

Banco de Bogotá

Investor Presentation



LarrainVial

11th Annual Andean Conference

March 7th - 8th 2017



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 unconsolidated financial information, which is in accordance with IFRS as currently issued by the IASB. Data for 3Q2016 is unaudited, consolidated financial information.

At June 30th 2016, Banco de Bogotá deconsolidated Corficolombiana (ceded control of CFC to Grupo Aval). The Bank now holds its 38.3% stake in Corficolombiana as an equity investment.

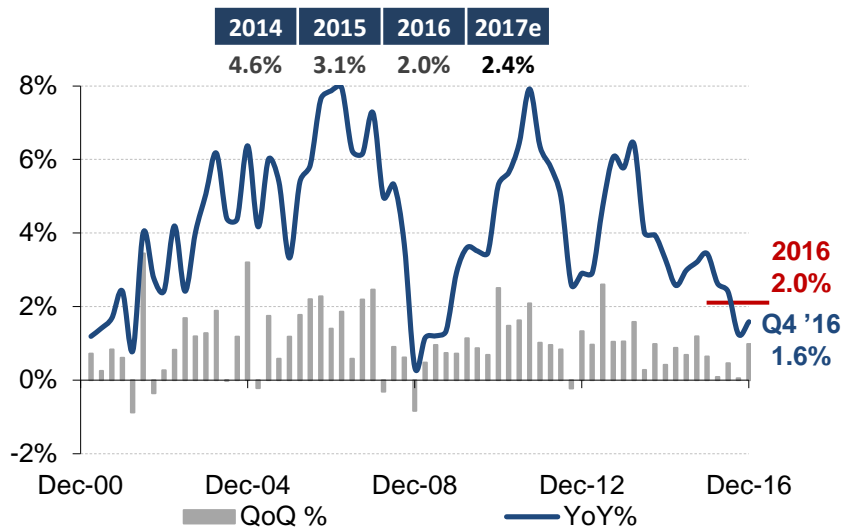
This report may include forward-looking statements and actual results may vary from those stated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risks factors. Recipients of this document are responsible for the assessment 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.

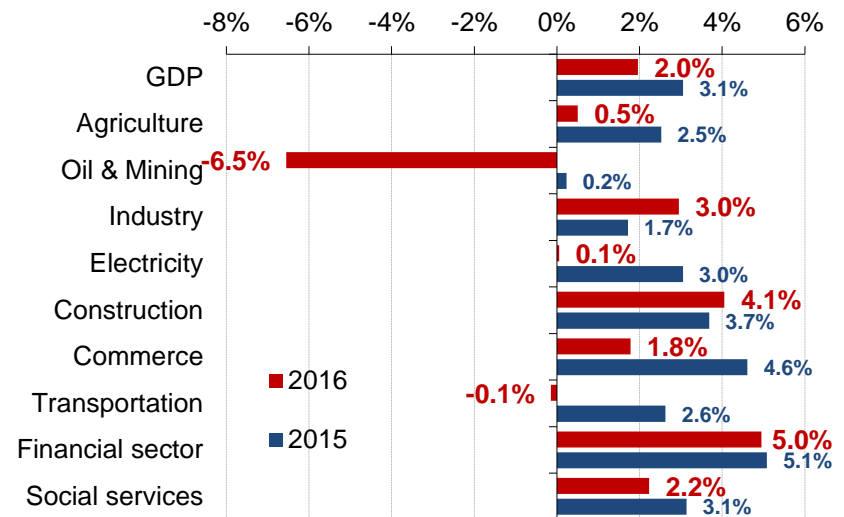
Details of the calculations of Non GAAP measures such as NIM, Fee Income Ratio, among others, are explained when required in this report.

Colombia: Economic activity decelerated in 2016, but should pickup in 2017

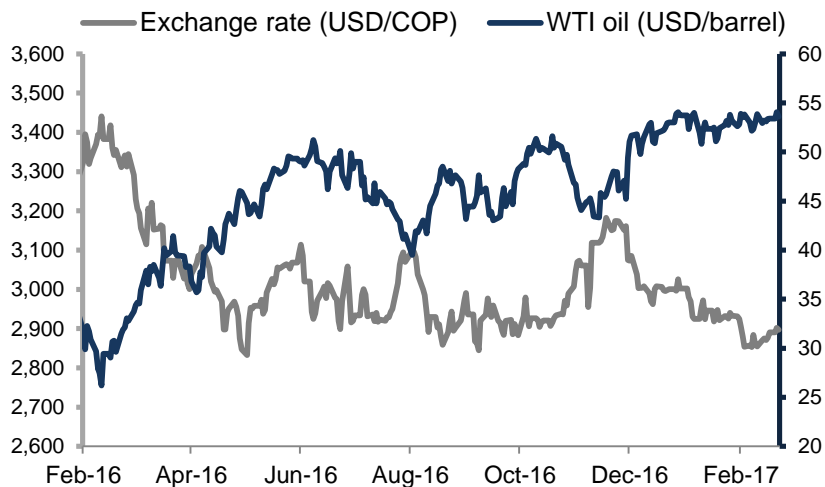
Quarterly GDP (YoY %)



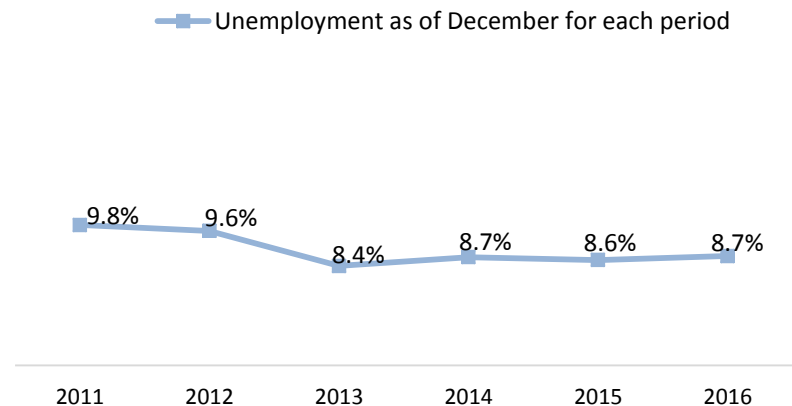
Annual GDP growth by sector (YoY %)



Colombian Peso vs. WTI (US\$/COP, US\$/barrel)

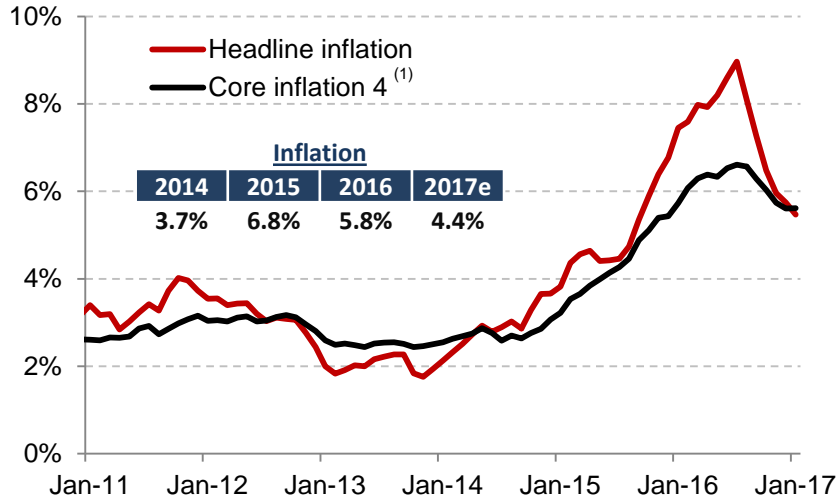


Unemployment (1)



Colombia: Inflation continues to moderate, Central Bank will likely reduce interest rate gradually during 2017

Core and total inflation (YoY %)



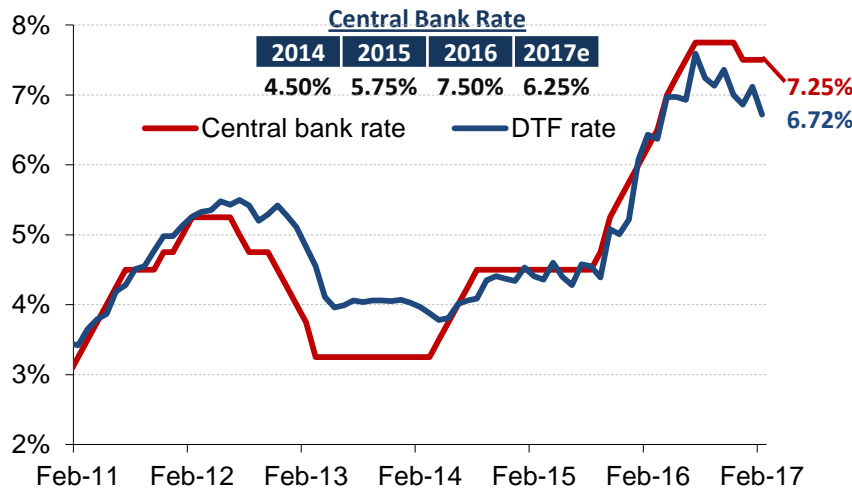
Exchange Rate (USD/COP)

	4Q15	3Q16	4Q16
Average	3,061.74	2,948.97	3,009.53
End of period	3,149.47	2,880.08	3,000.71

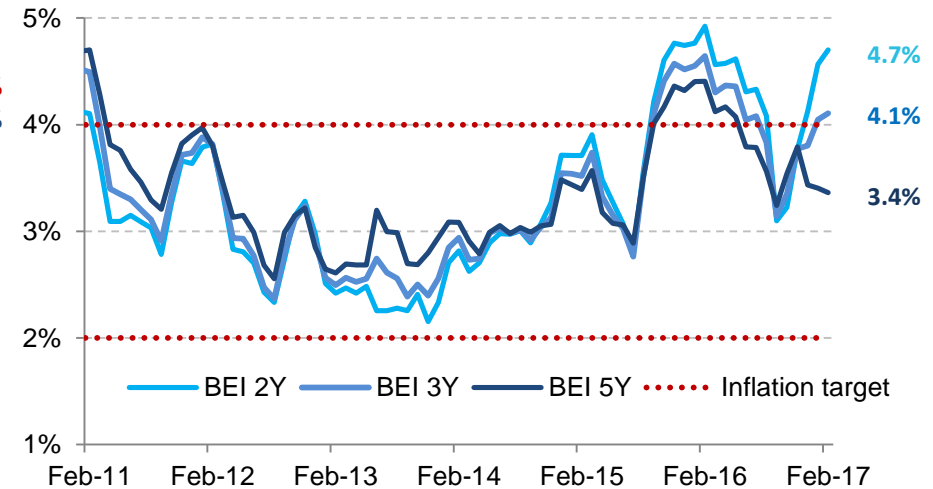
	4Q16 vs. 4Q15	4Q16 vs. 3Q16
Average	1.7%	-2.1%
End of period	4.7%	-4.2%

Positive change = COP appreciation
Negative change = COP devaluation

Central Bank interest rate vs. DTF rate* (%)



