

ANNUAL CORPORATE GOVERNANCE REPORT - 2019 MANAGEMENT

Corporate Governance is broadly defined as the proper allocation of powers and responsibilities between the board of directors, management and the owners of a company.

This definition recognizes that Corporate Governance is not just a set of external rules. This is a business discipline necessary to maintain a stable and productive relationship between participants in any organization. Corporate Governance, transparency and accountability are more than just compliance exercises; they are essential ingredients of good governance and a prerequisite for the good health of organizations. (CAF, 2012, p. 13)¹

In accordance with the foregoing, and in order to report on corporate governance activities to stakeholders, shareholders, investors, controlling bodies and the general public, the Board of Directors, the Corporate Governance, Nominations and Remuneration Committee and the President of Bancóldex present the corporate governance report, with a cut-off date of 31 December 2019:

I. Share capital and structure of Bancóldex

Bancóldex has an authorized capital of one trillion one hundred billion pesos (COP 1,100,000,000,000,00) divided into one thousand one hundred million millions (1,100,000,000,00) of shares with a par value of one thousand pesos (COP1,000) each, of which one thousand sixty-two million five hundred and fifty-six thousand eight hundred and seventy-two (1,062,556,872) shares are subscribed and paid.

1. Stockholders

Percentage shareholding of the shareholders of Bancóldex.:

SHAREHOLDERS	NUMBER OF ACTIONS	RATE OF CONTRIBUTION
Ministry of Commerce, Industry and Tourism	976.143.335	91.9%
Ministry of Finance and Public Credit	83.420.180	7.9%
Minority shareholders	2.993.357	0.2%
Total	1.062'556.872	100%

It is important to note that the Bank's minority shareholders are those natural or legal persons who hold shares in the Bank, and among these are: officers, former officers, Employee Funds, Pension Funds, Mutual Investment Funds and the solidarity sector.

The Bank has 1,567 shareholders, including 15 legal entities (17 with majority shareholders) and 1,549 natural persons. In view of the importance of this interest group to the Bank, an information site for shareholders has been designed on the website, entitled "Information of interest to shareholders and other investors".

On the other hand, it is reported that the President of the Republic, in use of the extraordinary powers granted by the National Development Plan 2018-2022, issued Decree 2111 of 2019 to create Grupo Bicentenario SAS, a mixed economy company linked to the Ministry of Finance and Public Credit that would centralize the

¹ CAF - DEVELOPMENT BANK OF LATIN AMERICA, Corporate Governance in Latin America. Importance for State-owned Enterprises. Public Policies and Productive Transformation Series N° 6/2012

exercise of the property rights of the Nation in companies with operations in the financial sector that the Government defines. According to the Decree, it seeks to facilitate access to credit, financial inclusion, correct market failures, materialize synergies between the companies that integrates the holding and strengthen its corporate governance, achieve a greater product offer, optimize capital and strengthen the Group's ability to compete in the market against the private financial sector.

Grupo Bicentenario's capital stock may be made up of shares owned by the entities that make up the Executive Branch of the national order, supervised by the Superintendencia Financiera or the ones that carry out activities related to public financial service. The creation of Grupo Bicentenario S.A.S. was formalized by Public Deed of December 2019 and its initial share capital was integrated with the equity product of the partial spin-off of Banco Agrario de Colombia S.A. The implementation of this decree with force of law could have consequences regarding the shareholding composition of Bancóldex and its subsidiaries.

2. Types of Shares

In accordance with Article 9 of the Bank's Bylaws, the shares representing the capital of Bancóldex are divided into three types:

Series A: Those that represent the contributions of the Nation;

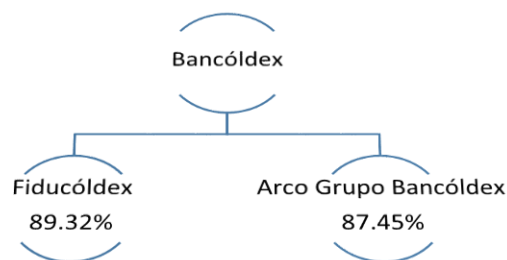
Series B: Those which are or will become the property of private persons insofar as they do not enjoy privileges, and

Series C: Those which are or will become the property of private individuals as soon as they enjoy privileges.

In this sense, the distribution of capital by type of share is as follows:

TYPE OF SHARES	NUMBER OF SHARES
A Series	1.059.563.515
B Series	2.080.683
C Series	912.674
Total	1.062.556.872

In 2017, the declaration of the Bancóldex business group as the parent company of its subsidiaries, *Fiduciaria Colombiana de Comercio Exterior S.A. - Fiducóldex* and *Arco Grupo Bancóldex S.A. Compañía de Financiamiento* (formerly Leasing Bancóldex S.A.) was made before the Bogotá Chamber of Commerce under the terms of article 261 of the Commercial Code, the ownership structure being as follows:



3. Information on the shares held by the members of the Board of Directors

The members of the Board of Directors are not holders of Bancóldex shares

4. Negotiation of shares owned by members of the Board of Directors and Senior Management

There was no trading of shares owned by the members of the Board of Directors and Senior Management.

5. Own shares held by Bancóldex:

Bancóldex has no shares of its own.

