

LatinFinance Praises 'Strong Showing' by Banco de Bogotá



BANCO DE BOGOTÁ

"With a low-cost funding structure and a brand name that resonates with history and integrity, Colombia's Banco de Bogotá has been able to grow its assets, maintain profitability and strengthen its balance sheet despite a very tough business environment," reported *LatinFinance* in its November 2002 issue.

In the first six months of 2002, Banco de Bogotá increased net income 34 percent to \$43.6 million, and increased assets by 21 percent to \$2.89 billion. For that six-month period, the bank posted a return on equity of 21.6 percent and a return on assets of 3.1 percent. Colombia's commercial banking sector as a whole turned in an average return on equity of 16.3 percent and a return on assets of 1.9 percent during the same period.

"Banco de Bogotá was able to achieve this strong showing while also improving its ratio of performing assets and interest-bearing liabilities to 157 percent at midyear. This improvement has been a crucial

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factor in its increase in net income, which grew 30 percent in 2001 to \$74.6 million. For the first six months of 2002, the bank earned a net income of \$42.4 million," *LatinFinance* reported.

"We have been able to grow due to the strength of our commercial areas, the strong name of the bank and the traditional relationships we have with all of our clients," said Alejandro Figueroa Jaramillo, president of the 132-year-old bank. "Everybody with important business in Colombia is our client."

Although Banco de Bogotá is the country's second-largest bank, behind Bancolombia, it is the more profitable of the two. Bancolombia, with assets of \$3.47 billion, earned a first-half net income of \$31.4 million.

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Banco de Bogotá has a reputation for conservative management and credit risk policies. It even earned a profit during Colombia's banking crisis three years ago. "We are very consistent in having a conservative policy for credit risk, which enabled us to get through the crisis of 1999 and 2000 when most of the country's banks lost money," Figueroa said.

In 2001, Banco de Bogotá's net earnings were almost double those of Bancolombia, according to *LatinFinance*.

Banco de Bogotá, an ALLTEL client since 1988, is a subsidiary of Colombian holding company Grupo Aval. In addition to the bank's recognition in 2002 by *LatinFinance*, Banco de Bogotá also received the "Best Bank in the Nation" award for the third consecutive year from *Euromoney* magazine. *Global Finance* also recognized it as the "Best Trade Finance Bank" in Colombia for the second consecutive year. 📈