

Report of 1Q2017

Consolidated results

Information reported in Ps billions and under Full IFRS

(1) We refer to billions as thousands of millions.

Disclaimer

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.

At June 30th 2016, Banco de Bogotá deconsolidated Corficolombiana (ceded control of Corficolombiana to Grupo Aval). The Bank now holds its 38.3% stake of Corficolombiana as an equity investment. As a result, 4Q2016 figures do not consolidate Corficolombiana. Additionally, Banco de Bogotá, as approved by its Board of Directors, signed in December 22nd 2016, a Shareholders' Agreement between Corficolombiana, Banco de Bogotá, Banco de Occidente and Banco Popular which resulted in Corficolombiana becoming the direct controller of Casa de Bolsa S.A; the Bank now holds its 22.8% stake of Casa de Bolsa as an equity investment. Moreover, unless otherwise noted, for comparative purposes figures for 1Q2016 have been adjusted excluding Corficolombiana and Casa de Bolsa.

The Colombian peso/dollar end-of-period annual and quarterly revaluation as of March 31, 2017 was 3.8%. In this report, calculations of growth, excluding the exchange rate movement of the Colombian Peso, use the exchange rate as of March 31, 2017 (COP 2,885.57).

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.

BANCO DE BOGOTÁ
REPORT ON THE CONSOLIDATED FINANCIAL RESULTS UNDER FULL IFRS
FOR THE FIRST QUARTER OF 2017

As of March 31, 2017, Banco de Bogotá reports a consolidated quarterly Attributable Net Income of COP 616.8 billion pesos before the wealth tax, Total Assets at COP 144 trillion and Total Liabilities at COP 127 trillion.

- **Attributable Net Income for 1Q2017 was 616.8 billion pesos** before the wealth tax which represented a 19.8% increase versus 1Q2016. Including the wealth tax, attributable net income was COP 558.4 billion.
- **Total gross loan portfolio grew 6.5% in the last twelve months to COP 96.3 trillion** and showed a slight decrease of 0.8% during the first quarter of 2017. In absence of the movements of the COP-USD rate for the period, gross loans would have grown 8.3% and 0.9% respectively.
- **Total deposits grew by 7.5% in the last twelve months to COP 95.8 trillion.** In absence of the movements of the COP-USD rate for the period, deposits would have grown 9.2% annually.
- **The Deposits/Loans Ratio for 1Q2017 improved to 102%;** which illustrates our robust funding model.
- **Deposits represent 78.6% of total funding as of March 31, 2017.** Time deposits contributed with 42.7% of total deposits, saving accounts contributed with 29.2% of the mix and current accounts reached 27.7 % of the mix.
- **Net Interest margin on loans was 6.8%** in 1Q2017, remaining stable from 1Q2016.
- **Net Interest Margin on fixed income investments was 0.9%** in 1Q2017, increasing from -0.1% in 1Q2016.
- **Total Net Interest Margin expanded from 5.8% in 1Q2016 to 6.0% in 1Q2017.**
- **Consolidated Cost of Risk after recoveries was 2.0%** for 1Q2017 improving 10bps from 1Q2016.
- Asset quality, measured by **90 days PDL ratio, slightly increased from 1.6% to 1.7% for 1Q2017⁽¹⁾.**
- **Consolidated Capital Adequacy Ratio was 13.9% and Tier 1 was 9.2%.**
- **Excluding wealth tax, our return on average assets for 1Q2017 was 1.9%, and return on average equity was 15.3%⁽²⁾.**
- **Efficiency shows an improvement from 48.2% in 1Q2016 to 47.6%⁽³⁾ in 1Q2017.**

(1) 90+ days PDL Ratio is excluding extraordinary past due from Electricaribe. Including this extraordinary the 90+ days PDL ratio is 2.0% at 1Q2017.

(2) Including wealth tax ROAA and ROAE were 1.7% and 13.9% respectively.

(3) Efficiency Ratio is excluding the wealth tax. Including this tax, efficiency ratio is 49.8% for 1Q2017.

