

# Banco de Bogotá



## Third Quarter 2014 Consolidated Results Conference Call

November 28, 2014

Banco de Bogotá and its respective Colombian financial subsidiaries, including Porvenir and Corficolombiana, are subject to inspection and surveillance as financial institutions by the Colombian Superintendency of Finance .

The financial information in this presentation is expressed in Colombian pesos, hereby identified as COP, and is derived from the consolidated financial statements of Banco de Bogotá and its subsidiaries in which it holds directly or indirectly 50% or more of the outstanding voting shares, or in which it exercises effective control through an agreement with shareholders. These subsidiaries include: Leasing Bogotá S.A. Panamá, BAC Credomatic, Corporación Financiera Colombiana S.A. and its subsidiaries, Porvenir S.A., Banco de Bogotá S.A. Panamá and its subsidiaries, Fiduciaria Bogotá S.A., Almaviva S.A. and its subsidiaries, Casa de Bolsa S.A., Megalínea S.A., Ficentro, Bogotá Finance Corp. Leasing Bogotá Panamá owns 100% of BAC Credomatic. Such consolidated financial statements were prepared in accordance with the regulations of the Superintendency of Finance and, on issues not addressed by these regulations, generally accepted accounting principles prescribed by the Superintendency of Finance for banks licensed to operate in Colombia, consistently applied, together with such regulations, “Colombian Banking GAAP.” The financial statements of foreign subsidiaries have been adjusted in order to adopt uniform accounting policies as required by Colombian Banking GAAP.

For the purpose of this presentation, annual variations refer to variations compared to the same quarter of the previous year and quarterly variations refer to variations compared to the immediately previous quarter. Foreign operations reflect Central American operations, mainly BAC Credomatic.

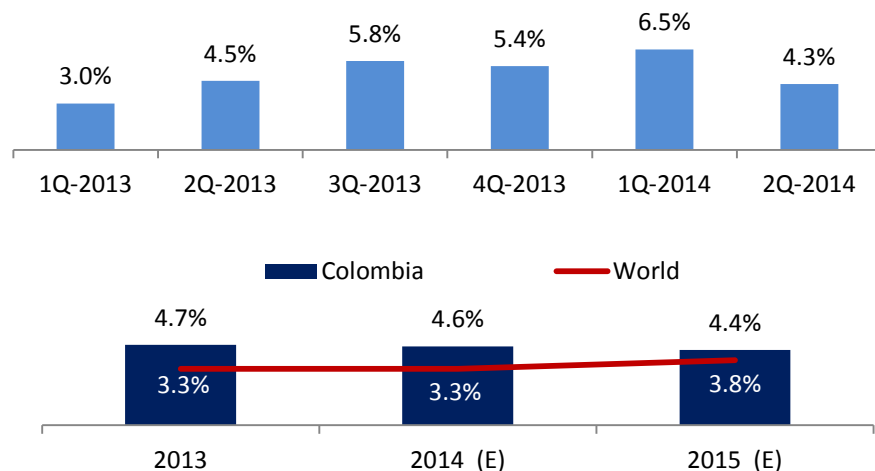
This presentation is prepared with unaudited financial statements, for the first and third quarters of every year. We refer to billions as thousands of millions and to trillions as millions of millions (Colombian Pesos).

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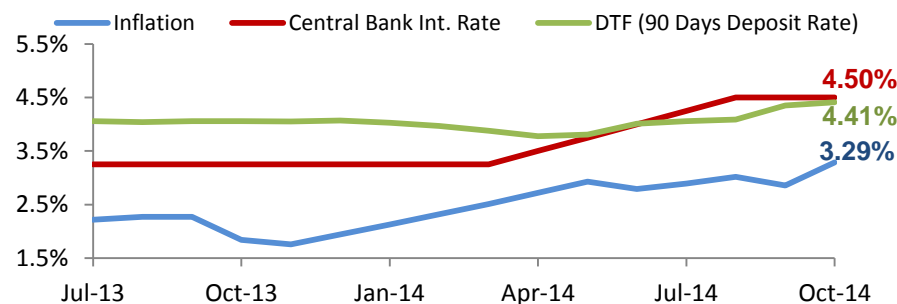
## About Banco de Bogotá performance in 3Q2014:

- a) Steady gross loan growth (24.8% YoY and 4.9% QoQ) with a stable quality of loan portfolio.
- b) Low cost of funding structure with deposits representing 70.4% of total funding and checking and saving accounts representing 72.2% of total deposits.
- c) Consolidated regulatory capital ratio as of September 30, 2014 is 11.1%.
- d) NIM, 5.6% in 3Q2014, slightly above from 5.5% in 2Q2014.
- e) Improving efficiency ratio on a cost to income basis to 47.3% in 3Q2014 from 49.6% in 2Q2014 and 49.3% in 3Q2013. Efficiency measured as annualized operational expenses to average total assets was 3.9% for 3Q2014, improving from 4.4% for 3Q2013.
- f) Improving ROAA and ROAE to 2.1% and 15.3%, in 3Q2014, from 1.8% and 14.8%, in 2Q2014, respectively.
- g) Strong banking franchise: Banco de Bogotá has been recognized as the Best Bank in Colombia in 2014 (The Banker and Euromoney). The Bank was also recognized as the most important services sector brand in the country (Compassbranding and Raddar).

## Real GDP Growth (YoY %)



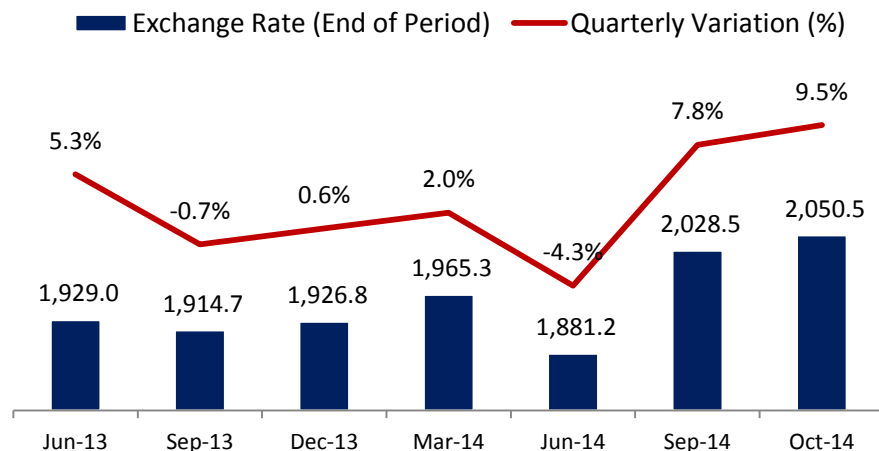
## Inflation vs. Nominal Interest Rates (%)



