

# Banco de Bogotá



## 3Q-2016 Consolidated Results Conference Call

FULL IFRS

December 1, 2016

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.

Our reports for 2015' quarters were presented in accordance with IFRS applicable in Colombia (Col IFRS). This report was prepared with unaudited consolidated financial information, which is in accordance with IFRS as currently issued by the IASB.

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. As a result, 2Q2016 and 3Q2016 do not consolidate Corficolombiana. Moreover, for comparative purposes figures for 3Q2015 have been adjusted excluding CFC.

The Colombian peso/dollar end-of-period annual revaluation as of September 30, 2016 was 6.7%. The COP/USD quarterly revaluation was 1.3%. In this report, calculations of growth, excluding the exchange rate movement of the Colombian Peso, use the exchange rate as of September 30, 2016 (COP 2,880.08).

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.

Attributable Net Income for the period was \$564.0 billion pesos, which represented a 20.6% increase versus the third quarter of 2015

## Key Metrics

## Commentary

### Profitability

- ROAA: 1.8% / ROAE: 14.3%
- Net Interest Margin: 6.0%
- Fee Income Ratio: 34.7%
- Efficiency Ratio: 48.3%

- ROAE climbed 130bps; ROAA increased 30bps.
- NIM increased 30bps, commensurate with Central Bank rate hikes.
- Fee income increased 10.5% primarily due to credit and debit card fees.
- Efficiency improved materially, down from 51.4%.

### Balance Sheet

- Gross Loans: \$92.0
- Total Deposits: \$86.9
- Deposits / Net Loans: 0.97x
- Deposits % Funding: 76.2%

- Gross Loans grew 1.9%; excluding FX, growth was 4.9%.
- Total Deposits grew 0.7%; excluding FX, growth was 3.7%.
- Deposits / Net Loans near match illustrates robust funding model, declined slightly from 0.98x.

### Credit & Capital

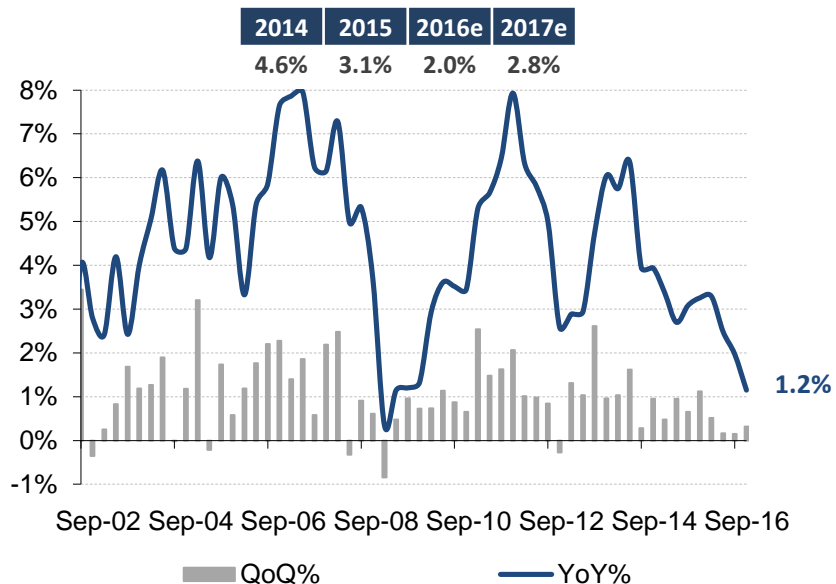
- Net Cost of Risk: 1.8%
- 90+ Days PDL Ratio: 1.7%
- Tier 1 Ratio: 9.5%
- Total Solvency: 14.4%

- Before recoveries cost of risk would have been 1.9%, up from 1.7%.
- 90+ Days PDL Ratio slightly increased quarterly from 1.6% to 1.7%.
- Tier 1 Ratio increased by 200 bps and Total Solvency increased by 440 bps. Both ratios well above regulatory minimums.

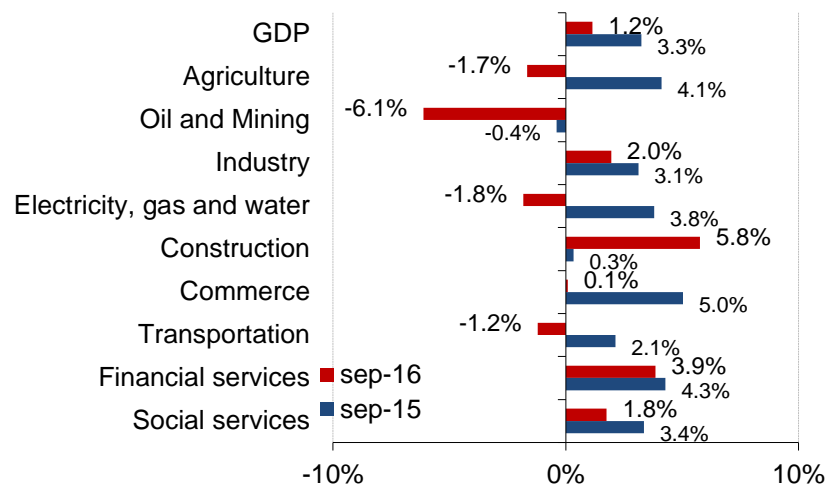
Note: Changes / growths refer to Q3 2016 over Q3 2015, unless otherwise stated.

# Colombia: Economic activity continues to decelerate; risks remain on the downside

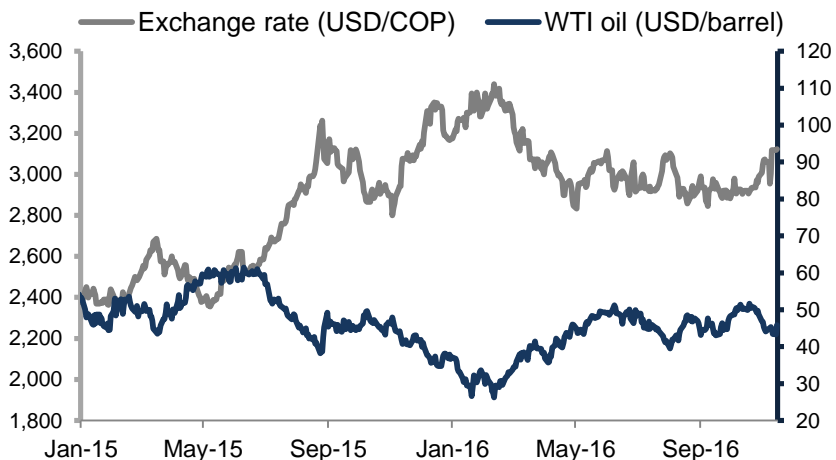
## GDP (YoY %)



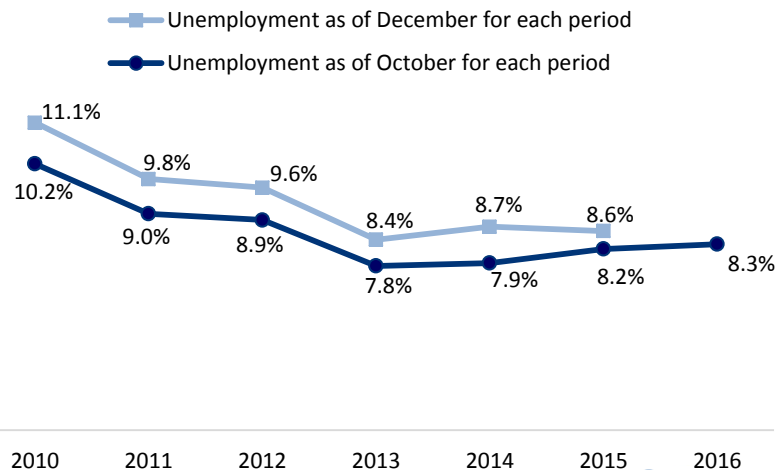
## GDP growth by sector (YoY %)



