

# Banco de Bogotá



## First Quarter 2015 Consolidated Results Conference Call

Colombian Banking GAAP and IFRS

June 18, 2015

Banco de Bogotá is an issuer of securities in Colombia and is subject to the inspection and surveillance as a financial institution from the Superintendency of Finance of Colombia. Our subsidiaries are subject to inspection and surveillance from the Superintendency of Finance.

Until December 31, 2014 we prepared the unaudited consolidated financial information included in our quarterly reports in accordance with the regulations of the Superintendency of Finance for financial institutions and generally accepted accounting principles for banks to operate in Colombia, also known as Colombian Banking GAAP.

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 must prepare financial statements under the technical regulatory framework effective in Colombia, based on International Financial Reporting Standards (IFRS). IFRS as applicable under Colombian regulations refers to a previous version of IFRS issued by the IASB. Additionally, in accordance with Law 1739 of 2014 (Tax Reform), there is the option of accounting the wealth tax against Equity Reserves without affecting the Net Income for the period. We refer to these standards as *Regulatory Framework* for purposes of this presentation.

The unaudited consolidated financial information included in this webcast for the first quarter of 2015 is presented under Colombian Banking GAAP and, for comparative purposes, it is also presented in accordance with IFRS applicable in Colombia. Unaudited consolidated financial information for all quarters of 2014 is presented under Colombian Banking GAAP.

As a result of our migration to IFRS and our first year of implementation of IFRS accounting principles, our interim unaudited consolidated financial information for 2015, and the comparative interim information for the respective periods of 2014, may be subject to further amendments until the first period-end financial statements under IFRS are presented.

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

This report may include forward-looking statements, which 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.

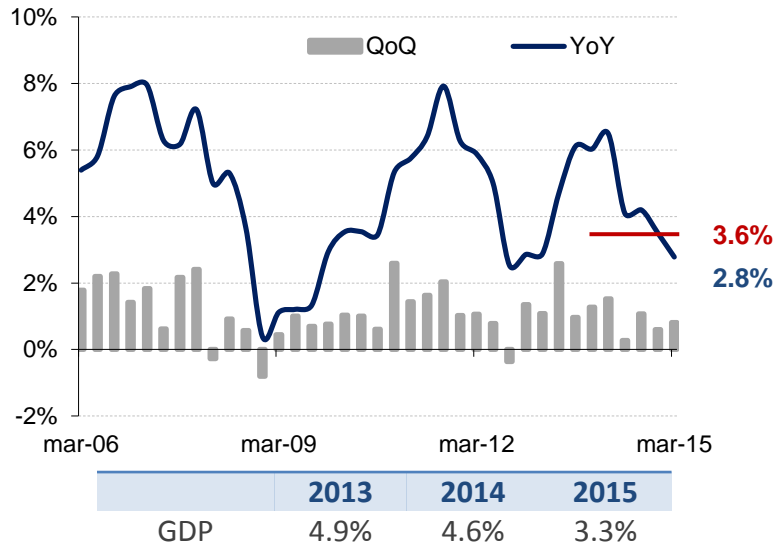
## About Banco de Bogotá's performance in 1Q2015:

- a) Consolidated Assets totaled COP 128.8 trillion after growing 22.9% YoY and 8.8% QoQ.
- b) Asset quality measured as 30 days PDL ratio has been stable at 2.4% since 2Q2014.
- c) Our Deposits represent 69.0% of total liabilities, maintaining our low-cost funding structure.
- d) Consolidated regulatory capital ratio stands at 10.8% as of March 31, 2015.
- e) Improvement in Net Interest Margin, 5.8% in 1Q2015, from 5.6% in 1Q2014 and in 4Q2014.
- f) Improving efficiency ratios in 1Q2015, as follows:
  - Cost to income ratio of 46.9% Vs 50.0% in 1Q2014 and 51.8% in 4Q2014.
  - Operational expenses to average total assets was 3.5% for 1Q2015 Vs 3.8% in 1Q2014 and 4Q2014.
- g) Net Income was COP 489 billion in 1Q2015, 55.0% increase from 1Q2014 and 56.6% from 4Q2014.

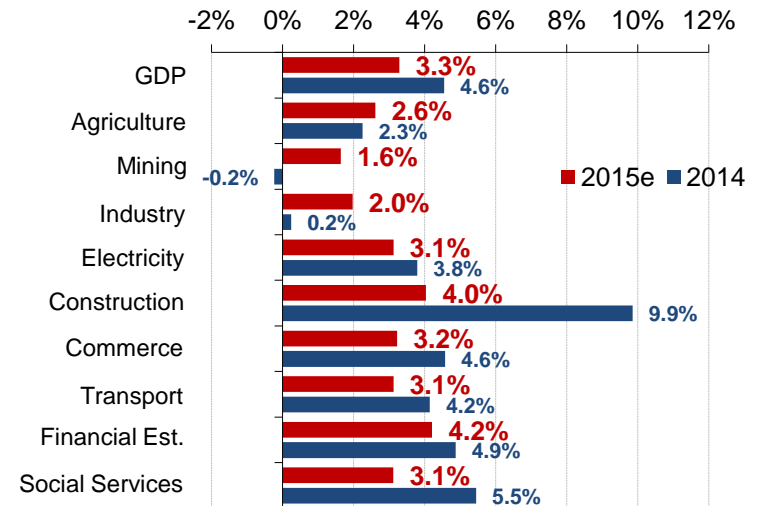
## Other Relevant Events:

- a) In the first quarter of 2015, International Financial Reporting Standards (IFRS) started to apply in Colombia and in BAC Credomatic.
- b) In the following presentation, calculations of growth excluding the depreciation of the Colombian Peso use the exchange rate as of March 31, 2015 to translate our Central American operations for all periods (COP 2,598.36).

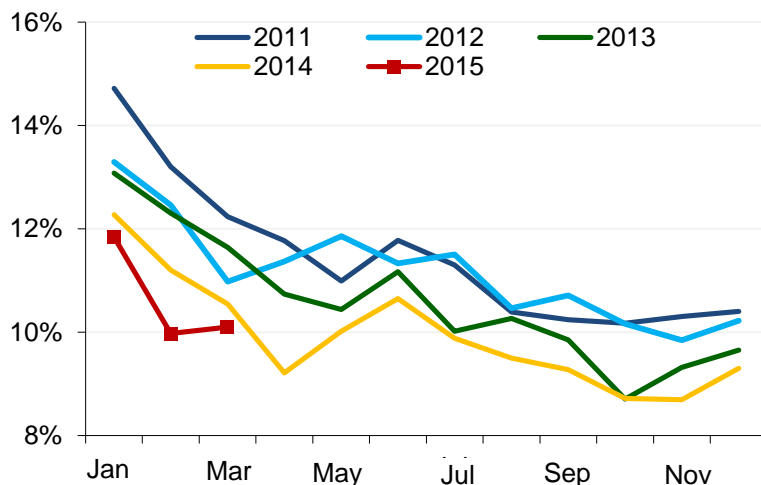
## GDP growth (YoY%)



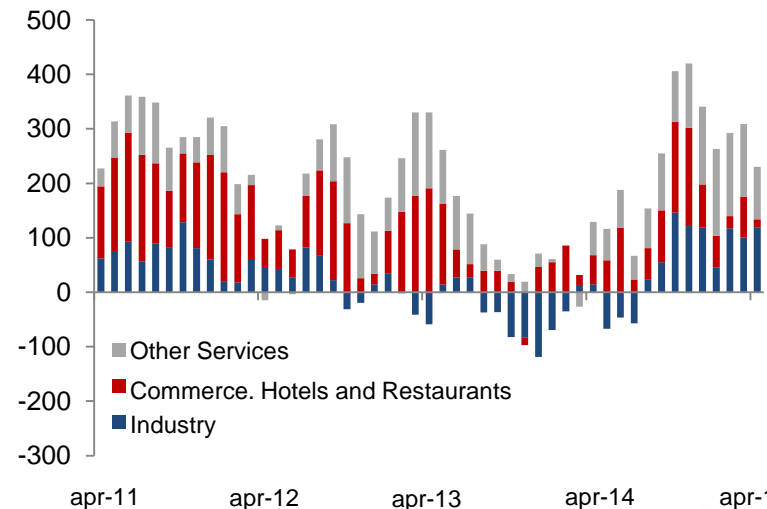
## GDP by sector (YoY%)



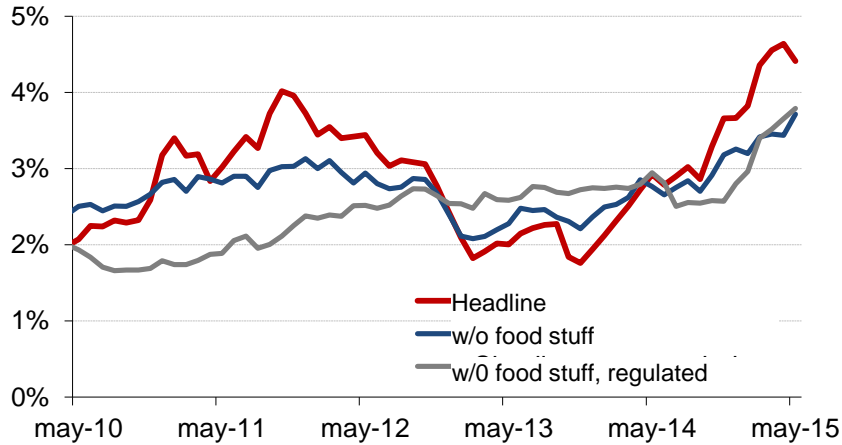
## Unemployment 13 cities (%)