### Quarterly Average Central Bank Rate and DTF

	3Q-13	4Q-13	1Q-14	2Q-14	3Q-14	Oct-14
CBR <sup>1/</sup>	3.25%	3.25%	3.25%	3.75%	4.42%	4.50%
DTF <sup>2/</sup>	4.04%	4.04%	3.96%	3.85%	4.12%	4.21%

## Exchange Rate (YoY)



## Stable Macroeconomic Environment

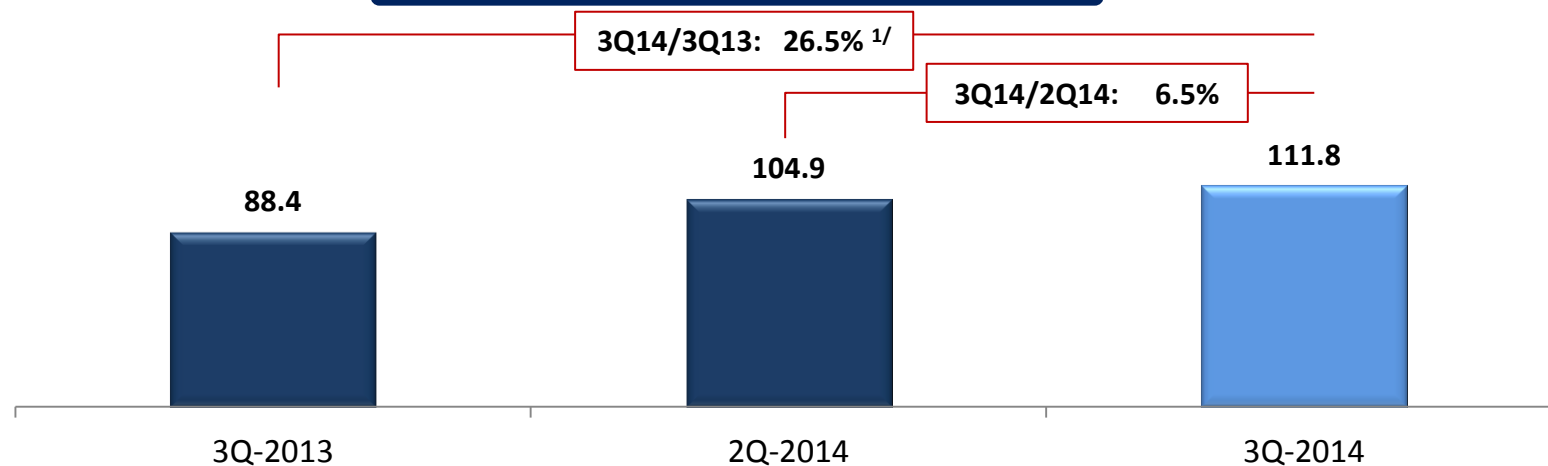
- Expected GDP growth for 2014 and 2015 is 4.6% and 4.4%, respectively.
- Stable intervention rate at 4.50% with DTF rate of 4.37% for the week from 24<sup>th</sup> Nov. 2014 to 30<sup>th</sup> Nov 2014.
- Continued depreciation of the currency with COP/USD at 2,165.15 as of Nov. 28<sup>th</sup>, 2014. Devaluation of peso was 7.8% between June 30, 2014 and September 30, 2014 and 5.9% between September 30, 2013 and September 30, 2014.

Source: DANE, Anif, Banco de la República. International Monetary Found.

1/ Average of daily rates for each quarter as per reported by Banco de la República.

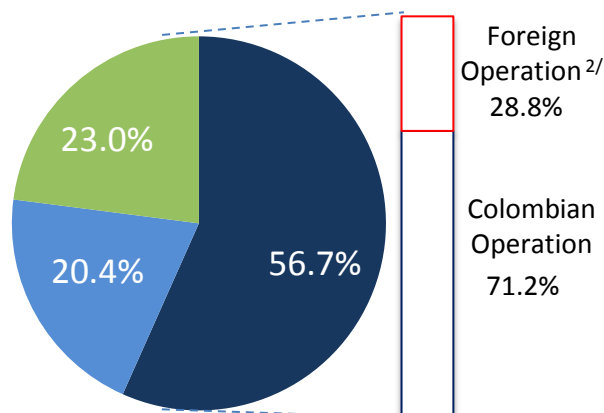
2/ Average of monthly average rates reported by Banco de la República for each month of each quarter.

