

# Banco de Bogotá



## Investor Presentation

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**J.P. Morgan**

**9th Annual J.P. Morgan Global Emerging Markets Corporate Conference**

**February 26<sup>th</sup> – February 28<sup>th</sup>, 2018**



The Issuers Recognition IR granted by the Colombian Stock Exchange is not a certification about the quality of the securities listed at the BVC nor the solvency of the issuer.



Banco de Bogotá is an issuer of securities in Colombia. As a financial institution, the Bank, as well as its financial subsidiaries, is subject to inspection and surveillance from the Superintendency of Finance of Colombia.

As an issuer of securities in Colombia, Banco de Bogotá is required to comply with periodic reporting requirements and corporate governance practices. In 2009 the Colombian Congress enacted Law 1314 establishing the implementation of IFRS in Colombia. As a result, since January 1, 2015, financial entities and Colombian issuers of publicly traded securities, such as Banco de Bogotá, must prepare financial statements under IFRS, with some exceptions established by applicable regulation.

IFRS as applicable under Colombian regulations differs in certain aspects from IFRS as currently issued by the IASB. This report was prepared with unaudited consolidated financial information, which is in accordance with IFRS as currently issued by the IASB.

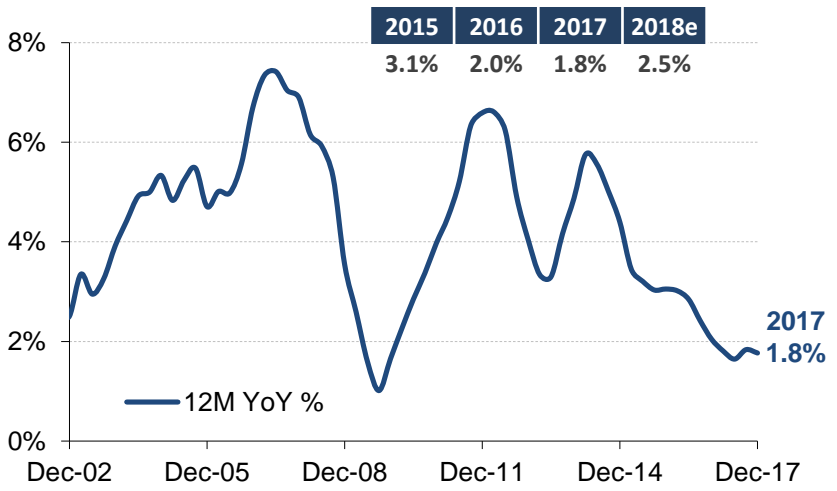
This report figures are presented in USD dollars, the translation use the exchange rate of December 31, 2017 (COP\$2,984.00).

This report may include forward-looking statements and actual results may vary from those stated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risks factors. Recipients of this document are responsible for the assessment and use of the information provided herein. Banco de Bogotá will not have any obligation to update the information herein and shall not be responsible for any decision taken by investors in connection with this document. The content of this document is not intended to provide full disclosure on Banco de Bogotá or its subsidiaries.

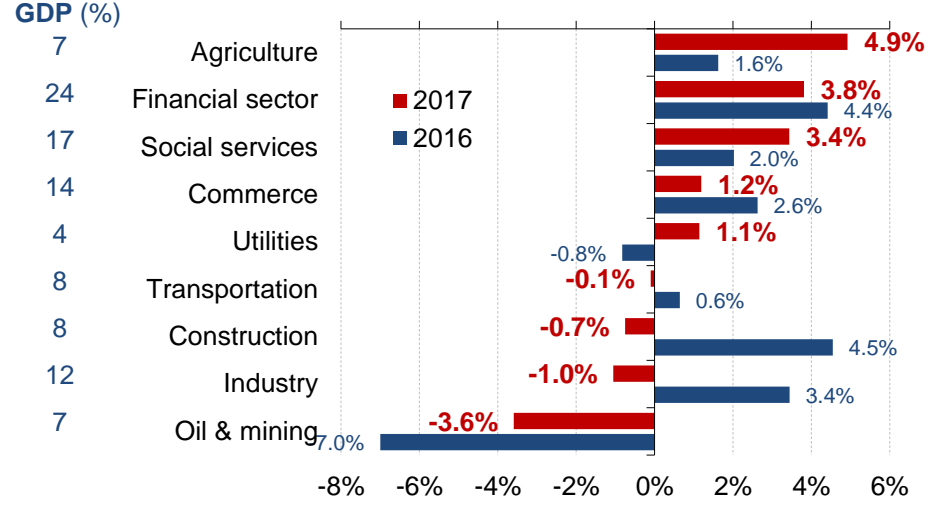
In this document we refer to trillions as millions of millions and to billions as thousands of millions.

Details of the calculations of Non GAAP measures such as ROAA and ROAE, among others, are explained when required in this report.

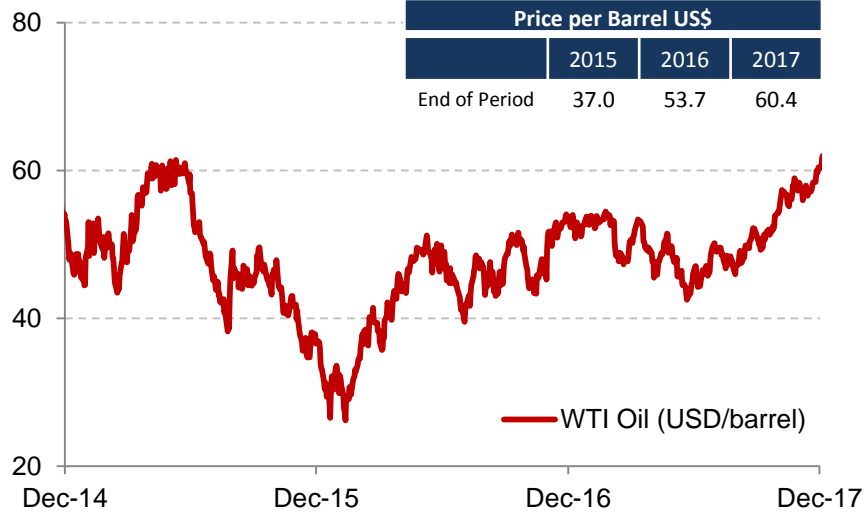
### GDP (YoY %, quarterly)



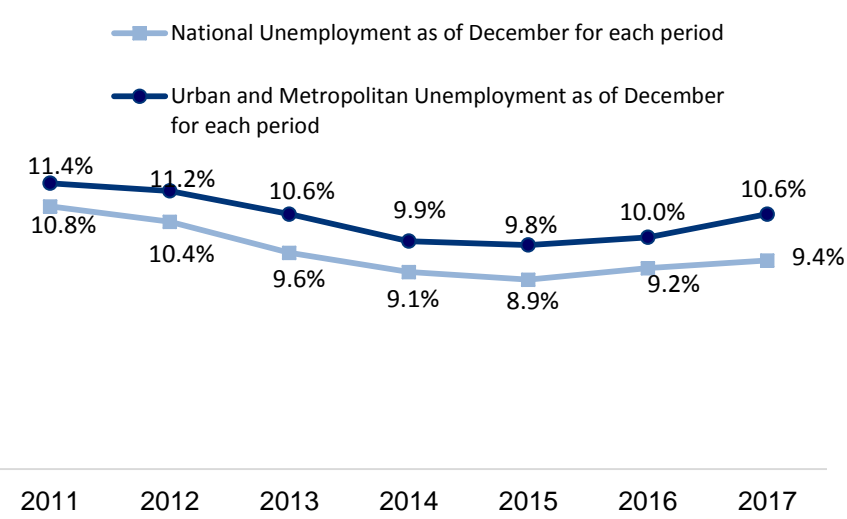
### GDP growth by sector (YoY %, fourth quarter)



### WTI oil (USD/barrel)

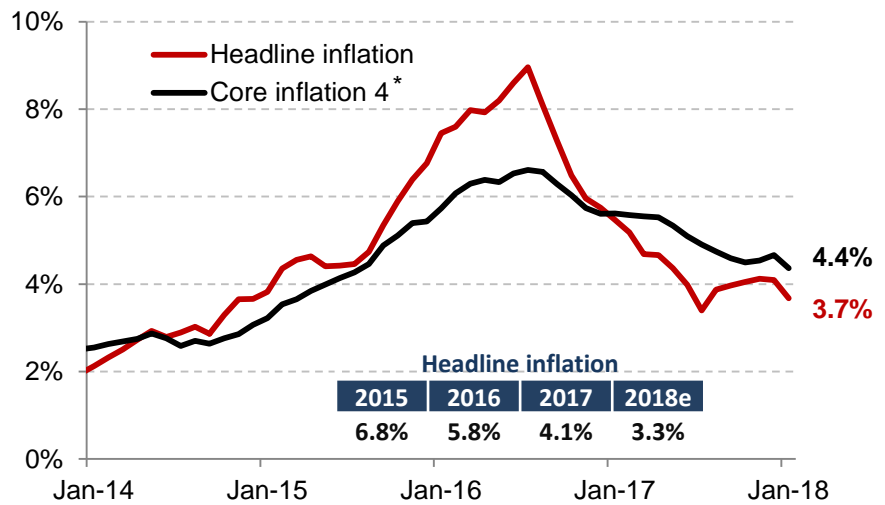


### National & urban unemployment (%)

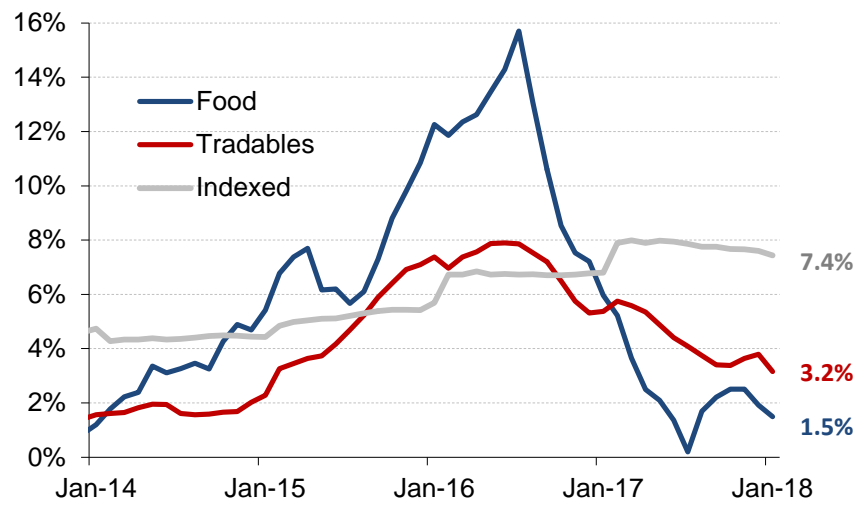


Source: DANE, Bloomberg. Estimates Economic Research Banco de Bogotá.