## Colombian Peso vs WTI US\$/barrel

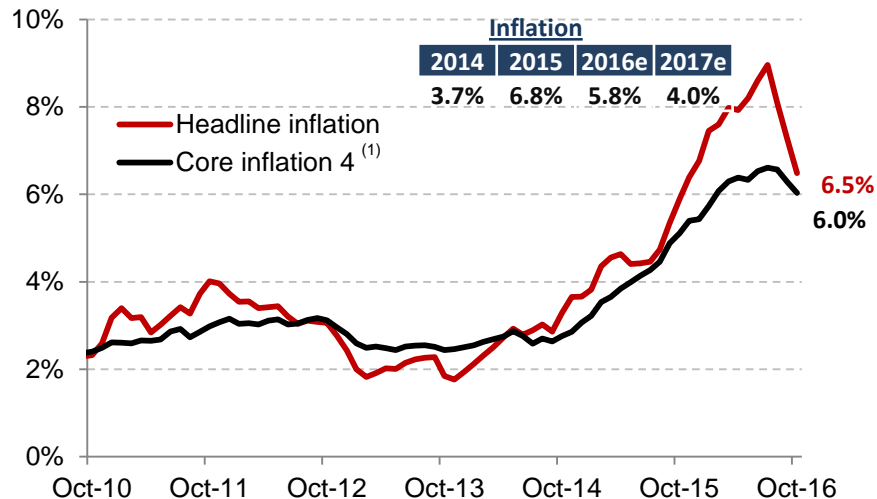


## Unemployment (1)



# Colombia: Inflation continues to decline quickly, sets stage for potential Central Bank rate drop in early 2017

## Core and total inflation (YoY %)



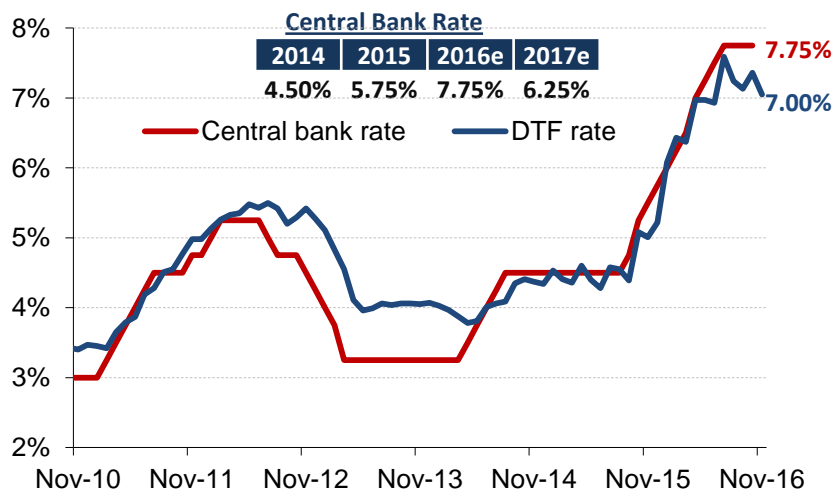
## COP/USD Exchange Rate

	3Q15	2Q16	3Q16
Average	2,938.94	2,993.00	2,948.97
End of period	3,086.75	2,919.01	2,880.08

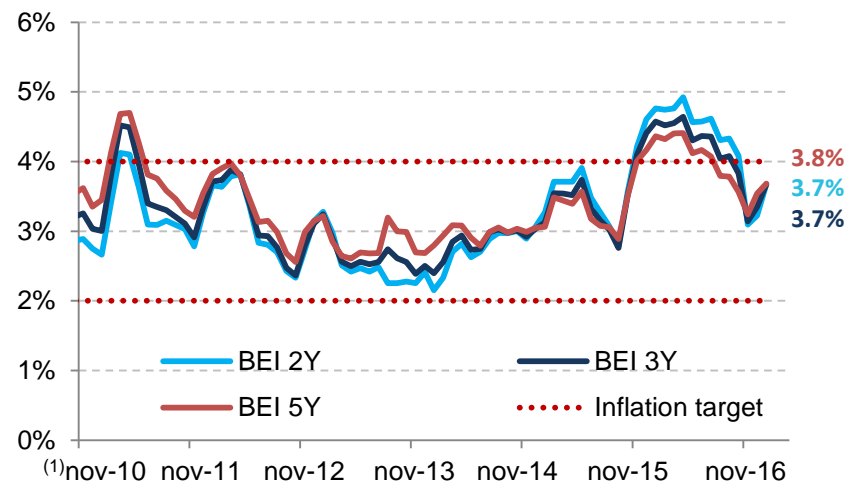
	3Q16 vs. 3Q15	3Q16 vs. 2Q16
Average	-0.3%	1.5%
End of period	6.7%	1.3%

Positive change = COP appreciation  
Negative change = COP devaluation

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



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

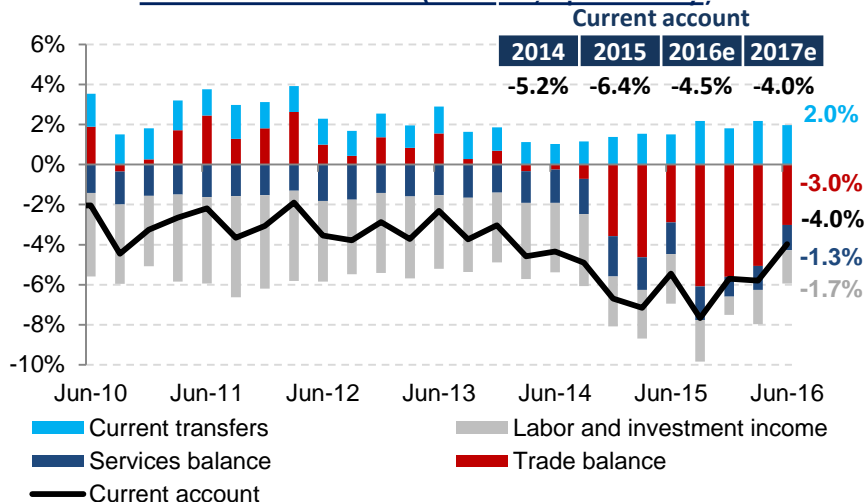


(1) The last time updated was in November 11, 2016.

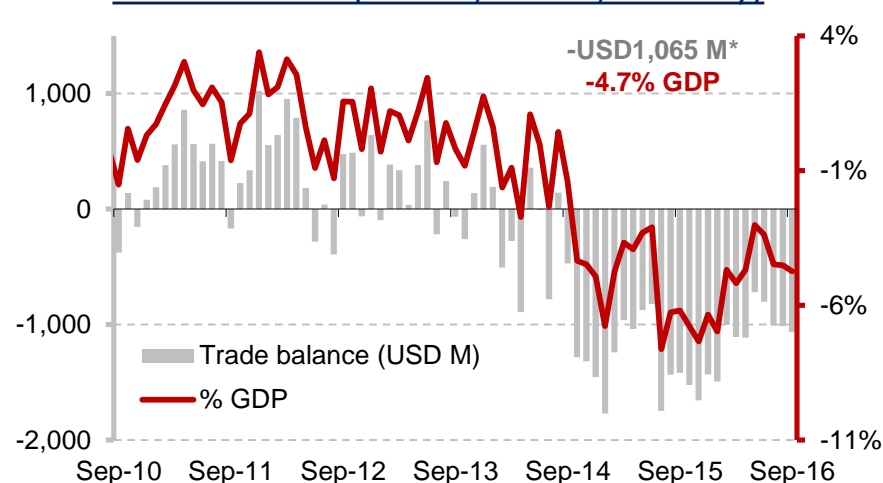
Source: DANE, Banco de la República (BR). Estimates Economic Research Banco de Bogotá.

(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 Nov-25-16. \*\* Monthly average with information up to Nov-25-16.