## Total Assets (Trillion COP)

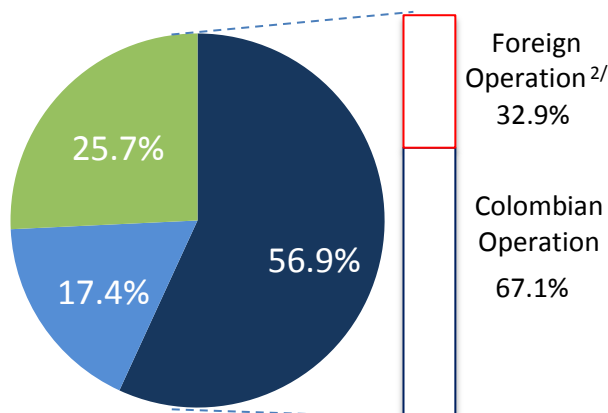


## Assets Breakdown

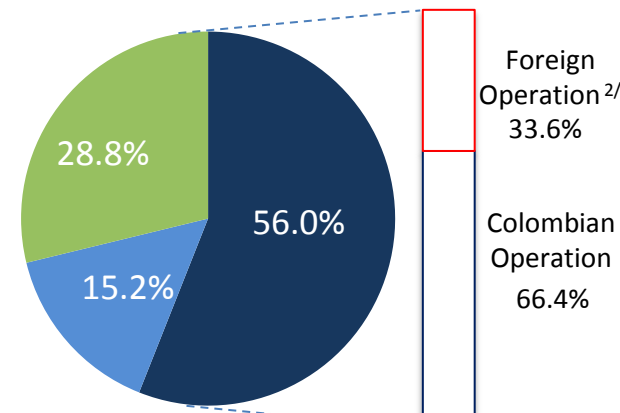
3Q-2013



2Q-2014



3Q-2014



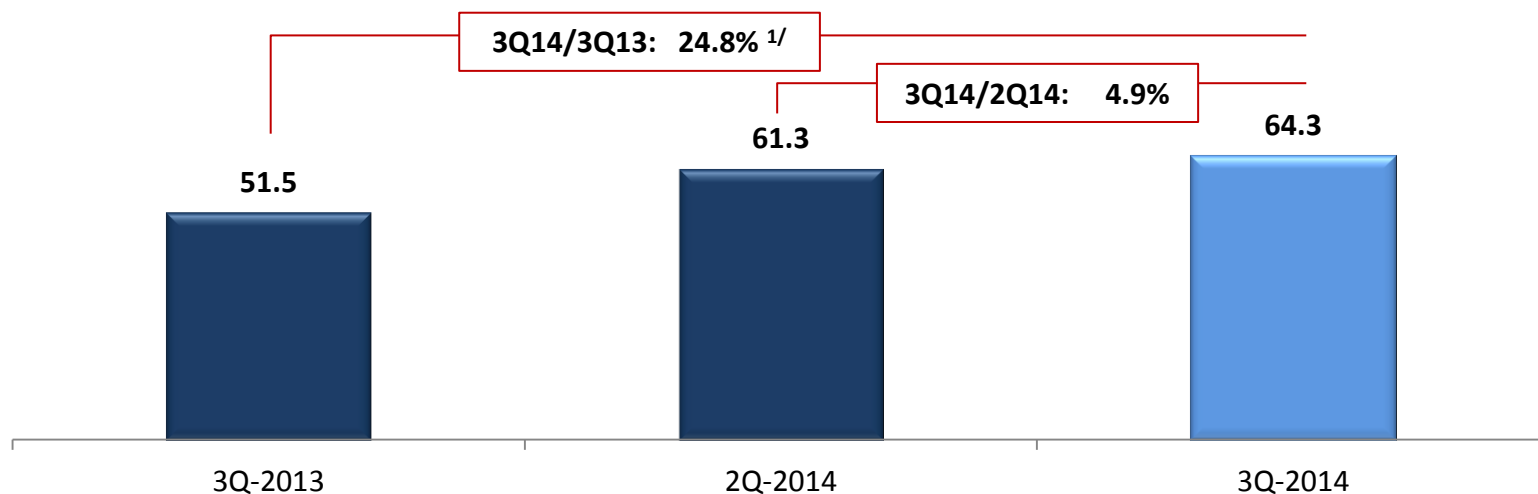
■ Loans and Financial Leases, Net  
 ■ Net Investments  
 ■ Other Assets

<sup>1/</sup> Starting on 4Q2013, includes asset from the acquisition of Grupo Financiero Reformador (Guatemala) and BBVA Panamá. Annual growth excluding acquisitions was 18.9% as of 3Q2014.

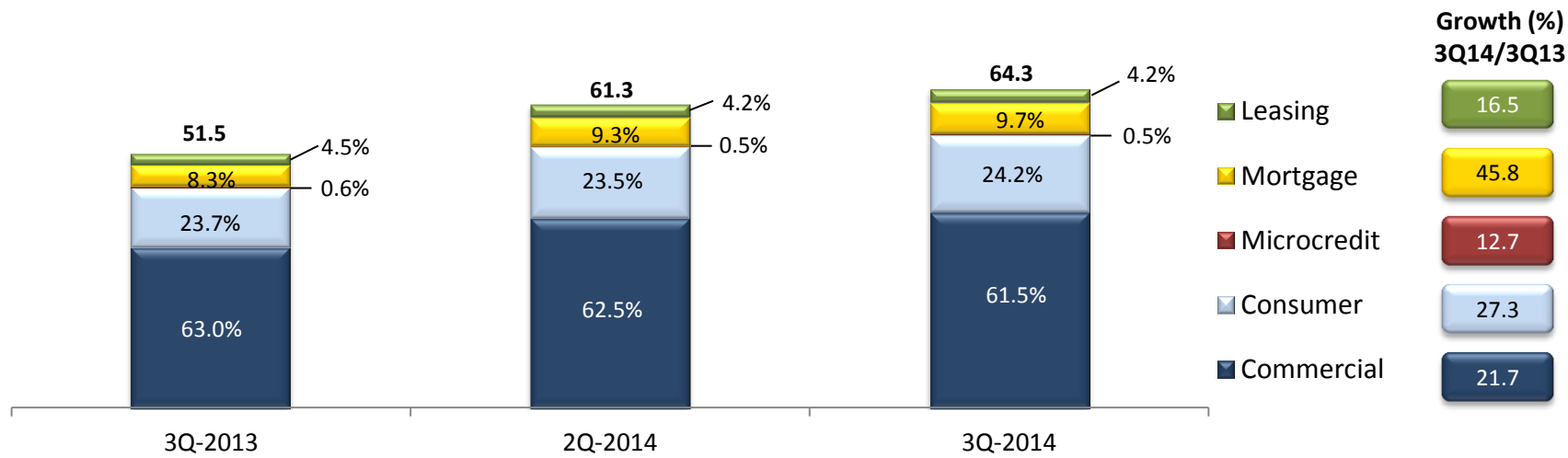
<sup>2/</sup> Foreign operations reflect Central American operations, mainly BAC Credomatic.

# Loan Portfolio Breakdown by Business Segment (COP Trillion)

## Gross Loan Portfolio (COP Trillion)



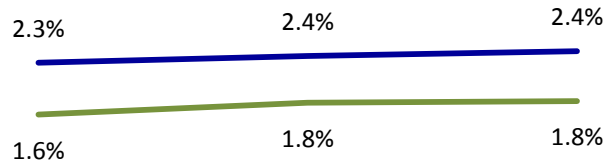
## Loan Portfolio Breakdown (COP Trillion)



<sup>1/</sup> Starting on 4Q2013, includes asset from the acquisition of Grupo Financiero Reformador (Guatemala) and BBVA Panamá. Annual growth excluding acquisitions was 15.7% as of 3Q2014.

## PDLs/Gross Loans and NPLs/ Gross Loans

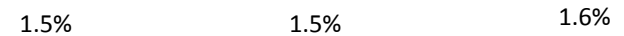
— PDL Over 30d/Gross Loans — NPLs/Gross Loans



3Q-2013 2Q-2014 3Q-2014

## Loan Provision Expense, Net \*/ Average Loans

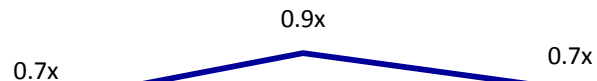
— Loan Provision Expense, Net / Average Loans