## Job creation\* (annual change in 000)

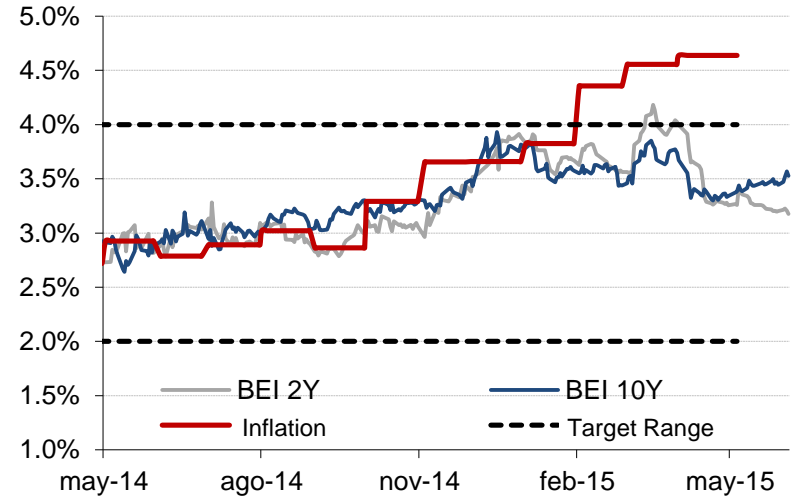


### Inflation (YoY %)

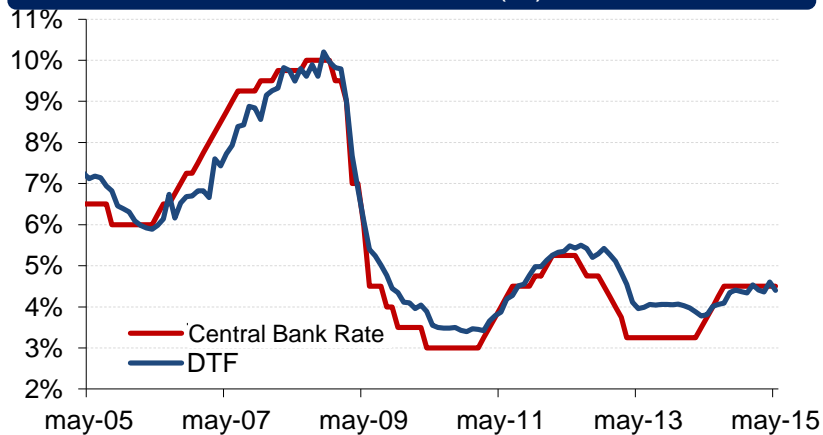


	2013	2014	2015
Inflation	1.9%	3.7%	3.8%

### Break even inflation\*, TES market (%)

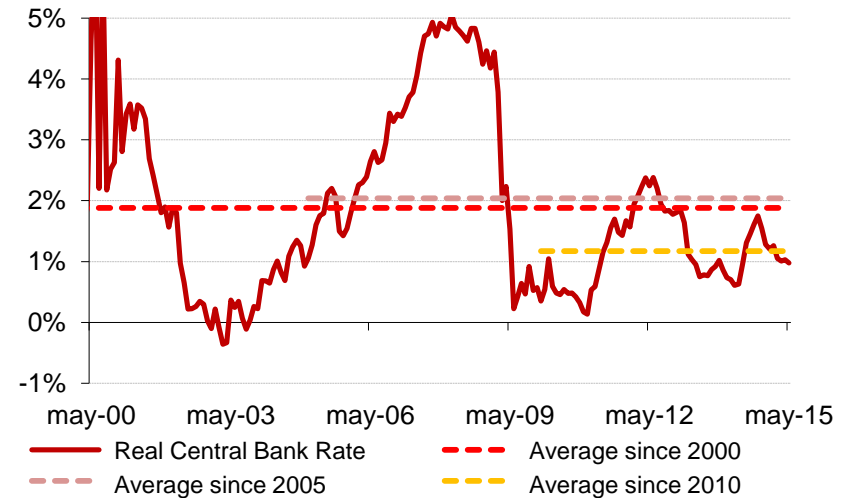


### Interest rates (%)



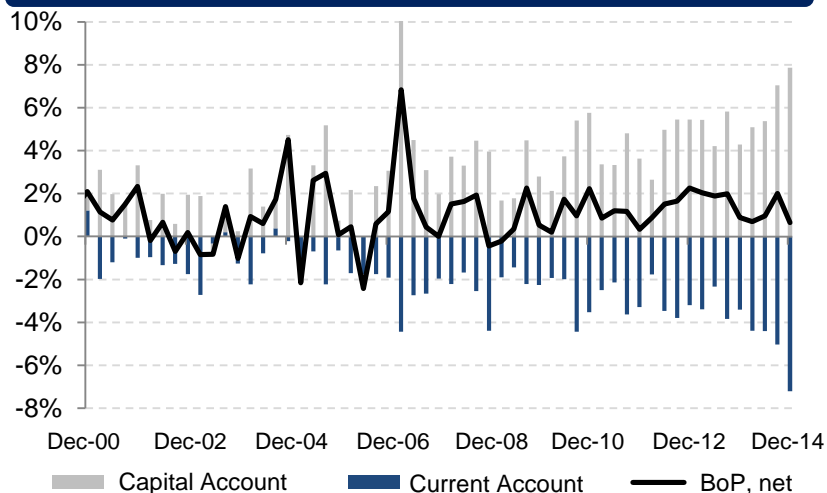
	2013	2014	2015
Central Bank Interest Rate	3.25%	4.50%	4.50%

### Central bank real interest rate\*\* (%)

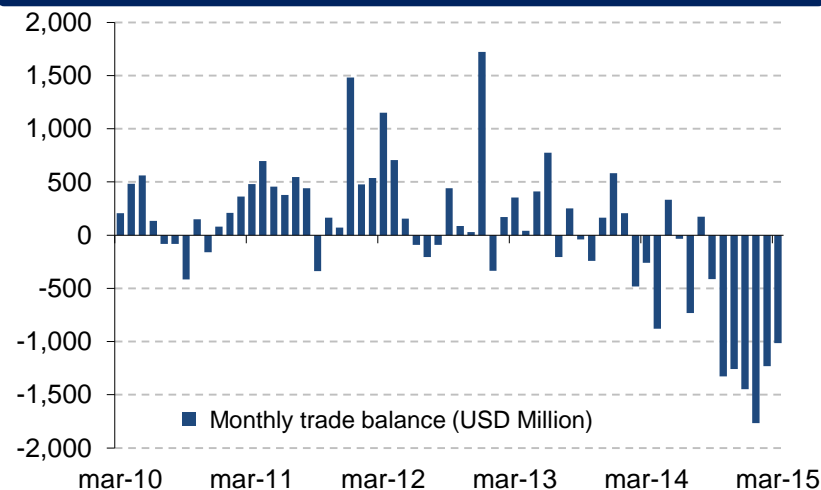


Source: DANE, Banco de la República. Banco de Bogotá estimates. \* Spread between TES fixed rate and TES UVR. \*\* Adjusted with inflation excluding food stuff.

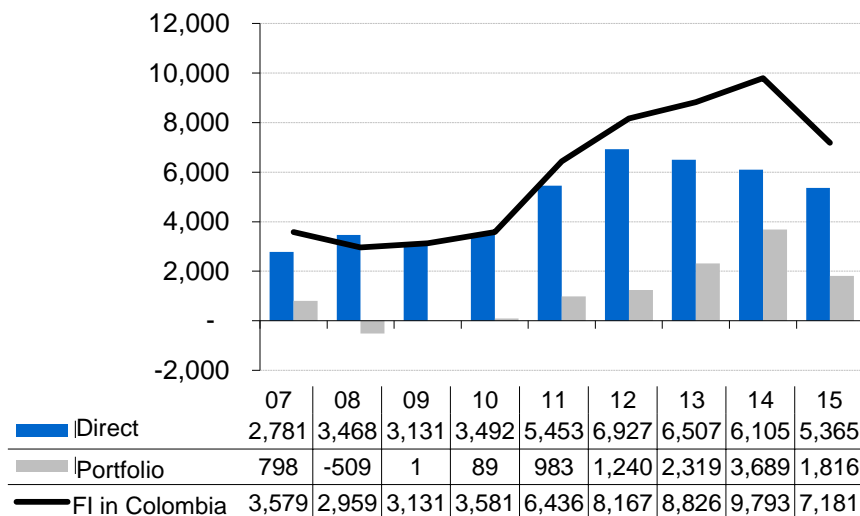
## Balance of payments\* (% of GDP)



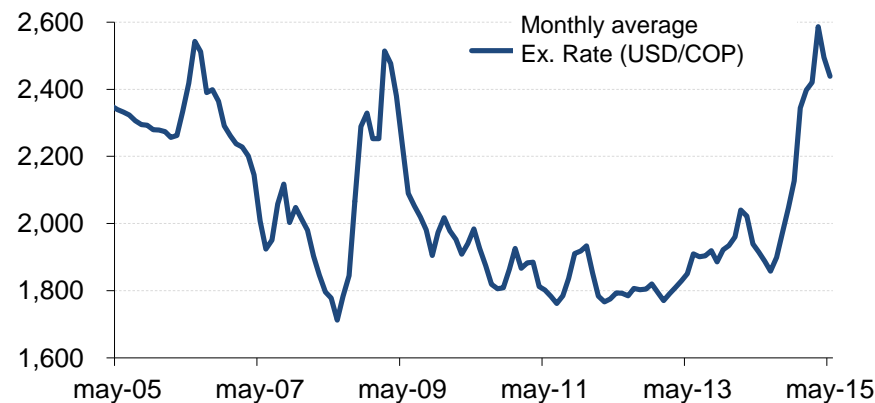
## Trade balance\* (USD M)