II. Management structure

1. Conformation of the Board of Directors

The conformation of the Board of Directors is of a legal nature in accordance with numeral 3 of article 281 of the Organic Statute of the Financial System. As a result, as of December 31, 2019, the Board of Directors was as follows:

MAIN	ALTERNATE
Andrea Catalina Lasso Ruales Head of the Legal Office of the Ministry of Commerce, Industry and Tourism. Delegate by the Minister.	Carlos Ernesto Escobar Vargas Advisor of the Minister Office of the Ministry of Commerce, Industry and Tourism. Delegate by the Minister
César Augusto Arias Hernández General Director of State-owned Enterprises Delegate by the Minister of Finance and Public Credit	Dr. María Inés Agudelo Valencia Appointed by the Minister of Finance and Public Credit
Roberto Arango Delgado Appointed by the General Shareholders' Meeting	Oswald Loewy Núñez Appointed by the General Shareholders' Meeting
Augusto López Valencia Private sector representative, appointed by the President of the Republic	Carlos Alberto Garay Salamanca Private sector representative, appointed by the President of the Republic
Vacant Representative of the private sector appointed by association of exporters.	Luis Gustavo Flórez Enciso, Executive Chairman of ACICAM, representative of the private sector, elected by the exporters' associations

2. Resumes of the members of the Board of Directors

ANDREA CATALINA LASSO RUALES

Position in the Bank: Member of the Board of Directors (proprietary)

Career Summary: Lawyer graduated from Rosario University with a master's degree in Administrative Law from the same university. She has served as Legal Director of the Rosario University, Tivit Colombia S.A.S y Consulting Net S.A.S. She is currently the Head of the Legal Advisory Office of the Ministry of Commerce, Industry and Tourism.

CARLOS ERNESTO ESCOBAR VARGAS

Position in the Bank: Alternate member of the Board of Directors, delegated by the Minister of Commerce, Industry and Tourism.

Career Summary : Economist from National University and Master of Economics from Andes University. He has worked as a consultant and researcher for Universidad el Rosario, KFW Bankengruppe, the Inter-American Development Bank, among others. He currently serves as advisor to the office of the Vice Minister of Business Development.

CÉSAR AUGUSTO ARIAS HERNÁNDEZ

Position in the Bank: Member of the Board of Directors (proprietary)

Career Summary : Professional in Government and Foreign Relations from the Externado University, with a master's degree in Public Administration from the Columbia University of New York. Current Director of Public Credit and National Treasury of the Ministry of Finance and Public Credit. He has served as director of research for Global Markets at Deutsche Bank Securities, director of Sovereign Ratings for Latin America at Fitch Ratings, research officer for the International Monetary Fund, and specialist at the Organization of American States in Washington D.C.

MARIA INÉS AGUDELO VALENCIA

Position in the Bank: Member of the Board of Directors

Career Summary: Economist from the Universidad de los Andes, with a master's degree from the same university. In 1993 she graduated from Birkbeck College, University of London with a Master's degree in Economics and in 1996 from Birkbeck University with a PhD in Economics. She has served as SUNIR Project Leader, General Manager of the National Concessions Institute (INCO), Consultant of the Inter-American Development Bank (IDB), Technical Vice-Minister of Finance and Public Credit and member of the Board of Directors of the International Monetary Fund (IMF), CEO of Fondo de Garantías de Instituciones Financieras and researcher for Fedesarrollo

ROBERTO ARANGO DELGADO

Position in the Bank: Member of the Board of Directors (independent)

Career summary: Lawyer with training in the High Government Program of the Universidad de los Andes and Specialist in labor law from the Universidad del Rosario. He is the current Administrative and Financial Vice-rector of the Universidad Autónoma de Occidente, has served as Executive President of the Cali Chamber of Commerce from 2011 to 2013, Consul General of Colombia in London from 2003 to 2004, Assistant to the Presidency and Secretary General by Delima Marsh SA from 1979 to 2002, among others.

OSWALD LOEWY NÚÑEZ

Position in the Bank: Member of the Board of Directors (independent)

Career Summary: Administrator with studies of High Management from Andes University and studies of Administration in the University of Northwestern USA. He served as President of Sempertex from 1978 to 2018, Consul of the Austrian North Caribbean Region from 1986 to 2018, member of the Board of Directors of the ANDI Atlantic Section from 2015 to 2017, member of the Board of Directors of Combarraquilla from 2011 to 2018, alternate member of the Board of Directors of Smurfit Kappa SA in 2017. Columnist of Portfolio, The Republic and the Herald. Within its management areas are the analysis and global strategic design, leadership processes and transformation of high impact.

AUGUSTO LÓPEZ VALENCIA

Position in the Bank: Member of the Board of Directors

Career Summary: Electrical Engineer from the Pontifical Bolivarian University, he has served as President of Bavaria S.A. and President of Cervecería Unión.

CARLOS ALBERTO GARAY SALAMANCA

Position in the Bank: Alternate member of the Board of Directors, representative of the private sector, appointed by the President of the Republic.

Carreer Summary: He has served as Chief Executive Officer of *Acoplásticos* from 1984 to 2017, Vice President of the *Asociación Nacional de Industriales - ANDI*, member of the Board of Directors of the Bank of the Republic, member of the *Consejo Nacional de Planeación*, among other positions.

LUIS GUSTAVO FLÓREZ ENCISO

Position in the Bank: Member of the Board of Directors (independent)

Carreer Summary: Chemical Engineer from the Universidad de America, Master Sc, Chem Eng. University of Missouri - Ril Louisiana State University, and specialist in Economic Studies from the University of Lima. He has served as President and Vice President of Fedemetal, Industrial Director of the Board of the Cartagena Agreement, Project Manager of ECOPETROL, Advisor to the presidencies of Paz de Rio, Simesa and Grupo Mayagüez, Advisor Consultant Onudi Design Regional Program. He is the President of ACICAM.