## Current Account (% GDP, quarterly)

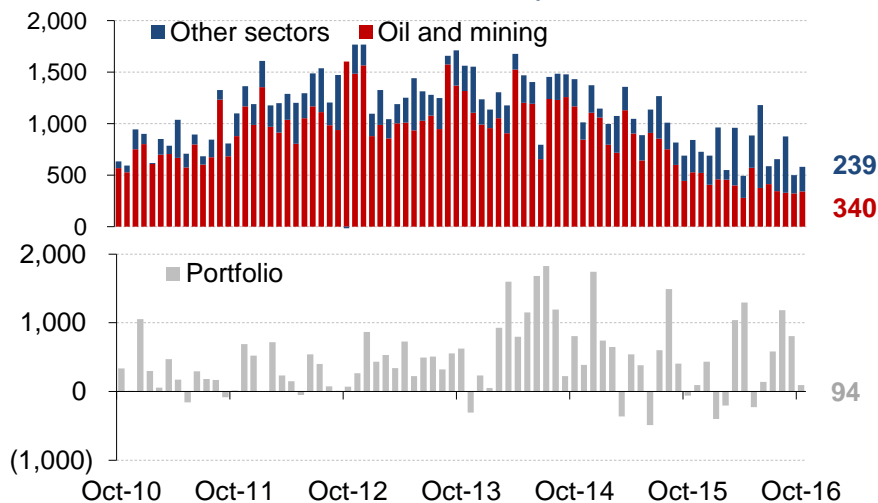


## Trade balance (USD M, % GDP, monthly)

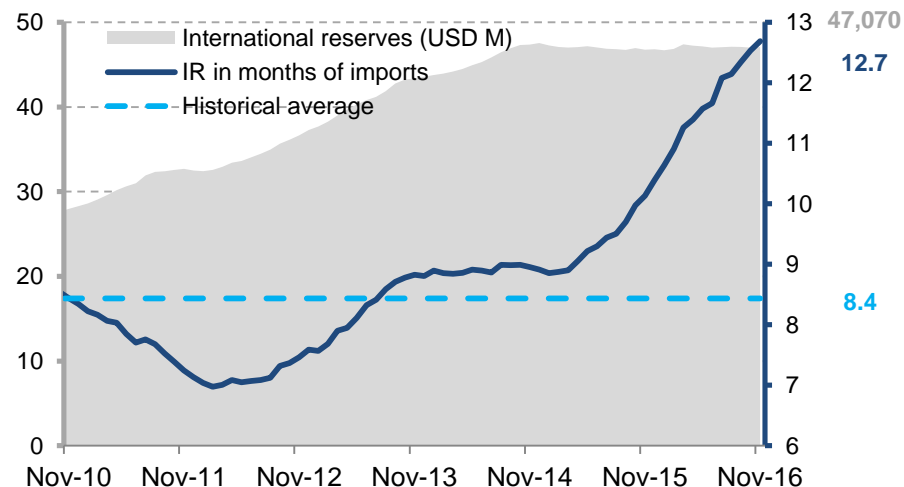


## Foreign investment: direct and portfolio\*\*

(USD M, monthly)

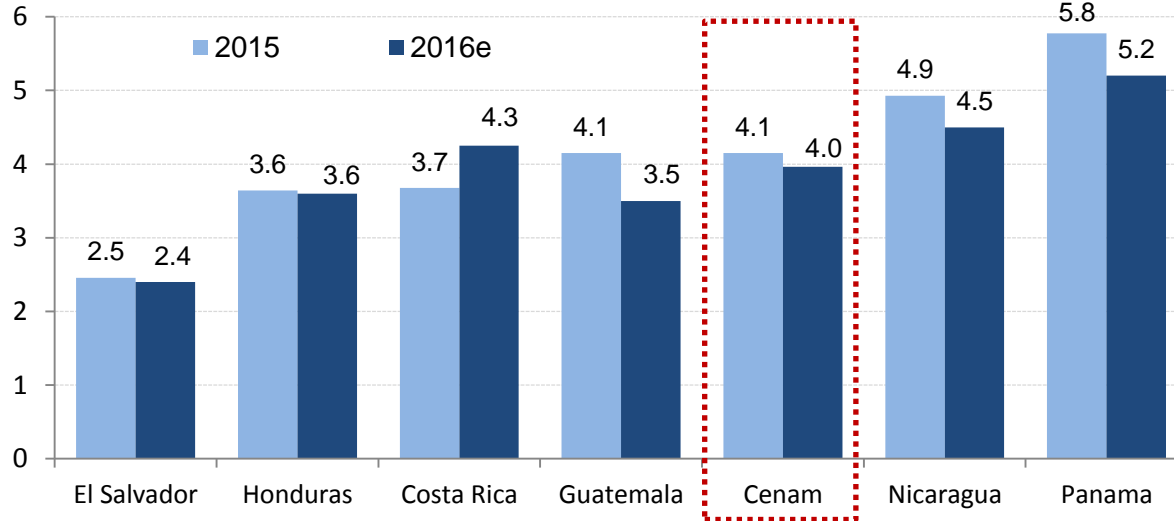


## International reserves (USD M, months of imports)

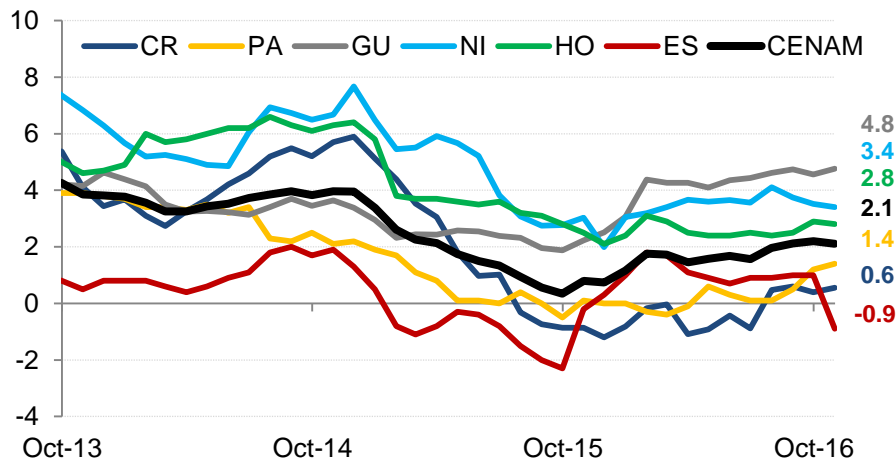


Source: DANE, Banco de la República. Estimates: Economic Research Banco de Bogotá.  
 \* For September 2016. \*\* With information from Balanza Cambiaria up to Oct-28-2016.

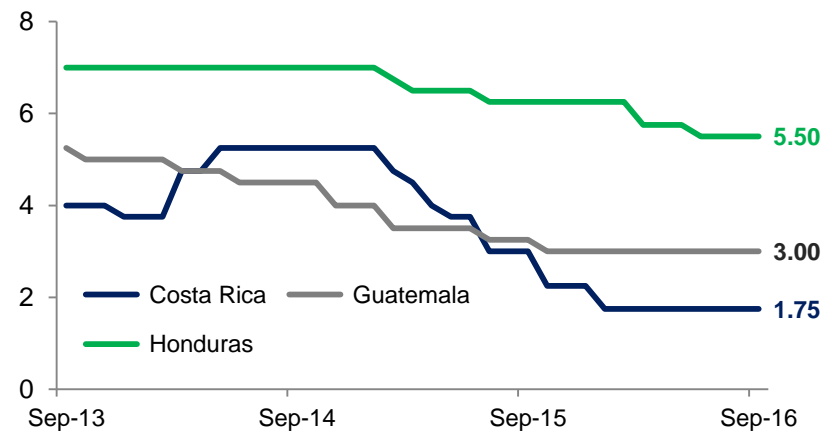
### GDP (YoY %)