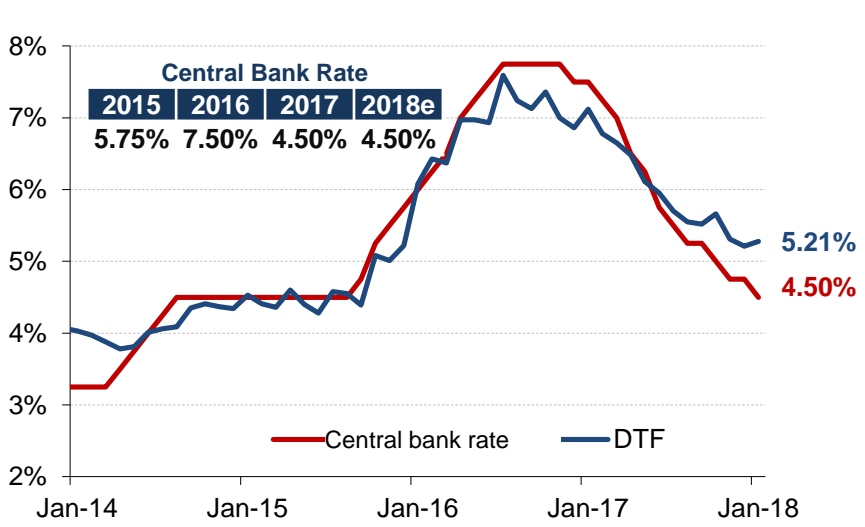
### Total and core\* inflation (YoY%)



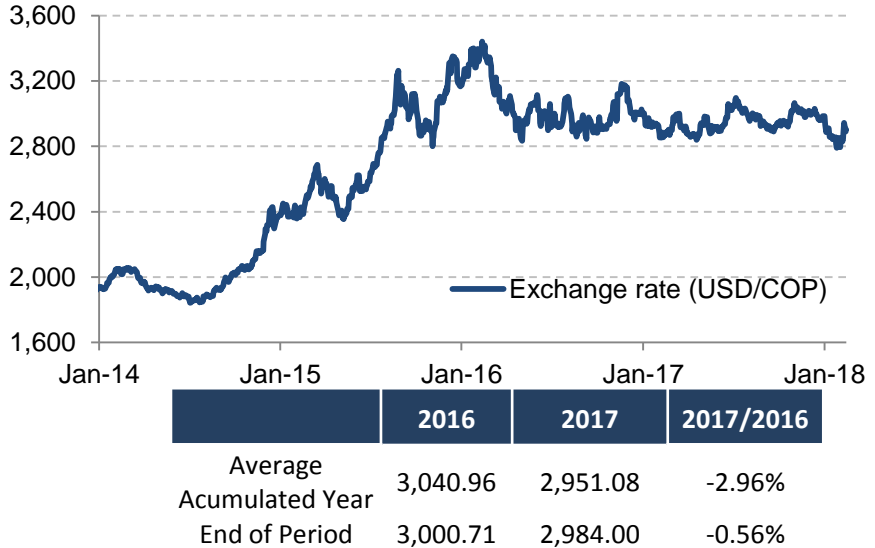
### Food, tradables and indexed inflation (YoY %)



### Central bank interest rate vs. DTF rate\*\* (%)

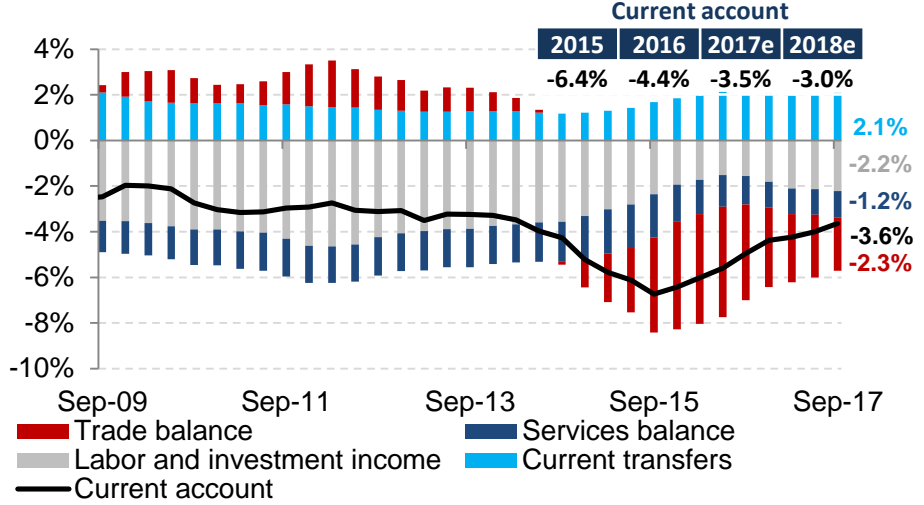


### Exchange Rate (USD/COP)

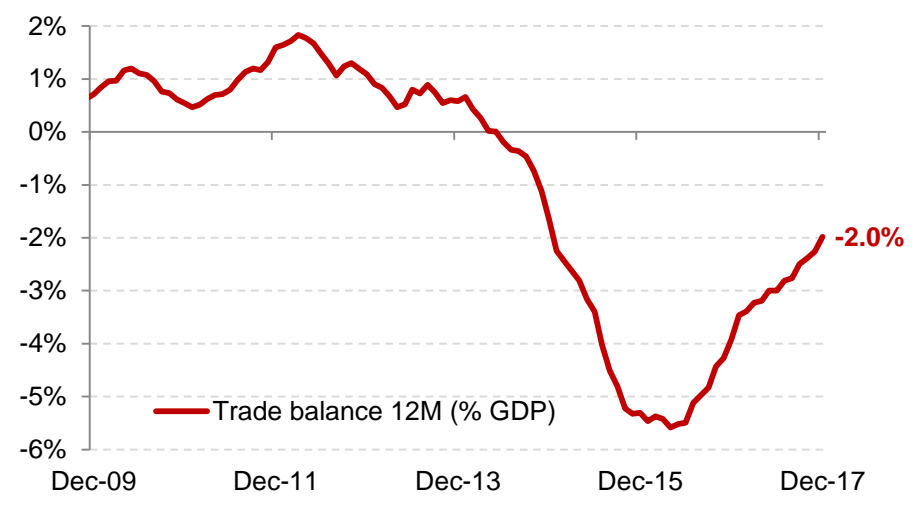


Source: DANE, Banco de la República (BR). Estimates Economic Research Banco de Bogotá. \* Average of four measures preferred by BR: 1) without foodstuff and regulated; 2) without foodstuff, public services and gasoline; and 3) without foodstuff, core 20. \*\* Monthly average.

### Current Account (% GDP, 12 month)

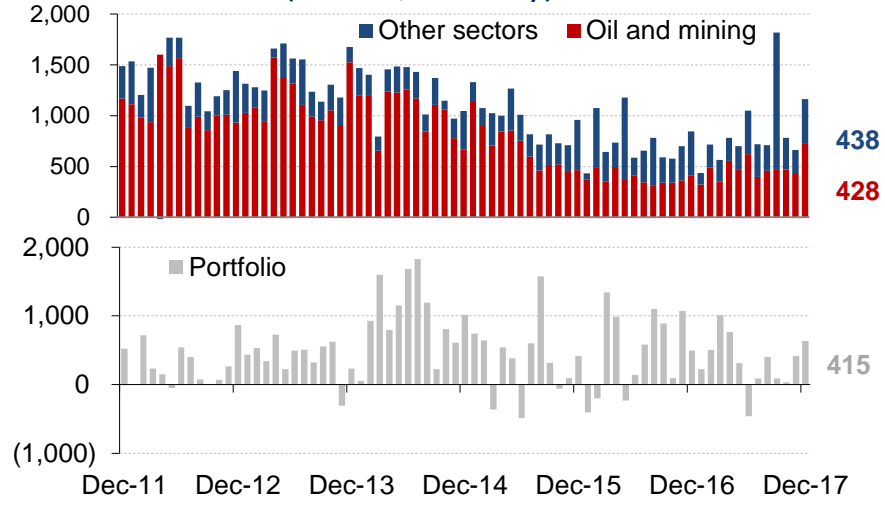


### Trade balance (% GDP, 12 month)

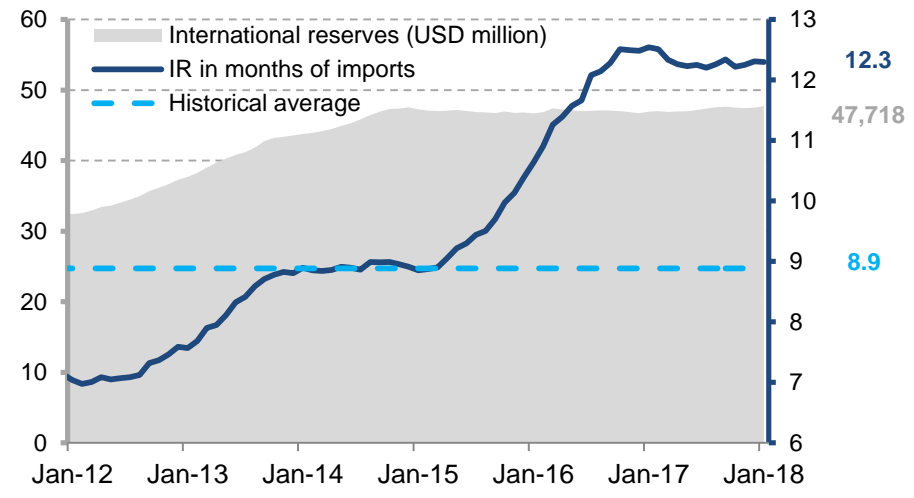


### Foreign investment: direct and portfolio\*

(USD M, monthly)