3. Changes in the Board of Directors during the year.

1. The Minister of Commerce, Industry and Tourism, José Manuel Restrepo Abondano, delegated to Andrea Catalina Lasso Ruales, in her capacity as Legal Advisor of the Ministry, the position of principal member of the Board of Directors and to Dr. Carlos Ernesto Escobar Vargas, Advisor to the Office of the Minister, the position of alternate member. In charge since March 29 and February 12, respectively.

2. The General Shareholders' Meeting in an ordinary meeting held on March 22, 2019 approved the appointment of Doctors Jorge Mario Eastman and Oswald Loewy Núñez as members of the Bank's Board of Directors for the period 2019-2021 as principal and alternate, respectively. In charge since May 24, 2019.

3. Given the resignation of Camilo Barco Muñoz, the Minister of Finance and Public Credit, Dr. Alberto Carrasquilla Barrera, delegated to the General Director of Public Credit and National Treasury, the position of principal member of the Board of Directors of the Bank. In charge since August 22, 2019.

4. The General Assembly of Shareholders in an extraordinary meeting held on September 2, 2019 accepted the resignation of Dr. Jorge Mario Eastman and appointed Dr. Roberto Arango Delgado as the main member for the 2019-2021 period. In charge since October 10, 2019.

4. Members of the Board of Directors of Bancóldex who are members of the Boards of Directors of the subsidiaries or who hold executive positions in them

Members of the Board of Directors of Bancóldex do not sit on the Boards of Directors or executive positions in subsidiaries.

5. Policies approved by the Board of Directors during the reporting period.

Regarding corporate governance, there was no policy proposal to be approved by the Board of Directors.

6. Process for appointing the members of the Board of Directors.

In accordance with the provisions of numeral 3 of article 281 of the Organic Statute of the Financial System, the Board of Directors of the Bank is made up as follows:

CHAPTER XI
BANCO DE COMERCIO EXTERIOR S.A.

Article 281^o.- Management and Administration
(...)

3. Formation of the Board of Directors. The Board of Directors shall be made up as follows:

- a. The Minister of Foreign Trade and substitute indicated by him, insofar as the Nation - Ministry of Foreign Trade - has registered contributions in the Bank's capital;
- b. The Minister of Finance and Public Credit and substitute indicated by him, insofar as the Nation - Ministry of Finance and Public Credit - has registered contributions in the Bank's capital;
- c. The legal representative of the trust referred to in numeral 1. of article 283, with the substitute indicated by the latter, to the extent that the trust has recorded contributions of not less than fifteen percent (15%) of the ordinary shares subscribed by the Bank (currently appointed by the General Shareholders' Assembly);
- d. A representative of the private sector, with his respective substitute, appointed by the President of the Republic;
- e. A representative of the private sector, with his respective substitute, elected by the exporters' associations that are registered as such in the Ministry of Foreign Trade.

7. Remuneration policy of the Board of Directors

In accordance with the provisions of the Bank's Bylaws, it is an exclusive function of the General Assembly of Shareholders and cannot be delegated to approve the general remuneration policy of the Board of Directors. On March 23, 2018, the General Assembly of Shareholders approved the adjustment of fees to four (4) legal monthly minimum wages (4 SMMLV) in force per Board of Directors session. Regarding the remuneration for belonging to and attending the Board of Directors' Committees, the General Assembly of Shareholders in a session of March 22, 2019 approved the proposal of the Ministry of Finance and Public Credit to adjust the fees to four (4) legal monthly minimum wages (4 SMMLV) in force, for the concept of belonging to and attending the support Committees of this administrative body.

Additionally, Bancóldex directly assumes the following expenses, whenever they are necessary for the exercise of the functions of the Board of Directors and Committees of the Board:

- Accommodation, air or ground transportation expenses, in accordance with the Bank's travel policy, to enable them to perform their duties fully. (Board members do not receive travel expenses)

- Expenses related to training, updates sessions that have been approved by the Corporate Governance Committee and the hiring of external advisors, as required by the Board as a collegiate body to decide.

8. Remuneration of the Board of Directors

As indicated in the previous point, the General Assembly of Shareholders meeting on March 22, 2019 approved to pay as fees for the members of the Board of Directors four legal monthly minimum salaries in force per session of the Board of Directors and four legal monthly minimum salaries in force per session of the Committees. The indicated increase was applied as of the April 2019 sessions of the Support Committees of the Board of Directors

CONCEPT	FEES AT 2019
Attendance at Board meetings	394.183.216
Attendance at meetings of the Audit Committee	30.640.292
Attendance at meetings of the Corporate Governance Committee	68.733.628
Attendance at meetings of the Risk Management Committee	52.171.308
Attendance at meetings of the External Credit Committee	67.905.512
TOTAL	613.633.956

Based on the foregoing, the Good Governance, Nominations and Remuneration Committee verified compliance with the Board of Directors' Remuneration Policy.

9. Quorum of the Board of Directors

In accordance with article 3 of the Rulebook, the Board of Directors shall validly deliberate in the presence of the majority of its members and shall decide with the majority of the votes present at the respective meeting.