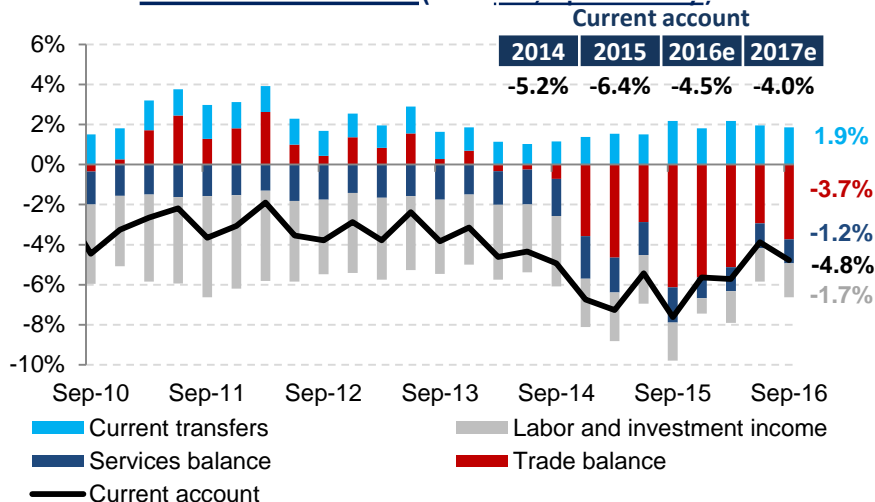
Market-based inflation expectations – BEI** (%)



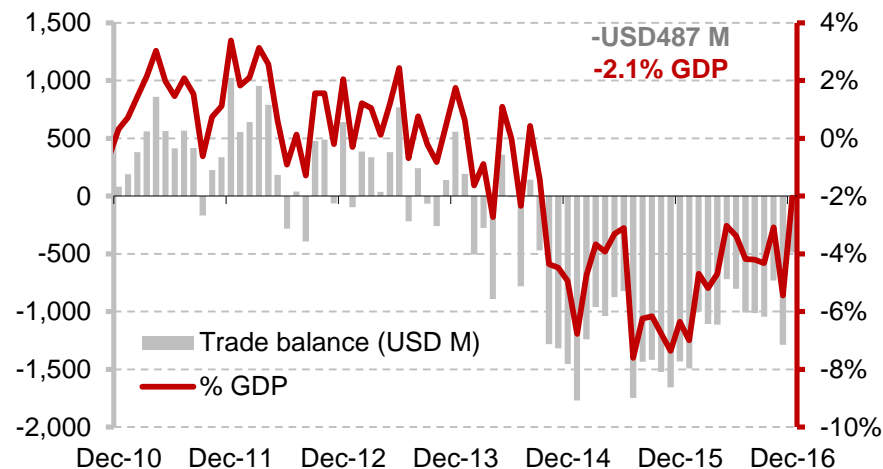
Source: DANE, Banco de la República (BR). Estimates: Economic Research, Banco de Bogotá.

(1) Average of four measures preferred by BR: 1) without foodstuff; 2) without foodstuff and regulated; 3) without foodstuff, public services and gasoline; and 4) core 20. * Monthly average except last data point which is Feb-16-17. ** Monthly average with information up to Feb-21-17.

Current Account (% GDP, quarterly)

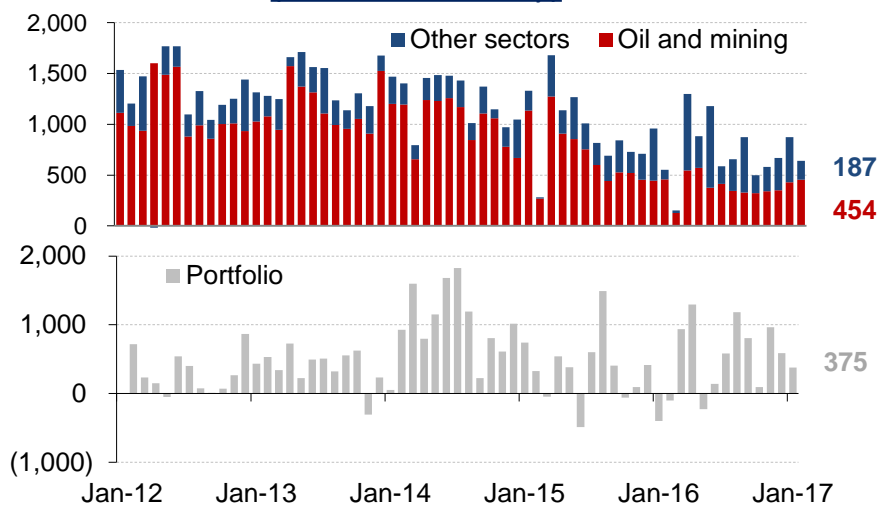


Trade balance (USD M, % GDP, monthly)

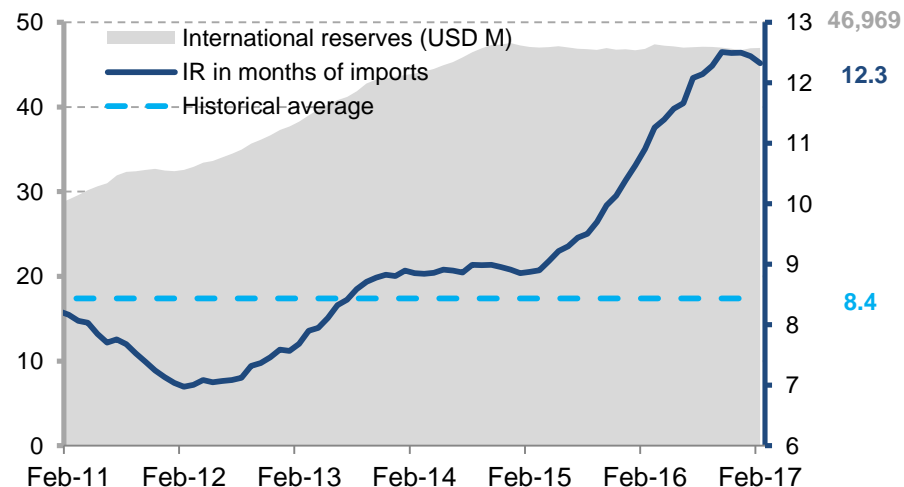


Foreign investment: direct and portfolio*

(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 up to Jan-31-17.

VAT increase

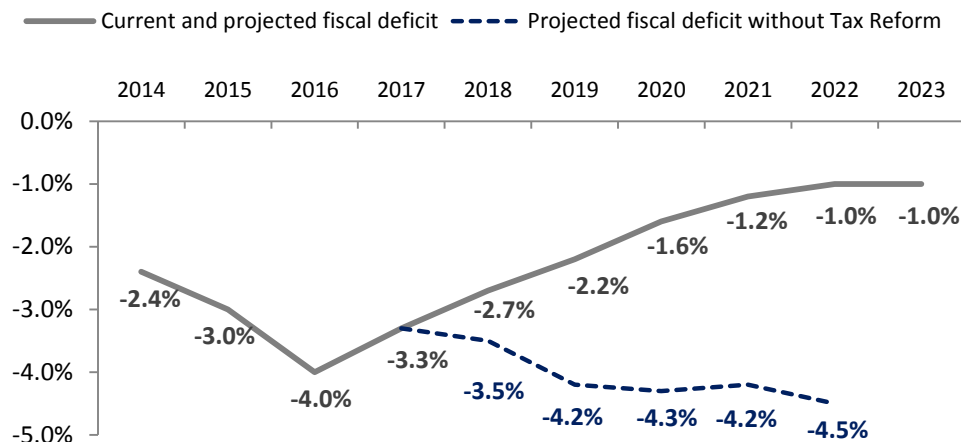
- VAT Rate: 300 bps increase, from 16% to 19%.
- VAT is expected to contribute an additional COP 6 trillion per year.
- VAT Increase should not have too significant of an impact on inflation because most basic goods are exempted.

Other tax adjustments

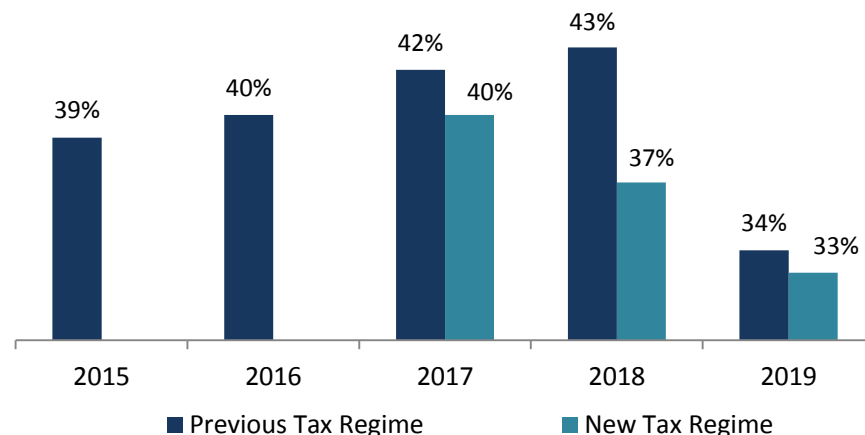
- Additional taxes like CREE, CREE Surcharge and Wealth Tax will cease in 2019.
- Minimum income tax rate increases from 3% to 3.5%.
- Financial Transaction Tax (4x1000) will continue given that it is a steady source of income (COP 6.9 trillion per year) and it is easy to collect.
- The reform includes a Green Tax on fossil fuel; these will generate COP 0.7 trillion per year.
- Increased VAT and consumption tax for cigarettes and alcoholic beverages.
- The Tax Reform empowers the Tax Administration to punish (in some cases through incarceration) actions such as: improper use of Non-profit entities, false declaration of assets or false expense statements that seek to reduce income tax.

Projected Fiscal Deficit with & without Tax Reform

(% of GDP)



Comparison of Corporate Income Tax Rates



Income Tax

- The Reform lowered the income tax threshold from COP\$3.6MM to COP\$2.5MM, which will result in a widening of the base by more than 400,000 individuals. However, the significant majority of the population (80%+) will continue to be exempt as they fall below this level.
- Effective income tax rate increased 200-300 bps for the higher-income brackets.