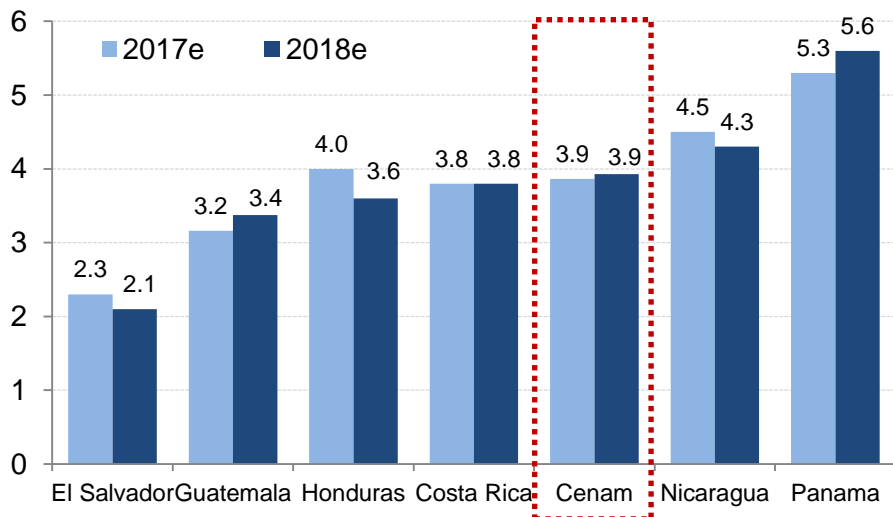


### International reserves (USD M, months of imports)

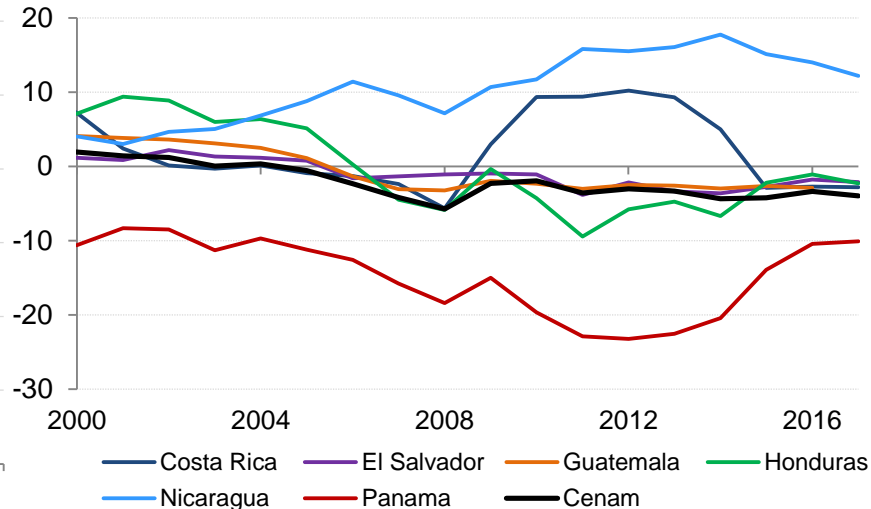


Source: DANE, Banco de la República. Estimates: Economic Research Banco de Bogotá. \* With information from Balanza Cambiaria.

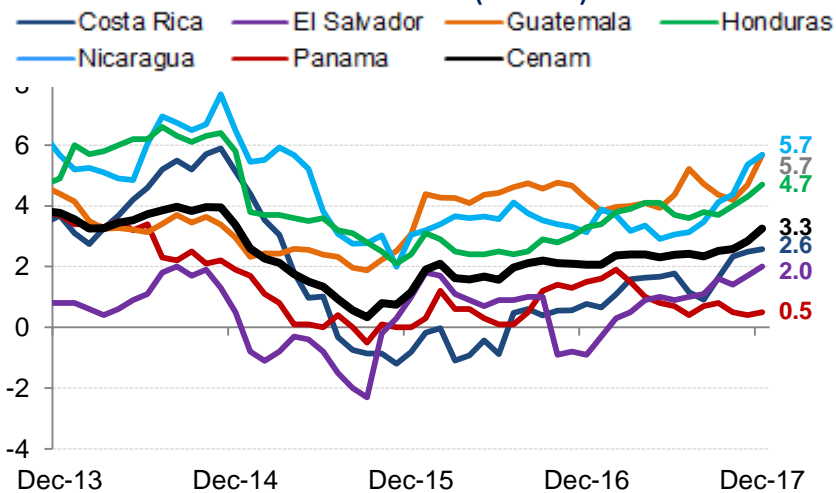
### GDP (YoY %)



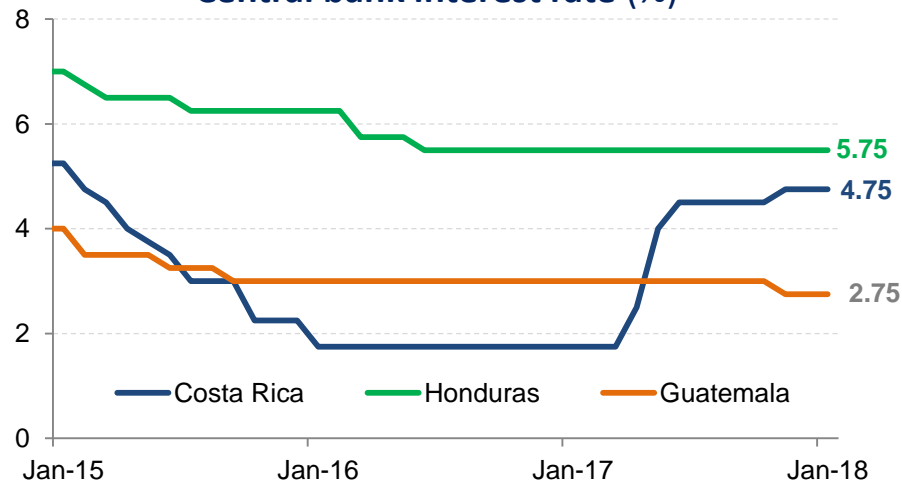
### Trade balance (% of GDP)



### Inflation (YoY %)



### Central bank interest rate (%)

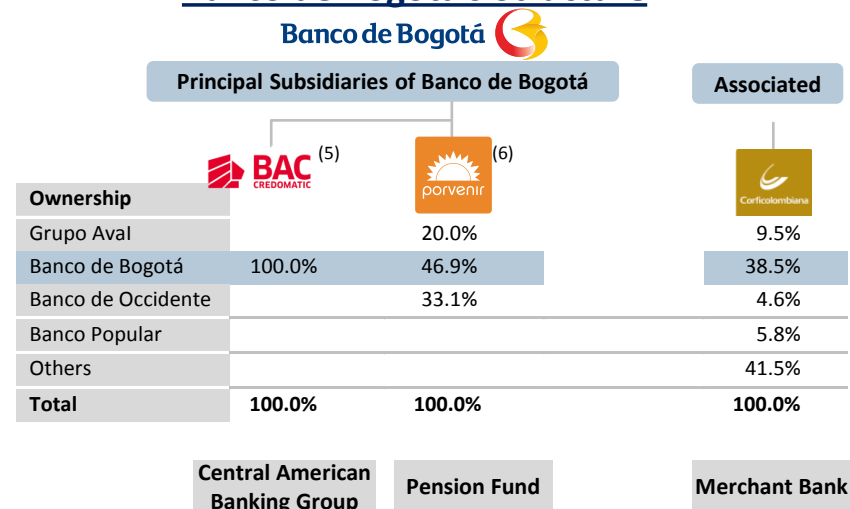


Source: SECMCA, International Monetary Fund (IMF). ES: El Salvador, HO: Honduras, CR: Costa Rica, GU: Guatemala, NI: Nicaragua, PA: Panama, Cenam: Central America. \* Monthly activity indicator.

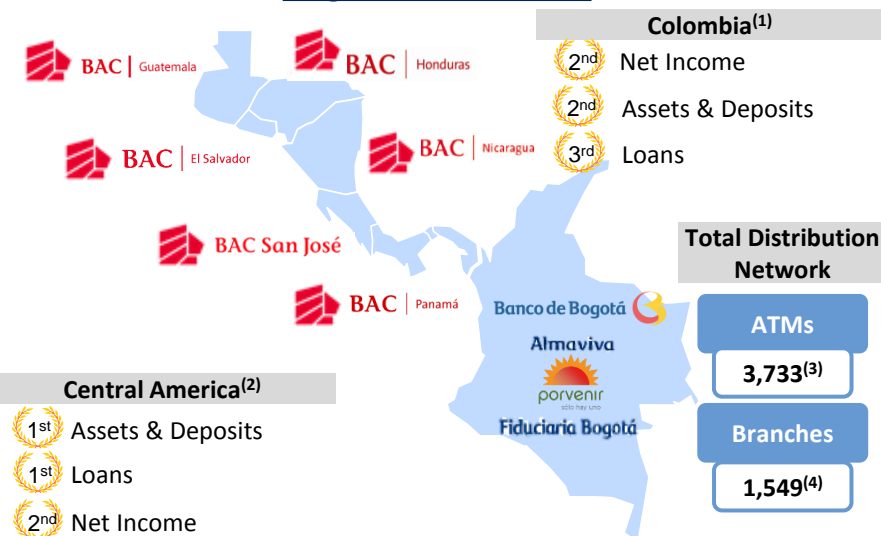
## Key Facts

- ✓ Founded in 1870, Banco de Bogotá is Colombia's oldest financial institution and the principal subsidiary of Grupo Aval, the leading financial group in Colombia
- ✓ Current shareholding structure: Grupo Aval: 68.7%, Other Companies owned by Mr. Sarmiento Angulo 8.3%, Paz Bautista Group 13.3% and Public Float 9.6%
- ✓ Leading presence in Colombia and Central America. Second largest bank in Colombia in terms of assets and deposits, and largest bank in Central America in terms assets, deposits and loans through BAC Credomatic
- ✓ Universal bank with a strong presence in the commercial and consumer lending segments
- ✓ Listed on the Colombian Stock Exchange (BVC), Banco de Bogotá's market capitalization at December 31<sup>st</sup>, 2017 was US\$7.5bn

