p> <p>This practice is set out in the Corporate Governance Code, which states in numeral 6.1, paragraph b), that the Statutory Auditor of the Bank must rotate the partner assigned every five (5) years and, in case the person has rotated, h/s can only return the audit after a period of two years.</p>
<p><b>NO. Explain:</b></p>
<p><b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b></p>

Implementation Date	31.08.2007
Modification Dates	

**29.11.** The corporation extends the existing prohibition to avoid **contracting with the Statutory Auditor any professional services other than the auditing of its accounts** – and related functions sanctioned by the current regulations, to individuals or entities related to the auditing firm. This includes companies within the group of the auditing firm, and companies of which a large number of shareholders and/or administrators coincide with those of the auditing firm.

**29.11 Measure Implementation** YES  NO  N.A.

<p><b>YES. Briefly indicate:</b></p>
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The circumstances of incompatibility arising from services rendered, such as the contracting of professional services other than those of the statutory audit itself, also are applicable to the persons or entities related to the Statutory Auditor.

The foregoing is due to the compliance by BBVA S.A. and its group by the current regulation. Thus, BBVA Colombia applies this recommendation in the Corporate Governance Code numeral 6.1, paragraph b).

Additionally, the Internal Regulations of the Audit Committee (numeral 4, paragraph xvi) states that the Statutory Auditor should report any issues that may threaten its independence, for the evaluation by the Audit Committee, and to report the additional services rendered and the corresponding fees received by the external auditor or by the persons or entities related to it.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.07.2012
<b>Modification Dates</b>	

**29.12.** In its public information, **the corporation discloses the total amount of the contract with the Statutory Auditor**, as well as the proportion that these honoraria have for the auditing firm in relation to the total income associated to the firm's financial auditing activity.

**29.12 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

The Bank adopts this recommendation, which is registered in the Corporate Governance Code (numeral 6.1, paragraph b). Thus, the Annual Report 2018 of BBVA Colombia discloses in the Financial States, the total amount of the contract with the Statutory Auditor, as well as the proportion that these costs have for the auditing firm in relation to the total income associated to the firm's financial auditing activity.

Within the proposal for setting the Fiscal Auditor's fees that is presented annually to the General Shareholders' Meeting, BBVA Colombia reports on the fees of the Fiscal Audit service.

**NO. Explain:**

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N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	13.12.2016
Modification Dates	

## V. FINANCIAL AND NON-FINANCIAL TRANSPARENCY AND INFORMATION

### Measure No. 30: Information disclosure policy.

**30.1. The Board of Directors has approved an information disclosure policy that features, at least the information provided in recommendation 30.1.**

30.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

The Board of Directors of BBVA Colombia, adopted within its Policy of Disclosure of Information, that the financial information must comply with the system of financial internal control (hereinafter, "SFIC") which provides reasonable assurance of the reliability and integrity hold both of the consolidated financial information and that the operations are conducted and processed in accordance with the criteria established by the own Directorate and the applicable regulations.

The SFIC was developed by the Financial Directorate of the Group and it establishes five components: (i) To establish an adequate control environment for monitoring these activities; (ii) To evaluate the risks that may incur an entity in preparing its financial information; (iii) designing the necessary controls to mitigate the most critical risks; (iv) To establish appropriate information channels for detecting and reporting the system weaknesses or inefficiencies; (v) To monitor these controls to ensure its viability and validity of their effectiveness over time.

Additionally, the Board of Directors approved the Policy of preparation and disclosure of financial information. This policy is included in the Manual SARO (Operational Risk Administration System) and also in the Internal Control Model, or Storm corporate tool.

On the other hand, regarding the disclosure of significant events, the Bank complies with the Regulation issued by *Superintendencia Financiera de Colombia (SFC)* related to the obligation of disclosing information by issuers of securities. By following that Regulation of SFC, the Bank has included in its

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Corporate Governance Code (numeral 7.3), the rules related to the disclosure of relevant information of the Bank, whether financial or non-financial.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.07.2012
<b>Modification Dates</b>	

**30.2. In the case of conglomerates, the disclosure of information to third parties is comprehensive and transversal in regard to the group of companies,** so that those external parties may have a well-grounded idea of the conglomerate's facts, organization, complexity, activity, size, and governance model.