Table I. Attendance at Board meetings

MEMBER OF THE BOARD OF DIRECTORS BY LINE	Sessions attended	Average Attendance
Ministry of Commerce, Industry and Tourism	13/15	86,6%
Ministry of Finance and Public Credit	15/15	100%
Representative elected by the General Shareholders' Assembly	15/15	100%
Private sector representative appointed by the President of the Republic	14/15	93,3%
Private sector representative elected by the exporters' associations	15/15	100%

During 2019, 14 sessions of the Board of Directors were held, 12 ordinary and 3 extraordinary. The following table shows the attendance of the members of the Board of Directors by line of business:

10. Attendance data for Board and Committee meetings

During 2019, 4 Audit Committee meetings were held, 9 of the Corporate Governance Committee, 6 of the Risk Management Committee and 9 of the External Credit Committee. The following table shows the attendance of the members of the Board of Directors by line of business:

Table II. Attendance at meetings Support committees Board of Directors

MEMBER OF THE BOARD OF DIRECTORS BY LINE	Average Attendance
Ministry of Commerce, Industry and Tourism	87,5%
Ministry of Finance and Public Credit	91%
Representative elected by the General Shareholders' Assembly	100%
Private sector representative appointed by the President of the Republic	100%
Private sector representative elected by the exporters' associations	93.3%

11. Chairman of the Board (key functions and issues)

In accordance with the provisions of numeral 4 of article 281 of the Organic Statute of the Financial System, the Minister of Commerce, Industry and Tourism presides over the Board of Directors, in his absence, the Minister of Finance and Public Credit presides over it and in the absence of both of them, their alternates preside in the same order.

In addition, the Board of Directors' Rulebook established the following concerning the Chairmanship of the Board of Directors:

Article One: Chairman: While the Minister of Commerce, Industry and Tourism is a member of the Board, he shall preside over it; in his absence, the Minister of Finance and Public Credit shall preside over it, if he is a member of it. In the absence of both, their alternates shall preside in the same order.

First Paragraph: In the event that any of the persons mentioned in this article is not present, any member of the Board of Directors present shall preside at the meeting, based on the appointment made by a simple majority of the votes of the members present.

In relation to the functions of the Chairman of the Board of Directors, the same article 1, in its second paragraph, states:

Paragraph Two: The Chairman of the Board shall coordinate the annual agenda of the meetings of the said body with the President of the Bank and the Secretary, and in January of each year the calendar of the ordinary meetings of the said body shall be proposed for approval by the Board. In addition, it will prepare the report on the functioning of the Meeting to be presented at each ordinary session of the General Shareholders' Assembly. Likewise, he will moderate the meetings so that the topics included in the agenda are considered within the time available for this purpose. Notwithstanding the foregoing, the Board of Directors shall appoint one of the independent members for a period of two (2) years to support the Chairman of the Board in the above activities.

12. Secretary of the Board of Directors (key functions and issues)

In accordance with Article 55 of the Company's Bylaws, Bancóldex has a Secretary General appointed by the Board of Directors, in this regard, during 2017 Dr. Jose Luis Garzón Gaitán, Legal Vice President - Secretary General, acted as Secretary of the Bank's Board of Directors, with the functions indicated below:

- a. Keep the books of the minutes of the General Shareholders' Assembly and of the Board of Directors;
- b. Communicate the calls for the meetings of the General Shareholders' Assembly and of the Board of Directors, made by the competent bodies for this purpose, in accordance with the Bylaws;
- c. Deliver the information to the members of the Board of Directors in a timely manner;
- d. Respond to shareholders' requests for information or clarifications regarding the matters dealt with at the meetings of the General Shareholders' Assembly;
- e. Keep the corporate documentation, to duly reflect in the minutes books the progress of the meetings, and to attest to the resolutions of the corporate bodies;
- f. Ensure the formal legality of the actions of the Board of Directors and to guarantee that its procedures and governance rules are respected and regularly reviewed, in accordance with the provisions of the statutes and other internal regulations of Bancóldex, and
- g. To fulfill all other duties imposed by the General Assembly, the Board of Directors, the President or the law.

13. Relationships during the year of the Board of Directors with the Statutory Auditor, financial analysts, investment banks and rating agencies.

Deloitte & Touche, a tax audit firm chosen by the General Shareholders' Assembly, provides the entity's tax audit services and additionally performs the external audit for compliance with the contractual clause of the Credit Agreements signed with the Inter-American Development Bank (IDB), which require the annual evaluation of an external audit firm while the program is underway. The total amount paid for the statutory auditor services is \$ 213.567.390 for the year 2019.

Within the processes of review of the rating of Bancóldex advanced by the Risk Rating Agencies Fitch Ratings and BRC Standard & Poor's with which contracts have been signed for this purpose, they have no "relationship" with the Bank's Board of Directors. The review process is handled by the Strategic Direction Department, in the sense of requesting the information from the Bank's areas, consolidating it and sending it to the Rating Agency that requests it. Subsequently, each Rating Office schedules a "technical review visit" in which, in addition to the additional information submitted, other previously defined topics are dealt with in an agenda sent to us by the Rating Office in advance of the visit. This visit is also coordinated by the Strategic Direction Department, and is attended by the President of the Bank, the Vice Presidents, the Comptroller, the Director of Strategic Direction and the Directors and/or officers deemed necessary to respond to the issues requested by the Rating Agency.

14. External advice received by the Board of Directors.

In accordance with the provisions of the Regulations of the Board of Directors of Bancóldex, in the events required, at the request and at the discretion of the members of the Board of Directors, the Management may be requested to hire the external advisors or trainers required to provide additional elements of judgment for the making of certain decisions by the directors.

On the recommendation of the Corporate Governance Committee, on September 20 and November 26, 2019, two days of the annual update were held for the members of the Board of Directors of Bancóldex and its subsidiaries. The topics to be updated were climate change, risks and opportunities for the financial sector, Industry 4.0, Fintech, cybersecurity, sustainability and trends in Boards of Directors. The update was organized by the Colombian Institute of Corporate Governance - College of Higher Studies in Administration and had the participation of the following speakers:

Santiago Pinzón, Vice President of Digital Transformation at ANDI, Juanita López, Director of Climate Change and Sustainability at KPMG, Nuria Aliño Lead of Financial Services for Partnerships and Innovations at IFC,

Claudia Rivera, Director of Sustainability at Grupo Nutresa, Olga Botero, Partner & Managing Director of Customers and Strategy and Adriana Mejía, Associated Consultant and Senior Advisor at AT Kearney.