### Inflation (YoY %)

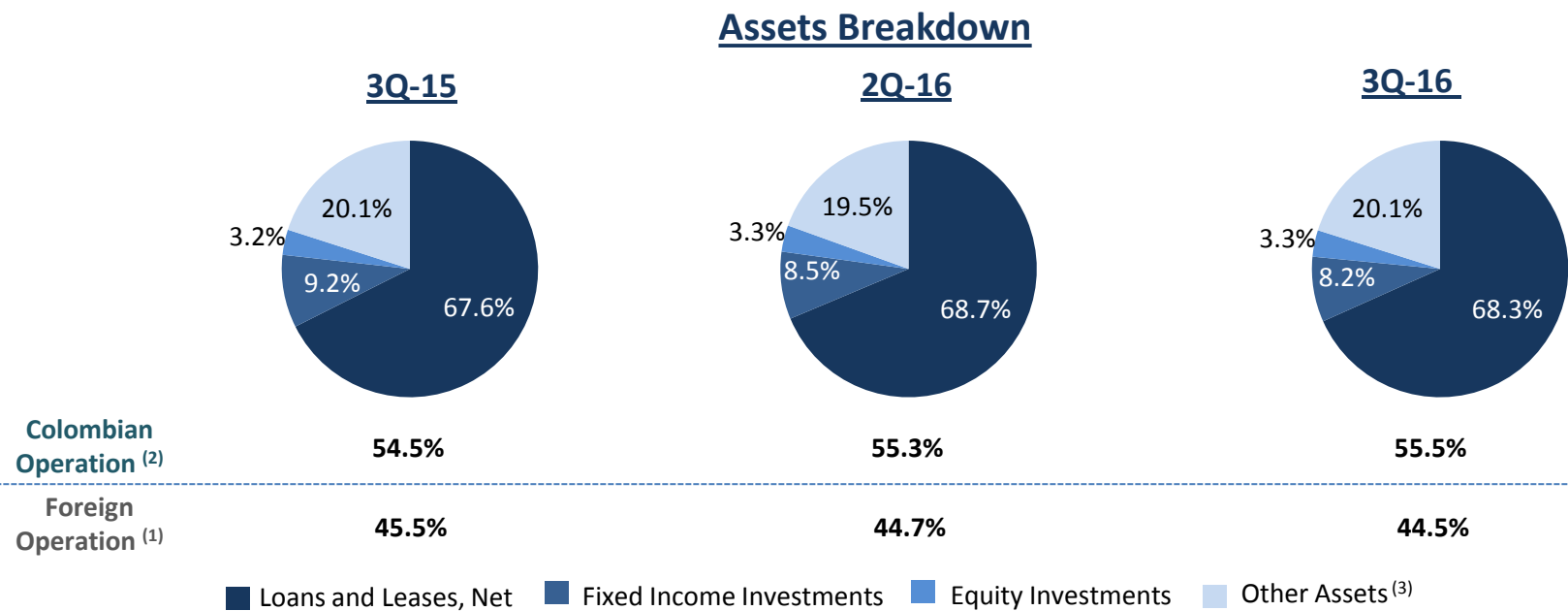
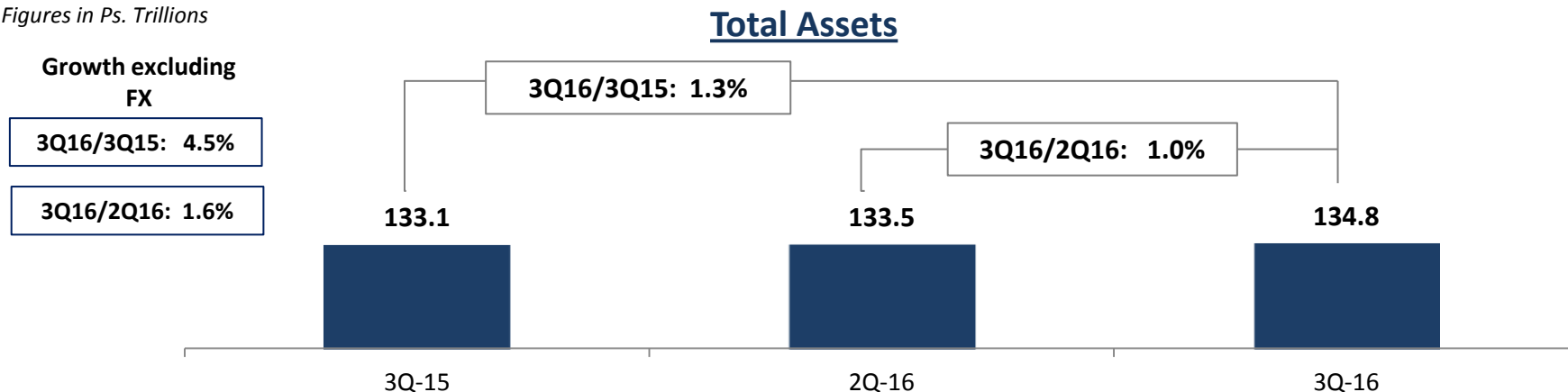


### Central bank interest rate (%)



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: Panama.

Figures in Ps. Trillions



(1) Foreign operations reflect BAC Credomatic operations in Central America.

(2) Includes Banco de Bogotá in Colombia, Porvenir, Fidubogotá, Almaviva, Casa de Bolsa, Banco de Bogotá Panamá, Finance, Ficentro and Megalínea.

(3) Other Assets: Cash and balances at Central Bank, Derivatives, Allowance for financial assets held for investment, Other financial assets at fair value through profit or loss, Non-current assets held for sale, Tangible Assets, Intangible Assets, Income Tax Assets, Other Accounts Receivable, Derivatives used for hedging and Other Assets.

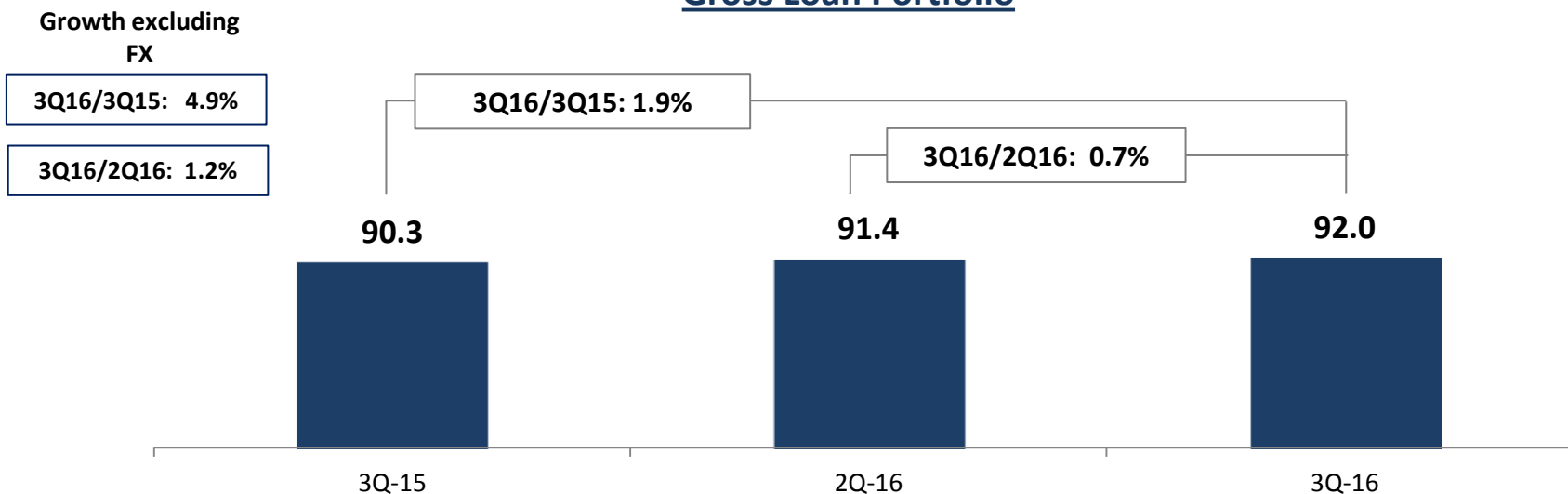
NOTE: Deferred Tax Asset and Liability included on a net basis.