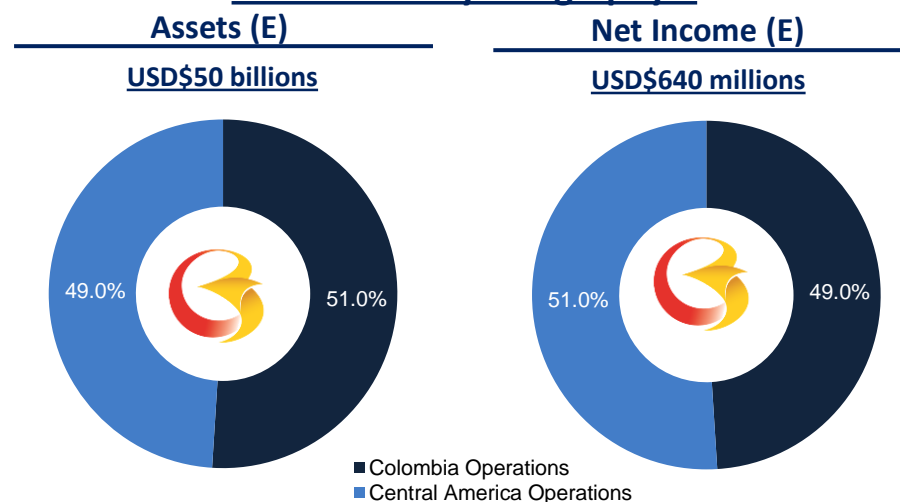
## Banco de Bogotá's Structure



## Regional Franchise



## Consolidated Assets and Net Income Breakdown by Geography<sup>(7)</sup>

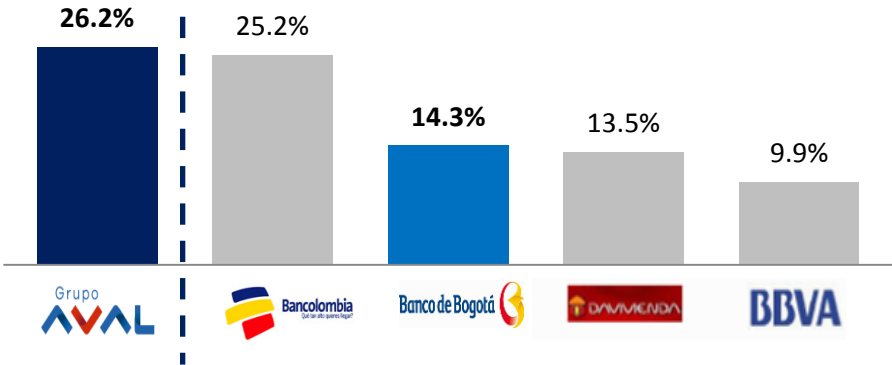


Sources: Company information. (1) Rankings as of December 31<sup>st</sup>, 2017. Net Income rankings based on unconsolidated figures. (2) Rankings as of September 30<sup>th</sup>, 2017. Calculated based on data aggregated from the local bank superintendencies of Costa Rica, El Salvador, Guatemala, Honduras, Panamá and Nicaragua. (3) Reflects aggregate number of ATMs of Banco de Bogotá and BAC Credomatic as of December 31<sup>st</sup>, 2017. (4) Reflects aggregate number of branches of Banco de Bogotá, Porvenir, Banco de Bogotá Panamá, Almaviva, Fiduciaria Bogotá and BAC as of December 31<sup>st</sup>, 2017. Banco de Bogotá and BAC Credomatic jointly account for 1,424 branches. (5) Banco de Bogotá owns BAC Credomatic through Leasing Bogotá Panamá. (6) Banco de Bogotá controls Porvenir through shareholders agreements with Grupo Aval and Banco de Occidente. (7) As of December 31<sup>st</sup>, 2017.

As of December 2017

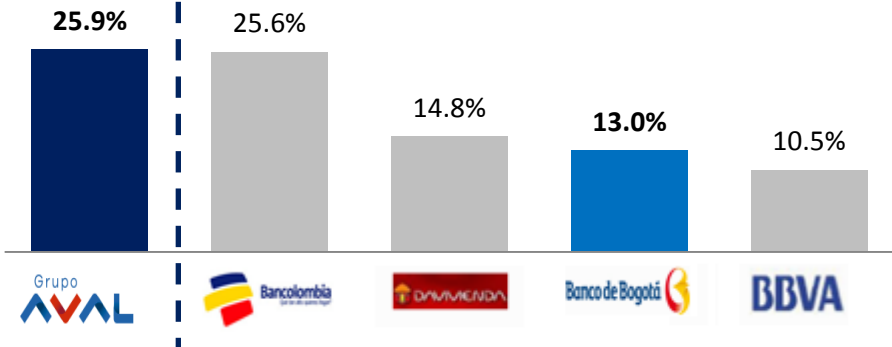
## Total Assets

System: USD\$194.8 bn



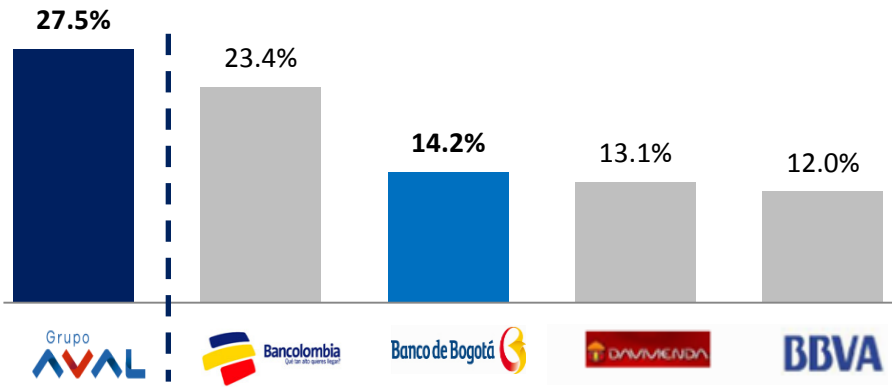
## Net Loans <sup>(1)</sup>

System: USD\$132.3 bn



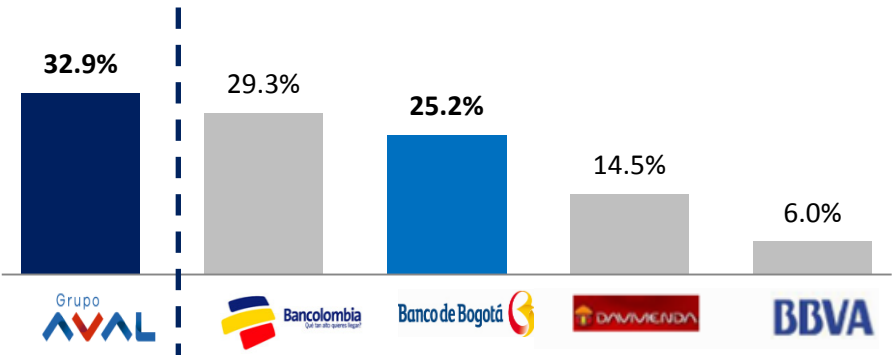
## Deposits <sup>(1)</sup>

System: USD\$122.4 bn



## Net Income 2017

System: USD\$2.6 bn



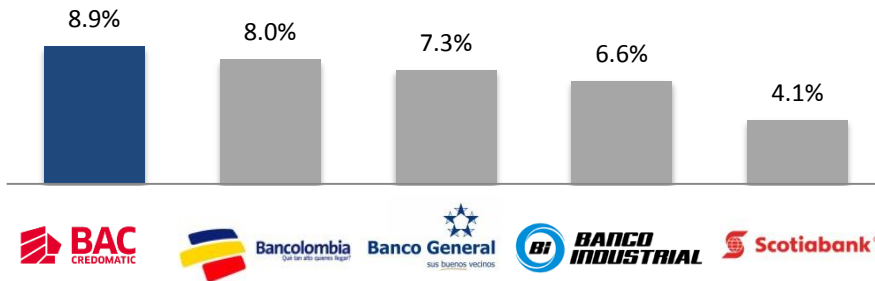
Source: Unconsolidated information under IFRS filed with the Colombian Superintendency of Finance and published monthly; as of December 31, 2017. System: Sum of banks. Grupo Aval is the sum of Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas. Exchange rate: 2,984.00 COP/USD

(1) Figures excluding interbank & overnight funds for comparative purposes. Deposits are calculated as checking accounts, saving accounts and time deposits.



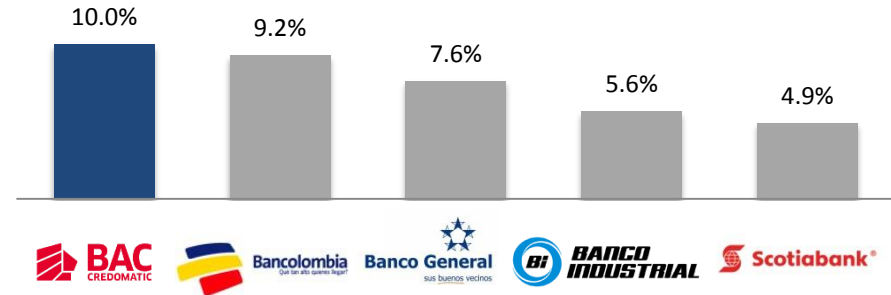
## As of September 2017 Total Assets <sup>(1)</sup>

System: US\$235.2 bn



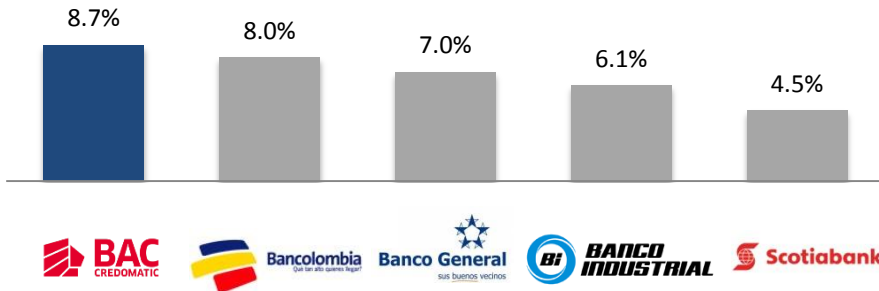
## Net Loans <sup>(1)</sup>

System: US\$147.6 bn



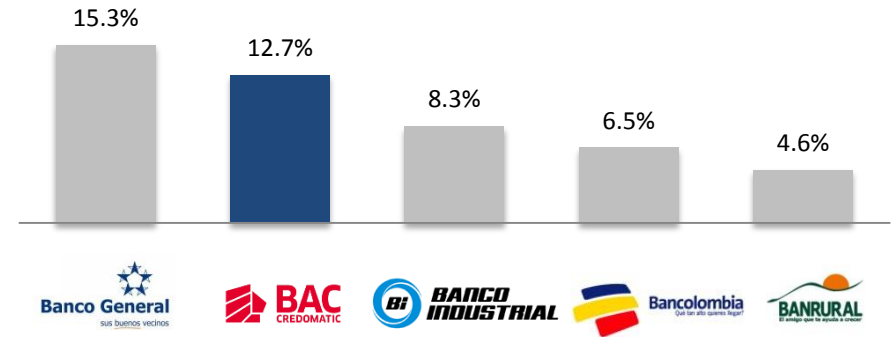
## Deposits <sup>(1)</sup>

System: US\$161.4 bn



## Net Income (9 months)

System: US\$2.2 bn



Source: Company filings. Calculated based on publicly disclosed data aggregated from the local superintendencies of Costa Rica, Honduras, El Salvador, Guatemala, Nicaragua and Panamá  
 (1) Market share is determined based on the consolidated operations in the aforementioned countries. Bancolombia includes Banistmo (Panamá), Bancolombia (Panamá), Grupo Agromercantil (Guatemala) and Banco Agrícola (El Salvador)