3Q-2013 2Q-2014 3Q-2014

## Charge offs\* / Average NPLs

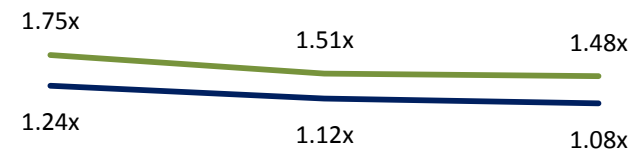
— Charge Offs / Average NPL Loans



3Q-2013 2Q-2014 3Q-2014

## Coverage

— Allowance/PDLs over 30 days — Allowance / NPLs



3Q-2013 2Q-2014 3Q-2014

Allowance / Total Loans

2.8%

2.7%

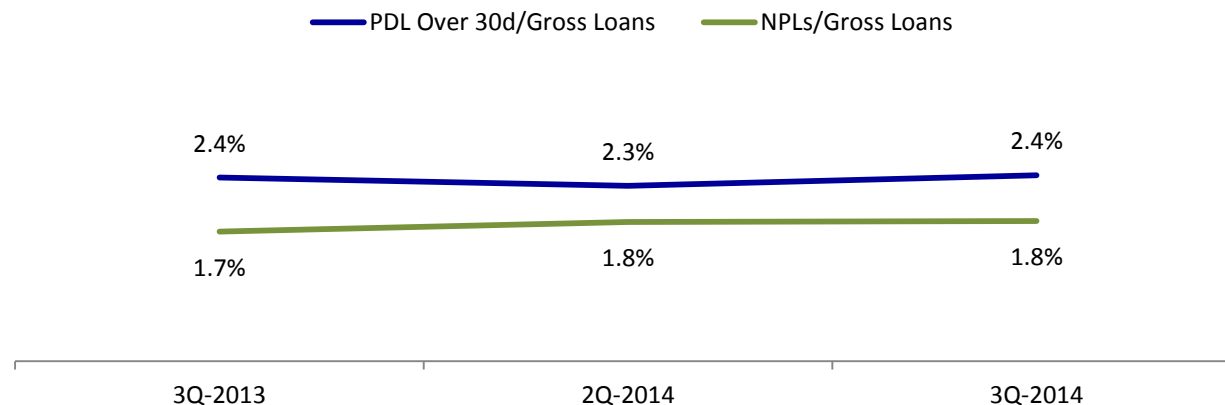
2.6%

\* Annualized.

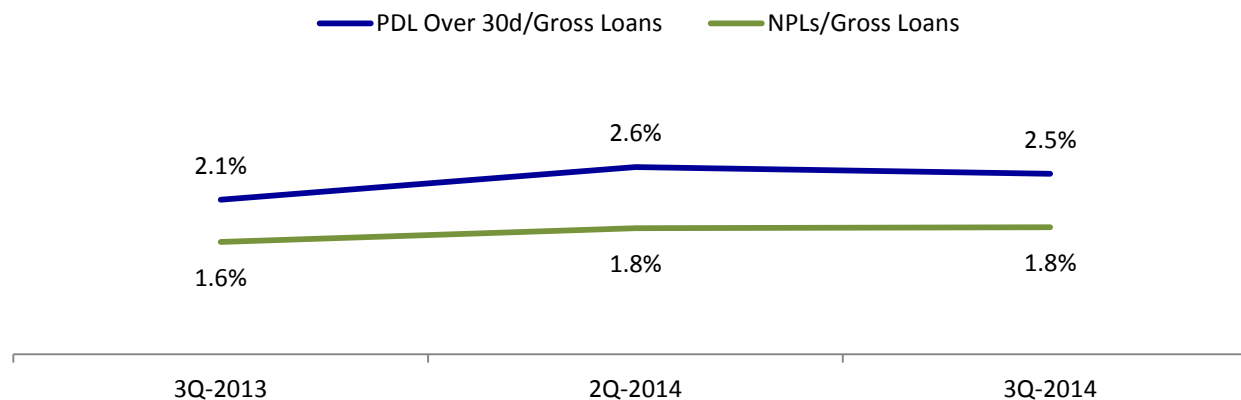
PDL: Past Due Loans.

NPL defined as microcredit loans more than 30 days past due, consumer, mortgage and financial leases more than 60 days past due and commercial loans more than 90 days past due.

## Colombia



## Central America



Figures Under Colombian GAAP.

NPL defined as microcredit loans more than 30 days past due, consumer, mortgage and financial leases more than 60 days past due and commercial loans more than 90 days past due.



% of Total Loans	
	3Q-2014
Commercial	61.5%
Consumer	24.2%
Microcredit	0.5%
Mortgage	9.7%
Financial Leases	4.2%
<b>Total Loans</b>	<b>100%</b>

Past Due Loans <sup>1/</sup>		
3Q-2013	2Q-2014	3Q-2014
1.3%	1.5%	1.6%
4.6%	4.7%	4.6%
10.1%	10.0%	10.1%
2.0%	2.5%	2.5%
3.1%	1.7%	1.8%
<b>2.3%</b>	<b>2.4%</b>	<b>2.4%</b>

Non Performing Loans <sup>2/</sup>		
3Q-2013	2Q-2014	3Q-2014
1.0%	1.1%	1.1%
3.2%	3.2%	3.1%
10.1%	10.0%	10.1%
2.0%	2.5%	2.5%
1.0%	1.0%	1.1%
<b>1.6%</b>	<b>1.8%</b>	<b>1.8%</b>

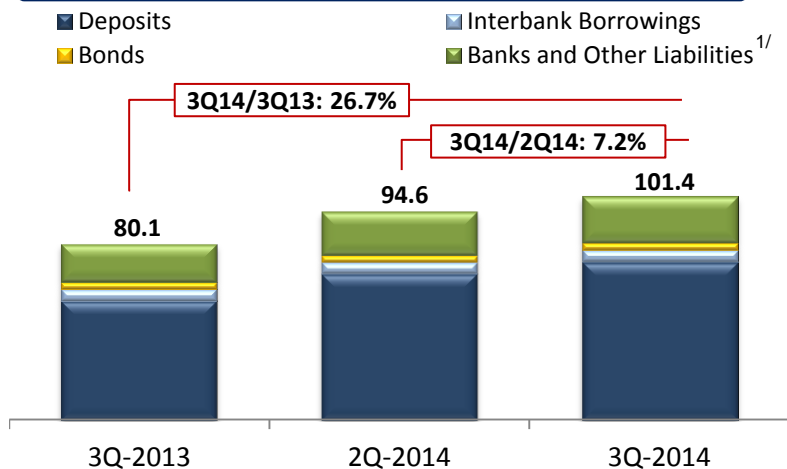
## Credit Quality Trends

Figures in Billion COP	3Q-2013	2Q-2014	3Q-2014
Initial Past Due Loans	1,096.3	1,614.5	1,453.9
New Past Due Loans	216.5	103.4	318.3
Charge-offs	-135.8	-264.0	-206.8
<b>Total Past Due Loans</b>	<b>1,177.0</b>	<b>1,453.9</b>	<b>1,565.5</b>

1/ PDL over 30 days.