**30.2 Measure Implementation**

**YES**

**NO**

**N.A.**

**YES. Briefly indicate:**

BBVA Colombia presents its respective consolidated annual report, which is published on the Bank's website through the link "Investor Relations / Financial/ Annual Reports".

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	08.03.2004
<b>Modification Dates</b>	

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.

**Measure No. 31: Financial statements.**

**31.1. If there are qualifications [salvedades] in the Statutory Auditor's report, these, and any possible corporate actions to solve the situation, will be explained to the shareholders gathered at the General Assembly, by the president of the Audit Committee.**

31.1 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

If the Fiscal Auditor reports any proviso, the Chairman of the Audit Committee will submit to the General Shareholders' Meeting the provision to the dictum and action to follow by the entity.

This recommendation is registered in the Internal Regulations of the Audit Committee (numeral 7, paragraph b).

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

Implementation Date	31.08.2007
Modification Dates	

**31.2. If the Board of Directors considers that it must keep its own opinion vis-à-vis the Statutory Auditor's qualifications [salvedades] or emphasis paragraphs, these are explained and justified appropriately to the General Assembly through a written report that specifies the contents and scope of the discrepancy.**

31.2 Measure Implementation

YES

NO

N.A.

**YES. Briefly indicate:**

BBVA Colombia adopts this recommendation, which is registered in the Corporate Governance Code (numeral 4.2).

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Thus, within the policies of BBVA Colombia about transparency in financial and non-financial information, it must be submitted to the General Assembly of Shareholders of Shareholders, the different opinions between that of the Auditor and that of the Board, which shall be duly substantiated.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.08.2007
<b>Modification Dates</b>	

**31.3 The public financial information contains a detailed description of transactions with or between related parties.** These include transactions between conglomerate companies that the corporation deems material through objective parameters such as their volume, percentage on assets, sales or other indicators. **There is also a reference to any offshore transactions.**

**31.3 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

In the Annual Report published on the website of the Bank, a Note called "Transactions with related parties" is included.

BBVA Colombia does not have within its group Companies Offshore.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

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<b>Implementation Date</b>	31.07.2012
<b>Modification Dates</b>	

**Measure No. 32: Information to the markets.**

**32.1.** In the context of the information disclosure policy, the Board of Directors (or the Audit Committee), **adopts the necessary measures to ensure that the financial and capital markets receive all the financial and non-financial information on the corporation** required by the regulations in force, plus any other that it considers relevant for investors and clients.

**32.1 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

BBVA Colombia adopts this recommendation, which is register in the Regulation of the Audit Committee (numeral 4, paragraphs v, xviii y xxvii).

Thus, within the Corporate Governance Policy, the Board of Directors with the support of the Audit Committee oversees the openness of its financial and non-financial information and the disclosure of that information. Additionally, it supervises that BBVA Colombia forwards promptly to the market all non-financial and financial information required by current regulations and monitors that the market is timely inform of any relevant event for investors and customers.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	09.09.2013
<b>Modification Dates</b>	

**32.2. The corporation's web site is user-friendly.** The visitor finds any Corporate Governance information easily.

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**32.2 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

BBVA Colombia has a friendly website through which you can easily access to information related to corporate governance of the Bank. This information is hosted in the link "Investor Relation".

Additionally, the Corporate Governance Code (numeral7) states that the "(...) Bank unveils to its shareholders and investors its structures and practices of corporate governance through its website or by other means of sufficient disclosure".

**NO. Explain:****N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	09.09.2013
<b>Modification Dates</b>	

**32.3.** In this vein, the corporation's web site includes, at least, the links indicated in recommendation 32.3.

**32.3 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The website of BBVA Colombia includes the links covered by this recommendation, 32.3 and complies with the best practices for disclosure and investor relations (investor relations- IR) and gained this recognition for the sixth consecutive year by the Colombia Stock Exchange for the period 2018-2019.