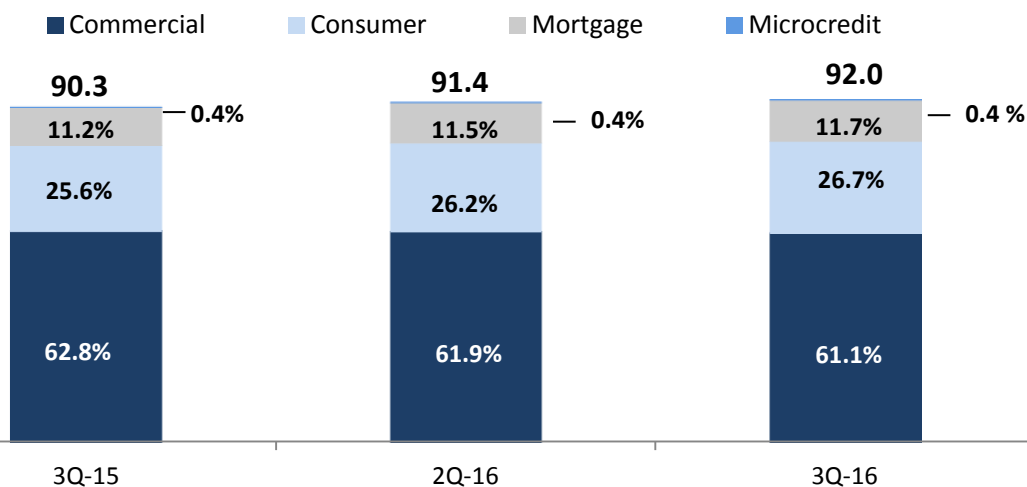
# Consolidated Loan Portfolio Breakdown by Business Segment

Figures in Ps. Trillions

## Gross Loan Portfolio

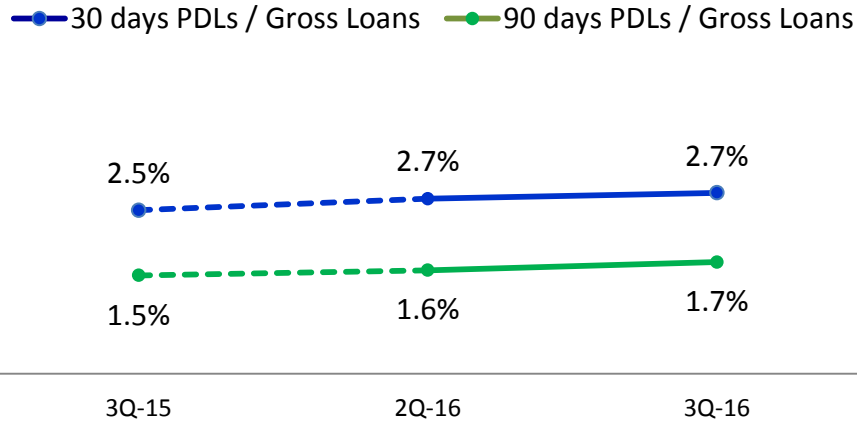


## Gross Loan Portfolio Breakdown



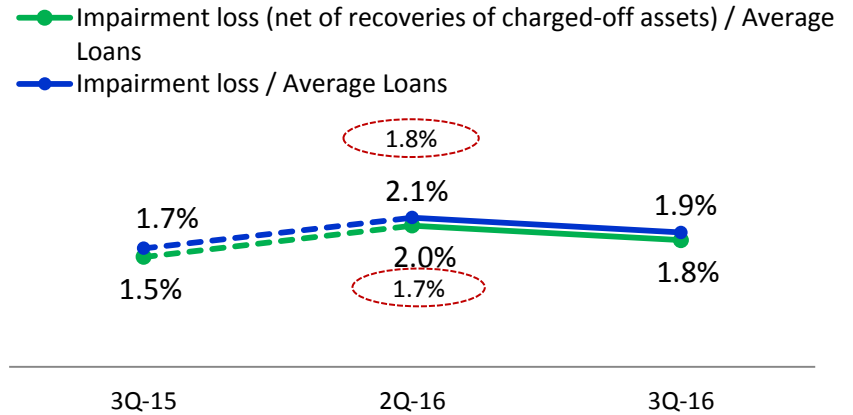
Growth (%) 3Q16/3Q15	Growth (%) Excluding FX 3Q16/3Q15	Growth (%) 3Q16/2Q16	Growth (%) Excluding FX 3Q16/2Q16
2.6	2.6	0.9	0.9
6.5	12.7	2.7	3.8
6.5	11.0	2.6	3.5
-0.8	1.2	-0.6	-0.2

## 30 days PDLs / Gross Loans 90 days PDLs / Gross Loans



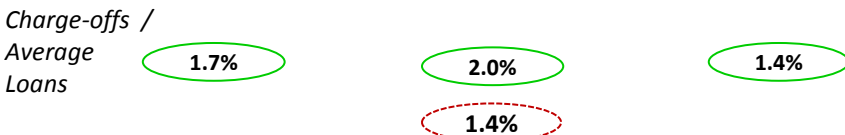
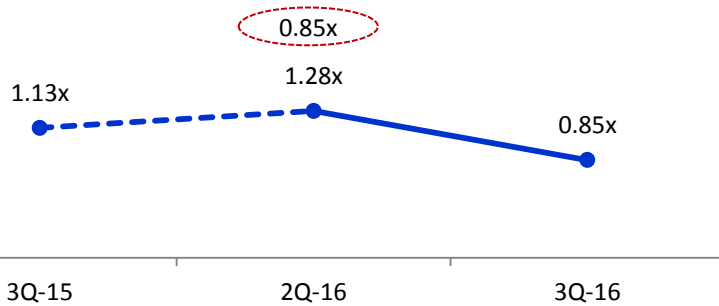
## Cost of Risk (1)

Excluding Pacific Rubiales



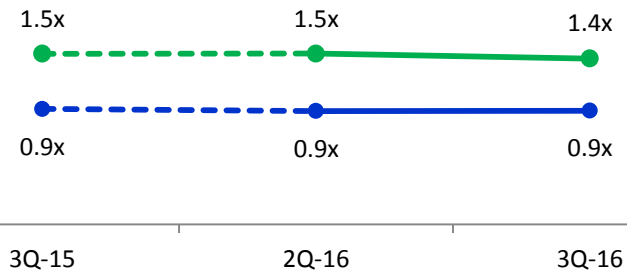
## Charge-offs (1) / Average 90 days PDLs

Excluding Pacific Rubiales



## Coverage

Allowances / 30 days PDLs    Allowances / 90 days PDLs



(1) Annualized

# Loan Portfolio Quality (2/3) – Colombia <sup>(1)</sup> and Central America

	Colombia			Central America		
	3Q15	2Q16	3Q16	3Q15	2Q16	3Q16
<b>Delinquency Ratio</b>						
30 day PDLs / Gross Loans	2.6%	2.9%	3.0%	2.3%	2.3%	2.4%
90 day PDLs / Gross Loans	1.8%	2.0%	2.1%	1.1%	1.0%	1.2%
<b>Cost of Risk <sup>(2)</sup></b>						
Impairment Loss, net of recoveries of charge-off	1.4%	2.1%	1.5%	1.7%	1.8%	2.1%
<i>Excluding Pacific</i>		1.7%				
Impairment Loss	1.6%	2.3%	1.7%	1.7%	1.8%	2.1%
<i>Excluding Pacific</i>		1.9%				
<b>Charge-Off Ratio <sup>(2)</sup></b>						
Charge offs / 90 days PDLs	0.81x	1.25x	0.65x	1.92x	1.36x	1.34x
<i>Excluding Pacific</i>		0.65x				
Charge offs / Avg Loans	1.5%	2.5%	1.3%	2.1%	1.4%	1.5%
<b>Coverage</b>						
Allowance / 30 days PDLs	1.12x	1.05x	1.07x	0.57x	0.61x	0.59x
Allowances / 90 days PDLs	1.65x	1.56x	1.51x	1.17x	1.33x	1.26x
Allowances / Gross Loans	2.9%	3.1%	3.2%	1.3%	1.4%	1.5%

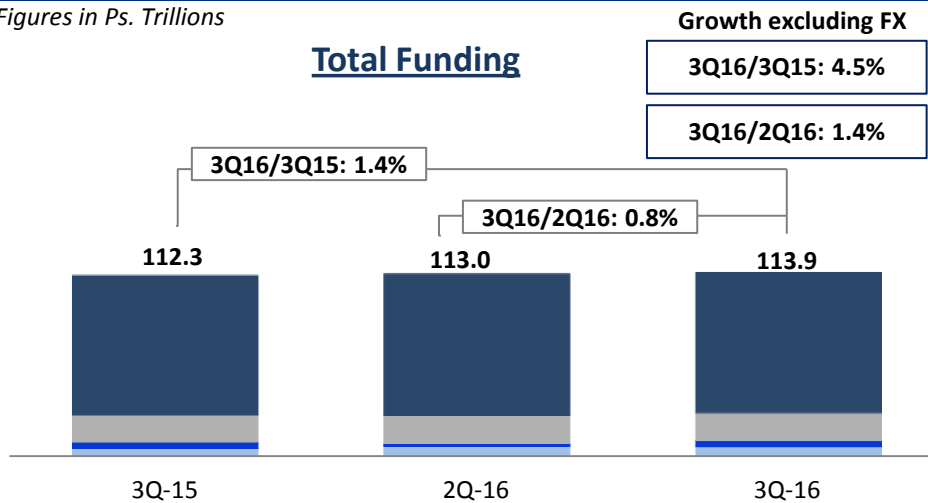
(1) Includes Banco de Bogotá in Colombia, Porvenir, Fidubogotá, Almagora, Casa de Bolsa, Banco de Bogotá Panamá, Finance, Ficentro and Megalínea.