15. Management of the information of the Board of Directors.

In accordance with the provisions of Article 2 of the Regulations of the Board of Directors, the members must have the information that is relevant for making decisions that must be given during the respective meeting prior to the meeting. The information is made available to the members of the Board of Directors through a technological tool that ensures the timeliness, integrity and confidentiality of the information.

In addition, article 6 of the same Regulations provides that for the proper exercise of their functions, the members of the Board of Directors may request the information that is relevant for decision-making, in accordance with the agenda contained in the call notice. The information is also available to members of the Board of Directors at the offices of the Bank's General Secretary. The foregoing, without prejudice to the additional information required by the members of the Board, which must be processed through the same Secretary.

16. Activities of the Committees of the Board of Directors.

The functions and activities of the Board Support Committees are described below:

a. Corporate Governance, Nominations and Remuneration Committee

The purpose of the Corporate Governance, Nominations and Remuneration Committee is to support the Board of Directors in its function of ensuring compliance with the good governance practices adopted by the Bank and with the provisions contained in its Code of Good Governance, as well as to advise it on the implementation of good corporate practices. To support the Board of Directors in the exercise of its decision-making or advisory functions associated with the matters of appointments and remuneration.

Composition:

As of December 31, 2019, the Corporate Governance Committee was integrated by three members of the Board of Directors, of which at least one (1) is independent and will chair it. The Legal Vice-President - Secretary General of the Bank acts as Secretary of this Committee.

Luis Gustavo Flórez Enciso (Chairman of the Committee)
María Inés Agudelo Valencia
Carlos Alberto Garay
Catalina Lasso Ruales

Activities:

During 2019, 9 sessions of the Corporate Governance, Nominations and Remuneration Committee were held, with the participation of 100% of its members.

The main activities carried out by the Committee included:

- Monitor compliance with the Bancóldex corporate governance system;
- Follow-up to the 2019 work plan in order to consolidate the corporate governance;

- In order to continue with the implementation of the New Country Code (C.E. 028/2014 of the Superintendencia Financiera of Colombia), the Committee approved the implementation of five additional measures.
- By delegation of the Board of Directors, the Committee approved the criteria for the bonus scheme.
- To be informed of the reports of the System of Attention to the Financial Consumer -SAC-;
- Verified the proposed profile for the selection of the President of Bancóldex, Javier Díaz Fajardo
- Approved the update of the corporate governance code.
- Supported the approbation and monitoring of the corporate indicators, evaluation of the Senior Management and the Great Place to Work survey.
- Verified compliance with the remuneration policy for the members of the Board of Directors, and
- Supported the conduct of the self-assessment of the functioning of the Board of Directors.
- Recommended the hiring and execution of the annual training of the Board of Directors.
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b. Audit Committee

The purpose of the Audit Committee is to support the Board of Directors in its supervisory role by evaluating the accounting procedures, the relationship with the Statutory Auditor and, in general, review the Internal Control System.

Composition

The Committee shall consist of three (3) members of the Board of Directors, the majority of whom shall be independent in accordance with the applicable legal provisions, one of whom shall preside. The Secretary of the Board of Directors of Bancóldex will act as Secretary. The members of this Committee must also have knowledge or experience in accounting, auditing or control. The President of the Bank is a permanent guest.

As of December 31, 2019, the Risk Management Committee was integrated by three members of the Board of Directors. The Legal Vice-President - Secretary General of the Bank acts as Secretary of this Committee.

Carlos Escobar Vargas
Luis Gustavo Flórez Enciso
María Inés Agudelo Valencia

Activities:

During 2019, 4 sessions of the Audit Committee were held, with the participation of 100% of its members.

The main activities carried out by the Committee included, inter alia, the following:

- Serve as a support and permanent communication channel with the Board of Directors in the decision making regarding the Internal Control System and its continuous improvement;
- Follow up on the results of audits, improvement plans, strengths, weaknesses and effectiveness of the Bank's internal control;
- Follow up on communications with control bodies, and
- Review and agree on the annual management reports, the control status report, the management report evaluating the internal control system, the corporate governance report and the separate and consolidated financial statements, for subsequent consideration by the Board of Directors and the General Shareholders' Assembly.

c. Risk Management Committee

The Risk Management Committee is intended to support the Board of Directors in fulfilling its oversight responsibilities in relation to risk management.

Composition:

As of December 31, 2019, the Risk Management Committee was integrated by three members of the Board of Directors and the President of the Bank. The Legal Vice-President - Secretary General of the Bank acts as Secretary of this Committee.

Augusto López Valencia
Luis Gustavo Flórez Enciso
Carlos Alberto Garay Salamanca

Activities:

During 2019, 6 sessions of the Risk Management Committee were held, with the participation of 100% of its members.

The main activities carried out by the Committee included:

- Follow-up of the general guidelines used for the evaluation, rating, measurement, monitoring and control of risks;
- Monitoring of risk management systems, and
- Approve the opening or increase of global credit limits and term conditions with Colombian financial intermediaries, with countries, with financial intermediaries abroad, operations with autonomous financial intermediaries, direct credit operations with natural or legal persons and operations with entities not supervised by the Superintendence of Finance, in accordance with the result of the methodology used for such purpose by the Bank and with the respective attributions.

d. External Credit Committee

The External Credit Committee had the first session in February 2018. The objective of this Committee is to support the Board of Directors to fulfill its responsibilities of approving credit limits and operations.