## Foreign investment in Colombia\*\* (USD M, YTD)

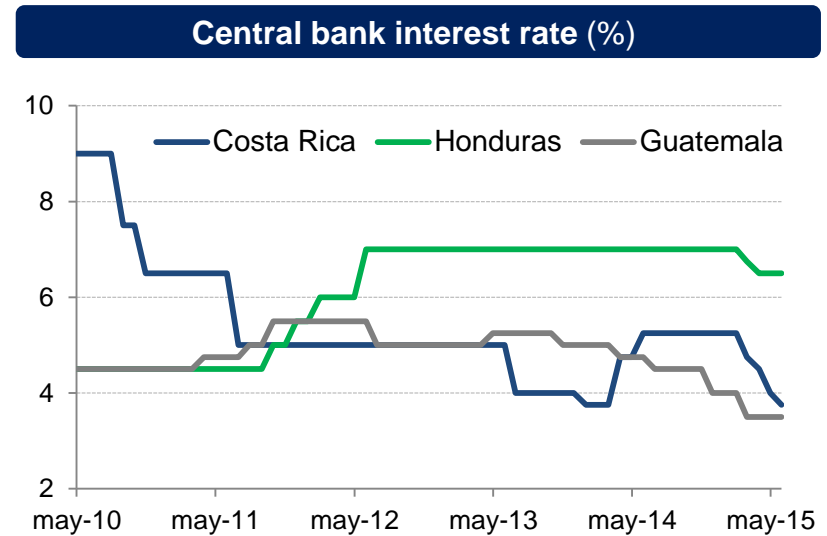
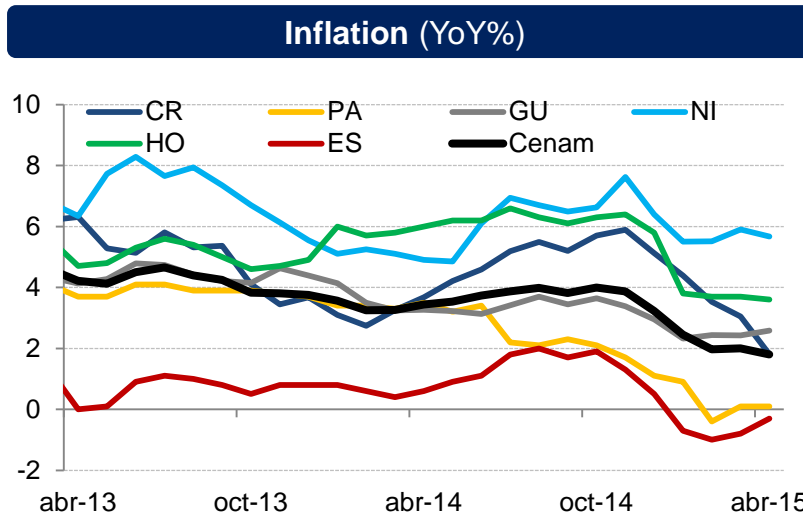
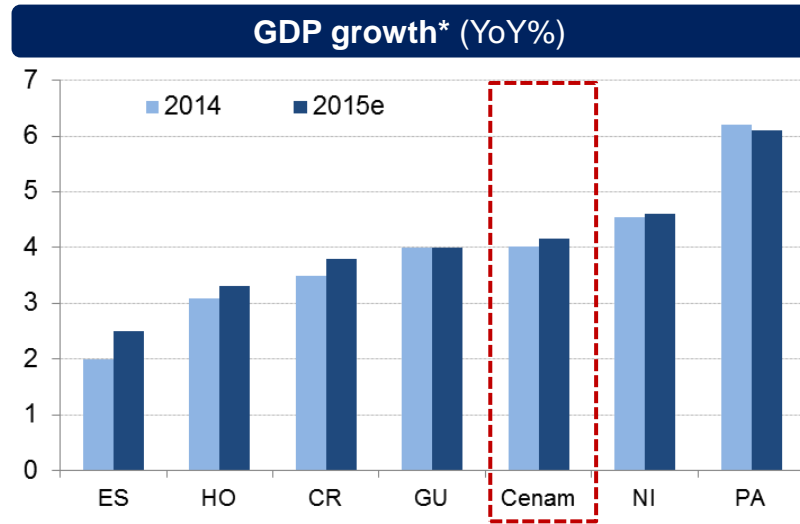


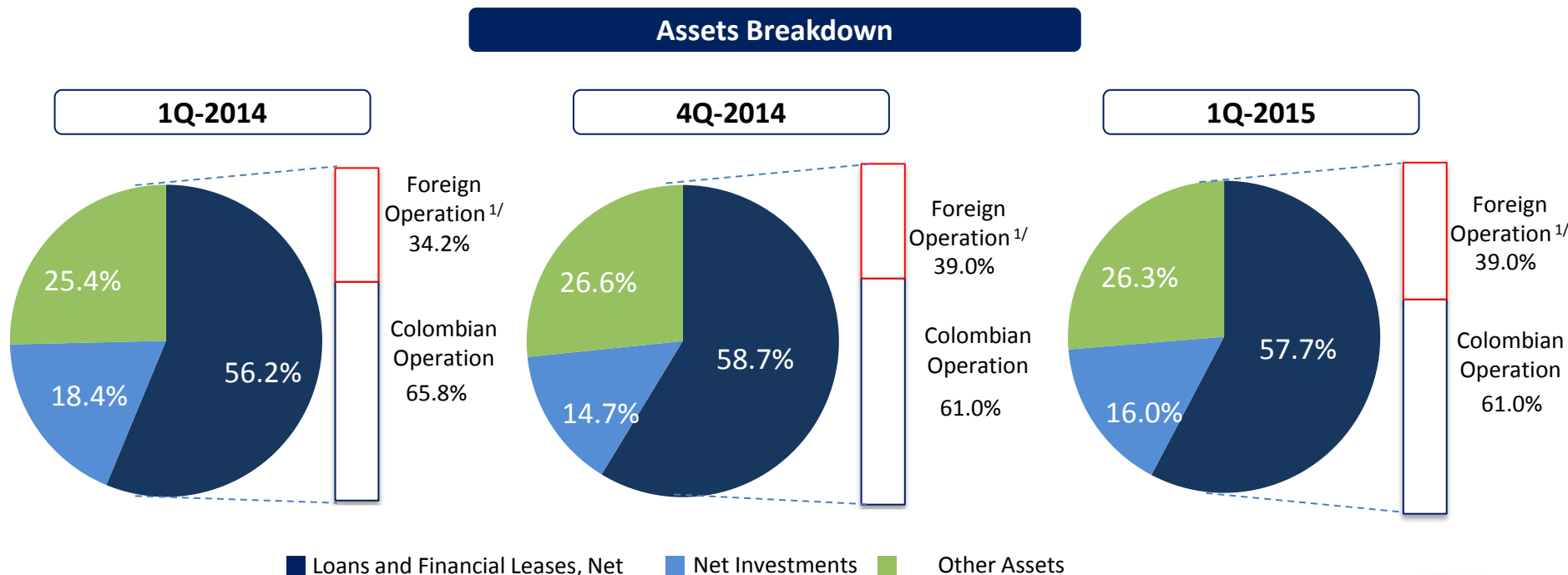
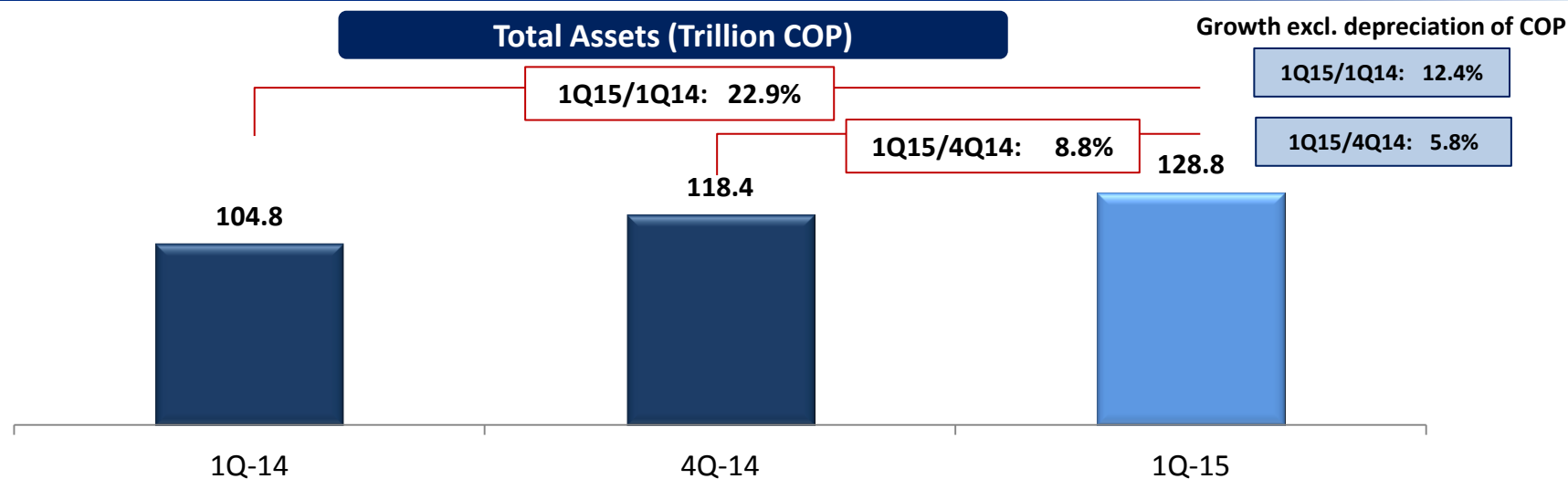
## Exchange rate (USD/COP)



	2013	2014	2015
Exchange rate	1,927	2,393	2,500

Source: DANE, Banco de la República. Banco de Bogotá estimates. \* Data for the balance of payments and trade balance correspond to the accrual accounting of the country. \*\* Data for foreign investment corresponds to cash flow accounting in dollars arriving to Colombia up to may-09-15.