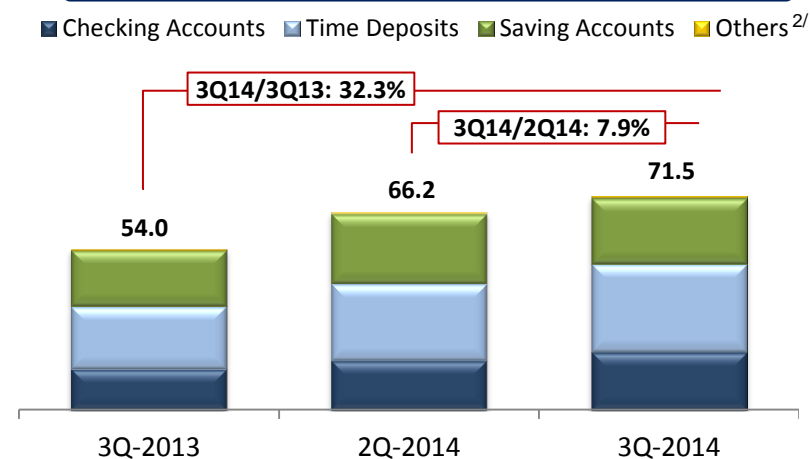
2/ NPL defined as microcredit loans more than 30 days past due, consumer, mortgage and financial leases more than 60 days past due and commercial loans more than 90 days past due.

## Funding (COP Trillion)



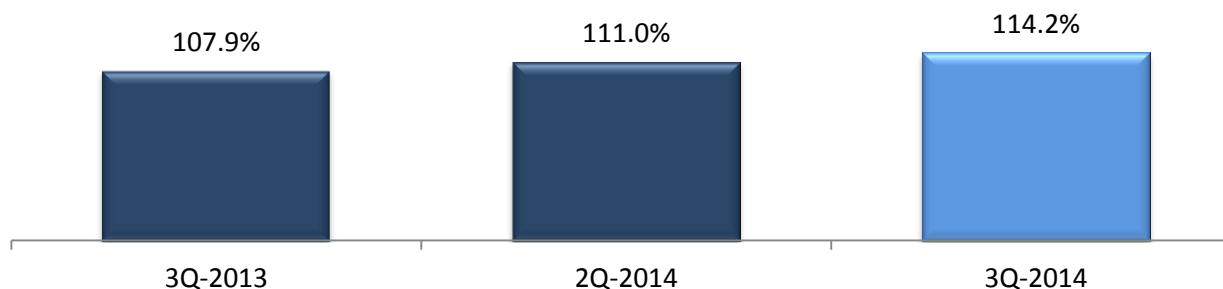
%	3Q-13	2Q-14	3Q-14
Deposits	67.5	70.0	70.4
Interbank Borrowings	6.9	5.5	5.4
Bonds	4.0	3.4	3.3
Banks and Other Liabilities <sup>1/</sup>	21.7	21.1	20.9

## Deposits (COP Trillion)



%	3Q-13	2Q-14	3Q-14
Checking Accounts	25.5	24.9	27.0
Time Deposits	38.7	38.9	41.1
Saving Deposits	34.9	35.5	31.0
Other Deposits <sup>2/</sup>	0.9	0.8	0.8

## Deposits to Net Loans (%)

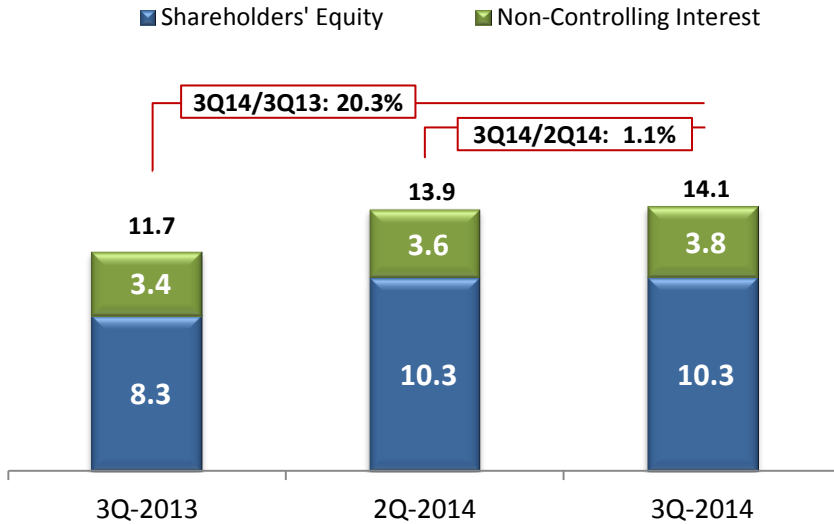


<sup>1/</sup> Other Liabilities include: Borrowing from financial entities and other financial obligations, Acceptances and derivatives, Accounts payable, Accrued interest payable, Other liabilities, Estimated Liabilities and Non-controlling interest.

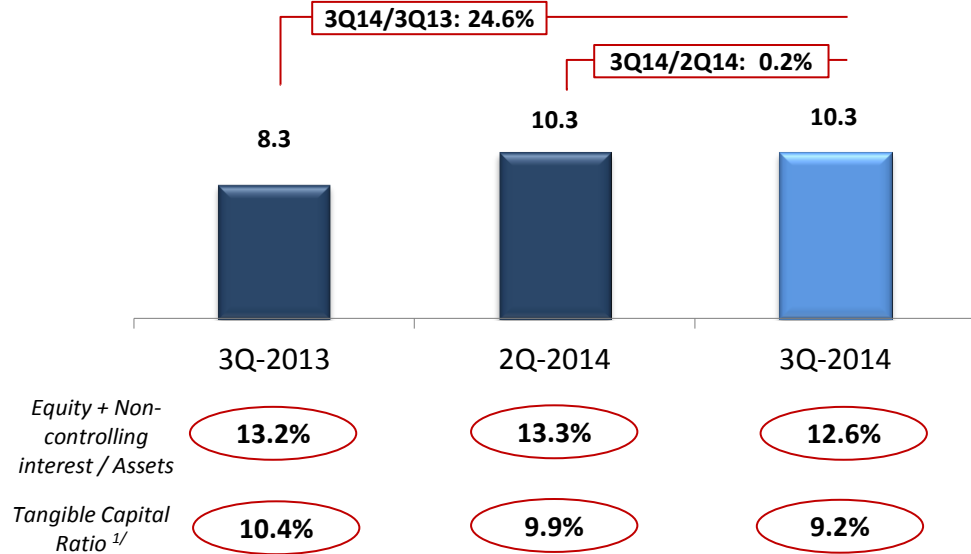
<sup>2/</sup> Other Deposits include: Deposits from other Banks and Correspondent Accounts, Banking Services Liabilities, Collection Banking Services and Other Deposits.