(2) Annualized.

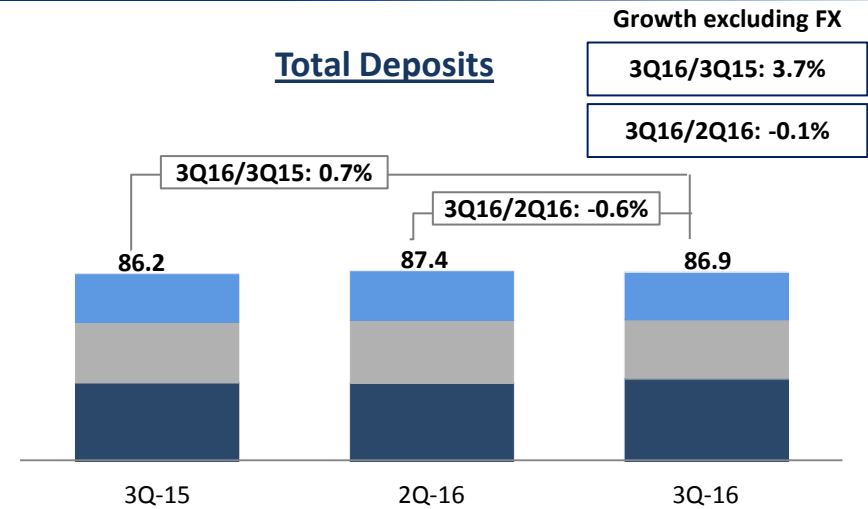
	<u>30 days PDLs</u>			<u>90 days PDLs</u>		
	<u>3Q-15</u>	<u>2Q-16</u>	<u>3Q16</u>	<u>3Q-15</u>	<u>2Q-16</u>	<u>3Q16</u>
Commercial	1.7%	1.9%	1.9%	1.3%	1.4%	1.5%
Consumer	4.3%	4.6%	4.6%	2.0%	2.1%	2.2%
Mortgage	2.5%	2.3%	2.6%	1.3%	1.1%	1.2%
Microcredit	11.4%	12.6%	13.5%	7.8%	8.0%	9.0%
<b>Total Loans</b>	<b>2.5%</b>	<b>2.7%</b>	<b>2.7%</b>	<b>1.5%</b>	<b>1.6%</b>	<b>1.7%</b>
<b>Coverage Ratio</b>	<b>0.9x</b>	<b>0.9x</b>	<b>0.9x</b>	<b>1.5x</b>	<b>1.5x</b>	<b>1.4x</b>

Figures in Ps. Trillions

## Total Funding



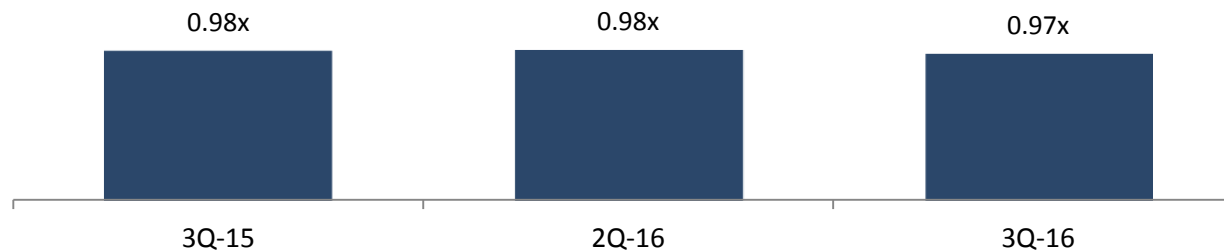
## Total Deposits



%	3Q-15	2Q-16	3Q-16
■ Deposits	76.8	77.3	76.2
■ Banks and others	15.1	15.4	15.0
■ Interbank Borrowings	3.7	1.6	3.3
■ Long Term Bonds	4.4	5.6	5.5

%	3Q-15	2Q-16	3Q-16
■ Time Deposits	42.0	41.1	43.7
■ Saving Accounts	32.1	32.9	31.1
■ Checking Accounts	25.5	25.7	24.8
■ Others <sup>(1)</sup>	0.4	0.3	0.4

## Deposits / Net Loans (%)<sup>(2)</sup>

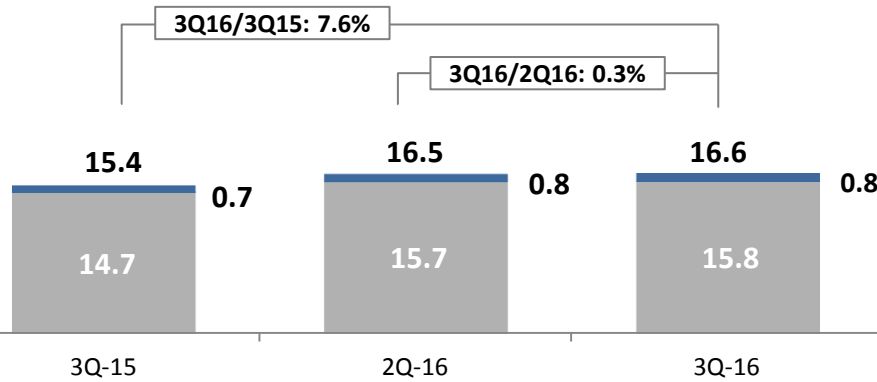


(1) Other Deposits include: Deposits from other Banks and Correspondent Accounts, Banking Services Liabilities, Collection Banking Services and Other Deposit.

(2) Net Loans includes commercial, consumer, mortgages and microcredit. Deposits include checking, savings, time deposits and other deposits.