Dividend Tax

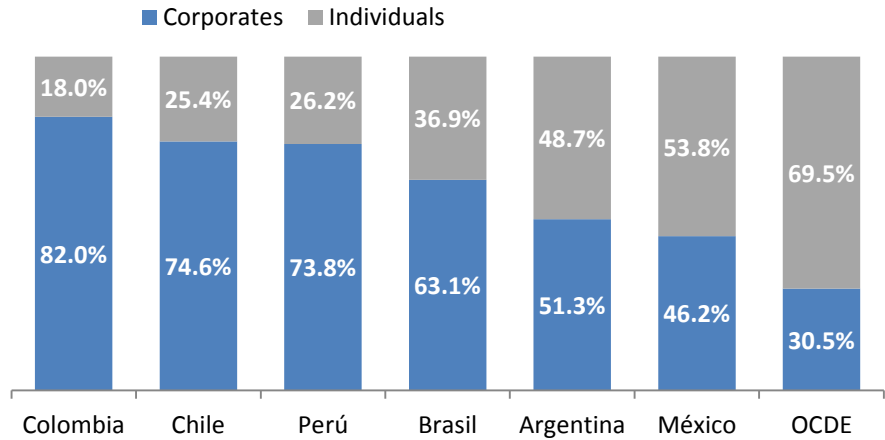
- The reform includes a new tax on Dividends received by individuals; for Colombian residents this tax will only apply to individuals, while for foreign residents the tax will be applied to companies and individuals:

<i>Dividend</i>	<i>Tax rate</i>
Between 19.1 MCOP and 31.9 MCOP	5%
Higher than 31.9 MCOP	10%

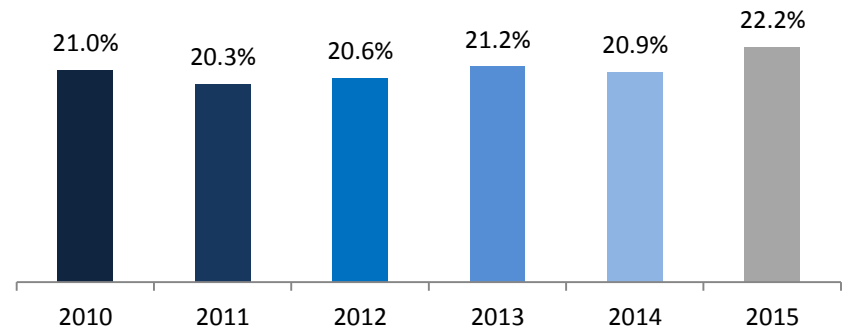
Payment Capacity

- **Lower inflation** in 2017 and a higher minimum wage (above 2016 average inflation) will help individuals cope with slightly higher/new taxes.
- Additionally, a **stable FX Rate** should help reduce the effect of the VAT increase, as imported goods become relatively less expensive (25% of goods consumed are imported).

Income Tax Breakdown: Corporates & Individuals

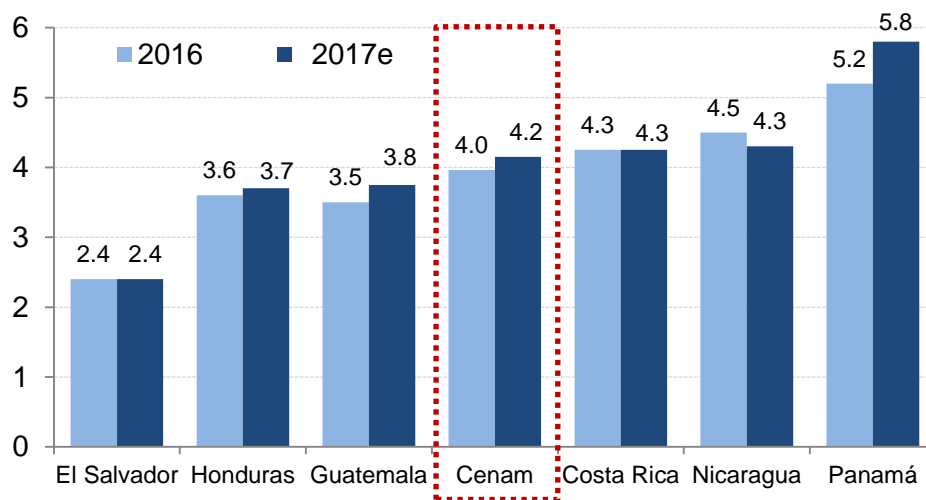


Financial payments* as % of Family's Total Income

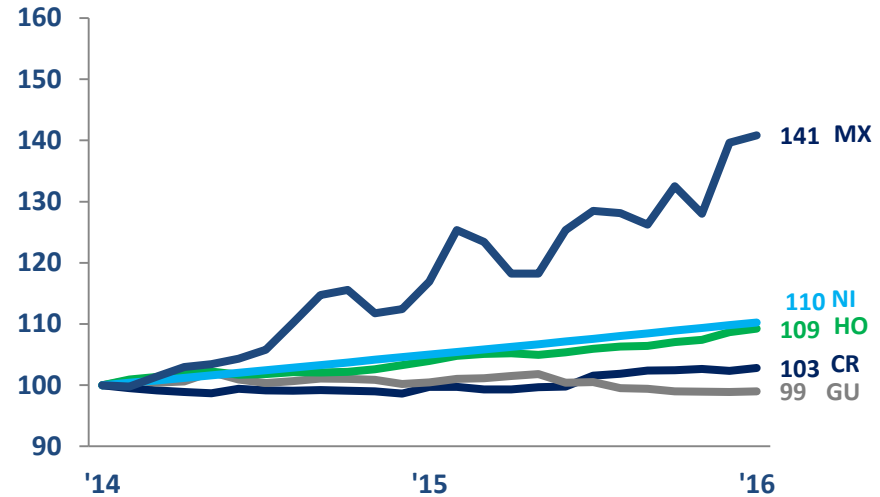


* Includes consumer and mortgage payments

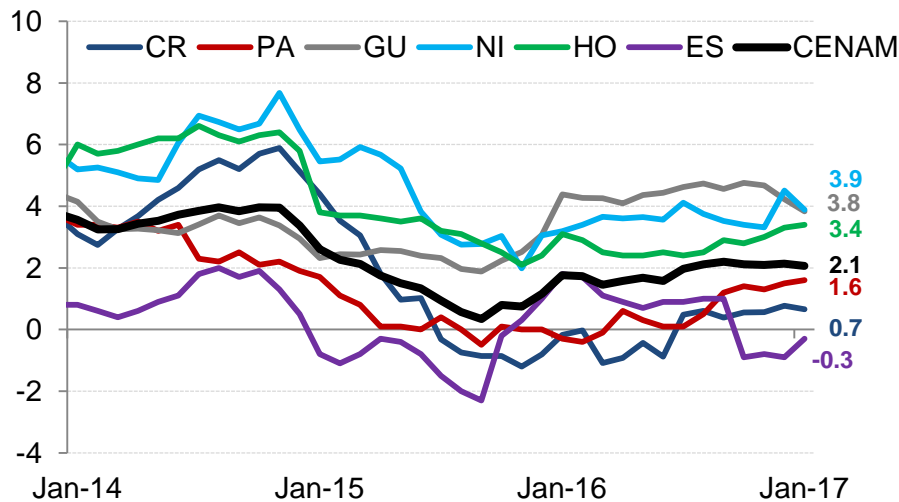
GDP (YoY %)



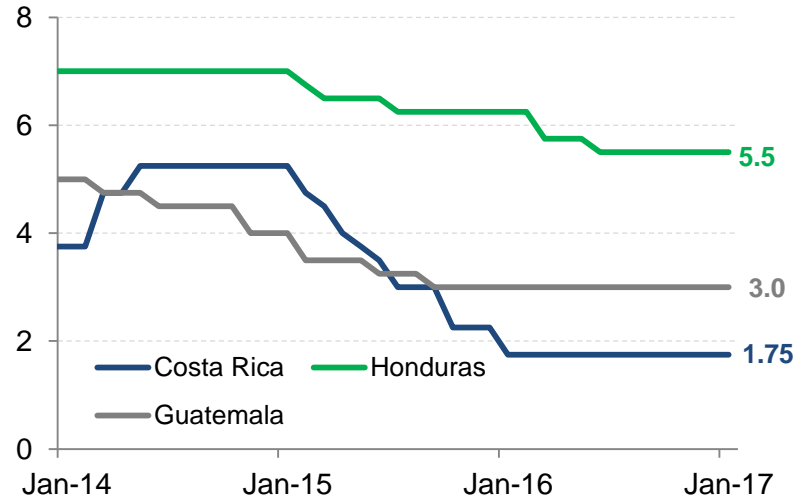
Exchange Rates (Index= 2014)



Inflation (YoY %)



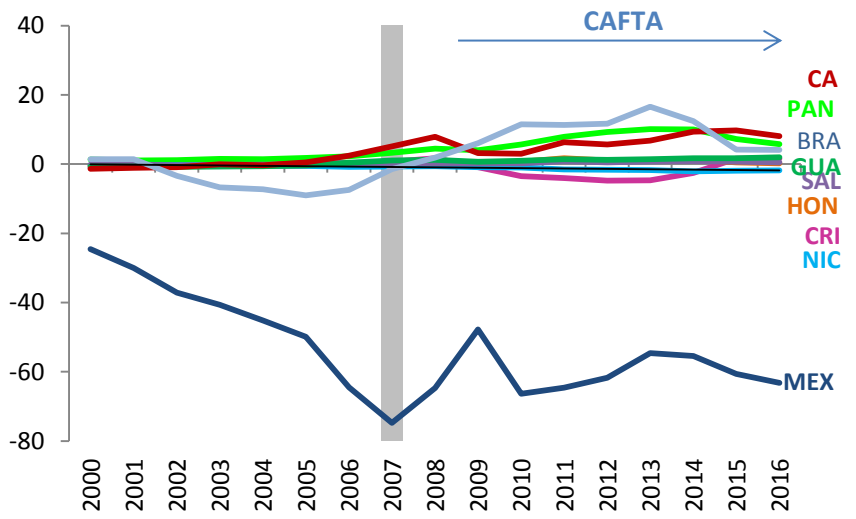
Central Bank interest rate (%)



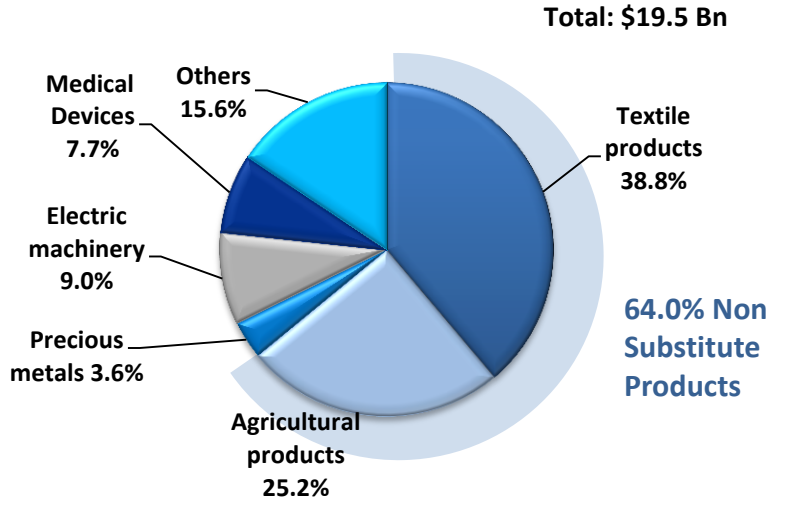
Source: SECMCA, International Monetary Fund (IMF). Estimates: Economic Research, Banco de Bogotá. ES: El Salvador, HO: Honduras, CR: Costa Rica, GU: Guatemala, NI: Nicaragua, PA: Panamá, MX: México.