Annual growth in Deposits excluding acquisitions was 22.1%.

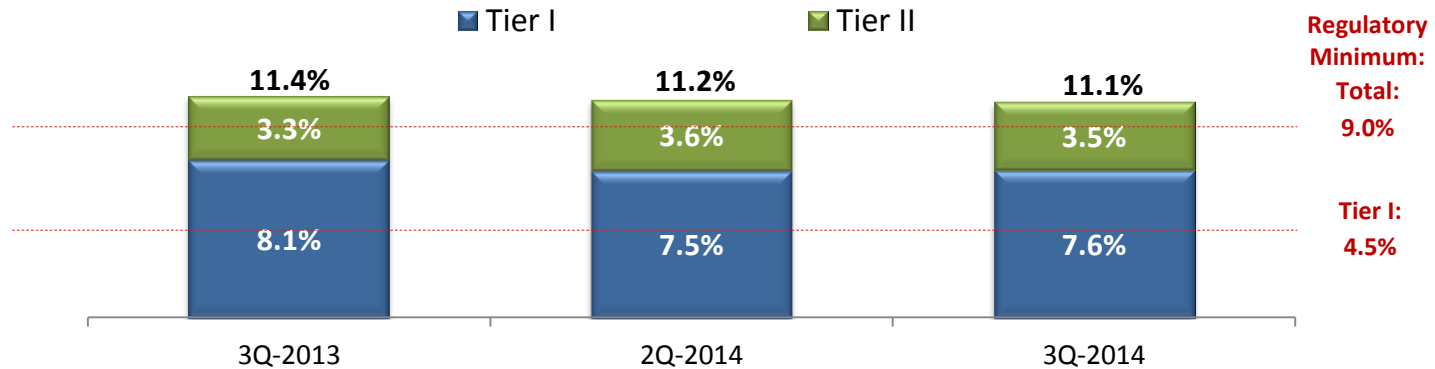
## Shareholders' Equity + Non-controlling interest (COP Trillion)



## Shareholders' Equity (COP Trillion)

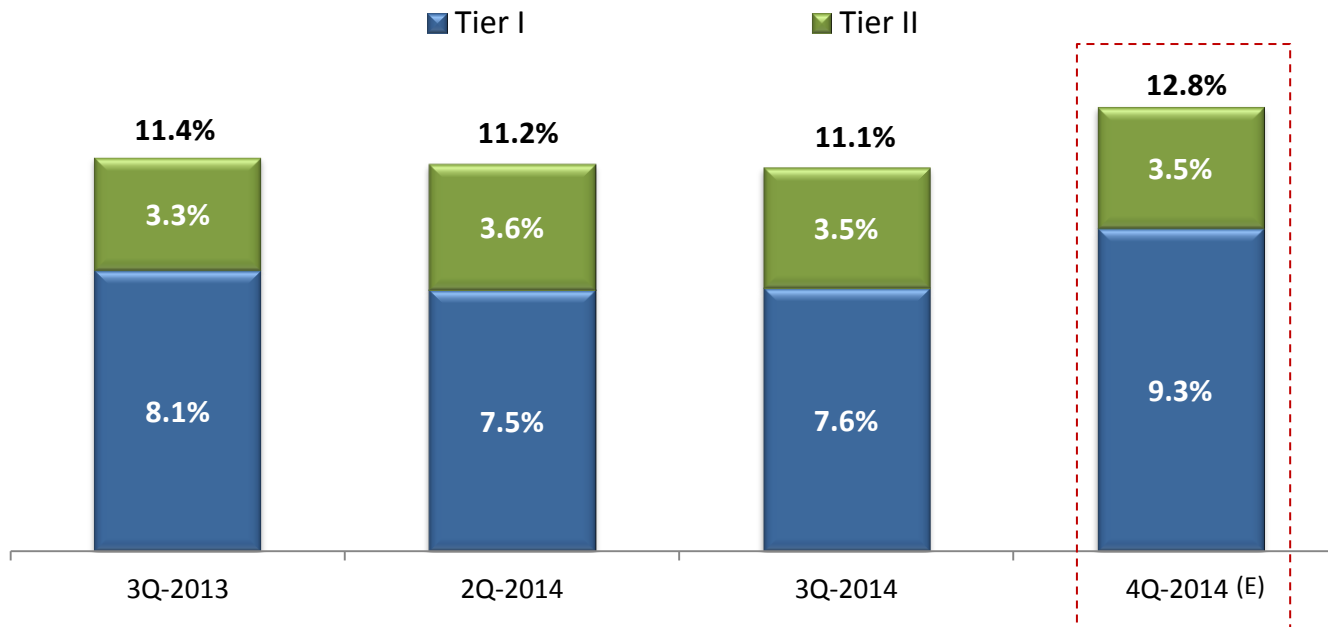



## Tier I and II Capital vs. Minimum Solvency Ratio



<sup>1/</sup> Tangible Capital Ratio is calculated as Shareholders Equity plus Non-controlling Interest minus Goodwill divided by Total Assets minus Goodwill.

Recent Capital Increases (COP Billion)		
Nov-2010 <sup>1/</sup>	Dec-2013	Dec-2014 <sup>2/</sup>
2,286	1,300	1,500



 Estimated Capital Adequacy Ratio including COP 1.5 trillion from ongoing equity offering.

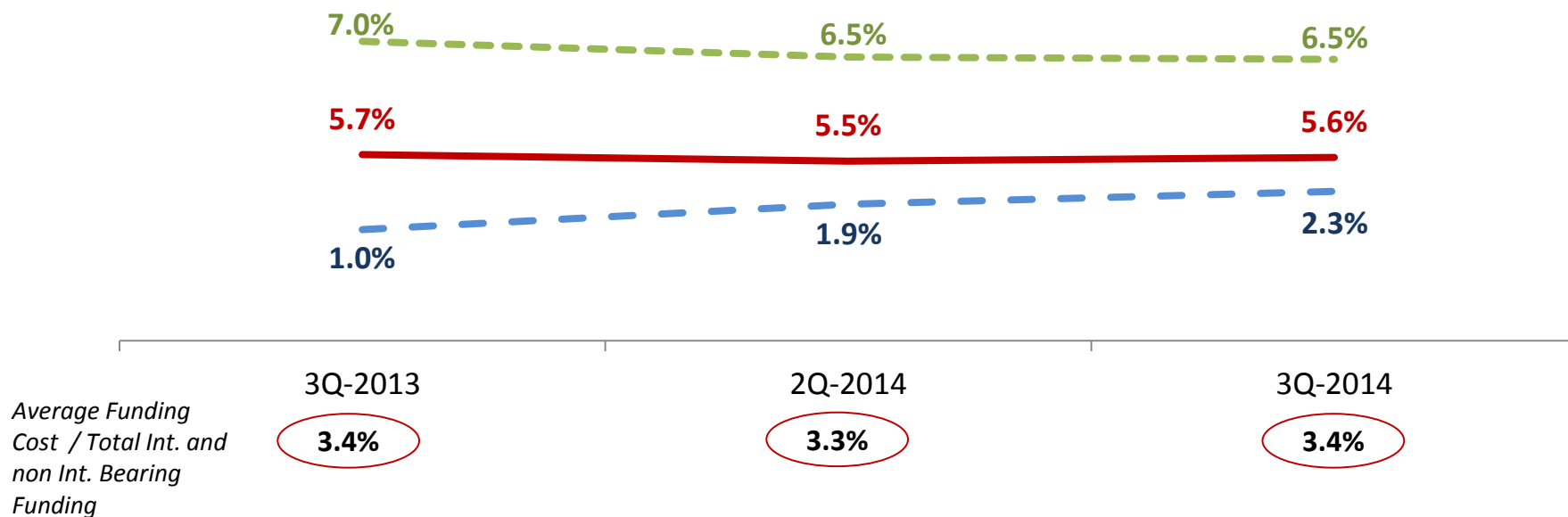
1/ BOCEAS: Mandatorily convertible bonds.