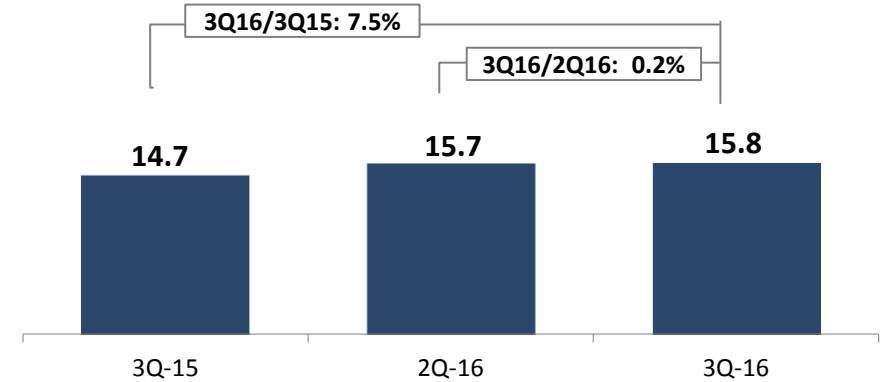
Figures in Ps. Trillions

## Attributable Equity + Minority Interest



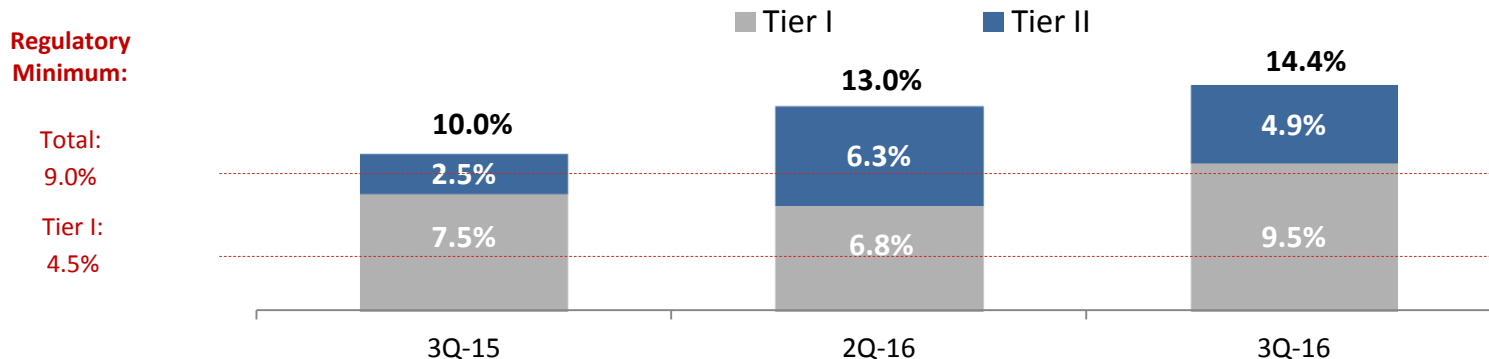
■ Shareholders' Equity ■ Non-controlling interest

## Shareholders' Equity



Period	3Q-15	2Q-16	3Q-16
Total Equity / Assets	11.6%	12.4%	12.3%
Tangible Capital Ratio <sup>(1)</sup>	7.4%	8.3%	8.3%

## Consolidated Capital Adequacy (2)



(1) Tangible Capital ratio is calculated as Total Equity minus Goodwill and others Intangible Assets / Total Assets minus Goodwill and other Intangible Assets.

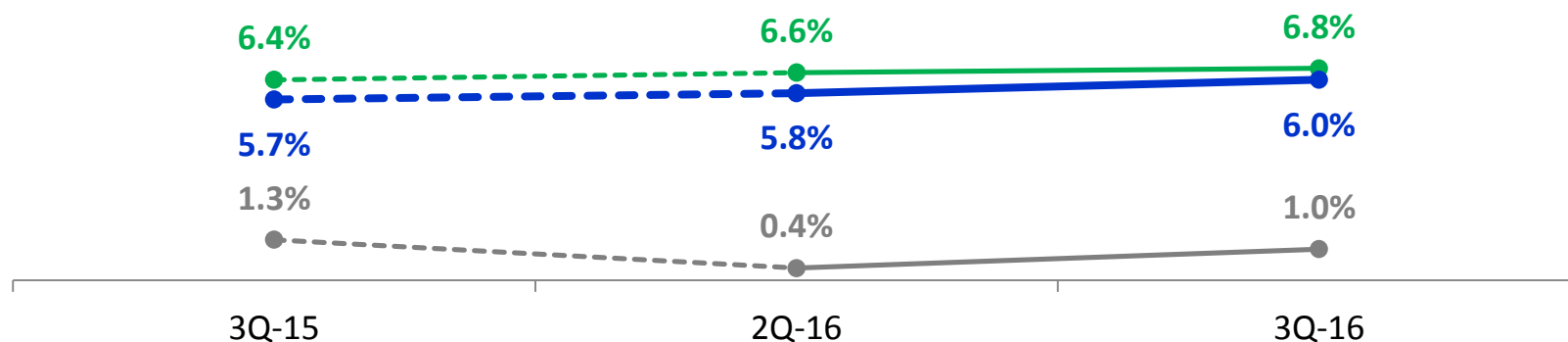
(2) Capital Ratios are calculated under the methodology of the Colombian Superintendency of Finance. The capitalization generated by the deconsolidation of Corficolombiana was included as Tier II on 2Q-16 and Tier I on 3Q-16.

NOTE: Deferred Tax Asset and Liability included on a net basis.

## Quarterly Net Interest Margin

Net Interest Income <sup>(1)</sup> (Billion COP)				
3Q-15	2Q-16	3Q-16	Growth Rate	
			3Q16/3Q15	3Q16/2Q16
<b>1,412.0</b>	<b>1,523.9</b>	<b>1,589.6</b>	<b>12.6%</b>	<b>4.3%</b>

—●— Net Interest Margin on Investments (2)      —●— Net Interest Margin on Loans (3)  
—●— Net Interest Margin (4)



Yield on loans

**9.8%**

**10.9%**

**11.3%**

Yield on fixed income  
(includes Interbank Funds)

**4.7%**

**4.6%**

**5.5%**

Average Funding  
Cost / Total Int.  
Bearing Funding

**3.4%**

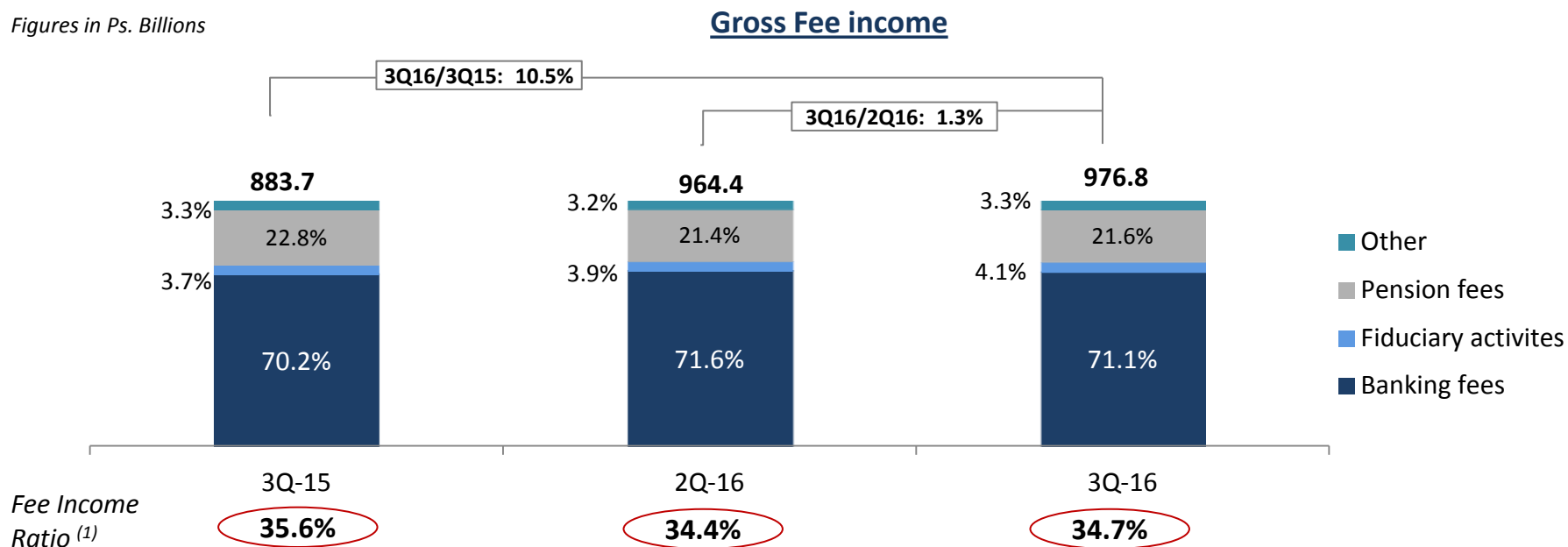
**4.3%**

**4.6%**

Source: Banco de Bogotá. Consolidated Figures.

- (1) Net interest Income includes: Net interest income + Net trading income from investment securities held for trading + Net income from Central American hedging activities.
- (2) 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 / Average securities + Interbank and overnight funds.
- (3) Loans Net Interest Margin: Quarterly Net Interest Income on Loans, annualized/Quarterly average loans and financial leases.
- (4) Net Interest Income for the period, annualized / Average interest earning assets.