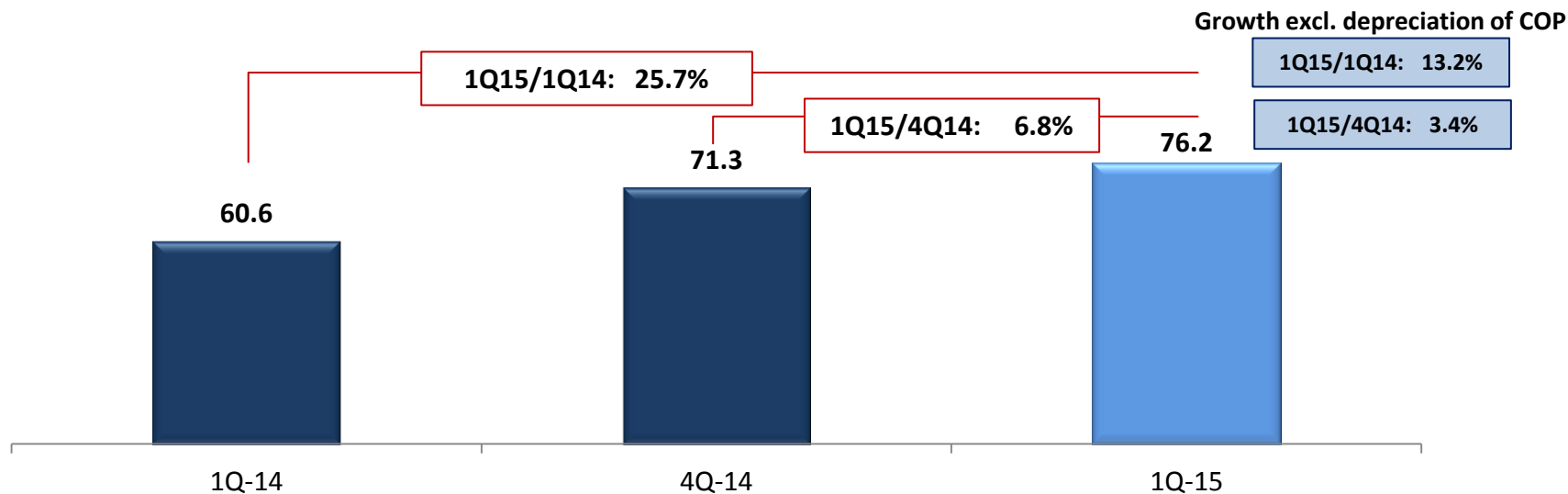
■ Loans and Financial Leases, Net  
 ■ Net Investments  
 ■ Other Assets

<sup>1/</sup> Foreign operations reflect Central American operations, mainly BAC Credomatic.

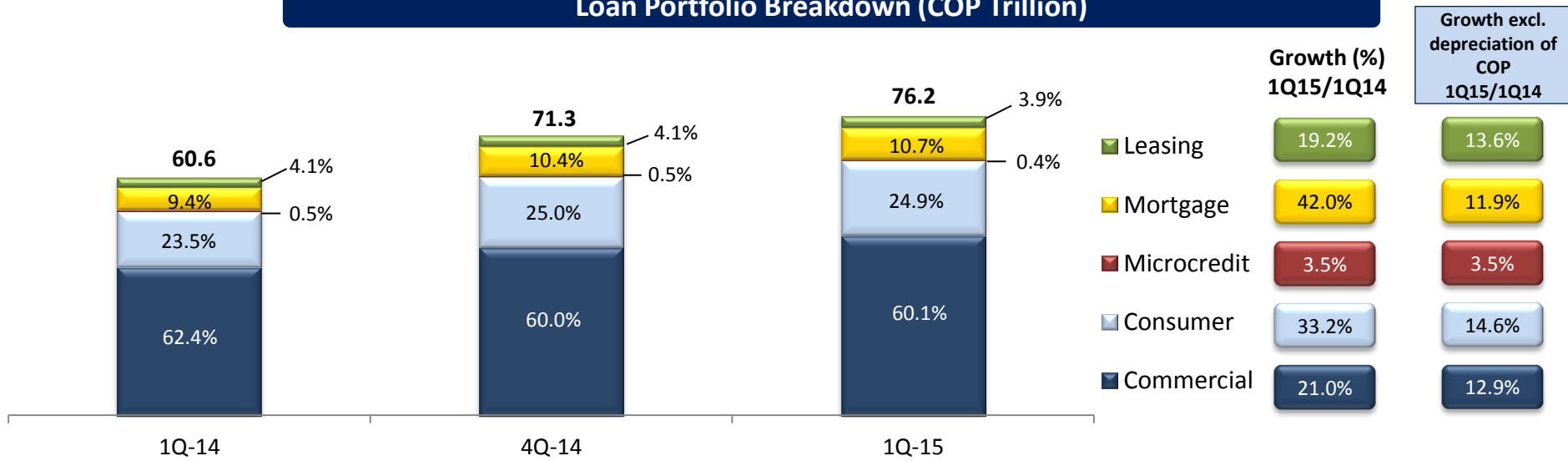


# Loan Portfolio Breakdown by Business Segment (COP Trillion)

## Gross Loan Portfolio (COP Trillion)

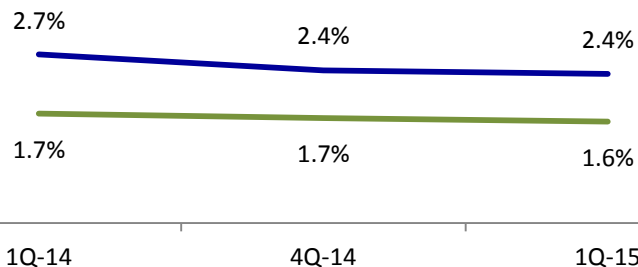


## Loan Portfolio Breakdown (COP Trillion)



## 30 days PDLs / Gross Loans NPLs / Gross Loans

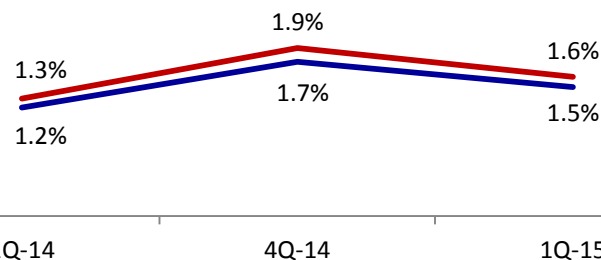
— 30 days PDLs — NPLs/Gross Loans



## Cost of Risk \*

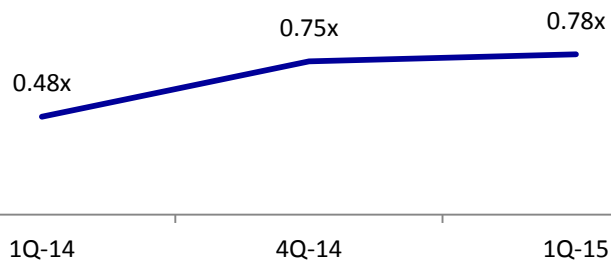
— Loan Provision Expense, Net of Charge-off Recoveries / Average Loans

— Loan Provision Expense / Average Loans



## Charge offs\* / Average NPLs

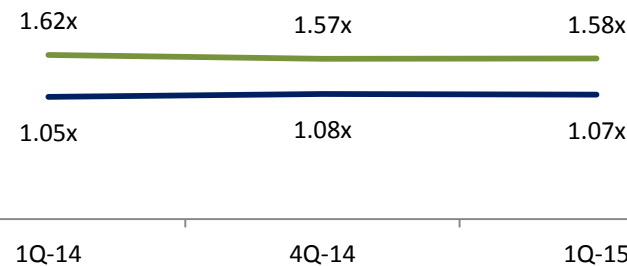
— Charge Offs / Average NPL Loans



## Coverage

— Allowance/PDLs over 30 days

— Allowance / NPLs



Allowance /  
Total Loans

2.8%

2.6%

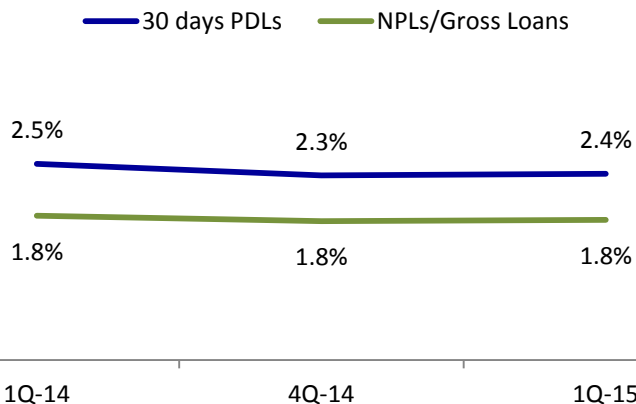
2.5%

\* Annualized.