Trump: Uncertain effect, Mexico possibly most impacted. Central America, possibly less so.

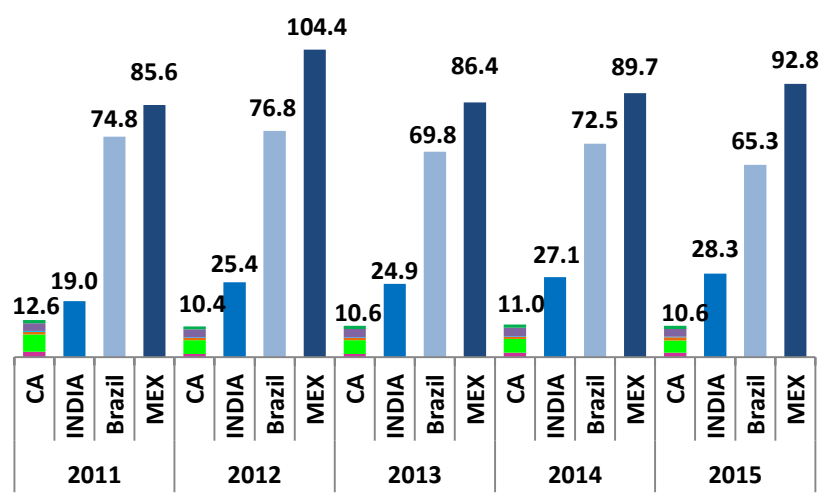
US Trade Balance (\$Bn)



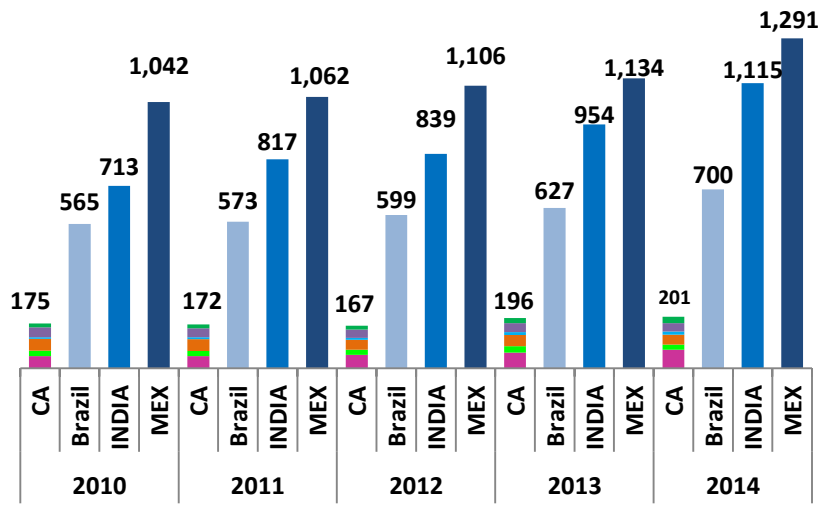
Imports to US from Central America by product 2015



Foreign Direct investments of US (\$Bn)



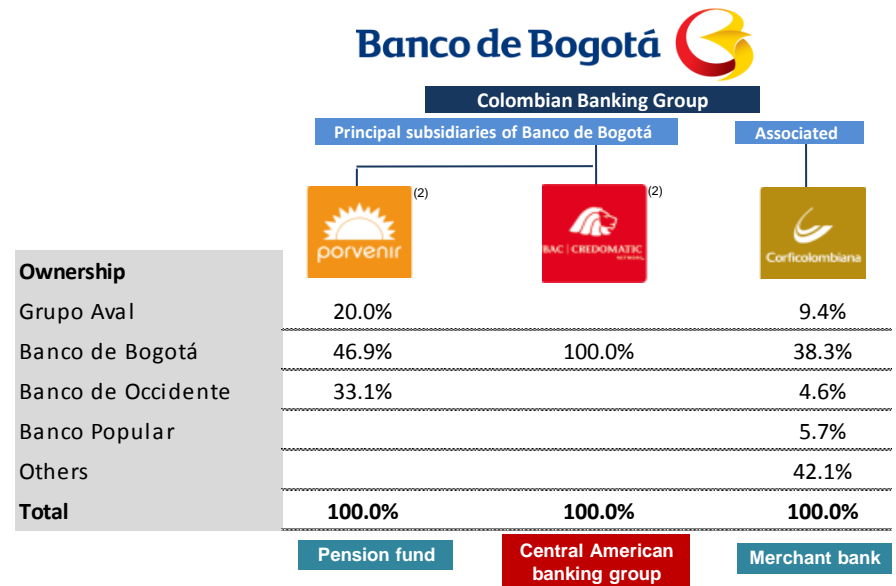
Employees hired by American Companies (Thousands)



Overview

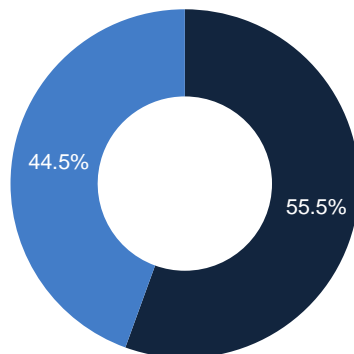
- Founded in 1870, Banco de Bogotá is Colombia's oldest financial institution and the principal subsidiary of Grupo Aval, the leading financial group in Colombia.
- Current shareholding structure: Grupo Aval, 68.7%; Other companies owned by Mr. Sarmiento Angulo, 8.3%; Paz Bautista Group, 13.3%; and Public 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 through BAC Credomatic.
- Universal bank with a strong foothold in the commercial lending and credit card segments in Colombia and Central America, respectively.
- Listed on the Colombian Stock Exchange (BVC), Banco de Bogotá currently has a market cap of US\$ 6.5bn.

Banco de Bogotá's Structure



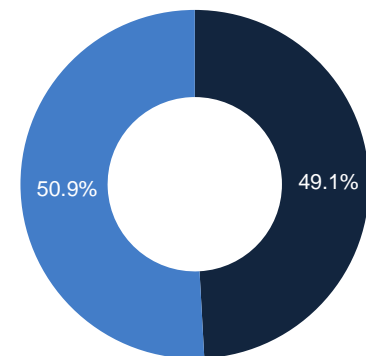
Consolidated Assets Breakdown

- Colombia Operations
- Central America Operations



Consolidated Net Income Breakdown

- Colombia Operations
- Central America Operations

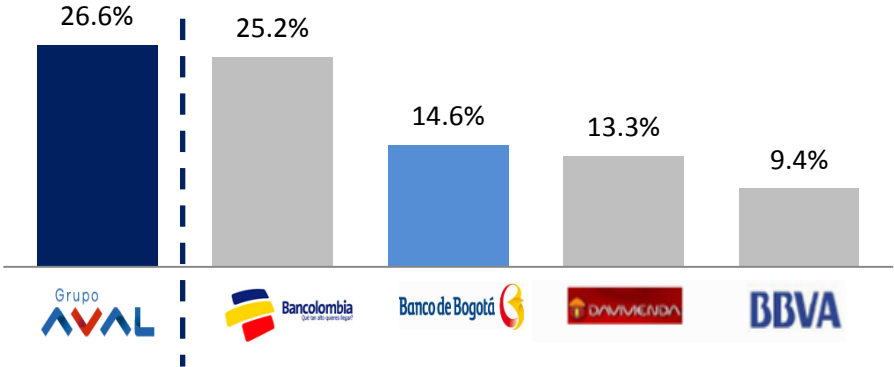


Consolidated Ratios:
ROAA: 1.8%
ROAE: 14.2%

(1) Assets and Net income breakdown is calculated at September 2016, Net income Breakdown excludes the non recurrent income of COP\$2.2 billion of Loss of control of CFC
 (2) Porvenir and BAC Credomatic are the principal subsidiaries consolidated by Banco de Bogotá. Banco de Bogotá controls Porvenir through a shareholders' agreement with Grupo Aval, Banco de Occidente and Banco Popular.

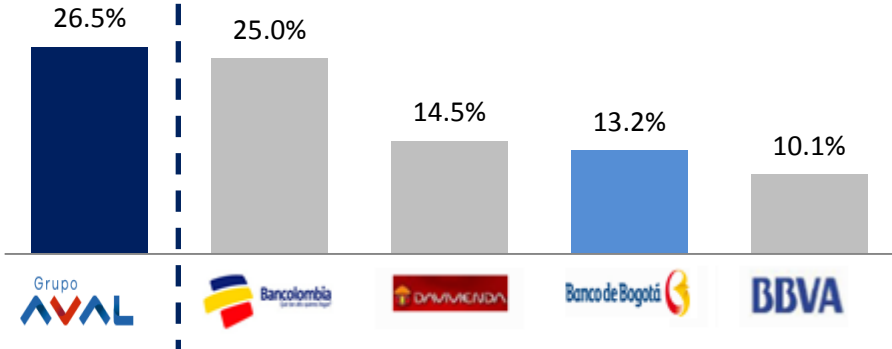
Total Assets

System: US\$ 182.7 bn



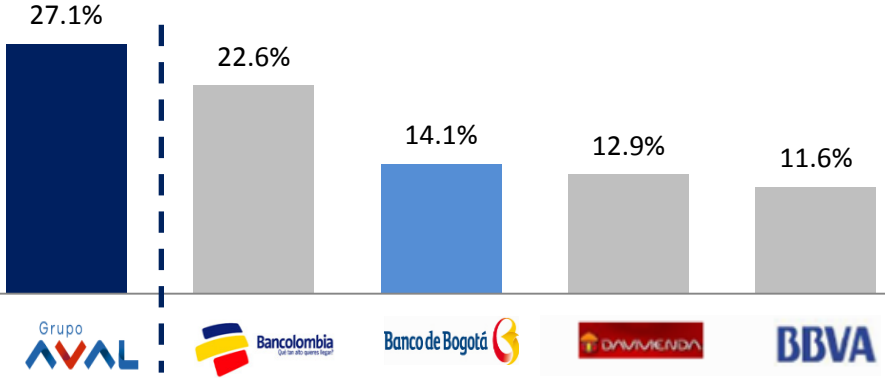
Net Loans

System: US\$ 125.1 bn



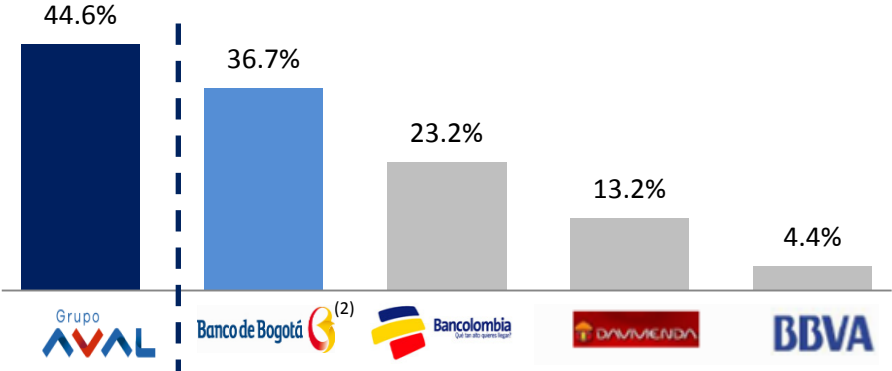
Deposits ^{1/}

System: US\$ 116.3bn



Net Income 2016

System: US\$ 3.8bn

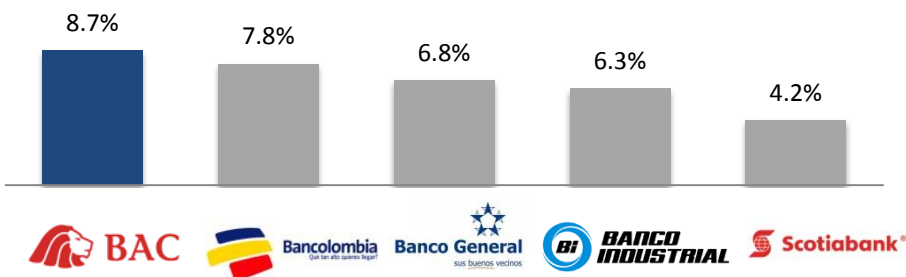


Source: Unconsolidated information under IFRS filed with the Colombian Superintendency of Finance and published monthly; as of December 31, 2016. System: Sum of banks. Grupo Aval is the sum of Banco de Bogotá, Banco de Occidente, Banco Popular and Banco AV Villas.
Exchange rate: 3.000,71 COP/USD