Composition:

As of December 31, 2019, the External Credit Committee was integrated by two external members and one member of the Board of Directors. The Legal Vice-President - Secretary General of the Bank acts as Secretary of this Committee.

César Augusto Arias Hernández
Jaime Ricaurte Junguito
Mauricio González Maya

Activities:

During 2019, 9 sessions of the External Credit Committee were held, with the participation of 100% of its members.

The main activities carried out by the Committee included:

- Approve operations with Colombian financial intermediaries.
- Recommend to the Board of Directors the approval of operations with nations and public entities abroad.
Approve the corresponding credit proposals according to the level of approval powers granted by the Board of Directors.
- Approve the restructuring of operations, in accordance with the powers delegated by the Board of Directors.

17. Information on the execution of the evaluation processes of the Board of Directors

In accordance with article 50 numeral 40 of the Bylaws of Bancóldex, it is the function of the Board of Directors to organize the annual evaluation process of the Board of Directors, both as a collegiate administrative body and of its individual members.

Self-evaluation: The Board of Directors of Bancóldex and that of its subsidiaries must establish mechanisms for the annual self-evaluation of its management as a collegiate body, that of its committees and that of its individually considered members, including peer evaluation, making proposals for improvement when considered relevant.

External evaluation: At least every four (4) years, an external consultant will be hired to carry out an evaluation of the members of the Board of Directors and the Board of Directors as a collegiate body.

The previous evaluations are carried out to obtain suggestions and establish opportunities for improvement, which will be proposed by the Corporate Governance, Nominations and Remuneration Committee to the Board of Directors.

In 2018, an external evaluation was carried out, the results of which were presented in the Annual Corporate Governance Report for said year. In 2019 the Board of Directors carried out the annual self-evaluation regarding their individual participation as a member of the Board, the performance of the Board of Directors as a collegiate body

III. Transactions with related parties

1. Powers of the Board of Directors on this type of transactions and situations of conflict of interest

Article 50, paragraph 23, of the Bank's Bylaws establishes that it is a non-delegable function of the Board of Directors to regulate the specific mechanisms that allow for the prevention, management and disclosure of conflicts of interest that may arise between shareholders and directors, executives or senior officers, and between majority and minority shareholders, and to address them.

2. Details of the most relevant Related Operations of the company, including the operations between companies of the Conglomerate

The Bank considered the participation of the related parties in the generation of profits, the existence of the relationship with related parties such as: shareholders, members of the Board of Directors and Directors of the Bank, subordinate entities and entities of the same parent company, are clear examples of persons or entities that influence or may have an effect on the results and financial situation of the Bank. It was also considered that the aforementioned transactions could be carried out by other parties, unrelated to each other, who could not, therefore, record the balances of assets and liabilities resulting from the reconciliation of balances, as well as the income and expenses caused in each period, corresponding to transactions with related parties, which are discussed in detail below:

- Shareholders: all related party transactions as defined in IAS 24.
- Administrators: The President, Vice Presidents, Managers and Comptroller of the Bank are considered administrators.
- Subordinate: entities over which control is held in accordance with the definition of control in IFRS10, Fiduciaria Colombiana de Comercio Exterior S.A. - Fiducóldex and Arco Grupo Bancóldex.

The Bank may enter into transactions, agreements or contracts with related parties, on the understanding that any such transactions will be carried out at fair value, based on market conditions and rates.

In 2019, the Bank did not carry out any transactions or transactions with partners or directors, the characteristics of which differ from those of third parties, nor did it provide free or compensated services or loans without interest or consideration, with the exception of those of a labour nature regulated by articles 152 and 153 of the Substantive Labour Code.

The operations are duly instrumented and comply with the regulations that govern them. The operations carried out by the Bank with its partners and managers are in accordance with the general policies of the institution. These transactions are duly specified in note 'related party transactions' to the financial statements.

3. Conflicts of interest presented and performance of the members of the Board of Directors.

The Code of Good Governance, numeral 7.2., establishes the following:

3.2.1 Prevention, management and disclosure of conflicts of interest between shareholders and directors, executives and officers of the Bank.

- a. The management of Bancóldex will avoid all circumstances that create a conflict of interest between shareholders and directors, executives and officers of the Bank.
- b. Directors may not, either on their own behalf or through an intermediary, dispose of or acquire shares in the Bank while they are holding office, except in the case of transactions outside the scope of speculation and with the authorisation of the Board of Directors, granted with the favourable vote of two thirds of its members, excluding the applicant, or of the General Assembly, with the favourable vote of the ordinary majority provided for in the Bylaws, excluding that of the applicant. Likewise, except in the case of legal representation, directors and managers may not represent shares other than their own at Assembly meetings, while they are in office.
- c. Bancóldex will not be able to carry out active credit operations with the natural or legal person that acquires or possesses a participation equal or higher than ten percent (10%) of its capital. This prohibition shall extend for a period of one (1) year from the date on which the event occurs.
- d. The management of Bancóldex must ensure that the granting of credit to shareholders complies with the individual credit limits established by law.
- e. When a situation arises that generates conflicts of interest between shareholders and directors, executives and officers of the Bank, the Board of Directors shall evaluate the conditions thereof and, if appropriate, shall request the Legal Representative to call a meeting of the General Shareholders' Assembly within the following calendar month, in order for the conflict to be

resolved by the highest corporate body. In any case, the mechanisms established in the Bank's Bylaws shall be accepted as mechanisms for resolving conflicts.