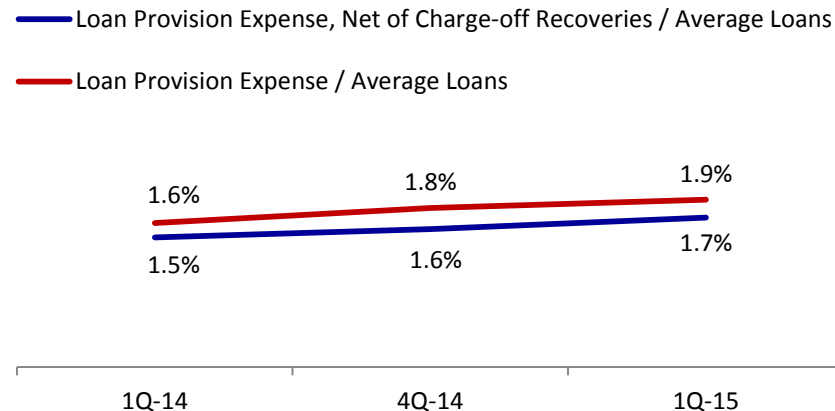
PDL: Past Due Loans.

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.

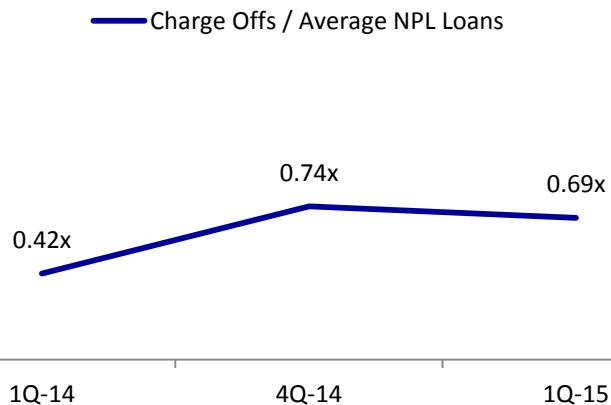
## 30 days PDLs / Gross Loans NPLs / Gross Loans



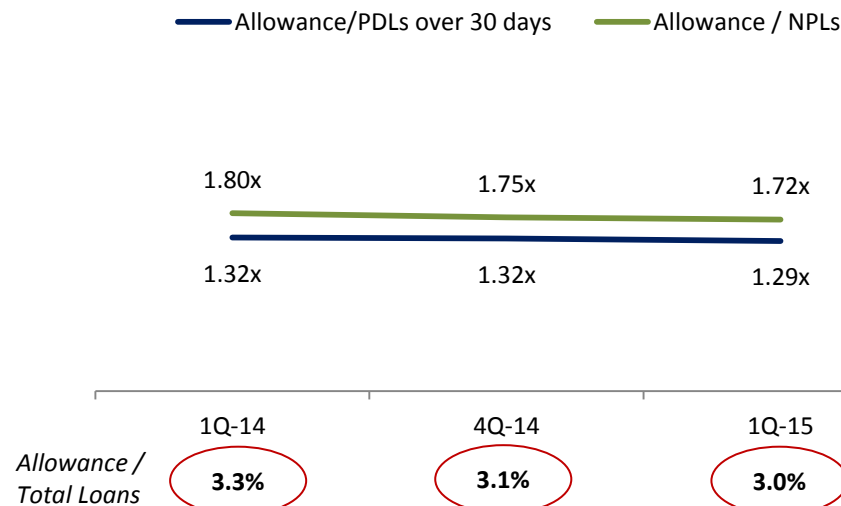
## Cost of Risk \*



## Charge offs\* / Average NPLs



## Coverage

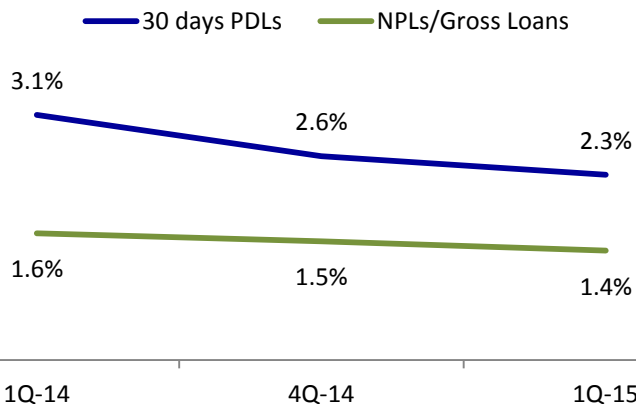


\* Annualized.

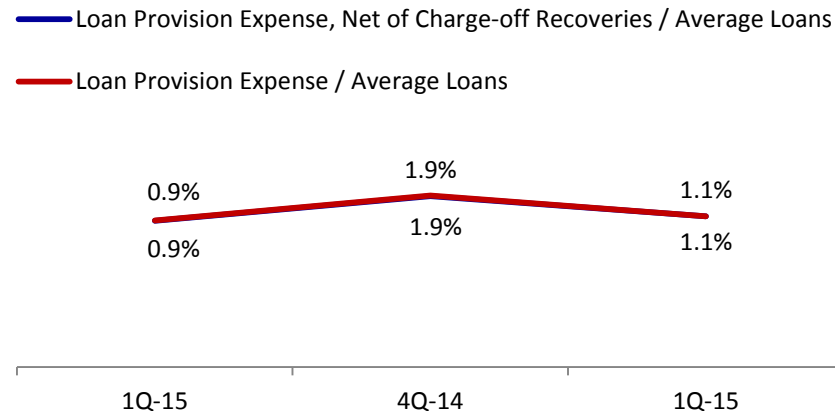
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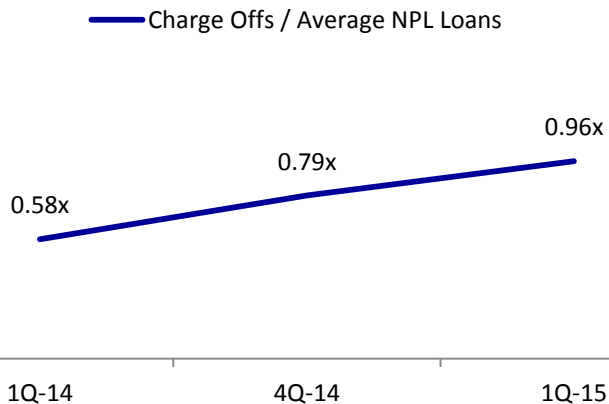
## 30 days PDLs / Gross Loans NPLs / Gross Loans



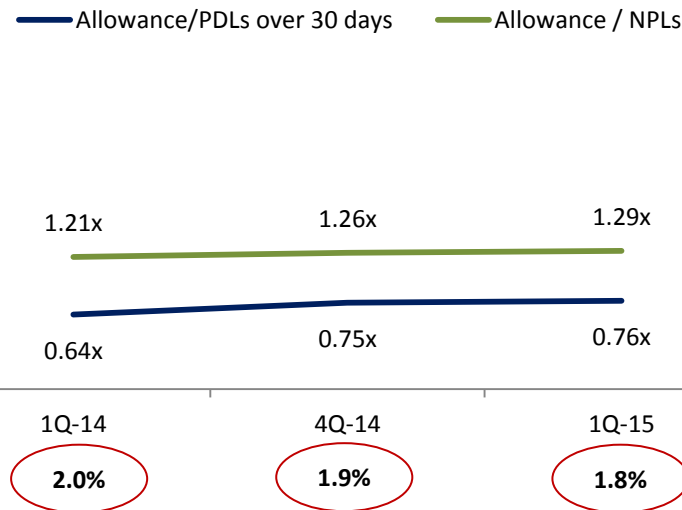
## Cost of Risk \*



## Charge offs\* / Average NPLs



## Coverage



Allowance / Total Loans

2.0%

1.9%

1.8%

\* 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.

% of Total Loans		30 days Past Due Loans			Non Performing Loans <sup>1/</sup>		
	1Q-15	1Q-14	4Q-14	1Q-15	1Q-14	4Q-14	1Q-15
Commercial	60.1%	1.6%	1.6%	1.5%	1.1%	1.1%	1.1%
Consumer	24.9%	4.9%	4.3%	4.3%	3.3%	3.0%	2.9%
Mortgage	10.7%	3.8%	2.6%	2.4%	1.7%	1.7%	1.5%
Financial Leases	3.9%	2.0%	1.7%	2.7%	1.1%	1.2%	1.0%
Microcredit	0.4%	10.5%	10.7%	10.7%	10.5%	10.7%	10.7%
<b>Total Loans</b>	<b>100.0%</b>	<b>2.7%</b>	<b>2.4%</b>	<b>2.4%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>1.6%</b>

<b>Coverage Ratio</b>	<b>1.05x</b>	<b>1.08x</b>	<b>1.07x</b>	<b>1.62x</b>	<b>1.57x</b>	<b>1.58x</b>
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## Credit Quality Trends

Figures in Billion COP	1Q-14	4Q-14	1Q-15
Initial Past Due Loans	1,329.0	1,565.5	1,720.6
New Past Due Loans	412.2	378.4	321.1
Charge-offs	-126.7	-223.2	-249.4
<b>Total Past Due Loans</b>	<b>1,614.5</b>	<b>1,720.6</b>	<b>1,792.3</b>

<sup>1/</sup> 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.