^{1/} Figures excluding interbank & overnight funds for comparative purposes. Deposits are calculated as checking accounts, saving accounts and time deposits.
^{2/} Excluding the USD 728 Million due to the loss of control of Corficolombiana on June 30 of 2016 Banco de Bogota had a market share on Net Income of 21.9%

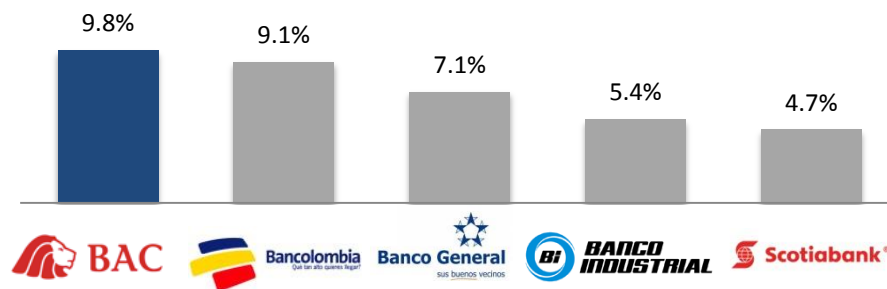
Total Assets ^{1/}

System: US\$228.8 bn



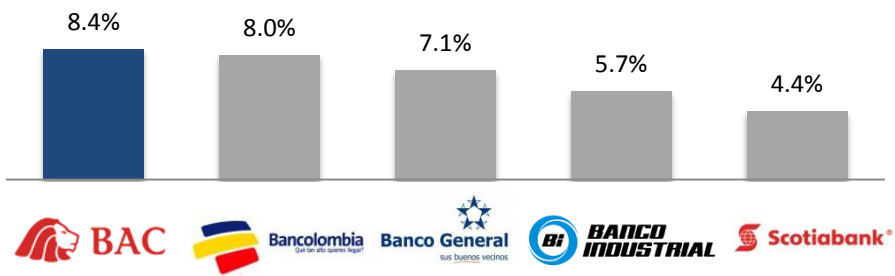
Net Loans ^{1/}

System: US\$142.6 bn



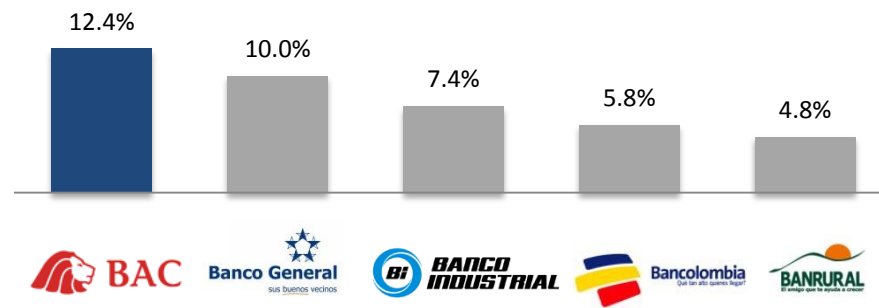
Deposits ^{1/}

System: US\$156.8 bn



Net Income (11 months) ^{1/}

System: US\$2.5 bn



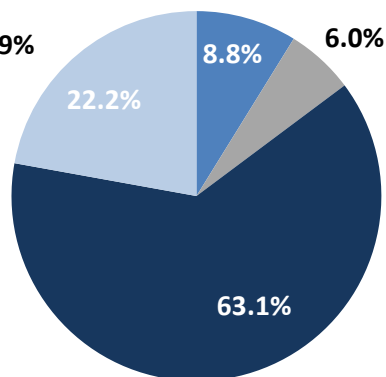
Source: Company filings. Calculated based on publicly disclosed data aggregated from the local superintendencies of Costa Rica, Honduras, El Salvador, Guatemala, Nicaragua and Panama
^{1/} Market share is determined based on the sum of each bank's operations in the aforementioned countries. Bancolombia includes Banistmo (Panama), Bancolombia (Panama), Grupo Agromercantil (Guatemala) and Banco Agrícola (Salvador)

Figures in USD. Billions

Banco de Bogotá Unconsolidated

Assets: \$26.8

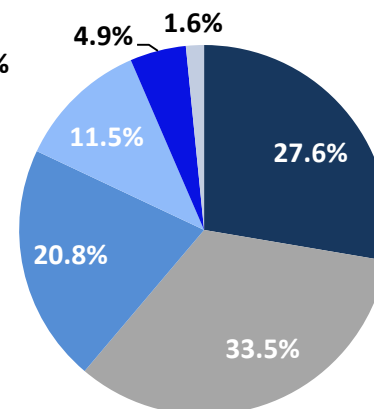
Growth
Dec16/Dec15: 7.9%



- Cash
- Investments
- Loans, net
- Other assets

Funding : \$20.5

Growth
Dec16/Dec15: 6.7%

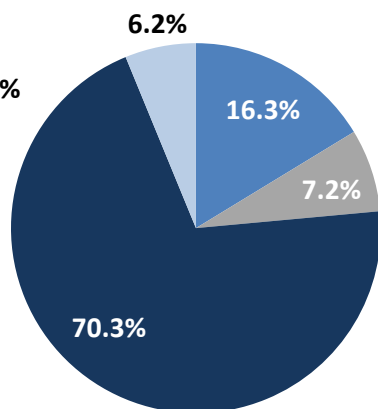


- Checking Accounts
- Savings Accounts
- Time Deposits
- Bonds
- Borrowings
- Interbank Funds & Overnight