- f. Management should ensure that manuals describing the procedure for the prevention, management and disclosure of conflicts of interest are disclosed to shareholders.

In addition, Bancóldex has a the policy and procedure for disclosure of conflicts of interest, which establishes as a duty of the members of the Board of Directors, executives, employees and shareholders, to communicate any legal and economic relationship that may generate a situation of conflict between their personal interests and the interests of Bancóldex, when dealing with contractors, buyers, sellers, and any other person who conducts or intends to conduct business with Bancóldex, or with companies in which it has direct or indirect interests.

IV. Risk management systems of the company or conglomerate

The management report, as well as the report on the Internal Control System submitted to the General Shareholders' Assembly, includes information, explanations and details relating to the risk management and control system, as well as the Internal Control System.

V. General Shareholders' Assembly

1. Differences in the functioning of the Assembly between the minimum regime of the regulations in force and that defined by the Bylaws and the Regulations of the Assembly of the Company.

- a. Period for convening the Assembly: 30 days for ordinary meetings and 15 days for extraordinary meetings
- b. Publication on the website of the call notice, agenda and information relating to the proposals for agreement.
- c. The agenda items contain the precise content of the issues to be discussed, avoiding joint voting on issues or proposals for agreement that should be resolved individually.
- d. The Bylaws recognize the right of shareholders to request information or clarification regarding the agenda, and their procedure is regulated in the Regulations of the General Shareholders' Assembly.
- e. Minority shareholders representing at least 0.14% of the subscribed shares may: i) Submit proposals at the Meeting, and ii) Request the inclusion of items on the agenda of the Meeting.
- f. To minimize the use of proxies without voting instructions, the use of proxy forms available on the website is encouraged;
- g. At the request of the President of the Ordinary General Shareholders' Assembly, the support committees must present the performance of their activities to the shareholders.
- h. The President of the Bank and all members of the Board of Directors attend the meeting of the Assembly to resolve shareholders' concerns.
- i. Transmission of the meeting via videoconference.

2. Measures adopted during the year to encourage shareholder participation

As Bancóldex shareholders are located throughout the country, for those who cannot attend the Meeting, a videoconference is available to follow the General Shareholders' Assembly through this mechanism.

On the other hand, Bancóldex has a policy for relations with minority shareholders, which is published on the Bancóldex website www.bancoldex.com and which defines the procedure and channels of communication with minority shareholders.

a. Shareholder information and communication

The Management of Bancóldex sends to the shareholders of the Bank who have carried out the process of updating their data, an e-mail reminding them of the date and time of the meeting of the General Shareholders' Assembly, whether it is ordinary or not.

In addition, the Corporate Governance Report is published on the link on the website specially designed for shareholders to learn first-hand about the actions carried out by Bancóldex in the previous year.

b. Number of requests and matters on which shareholders have requested information from the company

Various requests were received from shareholders, including: tax return certificate, dividends and share sale procedure.

c. Attendance data for the General Shareholders' Meeting

Ordinary meeting:

In the city of Bogota, D.C., at 9:15 a.m. on March 22, 2019, by virtue of the call made by Javier Díaz Fajardo, President of the Bank, published on February 19, 2019, in the daily Portafolio (page 9), in the room on the 42nd floor of the entity, located at Calle 28 No. 13A- 15, Bogotá, D.C., the General Shareholders' Assembly of Banco de Comercio Exterior de Colombia S.A., Bancóldex, met ordinarily, and was attended by the following shareholders, according to their share class:

CLASS "A"

Shareholder	Represented by	In its capacity as	Shares
Nation - Ministry of Commerce, Industry and Tourism	Catalina Lasso Ruales delegated by the Ministry of Commerce, Industry and Tourism	Special representative of the Minister of Commerce, Industry and Tourism, according to the special power of attorney that forms an integral part of the background of this Act.	976.143.335
Nation - Ministry of Finance and Public Credit	Andrés Bravo Liévano Advisor to the General Directorate of State Participation of the Ministry of Finance and Public Credit	Special representative of the Minister of Finance and Public Credit, according to the special power of attorney that forms an integral part of the background of this act.	83.420.180

CLASSES "B" and "C"

Shareholder	Represented by	In its capacity as	Shares B Series	Shares C Series
Edith Caicedo Barrantes	Themselves	Shareholder	2.279	1.000
Carlos Ernesto Chaves F.	Themselves	Shareholder	859.403	377.401
José Rosendo Díaz Camargo	Themselves	Shareholder	454	200

TOTAL NUMBER OF SHARES REPRESENTED 1,060,804,252

d. Details of the main agreements taken

Ordinary Meeting

At the ordinary meeting of the General Shareholders' Assembly of Bancóldex held on March 22, 2019, the management reports of the Board of Directors and the Bank's President to the Meeting, the special report on the control situation and the corporate governance report were considered. The individual and consolidated financial statements were approved with Fiducóldex and Arco Grupo Bancóldex CF S.A., as of December 31, 2018.

The Assembly approved the draft distribution of profits, under condition that the National Council for Economic and Social Policy - CONPES – approve such distribution.

Approved the appointment of doctors Jorge Mario Eastman and Oswald Loewy Núñez as members of the Board of Directors of the Bank, principal and alternate, respectively, for the period 2019-2021.

It approved the proposal of the Ministry of Finance and Public Credit to adjust the fees of the members of the Board of Directors for attendance at the support Committees of this administrative body.