Figures in Ps. Billions



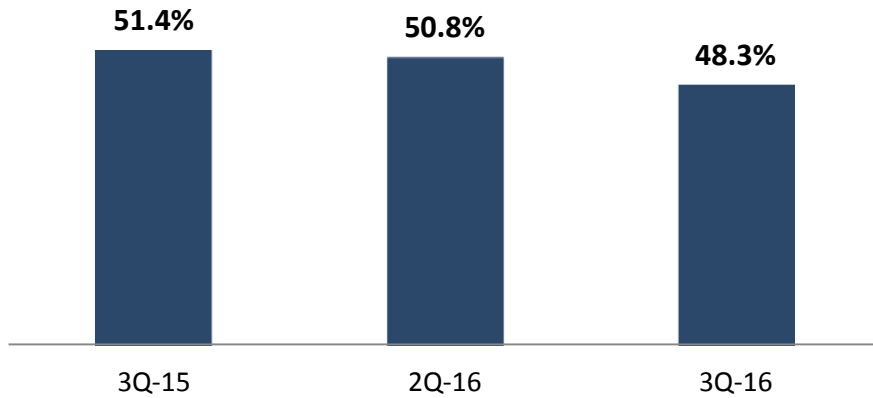
## Other Operating Income

	3Q-15	2Q-16	3Q-16
Derivatives and foreign exchange gains (losses), net <sup>(2)</sup>	89.3	159.6	137.8
Other Income <sup>(3)</sup>	64.2	121.3	73.6
Equity method income from associates, dividend income <sup>(4)</sup>	39.7	46.2	39.1
Non Recurrent income from deconsolidation Corficolombiana	0	2,183.6	0
<b>Total Other Operating Income</b>	<b>193.2</b>	<b>2,510.7</b>	<b>250.5</b>

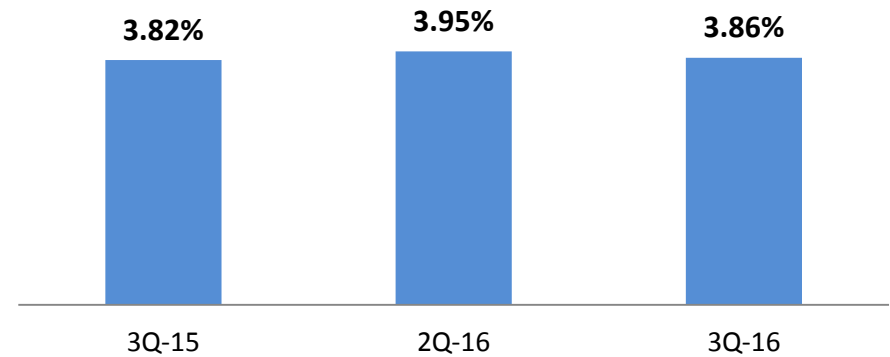
- (1) Fee Income ratio is calculated: Gross Fee income / Net interest income before provision + Gross fee income + Net trading income from investment securities held for trading + Other Income.
- (2) Derivatives and foreign exchange gains (losses), net includes the portion of "Net Trading Income" related to derivatives and Net foreign exchange gains (losses). For presentation purposes we present this line with reclassifications.
- (3) Other income includes: Net gain on sale of investments, earnings on the sale of non-current assets held for sale and other income.
- (4) Equity method income from associates includes Corficolombiana, Pizano and ATH.



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



## Operating Expenses/Average Assets<sup>(2)</sup>



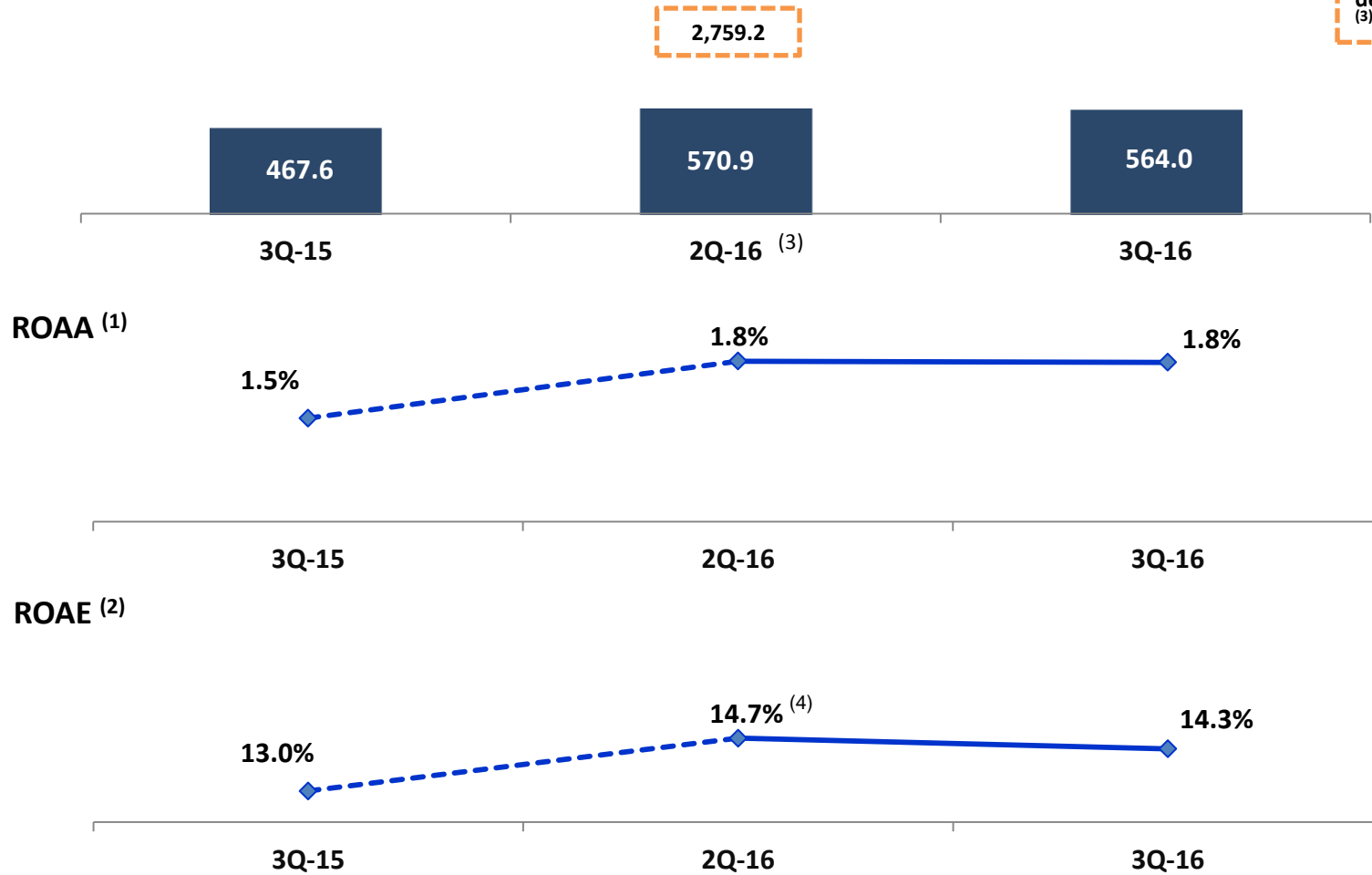
1/ Calculated as Personnel plus administrative expenses divided by net interest income plus net trading income, other income and fees and other services income, net (excluding others)

2/ calculated as annualized personnel plus administrative and other expenses divided by average of total assets.

Figures in Ps. Billions

## Net Income attributable to controlling interest

Figures including Non Recurrent income for deconsolidation of CFC<sup>(3)</sup>



(1) ROAA for each quarter is calculated as annualized Net Income divided by average of total assets.

(2) ROAE for each quarter is calculated as annualized Net Income attributable to shareholders divided by average attributable shareholders' equity.

(3) Non-recurrent income as a result of deconsolidation of CFC: includes \$2,184 Ps. Billion of the difference between book value and fair value of Corficolombiana plus other income

(4) This ratio changed in comparison to conference call 2Q2016 due to some adjustments in the Equity attributable to the owners of the parent company.

Note: Equity for 3Q15 includes an estimation of non recurring income from deconsolidation of CFC, for comparative purposes.