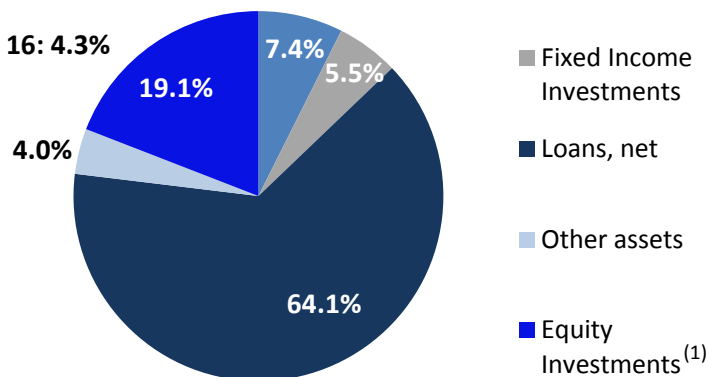
Figures in USD. Billions

## Banco de Bogotá Unconsolidated

**Assets: \$28.1 Bn.**

**Growth**

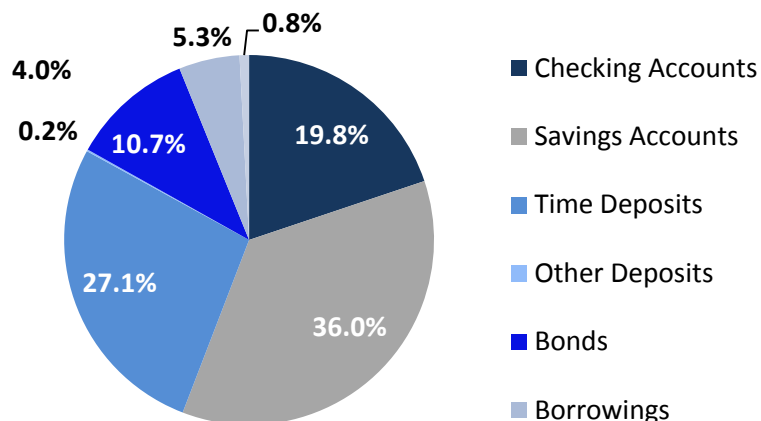
**Dec 17/Dec 16: 4.3%**



**Funding: \$20.9 Bn**

**Growth**

**Dec 17/Dec 16: 4.0%**

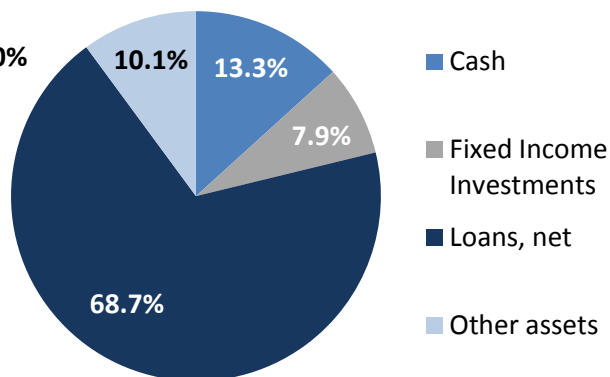


## BAC

**Assets: \$23.5 Bn.**

**Growth**

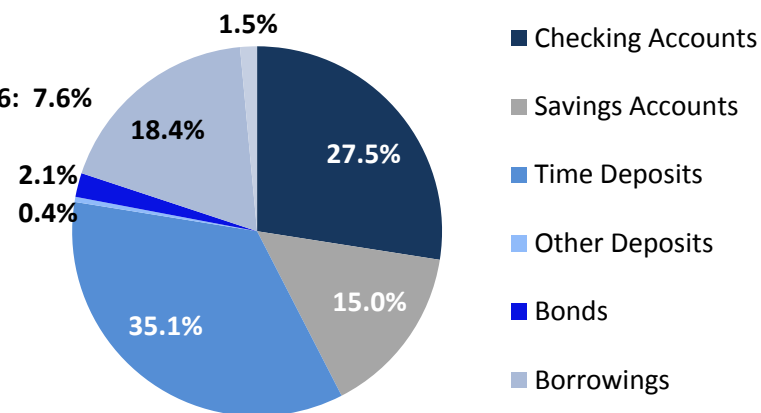
**Dec 17/Dec 16: 8.0%**



**Funding: \$18.9 Bn.**

**Growth**

**Dec 17/Dec 16: 7.6%**



Other assets includes Accounts receivable, PP&E, Goodwill and Intangible Assets, OREOs Net and Other  
Exchange rate: 2.984,00 COP/USD

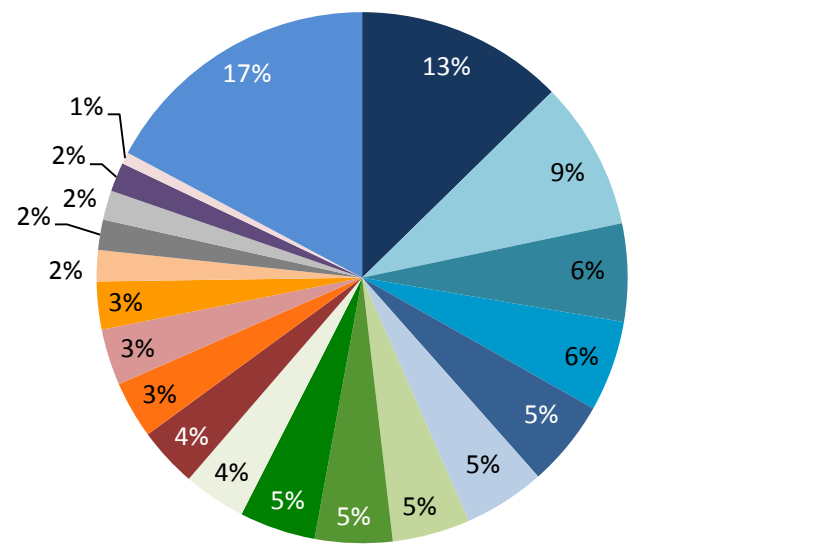
(1) Equity Investments: Includes participations in our associates (Corficolombiana and Casa de Bolsa), and subsidiaries as Leasing Bogotá Panamá and Porvenir, among others.

# Diversified, high-quality gross loan portfolio as of December 2017

Figures in USD. Billions

## Banco de Bogotá Unconsolidated

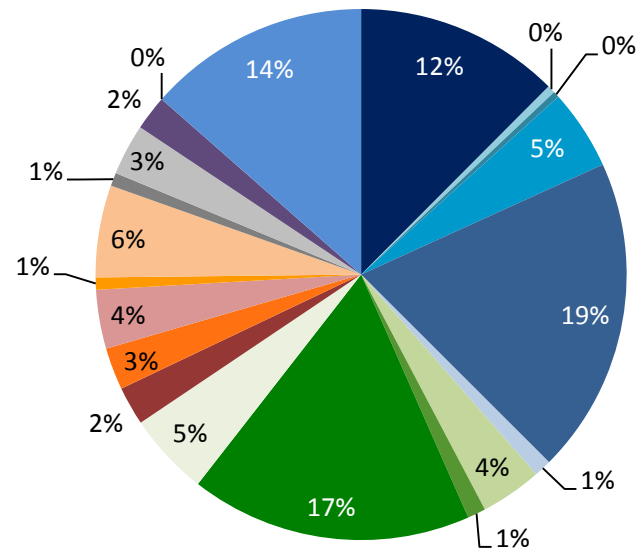
Gross Loans \$18.3 Bn.



- Payrolls and Consumer
- Coal, Gas and Oil
- Mortgages
- Construction
- Credit Cards
- Public Services
- Agricultural
- Automobile
- Commercial Services
- Microcredit
- Investment Groups
- Food, Beverage and Tabacco
- Civil Works
- Transportation
- Wholesale and Retail Companies
- Business Support
- Health
- Chemical Products
- Transportation Equipment
- Others Commercial

## Central America

Gross Loans \$15.5 Bn.

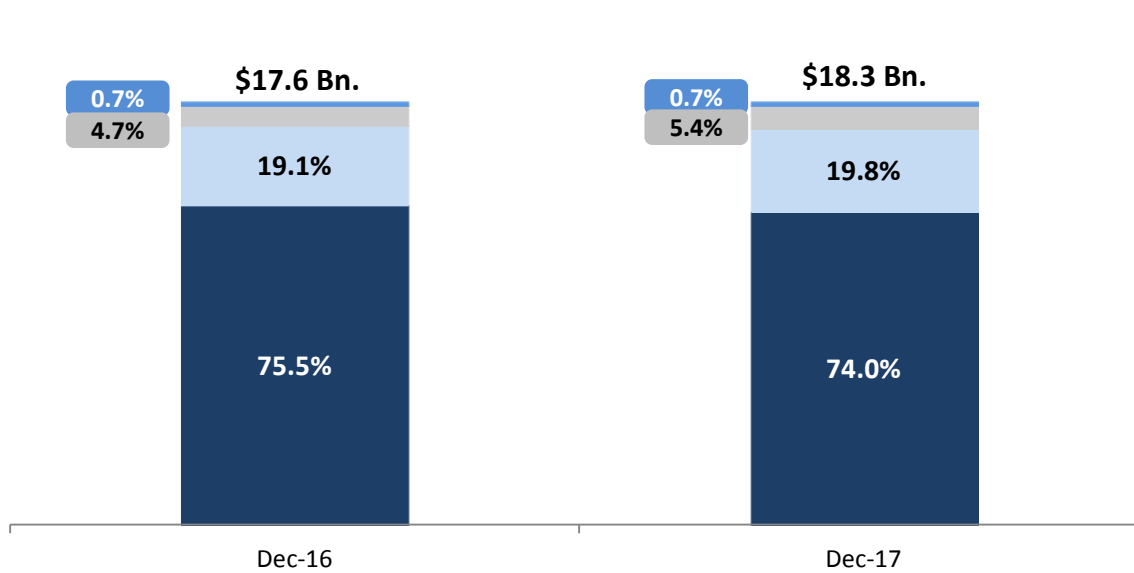


- Payrolls and Consumer
- Coal, Gas and Oil
- Mortgages
- Construction
- Credit Cards
- Public Services
- Agricultural
- Automobile
- Commercial Services
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- Food, Beverage and Tabacco
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- Business Support
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- Others Commercial