# Loan Portfolio Quality – Colombia and Central America (5/5)

## Colombia

% of Total Loans	
	1Q-15
Commercial	73.4%
Consumer	18.4%
Mortgage	3.2%
Financial Leases	4.3%
Microcredit	0.8%
<b>Total Loans</b>	<b>100%</b>

30 days Past Due Loans		
1Q-14	4Q-14	1Q-15
1.6%	1.6%	1.6%
5.8%	5.1%	5.3%
0.5%	1.0%	1.2%
1.9%	1.4%	2.1%
10.5%	10.7%	10.7%
<b>2.5%</b>	<b>2.3%</b>	<b>2.4%</b>

Non Performing Loans <sup>1/</sup>		
1Q-14	4Q-14	1Q-15
1.2%	1.2%	1.3%
4.3%	3.7%	3.7%
0.3%	0.6%	0.7%
1.2%	0.8%	0.8%
10.5%	10.7%	10.7%
<b>1.8%</b>	<b>1.8%</b>	<b>1.8%</b>

## Central America

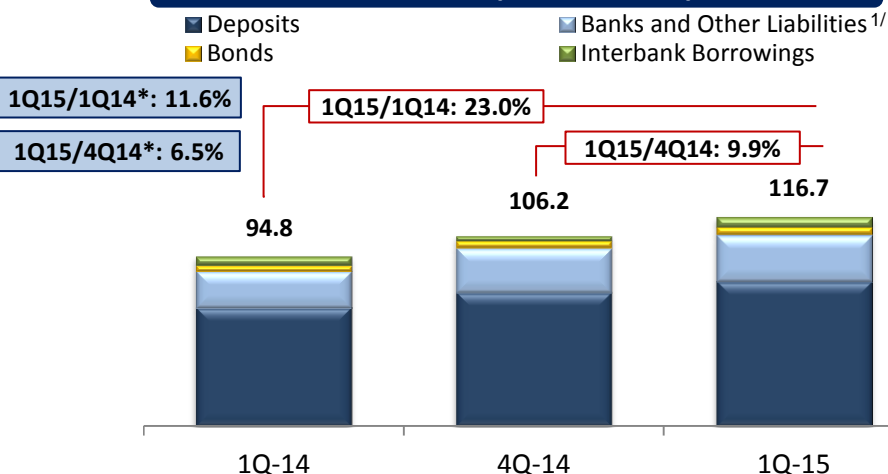
% of Total Loans	
	1Q-15
Commercial	39.9%
Consumer	36.0%
Mortgage	22.2%
Financial Leases	1.9%
<b>Total Loans</b>	<b>100.0%</b>

30 days Past Due Loans		
1Q-14	4Q-14	1Q-15
1.6%	1.4%	1.2%
4.1%	3.8%	3.5%
4.4%	2.9%	2.6%
0.6%	0.6%	0.6%
<b>3.1%</b>	<b>2.6%</b>	<b>2.3%</b>

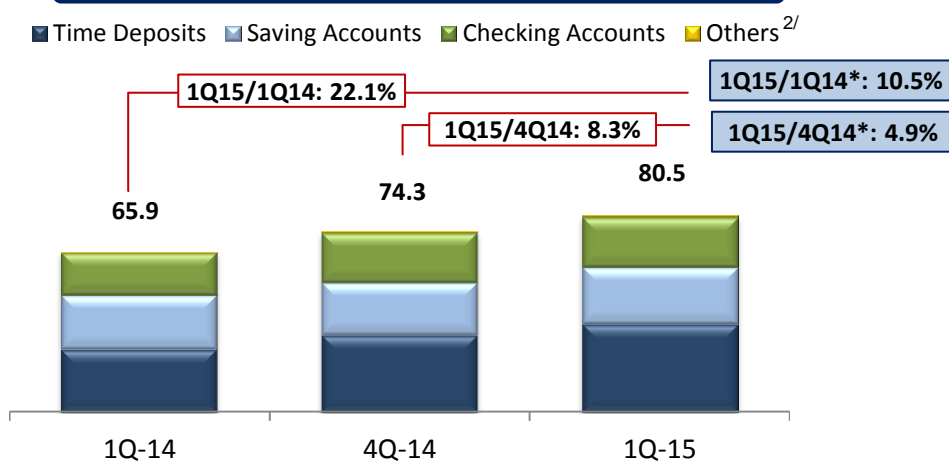
Non Performing Loans <sup>1/</sup>		
1Q-14	4Q-14	1Q-15
0.8%	0.6%	0.5%
2.4%	2.4%	2.2%
2.0%	1.9%	1.6%
0.2%	0.3%	0.3%
<b>1.6%</b>	<b>1.5%</b>	<b>1.4%</b>

<sup>1/</sup> 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.

## Liabilities (COP Trillion)



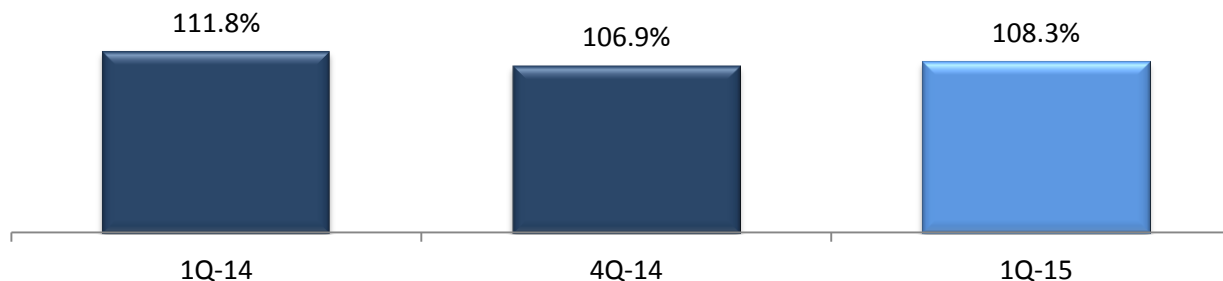
## Deposits (COP Trillion)



%	1Q-14	4Q-14	1Q-15
Deposits	69.5	70.0	69.0
Banks and Other Liabilities <sup>1/</sup>	21.8	23.5	22.3
Bonds	3.4	3.8	3.7
Interbank Borrowings	5.3	2.7	5.0

%	1Q-14	4Q-14	1Q-15
Time Deposits	39.0	42.4	44.7
Saving Deposits	33.6	29.0	28.9
Checking Accounts	26.6	27.3	25.5
Other Deposits <sup>2/</sup>	0.8	1.3	0.9

## Deposits to Net Loans (%)

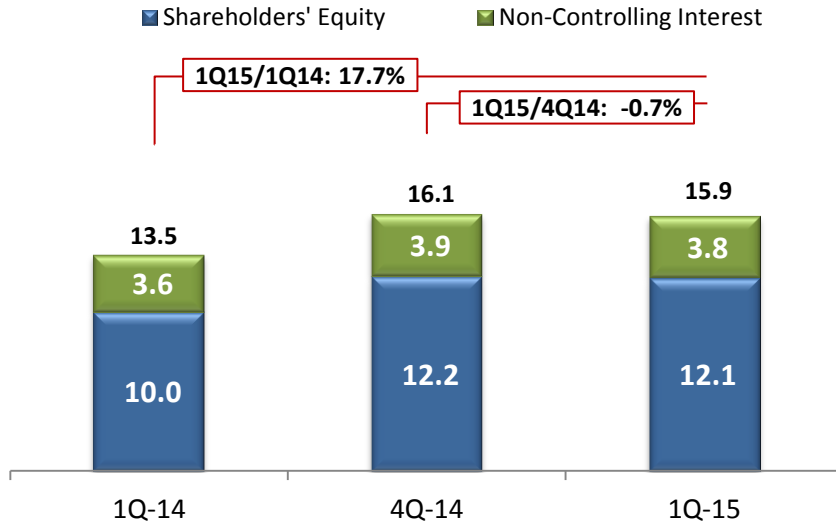


\* Growth excluding devaluation of COP.

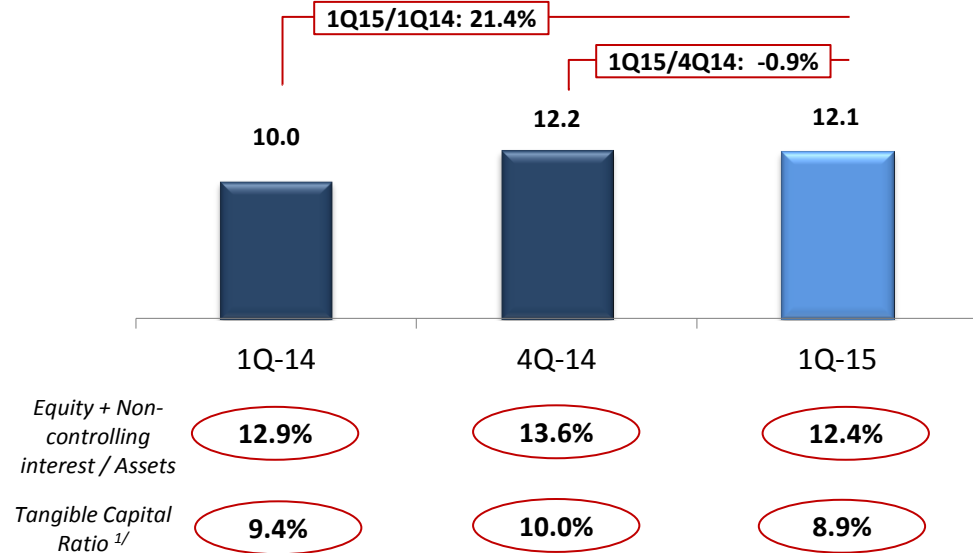
1/ Other Liabilities include: Borrowing from financial entities and other financial obligations, Acceptances and derivatives, Accounts payable, Accrued interest payable, Other liabilities, Estimated Liabilities and Non-controlling interest.