BANCO DE BOGOTÁ

Consolidated Statement of Financial Position								
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16		Δ 1Q17/4Q16		
				Abs.	%	Abs.	%	
Cash and cash equivalents	16,262.1	17,400.7	18,971.3	2,709.2	16.7	1,570.6	9.0	
Financial assets held for investment	13,555.7	12,593.2	13,820.5	264.9	2.0	1,227.4	9.7	
Loans & leases operations and receivables portfolio	90,417.0	97,009.3	96,251.1	5,834.0	6.5	-758.2	-0.8	
Interbank & overnight funds and others	2,241.1	2,532.0	3,421.4	1,180.3	52.7	889.4	35.1	
Allowance of Loan Impairment	-2,144.7	-2,371.8	-2,501.0	-356.4	16.6	-129.3	5.5	
Total loans and leases portfolio at amortized cost	90,513.5	97,169.5	97,171.4	6,657.9	7.4	1.9	0.0	
Non-current assets held for sale	107.6	210.7	200.1	92.5	85.9	-10.6	-5.1	
Investment in associates and joint ventures	3,379.0	3,354.6	3,408.8	29.8	0.9	54.3	1.6	
Tangible assets	2,173.3	2,171.1	2,094.7	-78.6	-3.6	-76.4	-3.5	
Intangible assets	5,993.6	6,050.3	5,864.4	-129.2	-2.2	-186.0	-3.1	
Income tax assets	645.7	523.0	632.5	-13.3	-2.1	109.5	20.9	
Other assets ⁽¹⁾	2,046.4	1,957.6	1,717.4	-329.0	-16.1	-240.3	-12.3	
Total assets	134,676.9	141,430.7	143,881.1	9,204.1	6.8	2,450.3	1.7	
Financial liabilities at fair value	483.1	329.3	358.4	-124.8	-25.8	29.0	8.8	
Deposits from clients at amortized cost	89,137.0	93,676.7	95,809.9	6,672.8	7.5	2,133.2	2.3	
Financial Obligations	24,680.8	25,863.3	26,067.5	1,386.7	5.6	204.2	0.8	
Total liabilities at amortized cost	113,817.9	119,540.0	121,877.4	8,059.5	7.1	2,337.4	2.0	
Income tax liabilities	438.5	369.4	594.3	155.8	35.5	224.9	60.9	
Employee benefits	483.8	515.3	545.1	61.3	12.7	29.8	5.8	
Other liabilities ⁽²⁾	3,324.7	3,438.6	3,873.6	548.9	16.5	435.1	12.7	
Total liabilities	118,548.1	124,192.6	127,248.8	8,700.7	7.3	3,056.2	2.5	
Equity attributable to the owners of the parent company	15,406.6	16,409.7	15,812.9	406.3	2.6	-596.9	-3.6	
Non-controlling interests	722.2	828.4	819.4	97.2	13.5	-9.0	-1.1	
Total shareholder's equity	16,128.8	17,238.2	16,632.3	503.5	3.1	-605.9	-3.5	
Total liabilities and shareholder's equity	134,676.9	141,430.7	143,881.1	9,204.1	6.8	2,450.3	1.7	

(1) Other Assets: Other Accounts Receivable, Derivatives used for Hedging and Other Assets.

(2) Other Liabilities: Hedging Derivatives, Provisions and Other Liabilities.

BANCO DE BOGOTÁ

Consolidated Statement of Income								
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16		Δ 1Q17/4Q16		
				Abs.	%	Abs.	%	
Interest income	2,545.4	2,826.7	2,834.4	289.0	11.4	7.7	0.3	
Interest on loans and leases	2,451.5	2,712.7	2,727.5	276.0	11.3	14.8	0.5	
Interests on fixed income investments at amortised cost	93.9	114.0	106.9	13.0	13.9	-7.1	-6.2	
Interest expense	1,036.9	1,211.9	1,206.8	169.9	16.4	-5.1	-0.4	
Net interest income	1,508.5	1,614.9	1,627.6	119.1	7.9	12.8	0.8	
Provisions for impairment loss and financial assets	476.6	440.4	493.6	17.0	3.6	53.2	12.1	
Net interest income after provisions	1,032.0	1,174.5	1,134.0	102.1	9.9	-40.5	-3.4	
Fees and other services income, net	892.7	948.4	920.3	27.6	3.1	-28.1	-3.0	
Other Income Financial Sector	332.3	361.0	255.7	-76.6	-23.0	-105.3	-29.2	
Other expenses Financial Sector	1,541.6	1,565.6	1,482.4	-59.2	-3.8	-83.2	-5.3	
Income before tax expense	715.4	918.3	827.6	112.3	15.7	-90.6	-9.9	
Income tax expense	296.7	330.2	211.3	-85.4	-28.8	-118.9	-36.0	
Income from continued operations	418.7	588.1	616.3	197.7	47.2	28.3	4.8	
Non controlling interest	48.7	40.4	57.9	9.2	18.9	17.5	43.4	
Net income attributable to the owners of the parent company	370.0	547.7	558.4	188.5	50.9	10.8	2.0	