2/ Current equity offering of \$1.5 trillion pesos.

## Quarterly Net Interest Margin

Net Interest Income (Billion COP)				
3Q-2013	2Q-2014	3Q-2014	3Q14/3Q13	3Q14/2Q14
958.9	1,072.5	1,130.2	17.9%	5.4%

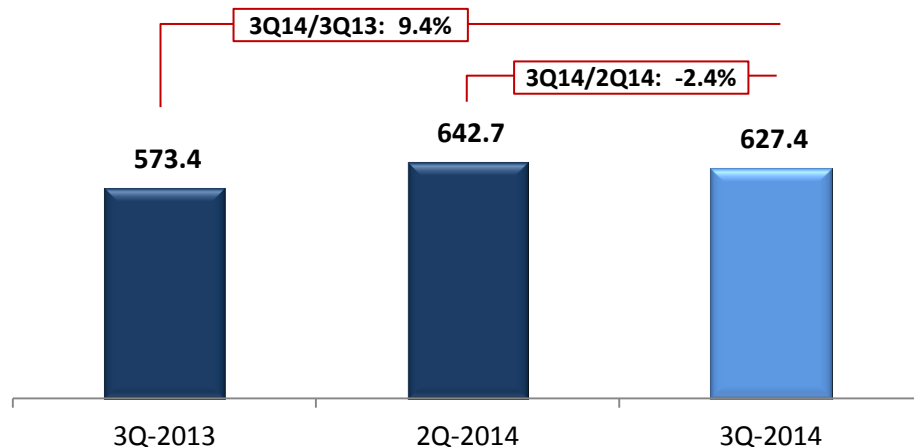
— NIM Investments (1)    - - - NIM on Loans (2)    — NIM (3)



Source: Banco de Bogotá. Consolidated Figures.

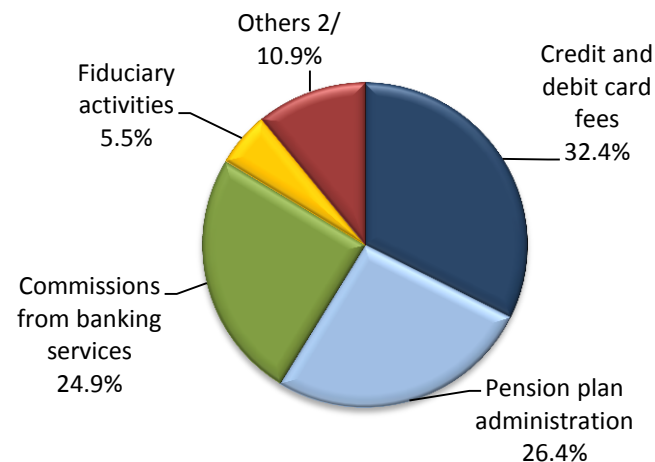
- (1) NIM on Investments: Quarterly Net Interest Income on Debt Investments Securities and Interbank Funds, annualized/Average Debt Investments Securities and Interbank Funds.
- (2) NIM on Loans and Financial Leases: Quarterly Net Interest Income on Loans, annualized/Quarterly average loans and financial leases.
- (3) Net Interest Income for the period, annualized. Does not include Investments in Equity Securities / Monthly Average Performing Assets (interest earning assets). Does not include Investments in Equity Securities.

## Net Fees (COP Billion) <sup>1/</sup>

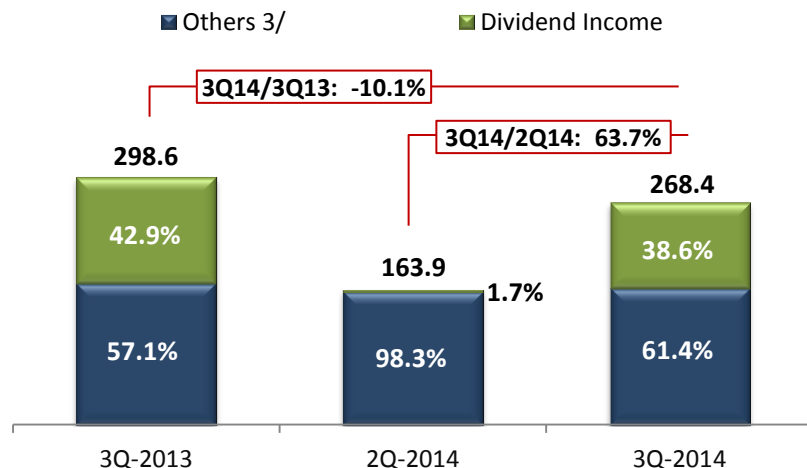


## Fee Income Breakdown, 3Q-2014

3Q-2014: COP 707.6 Billion



## Other Operating Income (COP Billion)



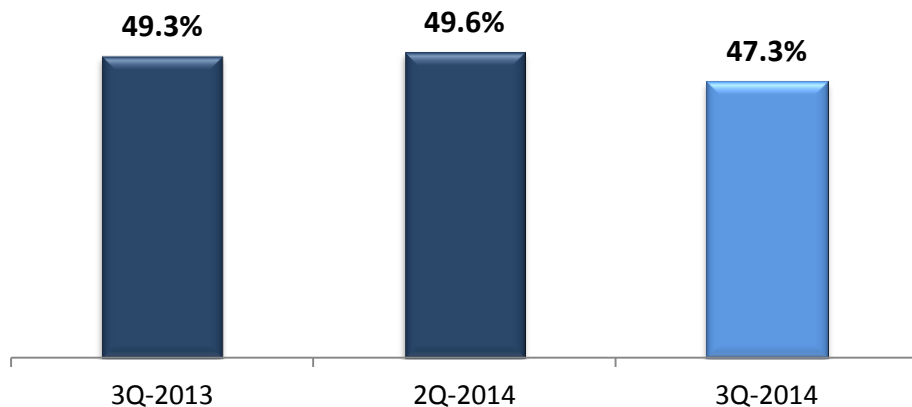
	3Q-2013	2Q-2014	3Q-2014
Dividend Income	128.0	2.8	103.5
Income From Non-Financial Sector	104.1	65.5	84.9
Net Foreign exchange gains (losses) and Derivatives	62.2	88.8	71.7
Others	4.3	6.8	8.3
<b>Total Other Operating Income</b>	<b>298.6</b>	<b>163.9</b>	<b>268.4</b>

1/ Total fees and other service income minus fees and other services expenses.