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

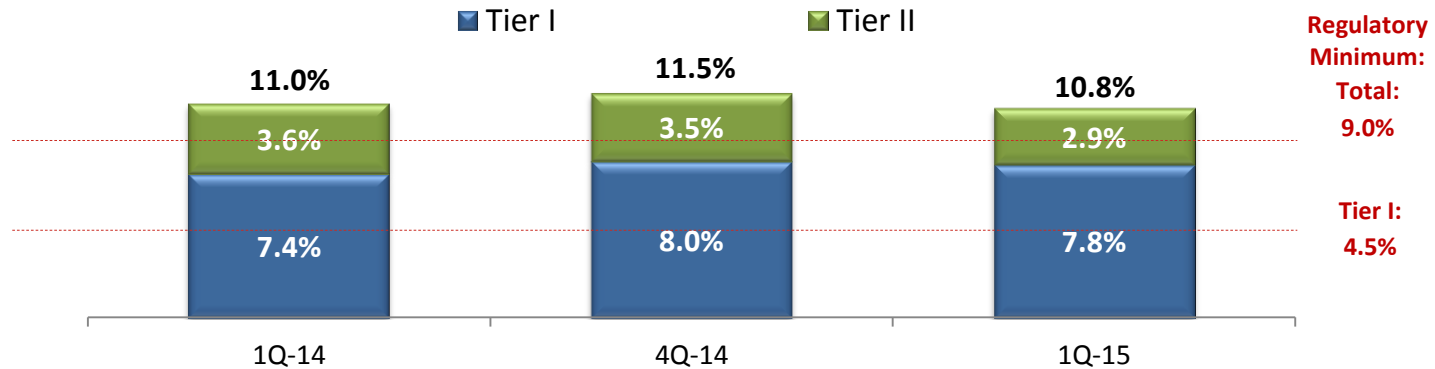
## Shareholders' Equity + Non-controlling interest (COP Trillion)



## Shareholders' Equity (COP Trillion)



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



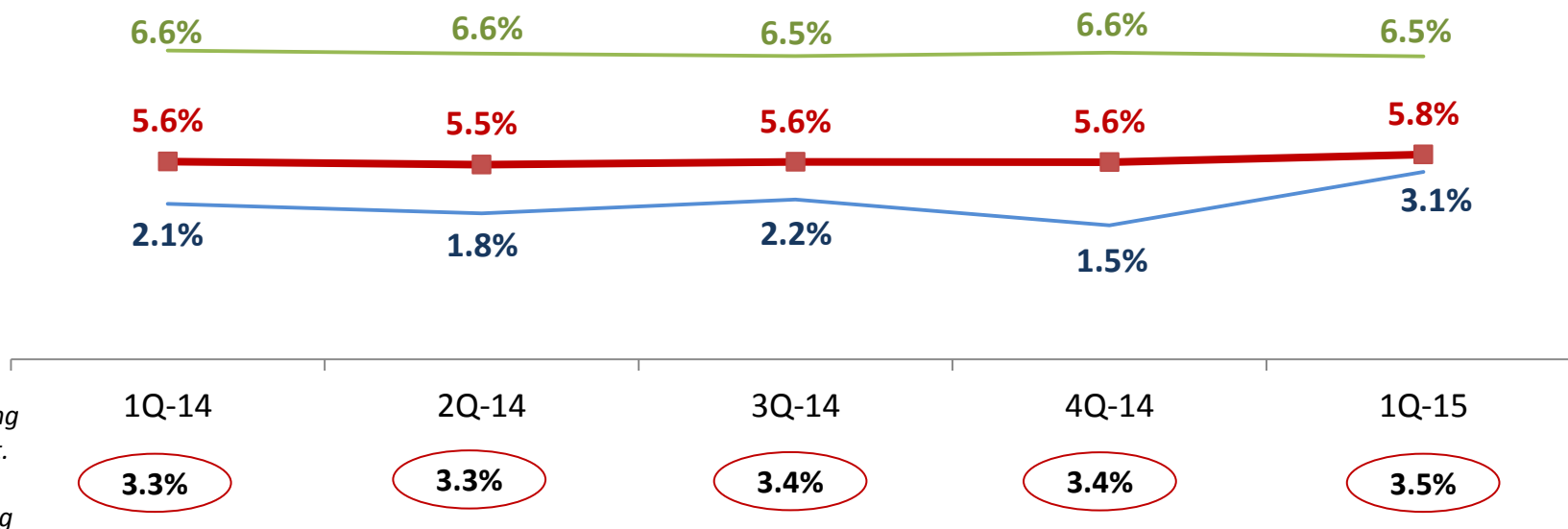
<sup>1/</sup> Tangible Capital Ratio is calculated as Shareholders Equity plus Non-controlling Interest minus Goodwill divided by Total Assets minus Goodwill.



## Quarterly Net Interest Margin

Net Interest Income (Billion COP)				
1Q-14	4Q-14	1Q-15	1Q15/1Q14	1Q15/4Q14
1,083.7	1,175.6	1,315.1	21.4%	11.9%

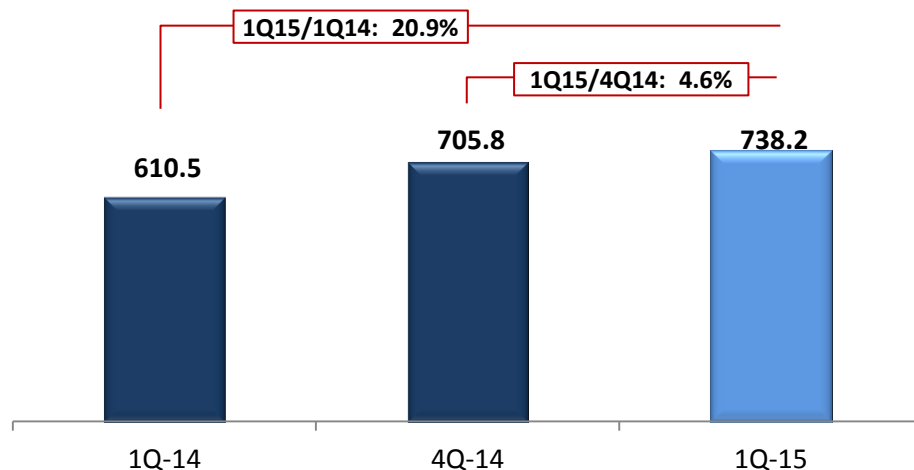
— Net Investments Margin (1)    — Loans Interest Margin (2)    —■— Net Interest Margin (3)



Source: Banco de Bogotá. Consolidated Figures.

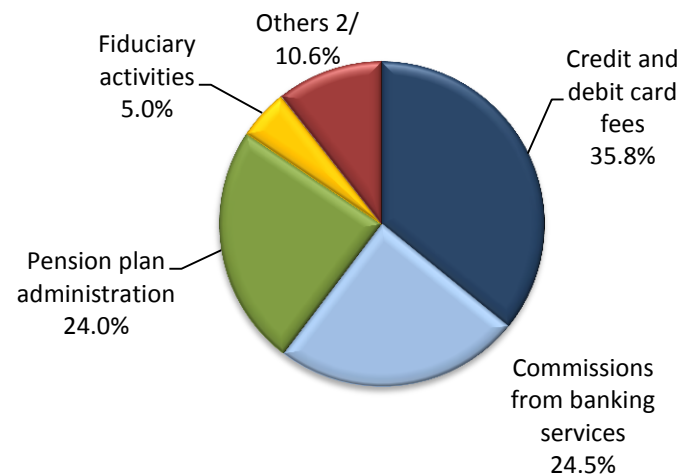
- (1) Net Investments Margin : Quarterly Net Interest Income on Debt Investments Securities and Interbank Funds, annualized/Average Debt Investments Securities and Interbank Funds.
- (2) Loans Interest Margin: Quarterly Net Interest Income on Loans, annualized/Quarterly average loans and financial leases.
- (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>



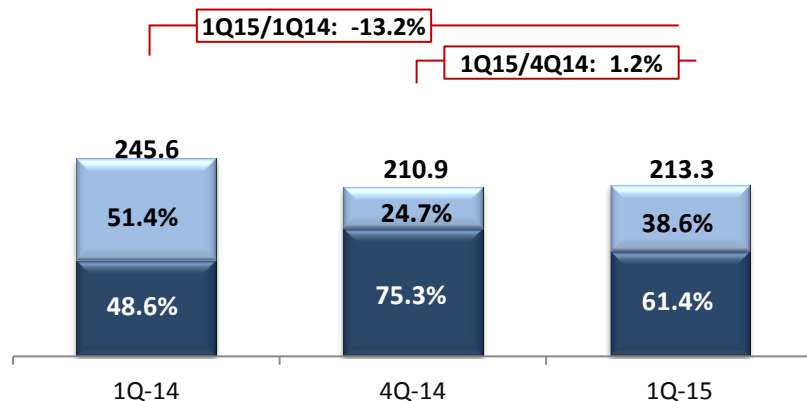
## Fee Income Breakdown, 1Q-2015

1Q-15: COP 827.2 Billion



## Other Operating Income (COP Billion)

■ Others 3/      ■ Dividend Income



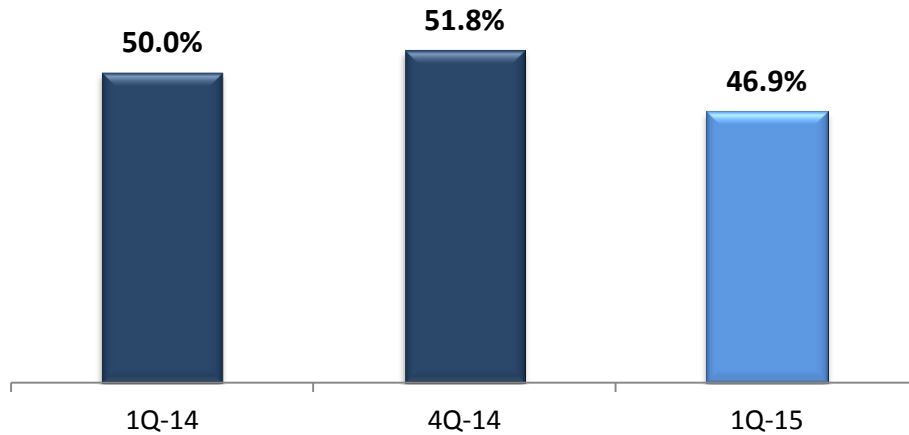
	1Q-14	4Q-14	1Q-15
Dividend Income	126.2	52.0	82.4
Income From Non-Financial Sector	76.3	106.8	57.3
Net Foreign exchange gains (losses) and Derivatives	36.1	44.4	64.6
Others	7.0	7.6	9.1
<b>Total Other Operating Income</b>	<b>245.6</b>	<b>210.9</b>	<b>213.3</b>