VI. Corporate governance activities during the year

1. Work plan 2019

In 2019, the Corporate Governance Committee approved the 2019 corporate governance work plan and followed up accordingly. The issues that were part of this work plan were the following:

- Strengthening of the Support Committees of the Board of Directors.
- Update of members of the Board of Directors.
- Design of the evaluation mechanism for Senior Management.
- Strengthening the corporate governance of the subsidiaries.
- Updating of the Good Governance Code.

The support that the Corporate Governance Committee gave to the Board of Directors in the review, approval and monitoring of corporate indicators, in the measurement of Senior Management and in the review of the results of the Organizational Climate Survey Great Place to Work and the respective action plan for 2020.

In 2019, two update sessions were held for the members of the Board of Directors of Bancóldex and its subsidiaries. The topics to be updated were: climate change, risks and opportunities for the financial sector, Industry 4.0, Fintech, cybersecurity, sustainability and trends in Boards of Directors. The update was carried out in two sessions and was organized by the Colombian Institute of Corporate Governance and had the participation of expert speakers on the subject, as mentioned in point 14 of this Report

2. Strengthening corporate governance of Bancóldex subsidiaries

Continuing with the accomplishment of the objective set in 2018, one of the strategic objectives of Bancóldex was strengthening the corporate governance of its subsidiaries, Arco Grupo Bancóldex S.A. Compañía de Financiamiento and Fiduciaria de Comercio Exterior de Colombia S.A.– Fiducoldex. Accordingly, during the reported financial year the subsidiaries implemented three of the recommendations made by the International Finance Corporation - IFC and the World Bank to Bancóldex which were also applicable to them.

3. Bancóldex's participation at international level

a. Colombian Corporate Governance Institute

Bancóldex is a founding partner of the Colombian Institute of Corporate Governance and a current member with participation in its Board of Directors. This non-profit association seeks to promote greater knowledge in the country on the subject of corporate governance and the promotion of best practices in this matter, by all types of organizations, regardless of their size, legal nature or sector

b. “Corporate Governance Development Framework”

In September 2011, the Bank signed a *Corporate Governance Development Framework* agreement with 29 other international development finance institutions, including the African Development Bank (AfDB), the Compañía Española de Financiación del Desarrollo (COFIDES), Asian Development (ADB), Development Bank of Latin America (CAF), and Banco de Inversión y Comercio Exterior S.A., among others. BICE], to establish a common set of guidelines to support sustainable economic development in emerging markets through corporate governance. The signing of the aforementioned agreement implies the commitment of each of the parties: to integrate corporate governance into investment operations, to identify and assign an internal function for the application of these guidelines, to provide training, and to submit an annual report on the application of the policies of each of the entities.

In 2019, the Bank submitted the necessary information for the preparation of the matrix to analyze the level of progress in the application of the practices in each of the entities that are part of the *Corporate Governance Development Framework*.

c. Latin American Corporate Governance Network for State Entities

As of October 12, 2012, the Bank will participate in the Latin American Network of Corporate Governance for State Entities. This Network aims to "promote good governance in public entities in the region through the exchange of experiences and knowledge on policies, practices and reforms, using as its main reference the guidelines developed by the two multilateral organizations" (CAF - Development Bank for Latin America and the Organization for Economic Cooperation and Development (OECD)). In 2019, Bancóldex participated in the sixth meeting of this Network, having as host the National Fund for Financing the State Business Activity (FONAFE); and with the support of the Spanish Government and the UK Prosperity Fund. The meeting took place in Lima and focused on the exchange of experiences and knowledge on policies, practices, reforms, advances in corporate governance in public companies, lessons learned in the implementation of the OECD guidelines.

4. Implementation report on best corporate practices - New Country Code as of 31st financial year 2018:

The Best Corporate Practices Implementation Report - New Country Code is a tool applied by the Superintendence of Finance of Colombia to achieve an adequate corporate governance that contributes to the fulfillment of the objectives of stability, security and trust, promotion and development of the Colombian stock market and protection of investors, savers and insured persons.

In 2019, the Bank completed the Country Code Survey, which is published on the Bank's website under the link "Information of interest to shareholders and other investors". It should be noted that in 2017 BancolDex reached an implementation level of 88% of the New Country Code.

Additionally, on January 31, 2020, BancolDex completed and transmitted to the SFC the Report on the Implementation of Best Corporate Practices-Country Code for the year 2019, year in which the percentage of implementation achieved in 2018 was maintained. The historical Reports can be consulted at the Bank's website link [who we are / information of interest to shareholders and investors](#)

5. Regional Advisory Councils

BancolDex has five Regional Advisory Councils: Antioquia, Atlántico, Eje Cafetero, Santander and Valle. The purpose of the Regional Advisory Councils is to provide accompaniment and support to the respective BancolDex Regional Offices, to apply the commercial strategy to the regional reality through the definition and follow-up of concrete actions that allow addressing opportunities for the business sector, properly interpreting their needs and help remove barriers. The Councils are made up of highly recognized and experienced entrepreneurs from the region. Currently, the role and impact of these Councils in BancolDex's regionalization strategy is being reviewed.

VII. Activities with entrepreneurs

The Bank, through the Office of Consulting and Training, developed several business consulting and training initiatives to strengthen good corporate governance practices in companies. In 2019, the Bank continued with the "Institutional Strengthening Program for entities oriented to microcredit". He developed a workshop on corporate governance in alliance with the College of Higher Administration Studies - CESA and with the support of the Colombian Institute of Corporate Governance. 11 microfinance entities participated in this workshop and topics such as treatment of conflicts of interest, functioning of boards of directors, compliance, information disclosure, risk management, among others were addressed.-

Javier Díaz Fajardo
President