**NO. Explain:**

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N.A. Precise the law or regulation that prevents the adoption of the recommendation:

Implementation Date	09.09.2013
Modification Dates	

**32.4.** In general, **the supporting documents** through which the corporation conveys information to the markets are files **easy to share, download, and print.**

32.4 Measure Implementation YES  NO  N.A.

<b>YES. Briefly indicate:</b> The support documentation or attachments to the information communicated to the market are attached in pdf, therefore it can be downloaded, printed and read.
<b>NO. Explain:</b>
<b>N.A. Precise the law or regulation that prevents the adoption of the recommendation:</b>

Implementation Date	09.09.2013
Modification Dates	

**32.5.** If the corporation is sizable and complex, it publishes every year on its web site, an explanatory report on the organization, methods, and procedures of its **Control Architecture.** It seeks to provide accurate and reliable financial and non-financial information, and to protect the company's assets as well as the safety and effectiveness of its transactions. A risk management report complements the above information.

32.5 Measure Implementation YES  NO  N.A.

**YES. Briefly indicate:**

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On the website of BBVA Colombia is published an explanatory report on the organization, the Architecture of Control and the consolidated annual report within which you can consult a report on the Internal Control System.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	09.09.2013
<b>Modification Dates</b>	

### Measure No. 33: Annual Corporate Governance Report.

**33.1. The company prepares an Annual Corporate Governance Report.** The Board of Directors is responsible for its contents, after their review and a favorable concept by the Audit Committee. This report accompanies the remaining documents of the closing of the accounting period.

**33.1 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Board of Directors of BBVA Colombia prepares annually the Corporate Governance Report, which is part of the Annual Report and other documents of the end of year closure.

When preparing this Report, the Board of Directors has the support of the Corporate Governance Committee, as it has this function according the Regulation of this Committee (numeral 4, paragraph XX).

**NO. Explain:**

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	31.07.2012
<b>Modification Dates</b>	

**33.2.** The company's **Annual Corporate Governance Report is not a mere transcription of the governance norms** included in the bylaws, internal regulations, good-governance codes, or other company documents. It does not intend to describe the corporation's governance model, but rather explain how it actually works and any relevant changes during the accounting period.

**33.2 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The report that Board of Directors presents to the General Shareholders' Meeting includes a section of Corporate Governance in which the operation and activities made during the year are reported. This is how information is provided on how the Board of Directors fulfilled its duties during the period, both globally for the entire board and specifically for each committee, the members of the Committees, information on the overall compensation received by the members of the board of directors, conflicts of interest, transactions with related parties that were approved during the period, among other aspects that are all related with the reality of the operation of the Board of Directors and relevant changes during the year.

In addition, BBVA Colombia prepares the Corporate Governance report, also taking as reference the guidelines of the international guide Global Reporting Initiative (GRI4) which in the matter of the Corporate Governance Report also requires reporting on the relevant operations, activities and changes during the period evaluated.

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

**DISCLAIMER:** The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish original shall prevail.

<b>Implementation Date</b>	31.07.2012
<b>Modification Dates</b>	

**33.3.** The company's **Annual Corporate Governance Report describes**, at the end of the accounting period, **how the company enforced, throughout the year, the governance recommendations it adopted as well as the leading resulting changes.**

The structure of the company's Annual Corporate Governance Report coincides with the scheme provided in recommendation 33.3.

**33.3 Measure Implementation**

YES

NO

N.A.

**YES. Briefly indicate:**

The Annual Corporate Governance Report 2018 has been prepared following the structure recommended in 33.3. This Report is available on the Bank's website and is part of the Annual Management Report presented to the General Shareholders' Meeting. In addition, as indicated in the previous response, BBVA Colombia prepares the Corporate Governance Report, also taking as a reference the guidelines of the Global Guide Global Reporting Initiative (GRI4), which in terms of the Corporate Governance Report requires reporting on the aspects indicated in the proposed structure in this recommendation 33.3.

The structure of the Report is regulated in the Corporate Governance Code (numeral 4.3).

**NO. Explain:**

**N.A. Precise the law or regulation that prevents the adoption of the recommendation:**

<b>Implementation Date</b>	19.01.2016
<b>Modification Dates</b>	

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