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

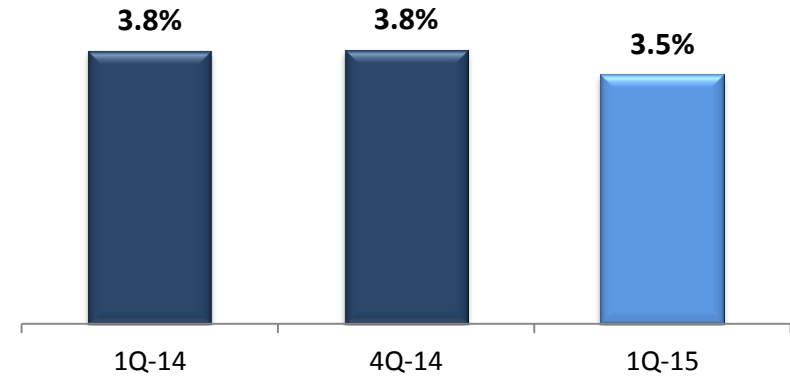
2/ Warehouse services, Checking fees, Branch network services and Others.

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.

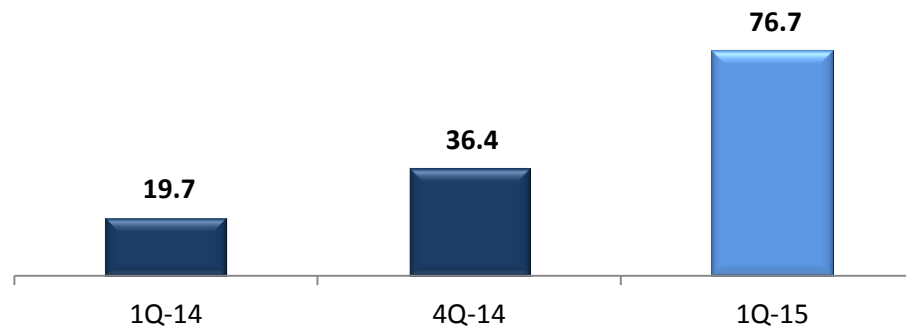
## Efficiency Ratio <sup>1/</sup>



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



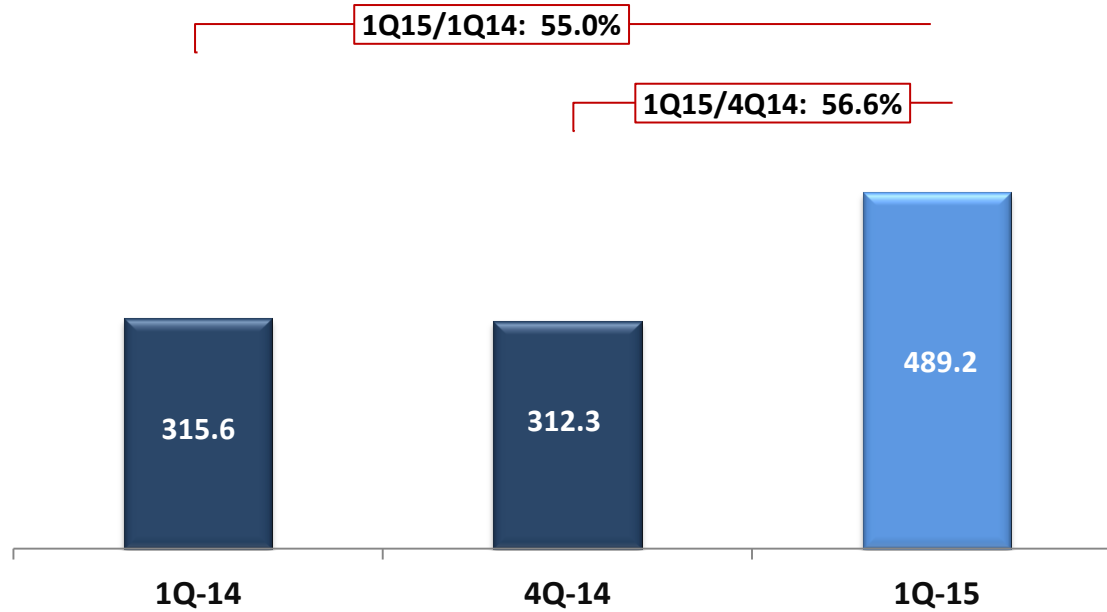
## Non Operating Income, Net



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)



	1Q-14	4Q-14	1Q-15
<b>ROAA <sup>1/</sup></b>	1.7%	1.4%	2.0%
<b>ROAE <sup>2/</sup></b>	12.8%	11.5%	16.1%
<b>Shares Outstanding</b>	307,471,032	331,280,555	331,280,555

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

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

## BANCO DE BOGOTÁ - CONSOLIDATED BALANCE SHEET

(Billion COP)	Banking GAAP	IFRS <sup>(1)</sup>	IFRS vs. Banking GAAP	
	1Q-2015	1Q-2015	\$	%
Cash and due from banks	14,195.6	14,344.6	149	1.1%
Total investment securities, net	20,613.2	19,159.9	-1,453	-7.1%
Total loans and financial leases, net	74,298.4	75,145.7	847	1.1%
Goodwill	4,933.3	5,347.3	414	8.4%
Other Assets, net <sup>(2)</sup>	11,937.2	17,255.6	5,318	44.6%
Reappraisal of assets	2,789.4	0.0	-2,789	-100.0%
<b>Total Assets</b>	<b>128,767.1</b>	<b>131,253.0</b>	<b>2,486</b>	<b>1.9%</b>
Total Deposits	80,457.6	80,483.9	26	0.0%
Other Funding <sup>(3)</sup>	24,670.0	27,525.0	2,855	11.6%
Derivatives	1,452.6	1,458.5	6	0.4%
Other Liabilities <sup>(4)</sup>	6,246.7	7,003.5	757	12.1%
<b>Total Liabilities excluding non-controlling interest</b>	<b>112,826.9</b>	<b>116,471.0</b>	<b>3,644</b>	<b>3.2%</b>
Non-controlling interest	3,846.2	3,566.7	-280	NA
Equity	12,093.9	11,215.3	-879	NA
<b>Total Equity and Non-controlling interest</b>	<b>15,940.2</b>	<b>14,782.0</b>	<b>-1,158</b>	<b>-7.3%</b>

(1) Financial statements under IFRS are subject to change until the first period-end financial statements under IFRS are presented.

(2) Other Assets, net include: Interbank Funds; Total interest accrued on loans and financial leases, net; Accounts receivable, net; Property, plant and equipment, net; Operating leases, net; Foreclosed assets, net; Prepaid expenses and deferred charges; Other Assets, net.

(3) Other Funding includes: Acceptances; Interbank and Overnight funds; Borrowing from financial entities and other financial obligations; and Bonds.

(4) Other Liabilities includes: Accounts payable; Accounts interest payable; Estimated Liabilities; and Other Liabilities.

# Banking GAAP Vs IFRS – Statement of Income

(COP Billion)

## BANCO DE BOGOTÁ – CONSOLIDATED STATEMENT OF INCOME

Billion COP	Banking GAAP 1Q-2015	IFRS <sup>(1)</sup> 1Q-2015	IFRS vs. Banking GAAP	
			\$	%
Total interest income	2,093.7	2,114.5	20.8	1.0%
Total interest expense	778.6	835.6	57.0	7.3%
<b>Net interest income</b>	<b>1,315.1</b>	<b>1,279.0</b>	<b>-36.2</b>	<b>-2.7%</b>
Total net provisions	-274.1	-265.5	8.6	-3.1%
Total fees and income from services, net	738.2	728.2	-10.0	-1.3%
Total other operating income	213.3	350.2	136.9	64.2%
Total operating expenses	-1,150.5	-1,168.0	-17.5	1.5%
Total non-operating (expense) income	76.7	84.8	8.1	10.6%
<b>Income before income taxes and non-controlling interest</b>	<b>918.7</b>	<b>1,008.7</b>	<b>90.0</b>	<b>9.8%</b>
Income tax expense	-309.6	-335.1	-25.4	8.2%
<b>Net Income before non-controlling interest</b>	<b>609.1</b>	<b>673.6</b>	<b>64.5</b>	<b>10.6%</b>
Non-controlling interest	-119.9	-176.0	-56.1	46.8%
<b>Net Income attributable to controlling shareholders</b>	<b>489.2</b>	<b>497.6</b>	<b>8.4</b>	<b>1.7%</b>

(1) Financial statements under IFRS are subject to change until the first period-end financial statements under IFRS are presented.

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