BAC

Assets : \$19.9

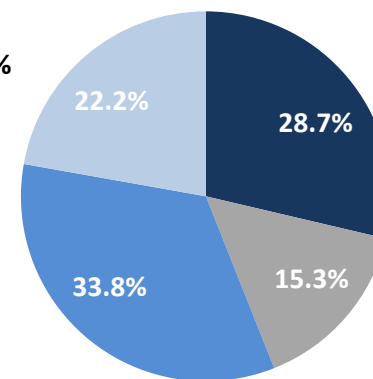
Growth
Dec16/Dec15: 7.1%



- Cash
- Investments
- Loans, net
- Other assets

Funding : \$16.9

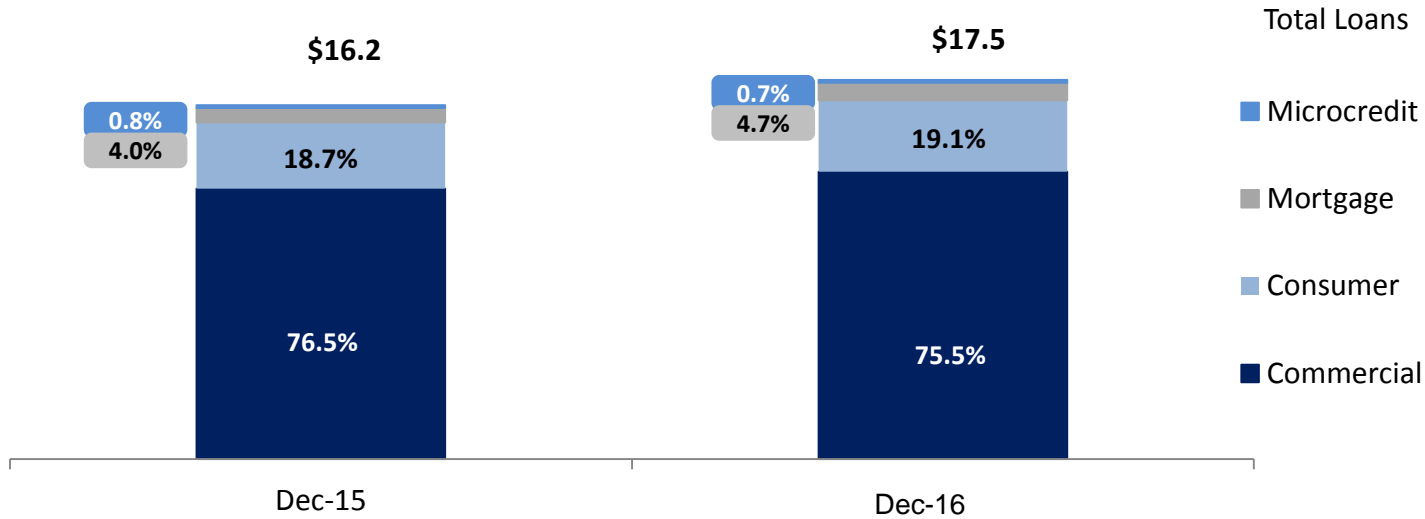
Growth
Dec16/Dec15: 6.9%



- Checking Accounts
- Savings Accounts
- Time Deposits
- Borrowings

Figures in USD. Billions

Loan Portfolio, Banco de Bogotá Unconsolidated



Growth (%)
Dec 16 / Dec 15

Total Loans

7.9%

Microcredit

1.1%

Mortgage

24.7%

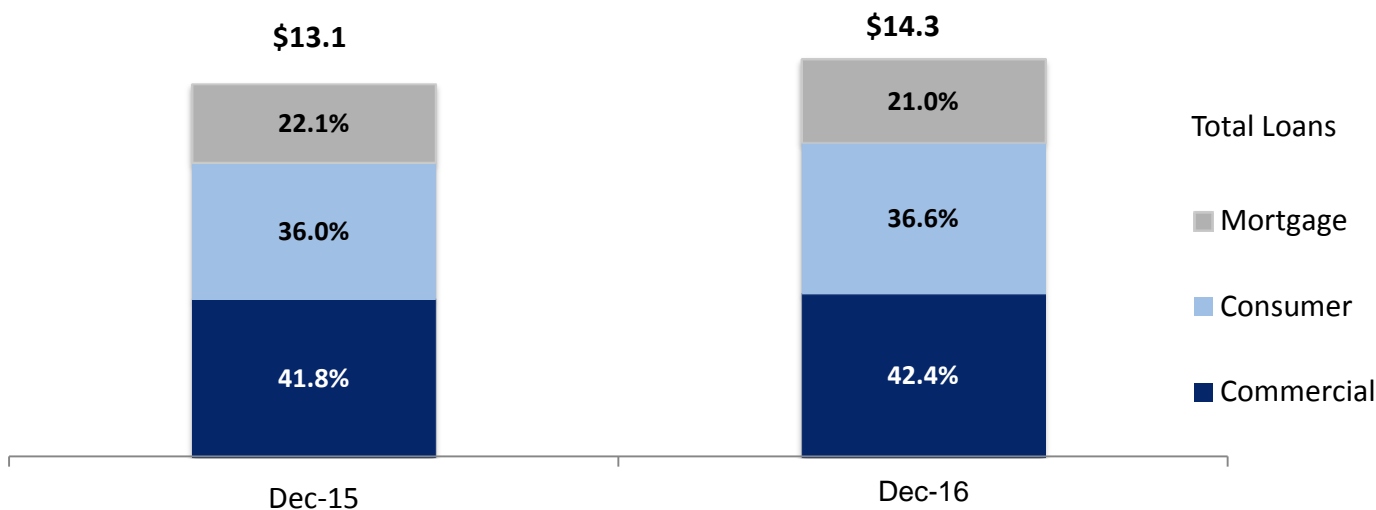
Consumer

10.0%

Commercial

6.6%

Loan Portfolio, BAC



Growth (%)
Dec 16/Dec 15

Total Loans

9.3%

Mortgage

8.5%

Consumer

13.3%

Commercial

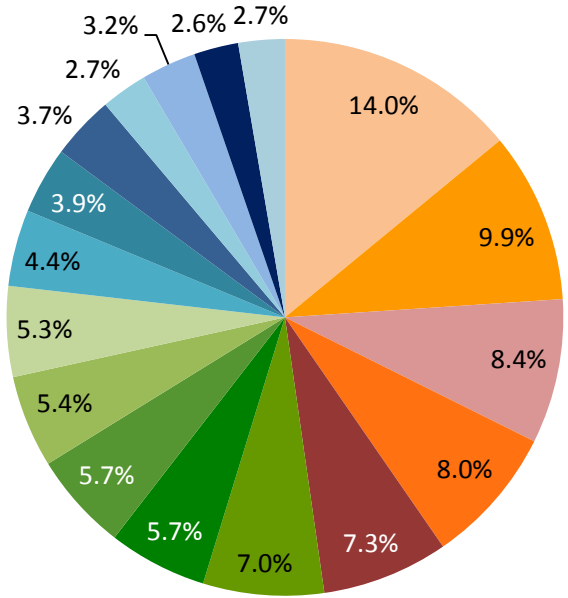
6.1%

Diversified, high-quality commercial loan portfolio as of December 2016

Figures in USD. Billions

Banco de Bogotá Unconsolidated

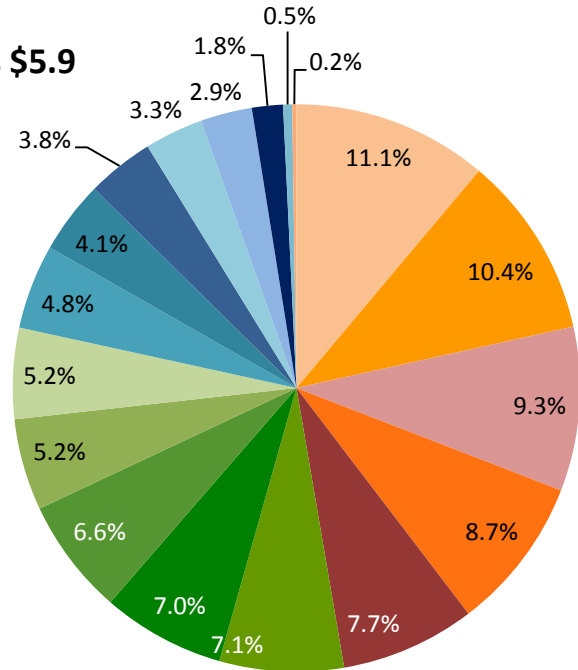
Commercial Loans \$13.2



- Investment Groups
- Others
- Food, beverage and tobacco
- Coal Gas and Oil
- Mailing Activities
- Civil Works
- Business Support
- Public Services
- Construction
- Comercial Services
- Agricultural
- Health
- Mining products
- Government
- Textile
- Transportation
- Chemical Production

Central America

Commercial Loans \$5.9



- Food Products
- Commercial services
- Agricultural
- Accommodation
- Retail Trade
- Communications
- Construction
- Other
- Chemical production
- Transportation
- Public services
- Investment Groups
- Trade and tourism
- Beverage and tobacco
- Industrial/manufacturing products
- Business Support
- Mining products
- Government

Exchange rate: 3.000,71 COP/USD

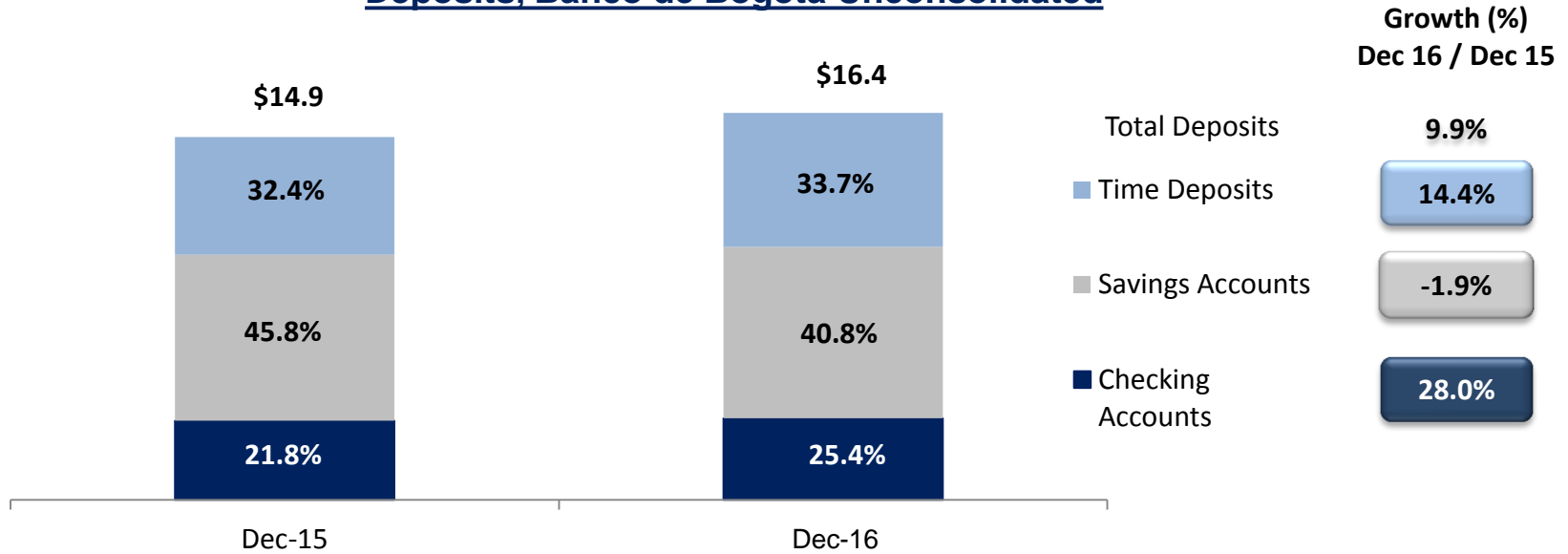
	<u>Banco de Bogotá</u> <u>Unconsolidated</u>		<u>BAC</u>	
	<u>Dec-2015</u>	<u>Dec-2016</u>	<u>Dec-2015</u>	<u>Dec-2016</u>
Delinquency Ratio				
30 day PDLs / Gross Loans	2.7%	3.0%	2.2%	2.3%
90 day PDLs / Gross Loans	1.9%	2.2%	1.0%	1.2%
Cost of Risk ⁽¹⁾				
Provision expense, net of recoveries of charge-off	1.5%	1.9%	1.5%	1.9%
<i>Excluding Extraordinary ⁽²⁾</i>		1.6%		
Provision expense	1.7%	2.2%	1.5%	1.9%
<i>Excluding Extraordinary ⁽²⁾</i>		1.8%		
Charge-Off Ratio ⁽¹⁾				
Charge offs / 90 days PDLs	0.61x	0.88x	1.45x	1.48x
<i>Excluding Pacific</i>		0.72x		
Charge offs / Avg Loans	1.1%	1.8%	1.5%	1.6%
Coverage				
Allowance / 30 days PDLs	1.20x	1.12x	0.59x	0.61x
Allowances / 90 days PDLs	1.69x	1.51x	1.23x	1.22x
Allowances / Gross Loans	3.2%	3.3%	1.3%	1.4%

(1) Accumulated full year

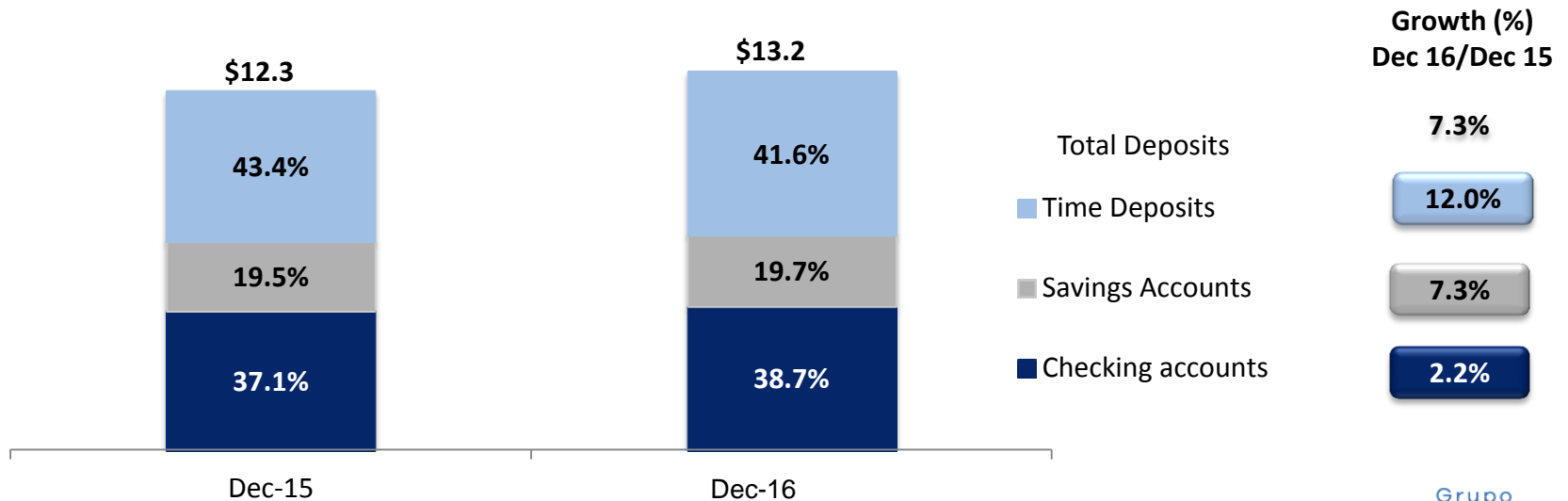
(2) Extraordinary includes Pacific Rubiales and PIA (Provisión individual Adicional)