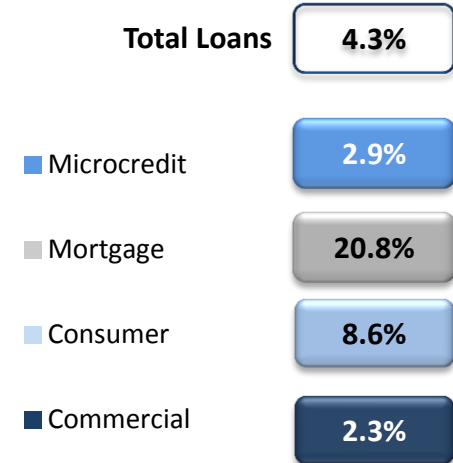
Exchange rate: 2,984.00 COP/USD

Figures in USD. Billions

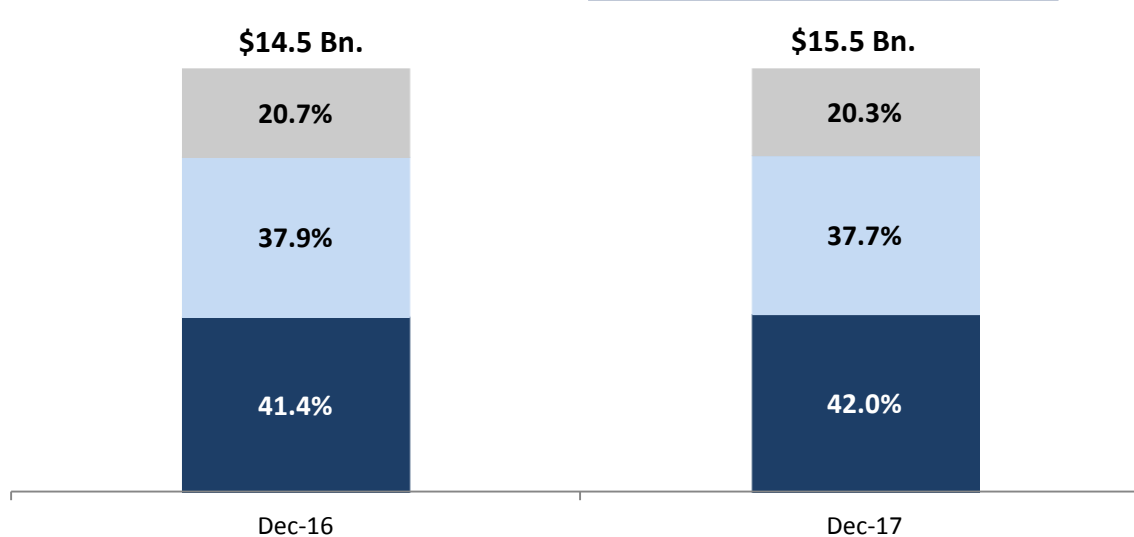
## Gross Loan Portfolio, Banco de Bogotá Unconsolidated



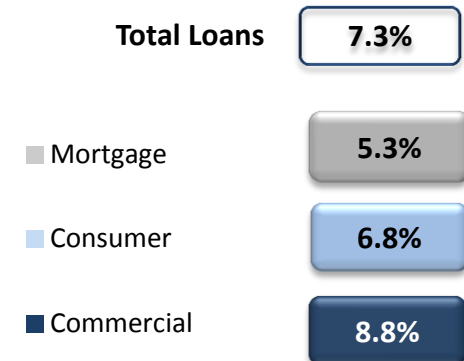
Growth (%)  
Dec 17 / Dec 16



## Gross Loan Portfolio, BAC



Growth (%)  
Dec 17/Dec 16



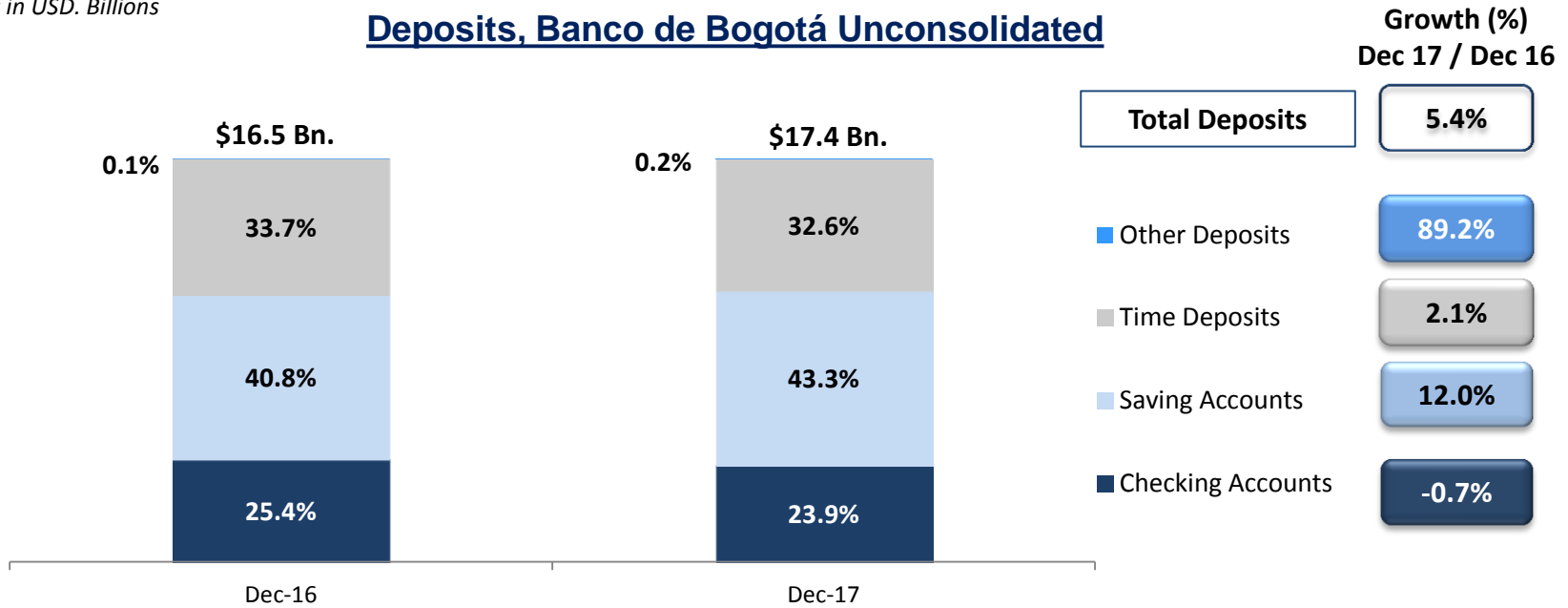
|  | <u>Banco de Bogotá</u><br><u>Unconsolidated</u> |                 | <u>BAC</u>      |                 |
|--|---|-----------------|-----------------|-----------------|
|  | <u>Dec-2016</u>                                 | <u>Dec-2017</u> | <u>Dec-2016</u> | <u>Dec-2017</u> |
| <b>Delinquency Ratio</b>                     |   |                 |                 |                 |
| 30 day PDLs / Gross Loans                    | 3.0%  | 4.4%            | 2.3%            | 2.4%            |
| <i>Excluding Electricaribe<sup>(1)</sup></i> |   | 3.8%            |                 |                 |
| 90 day PDLs / Gross Loans                    | 2.2%  | 3.6%            | 1.2%            | 1.2%            |
| <i>Excluding Electricaribe</i>               |   | 2.9%            |                 |                 |
| <b>Cost of Risk <sup>(2)</sup></b>           |   |                 |                 |                 |
| Cost of Risk, Gross                          | 2.2%  | 2.9%            | 2.4%            | 2.7%            |
| <i>Excluding Electricaribe</i>               |   | 2.4%            |                 |                 |
| Cost of Risk, Net                            | 2.0%  | 2.7%            | 1.9%            | 2.1%            |
| <i>Excluding Electricaribe</i>               |   | 2.2%            |                 |                 |
| <b>Charge-Off Ratio <sup>(2)</sup></b>       |   |                 |                 |                 |
| Charge offs / 90 days PDLs                   | 0.88x   | 0.47x           | 1.46x           | 1.58x           |
| <i>Excluding Electricaribe</i>               |   | 0.60x           |                 |                 |
| Charge offs / Avg Loans                      | 1.8%  | 1.4%            | 1.6%            | 1.9%            |
| <b>Coverage</b>                              |   |                 |                 |                 |
| Allowance / 30 days PDLs                     | 1.12x   | 1.04x           | 0.61x           | 0.63x           |
| <i>Excluding Electricaribe</i>               |   | 1.08x           |                 |                 |
| Allowances / 90 days PDLs                    | 1.51x   | 1.29x           | 1.22x           | 1.28x           |
| <i>Excluding Electricaribe</i>               |   | 1.41x           |                 |                 |
| Allowances / Gross Loans                     | 3.3%  | 4.6%            | 1.4%            | 1.5%            |
| <i>Excluding Electricaribe</i>               |   | 4.1%            |                 |                 |

(1) As of December 2017, 90+ days PDLs includes a 70% provision of Electricaribe (principal + interest).