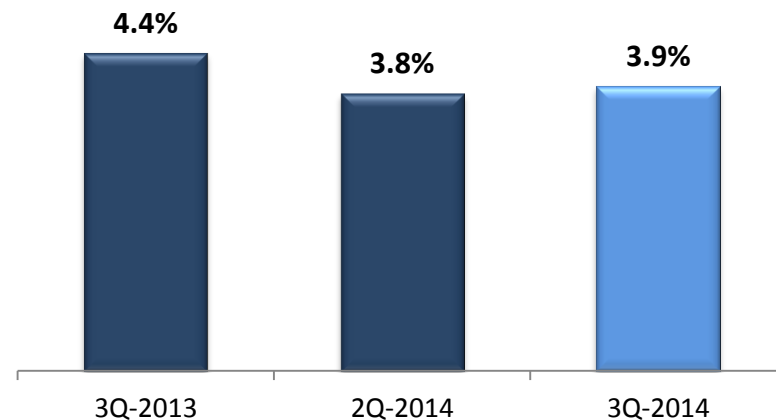
2/ Warehouse services, Checking fees, Branch network services and Others.

3/ Income from non-financial sector, Net foreign exchange gains (expenses), Gain (Losses) on derivative operations, Gains (losses) on sales of investments on equity securities, Others.

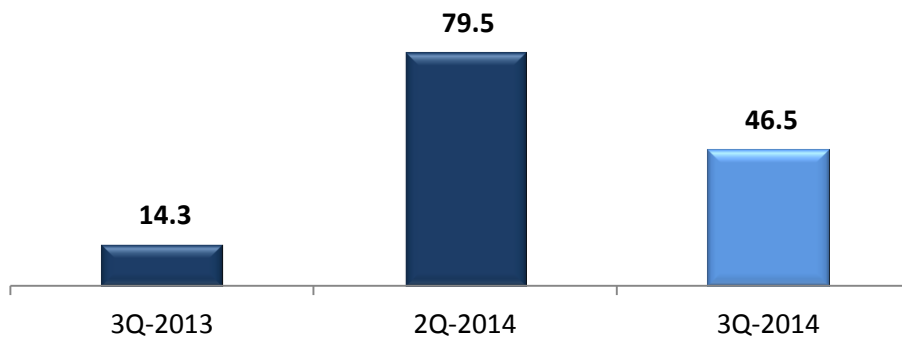
## Efficiency Ratio <sup>1/</sup>



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



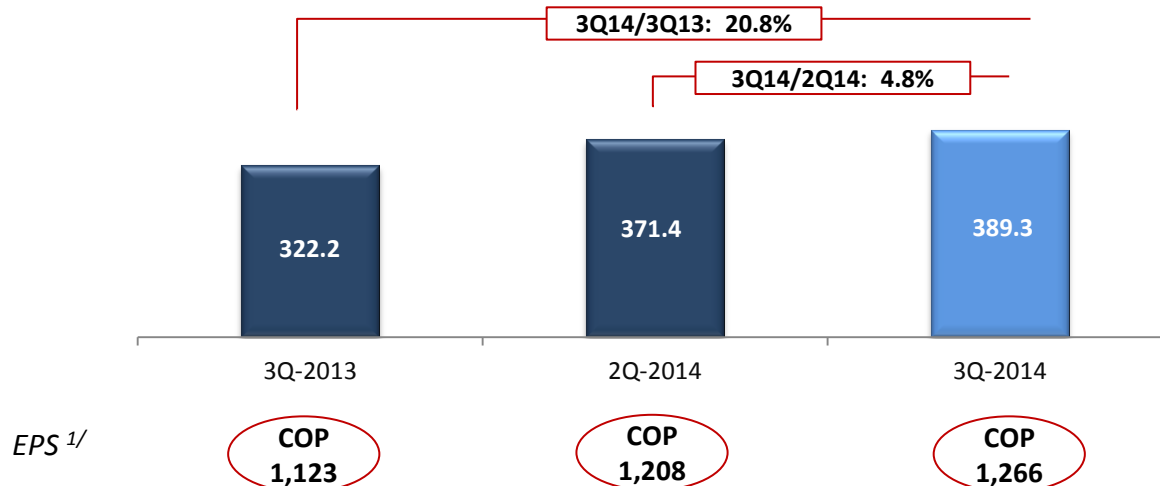
## Non Operating Income, Net



1/ Operating Expenses before Depreciation & Amortization / Total Operating Income before Provisions.

2/ Operating Expenses before Depreciation & Amortization / Total Average Assets for the quarter.

## Net Income (COP Billion)



## ROAA <sup>2/</sup>



3Q-2013

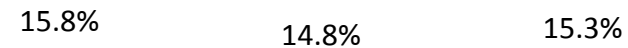
2Q-2014

3Q-2014

**2.4%**

**1.9%**

## ROAE <sup>3/</sup>



3Q-2013

2Q-2014

3Q-2014

**17.8%**

**14.3%**

ROAA  
12 Months

ROAE  
12 Months

1/ Consolidated Earnings Per Share.

2/ Net Profit for the period, annualized / Average Assets for the period.

3/ Net Profit Attributable to Shareholders for the period, annualized / Average Equity for the period.



## Contact Information

María Luisa Rojas Giraldo  
CFO  
Tel.: (571) 338 3415  
mrojas@bancodebogota.com.co

Martha Inés Caballero Leclercq  
Investor Relations Manager  
Tel.: (571) 332 0032 Ext. 1467  
mcabal1@bancodebogota.com.co

Julián Andrés Rodríguez Casas  
Investor Relations Analyst  
Tel.: (571) 332 0032 Ext. 1973  
jrodr11@bancodebogota.com.co

[www.bancodebogota.com](http://www.bancodebogota.com)