Figures in USD. Billions

Deposits, Banco de Bogotá Unconsolidated

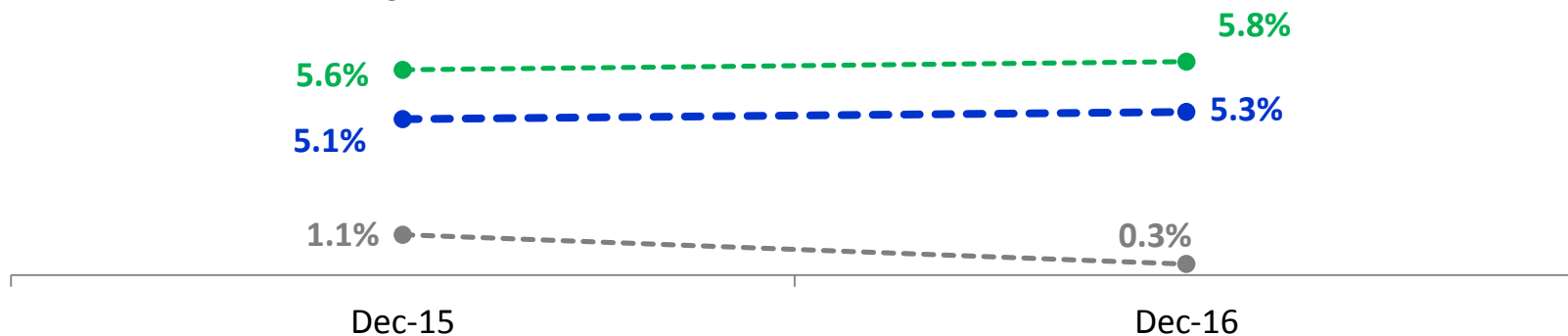


Deposits, BAC

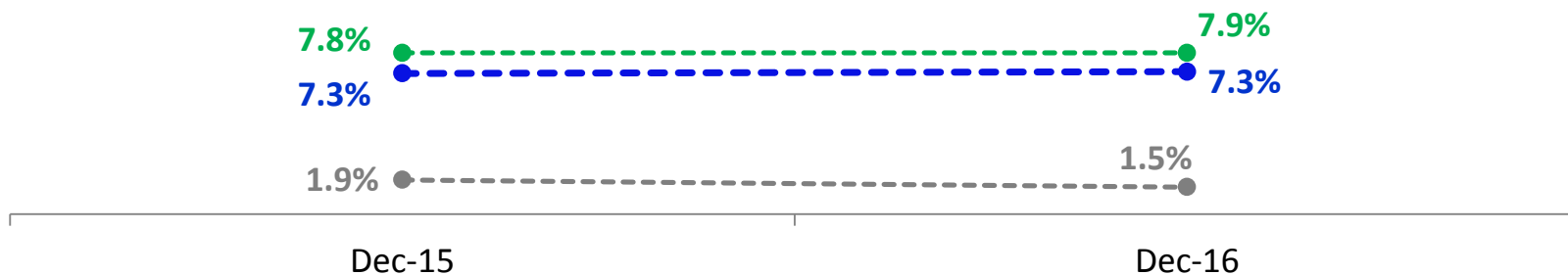


Banco de Bogotá Unconsolidated

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

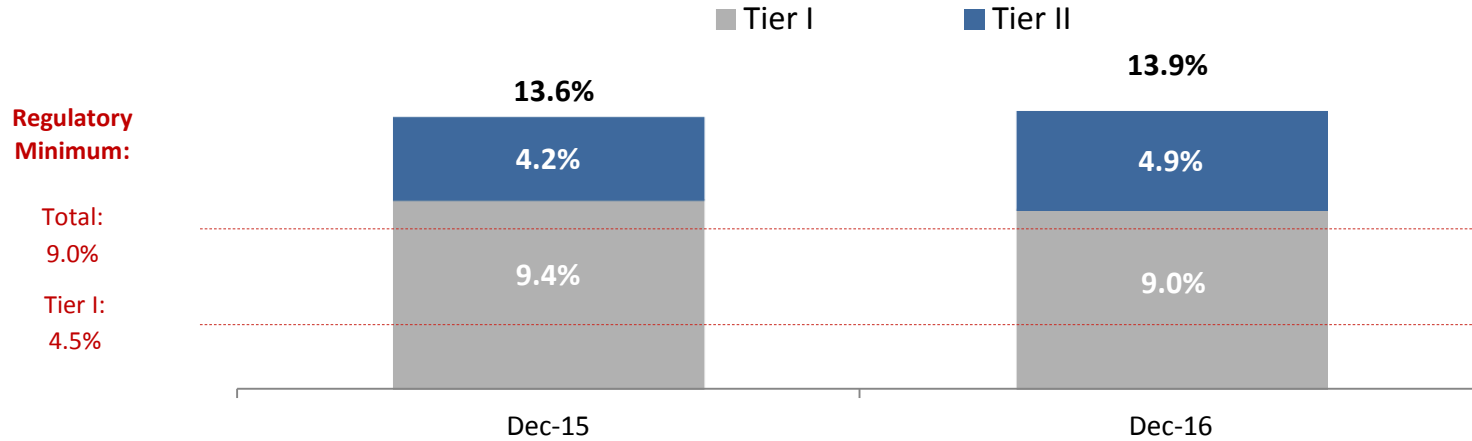


BAC

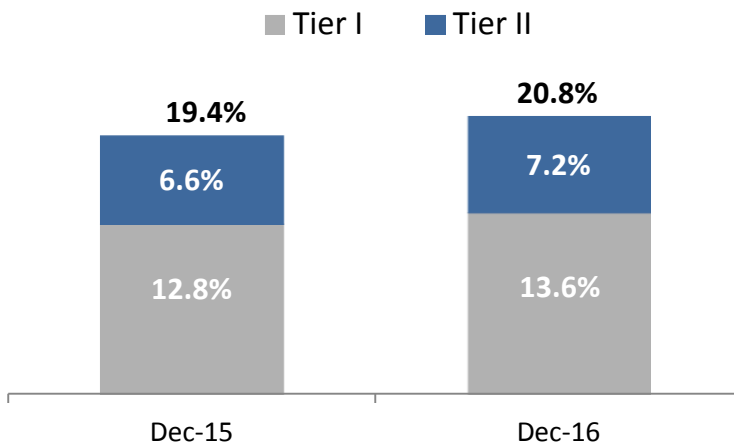


- (1) Investments Net Interest Margin : Net Interest income on fixed income securities + Net trading income from investment securities held for trading + income from interbank and overnight funds / Full year average securities + Interbank and overnight funds.
- (2) Loans Net Interest Margin: Net Interest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

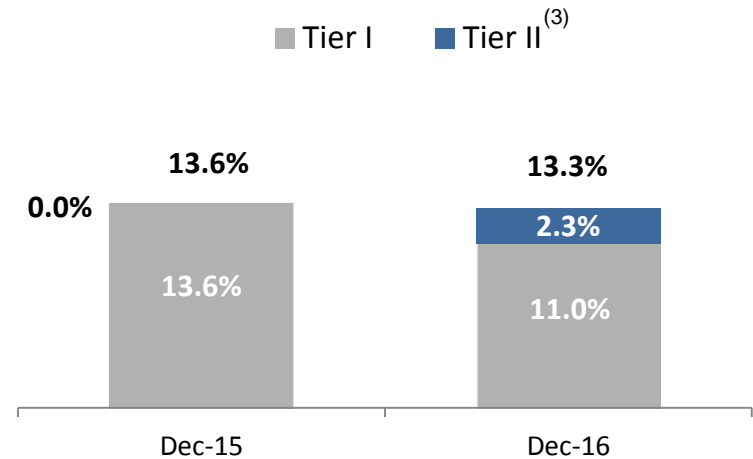
Consolidated Capital Adequacy ⁽¹⁾



Banco de Bogotá Unconsolidated ⁽¹⁾



BAC ⁽²⁾



(1) Capital Ratios are calculated under the methodology of the Colombian Superintendence of Finance.

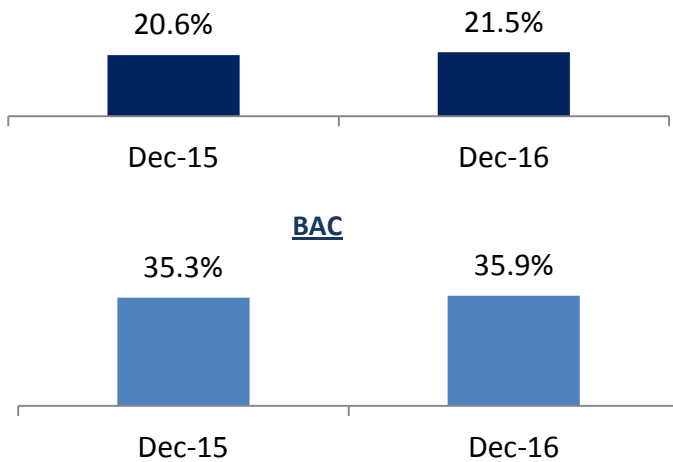
(2) Capital Ratio for BAC is calculated under the regulation of Bank's Superintendence of Panamá.

(3) According to Agreement 001 of 2015 and Agreement 003 of 2016 from Bank's Superintendence of Panamá, as of July 2016 the Dynamic Provision is excluded from Tier 1 Capital and included only as Total Capital.