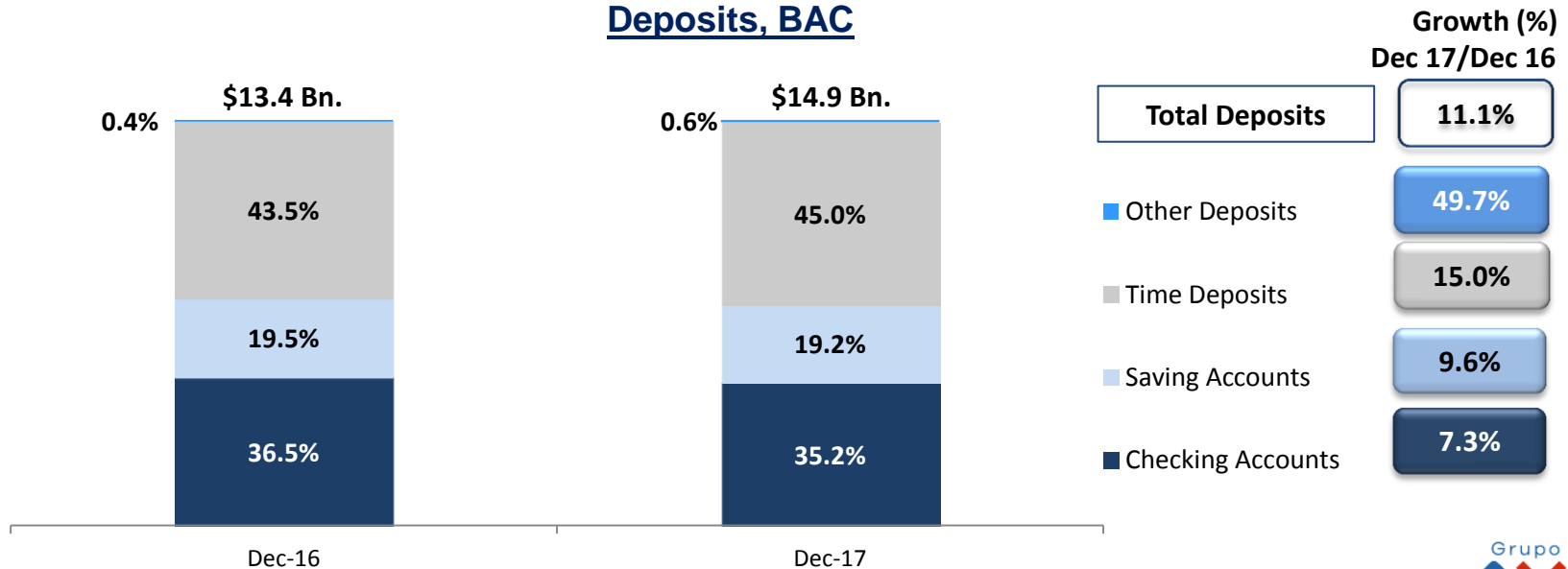
(2) Accumulated full year.

Figures in USD. Billions

## Deposits, Banco de Bogotá Unconsolidated



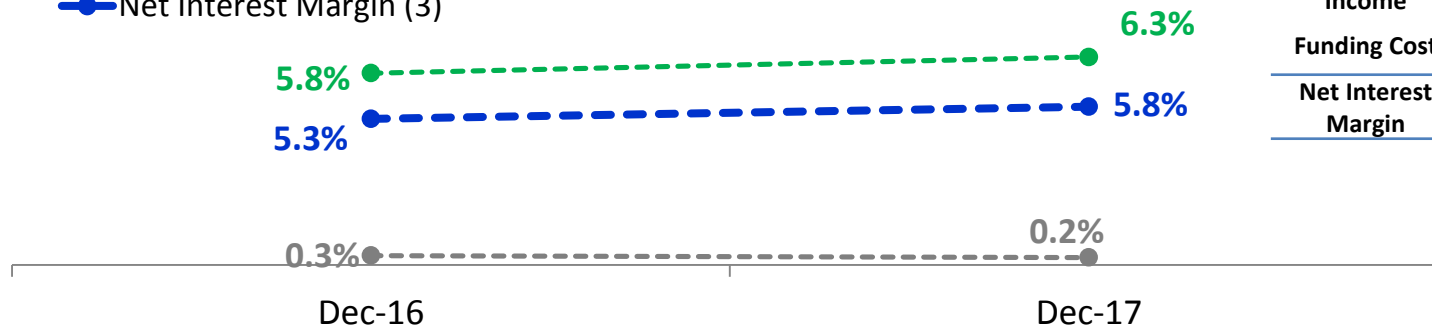
## Deposits, BAC



## Banco de Bogotá Unconsolidated

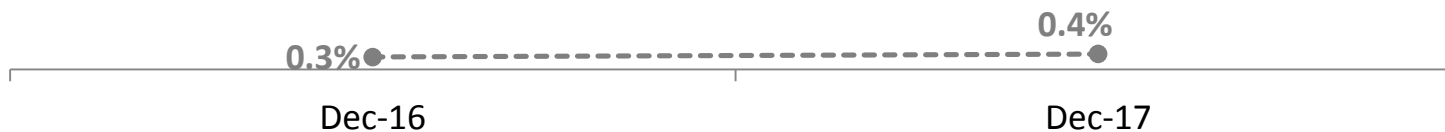
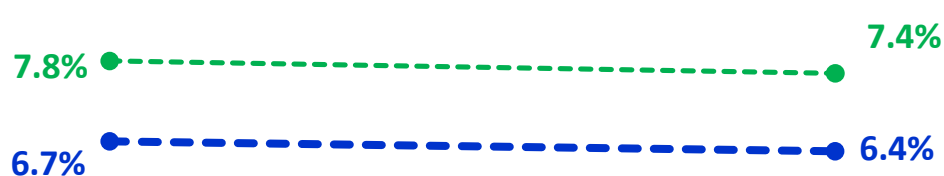
| BdB Unconsolidated         | Dec - 16    | Dec - 17    |
|----------------------------|-------------|-------------|
| Yield on Loans             | 11.1%       | 11.1%       |
| Yield on Fixed Income      | 5.6%        | 5.0%        |
| Funding Cost               | 5.5%        | 4.9%        |
| <b>Net Interest Margin</b> | <b>5.3%</b> | <b>5.8%</b> |

● Net Interest Margin on Investments (1)     ● Net Interest Margin on Loans (2)  
● Net Interest Margin (3)



## BAC

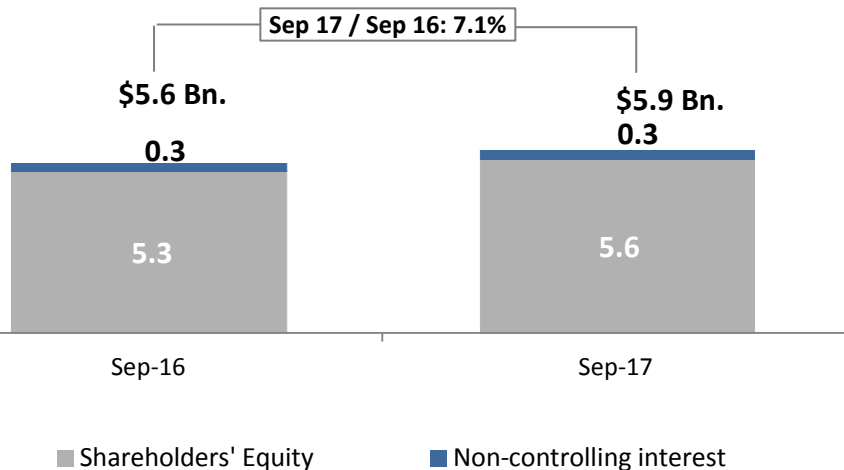
| BAC                        | Dec - 16    | Dec - 17    |
|----------------------------|-------------|-------------|
| Yield on Loans             | 11.1%       | 10.7%       |
| Yield on Fixed Income      | 3.7%        | 3.7%        |
| Funding Cost               | 3.3%        | 3.3%        |
| <b>Net Interest Margin</b> | <b>6.7%</b> | <b>6.4%</b> |



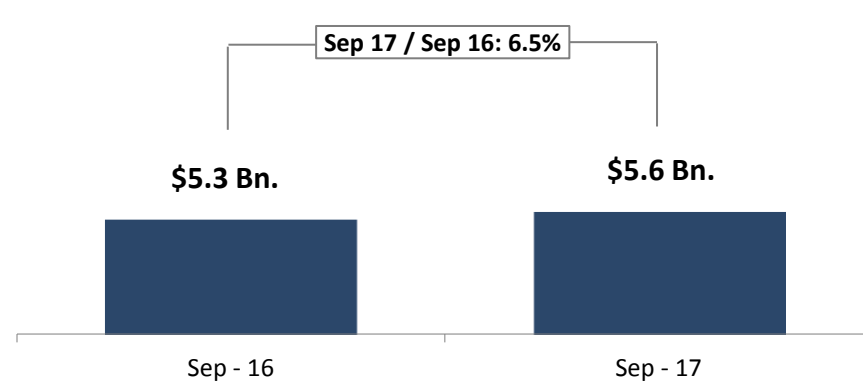
- (1) Investments Net Interest Margin : Net Interest income on fixed income securities + Net trading income from investment securities held for trading + income from interbank and overnight funds / Full year average securities + Interbank and overnight funds.
- (2) Loans Net Interest Margin: Net Interest Income on Loans / Full year average loans and financial leases.
- (3) Net Interest Income for the period/ Full year average interest earning assets.

Figures in USD. Billions

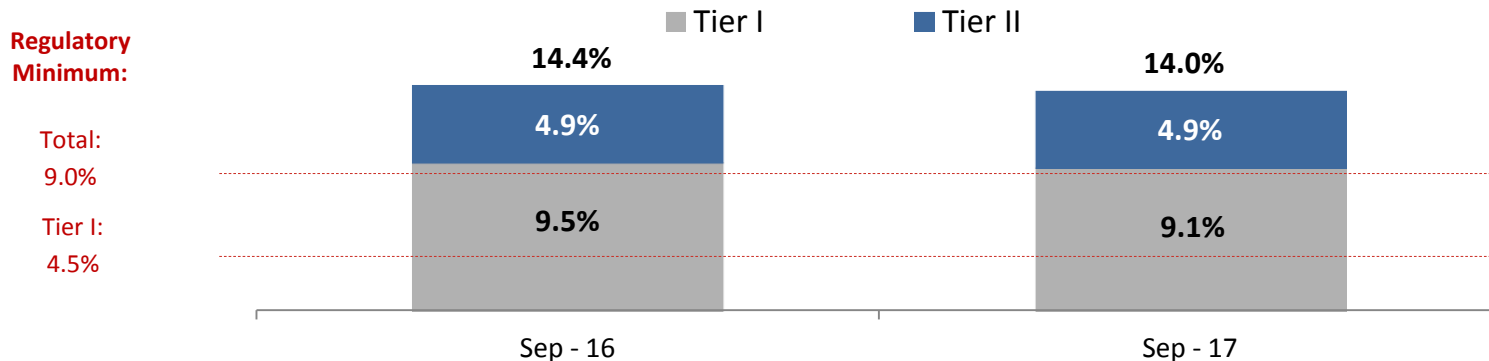
## Attributable Equity + Minority Interest



## Shareholders' Equity



## Consolidated Capital Adequacy <sup>(1)</sup>



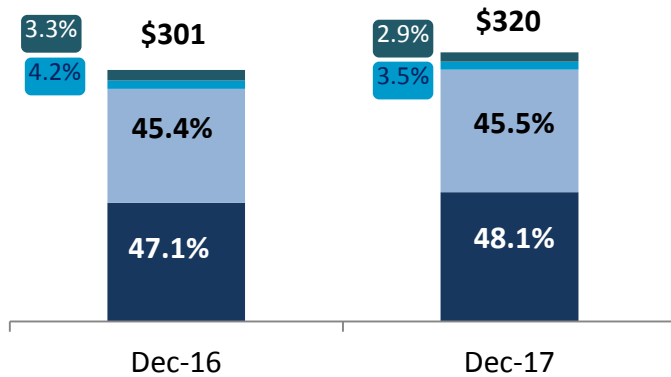
(1) Capital Ratios are calculated under the methodology of the Colombian Superintendency of Finance. The capitalization generated by the deconsolidation of Corficolombiana was included as Tier I in Sep-16.



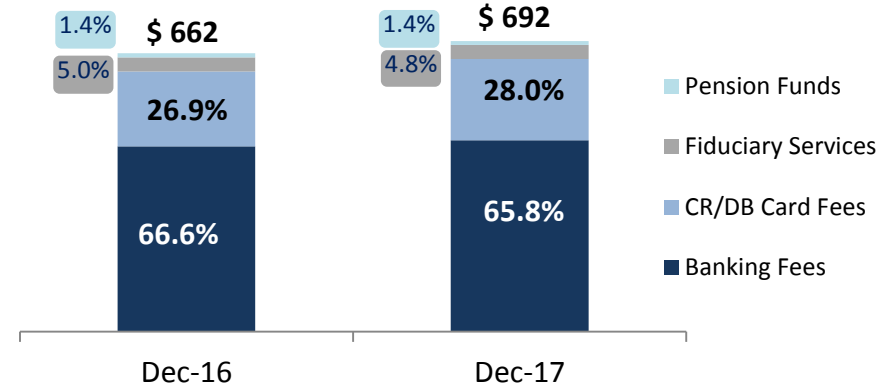
Figures in USD. Millions

## Fee Income by Product

### Banco de Bogotá Unconsolidated

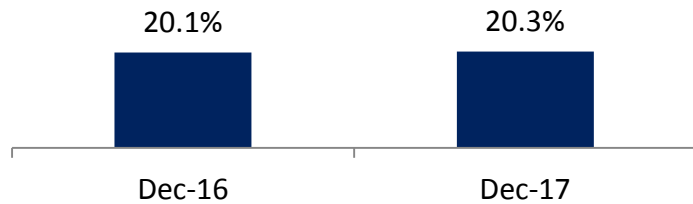


### BAC

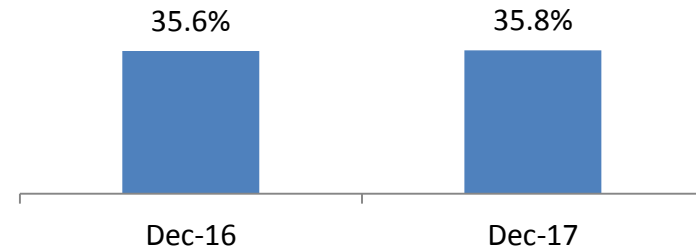


## Fee Income Ratio <sup>(1)</sup>

### Banco de Bogotá Unconsolidated <sup>(2)</sup>



### BAC



(1) Fee Income ratio is calculated: Gross Fee income / Net interest income before provision + Gross fee income + Net trading income from investment securities held for trading + Other Income(excluding equity method Income, dividends and others).

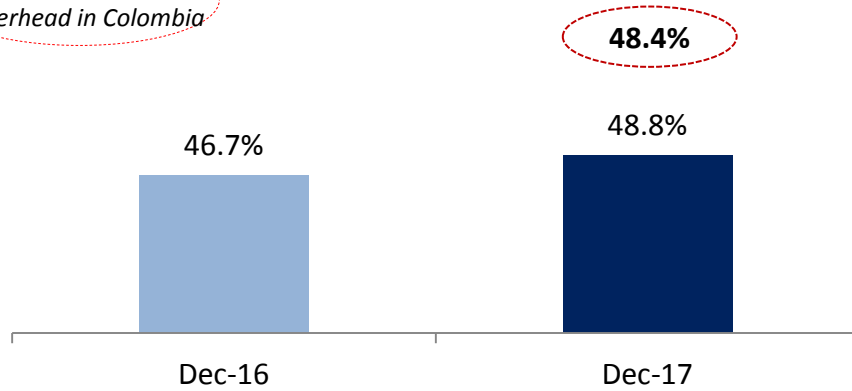
(2) Ratios for Banco de Bogotá Unconsolidated are calculated excluding the extraordinary gain from the loss of control of CFC (USD \$728 Million).

Exchange rate: 2,984.00 COP/USD

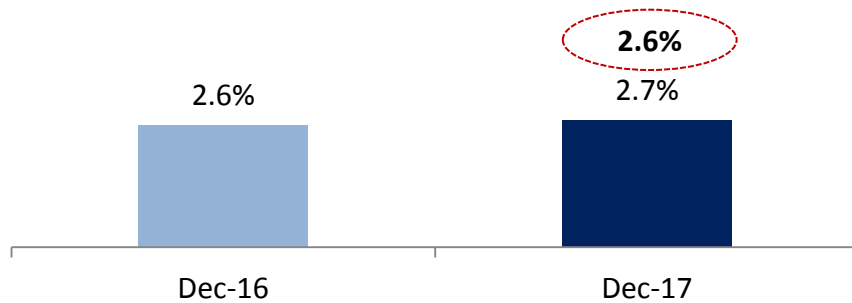
## Banco de Bogotá Unconsolidated

### Operating Expenses/ Total Income<sup>(1) (2)</sup>

*Excluding streamlining overhead in Colombia*

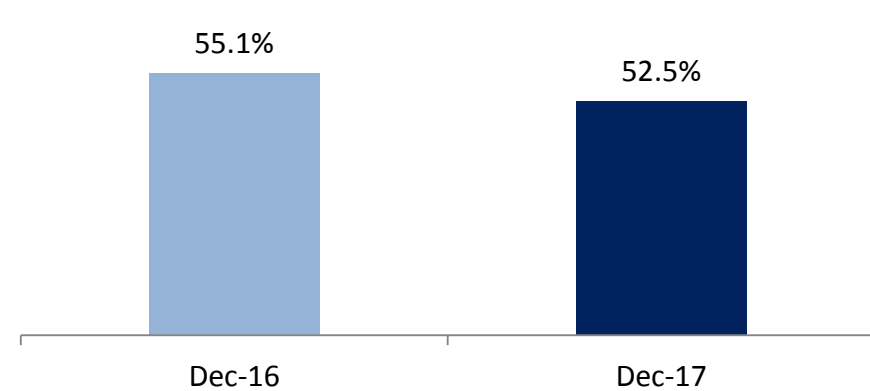


### Operating Expenses/Average Assets<sup>(3)</sup>

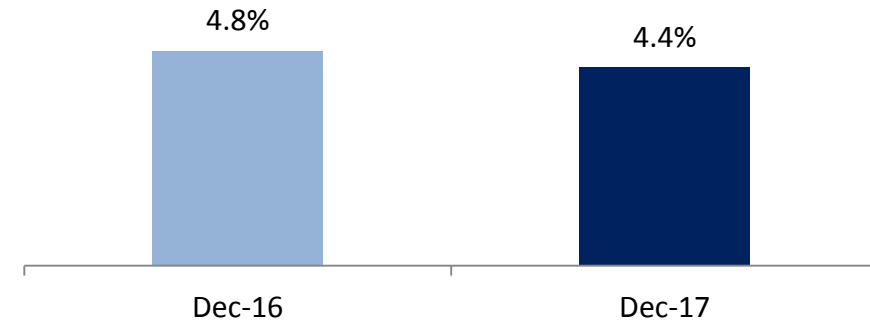


## BAC

### Operating Expenses/ Total Income<sup>(1)</sup>



### Operating Expenses/Average Assets<sup>(3)</sup>



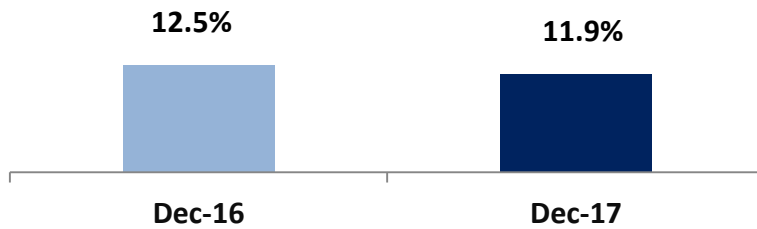
(1) Calculated as Personnel plus administrative expenses divided by net interest income plus net trading income, other income and fees and other services income, net (excluding equity method Income, dividends and others).

(2) Ratios are excluding the wealth tax. Including this tax, efficiency ratio was 50.5% for 2016 and 50.2% for 2017.

(3) Calculated as annualized personnel plus administrative and other expenses divided by average of total assets.

## Banco de Bogotá Unconsolidated

### ROAE (1)

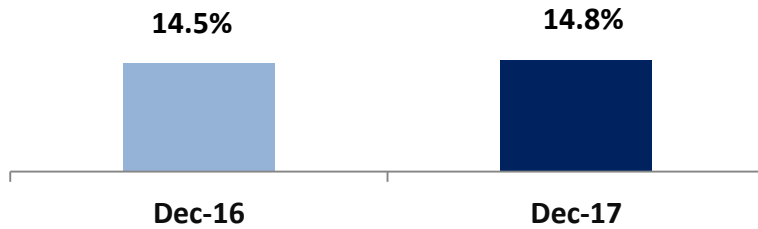


### ROAA (2)



## BAC

### ROAE (1)



### ROAA (2)



NOTE: Ratios for Banco de Bogotá Unconsolidated are calculated excluding the extraordinary gain from the loss of control of CFC (USD \$728 Million)

(1) ROAE for each period is calculated as Net Income attributable to shareholders divided by average attributable shareholders' equity.

(2) ROAA for each period is calculated as Net Income divided by average of total assets.

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