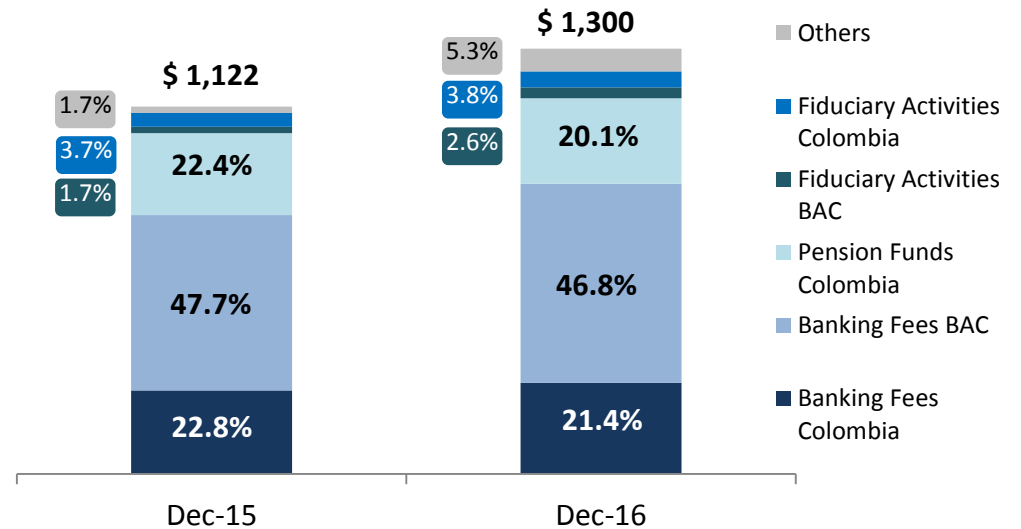
Figures in USD. Millions

Fee Income Ratio (1)

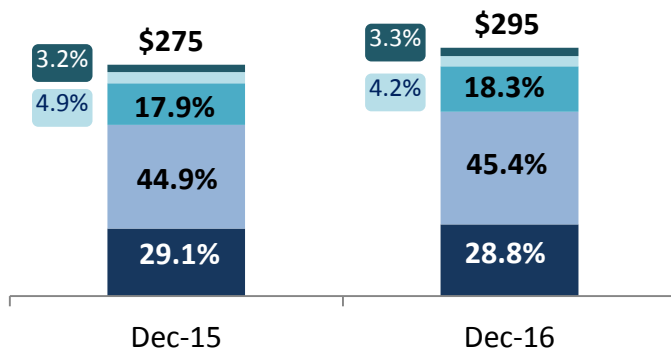
Banco de Bogotá Unconsolidated



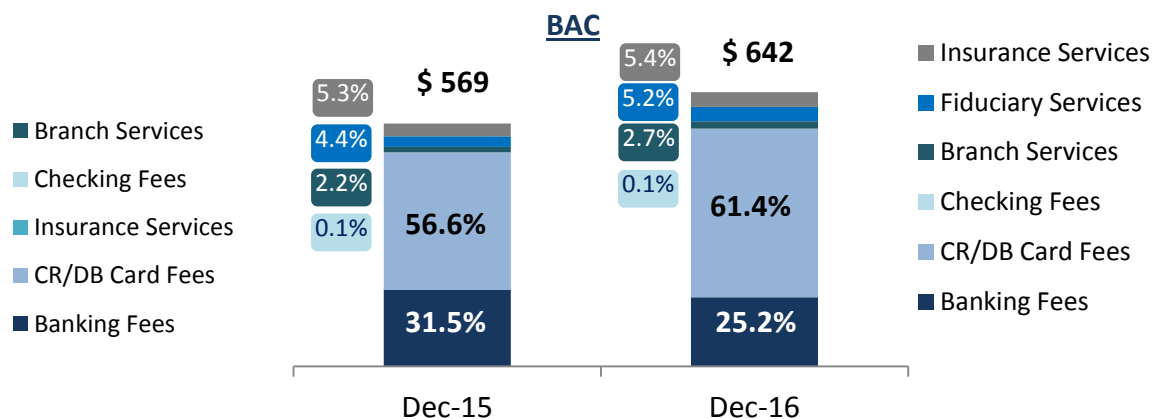
Fee Income Break Down (2)



Banco de Bogotá Unconsolidated



Fee Income by Product

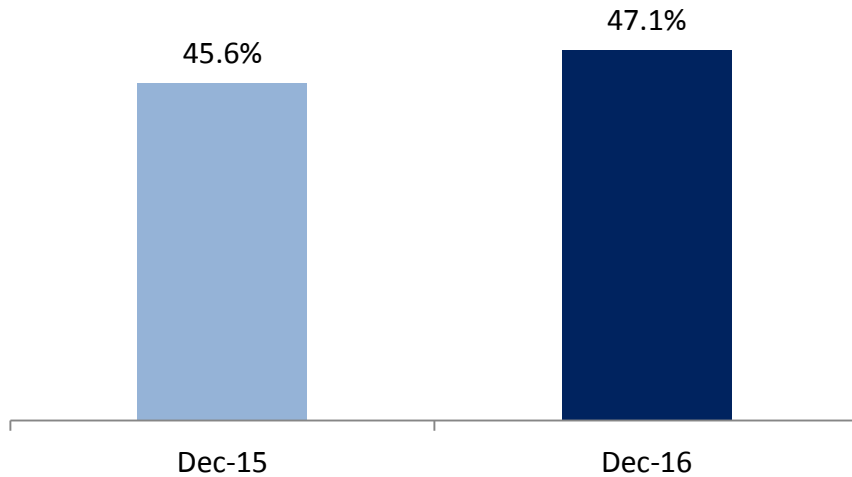


1. Fee Income ratio is calculated: Gross Fee income / Net interest income before provision + Gross fee income + Net trading income from investment securities held for trading + Other Income(excluding equity method Income, dividends and others).

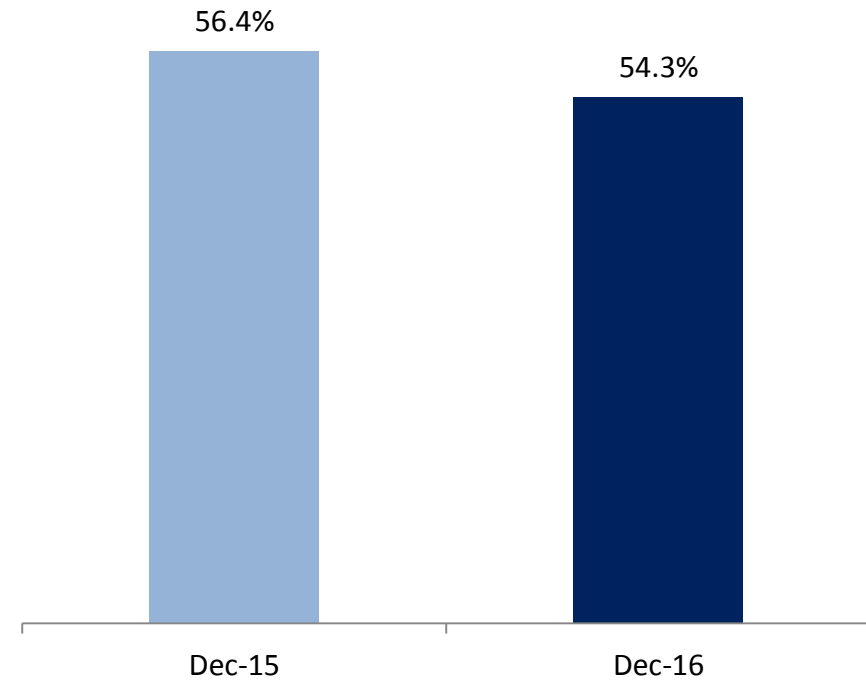
2. Fee Income Breakdown is the sum of Fees incomes of Banco de Bogotá Stand alone, BAC, Porvenir and FiduBogotá

Exchange rate: 3.000,71 COP/USD

Banco de Bogotá Unconsolidated ⁽¹⁾



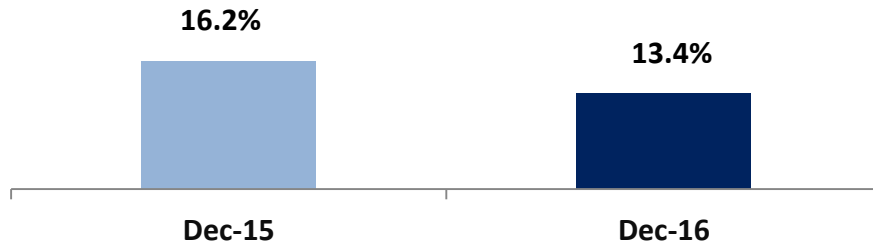
BAC



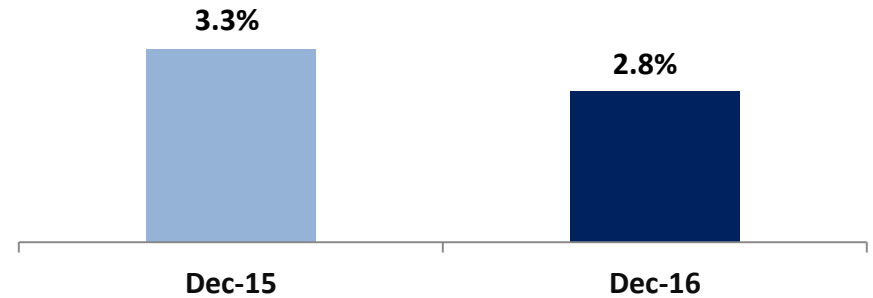
(1) Calculated as Personnel plus administrative expenses divided by net interest income plus net trading income, other income and fees and other services income, net (excluding equity method income, dividends and others).

Banco de Bogotá Unconsolidated

ROAE (1)

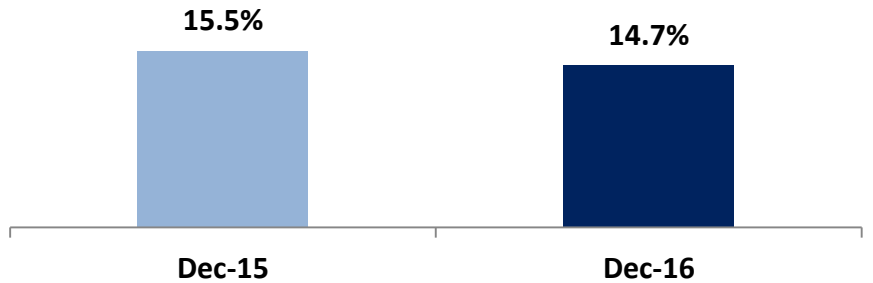


ROAA (2)

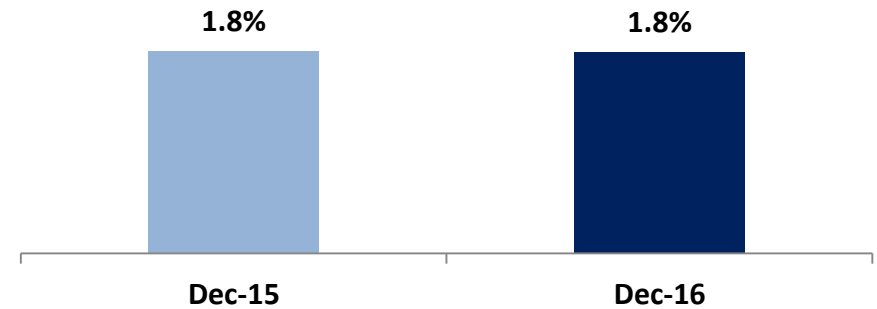


BAC

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), but including the full capitalization of this value in shareholder equity. Without incorporating the impact of the capitalization (as well as the extraordinary gain), ROAE for 2016 would have been 14.7%.

(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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