Performance Ratios			
	1Q-2016	4Q-2016	1Q-2017
Profitability Ratios			
Net Interest Margin ⁽¹⁾	5.8%	6.1%	6.0%
Net Interest Margin on Loans ⁽²⁾	6.8%	6.9%	6.8%
Net Interest Margin on Investments ⁽³⁾	-0.1%	0.4%	0.9%
ROAA ⁽⁴⁾	1.2%	1.7%	1.7%
ROAE ⁽⁵⁾	11.1%	13.6%	13.9%
Efficiency Ratio ⁽⁶⁾	48.2%	49.8%	47.6%
Capital Adequacy Ratio ⁽⁷⁾	13.7%	13.9%	13.9%
Loan Quality ⁽⁸⁾			
Past Due Loans over 30 days ratio	2.7%	2.7%	3.3%
Past Due Loans over 90 days ratio	1.6%	1.7%	2.0%
C, D & E Loans / Gross Loans	4.0%	4.4%	4.7%
Allowance / Past-due Loans over 30 days	87.9%	92.1%	78.6%
Allowance / Past-due Loans over 90 days	150.0%	142.5%	128.7%
Allowance / C, D & E Loans	59.6%	55.8%	55.2%
Allowance / Gross Loans	2.4%	2.4%	2.6%
Impairment loss, Net / Average Loans	2.1%	1.8%	2.0%
Impairment loss / Average Loans	2.2%	2.1%	2.1%
Charge-offs / Average Loans	1.8%	1.6%	1.5%
Balance Sheet Structure			
Total Loans & leases operations / Total Assets	67.2%	68.7%	67.5%
Deposits / Total Loans & leases operations, net	101.0%	99.0%	102.2%
Statistical Figures			
USD Exchange Rate	3,000.63	3,000.71	2,885.57

(1) Net interest margin is calculated as net interest income divided by total average interest-earning assets

(2) Net Interest Income on Loans for the period divided by total average loans and financial leases.

(3) Net Interest Income on Debt Investment Securities and Interbank Funds for the period, annualized / Average Debt Investment Securities and Interbank Funds.

(4) Income before non controlling interest divided by Average Assets for each quarter.

(5) Net Income Attributable to Shareholders divided by average Equity for each quarter.

(6) Personnel expenses and Administrative expenses divided by net interest income plus net fee and other services income and other operating income, (excluding other income).

For 4Q2016 Efficiency Ratio is excluding COP\$ 90.6 billion of expenses; including these expenses Efficiency was 51.0%.

For 1Q2016 and 1Q2017 Efficiency Ratios are excluding wealth tax.

(7) Technical Capital / Risk Weighted Assets.

(8) Asset quality ratios calculated on a capital plus interests basis.

Consolidated Balance Sheet

1. Assets.

At March 31, 2017, Banco de Bogotá's consolidated assets totaled COP 143,881 billion with a 6.8% annual increase and a 1.7% quarterly increase. Excluding the effect of the exchange rate, growths were 8.7% and 3.6% respectively.

Annually, increase in assets comes mainly from a positive variation in the loan portfolio (6.5%), as well as from a 16.7% increase in Cash and Cash equivalents.

On a quarterly basis investment portfolio grew 9.7% while Cash and Cash equivalents increased 9.0%.

1.1. Loan Portfolio.

Banco de Bogotá's consolidated gross loan portfolio increased 6.5% annually and decreased 0.8% quarterly to a total of COP 96,251 billion. Excluding the effect of the exchange rate, gross loan portfolio grew 8.3% annually and 0.9% quarterly.

All loan portfolios showed an increasing trend of annual growth: 4.9% in commercial loans and leases, to COP 58,544 billion (6.1% increase excluding effect of FX); 9.5% in consumer loans, to COP 26,034 billion (12.1% excluding FX); and 8.2% in mortgage lending, to COP 11,287 billion (11.7% excluding FX).

As of March 31, 2017, commercial loans represent 60.8% of total loans, followed by 27.0% in consumer loans, 11.7% in mortgage loans and 0.4% in microcredit loans.

Additional details on the Bank's consolidated loan portfolio by product type, are provided in the table below:

Consolidated Loan Portfolio Breakdown								
Billion COP	1Q-2016	4Q-2016	1Q-2017	Part. (%) 1Q-2017	Δ 1Q17/1Q16		Δ 1Q17/4Q16	
					Abs.	%	Abs.	%
Loans & leases operations and receivables portfolio								
Commercial loans and leases	55,827.6	58,843.6	58,543.5	58.7	2,715.9	4.9	-300.1	-0.5
Consumer loans and leases	23,779.7	26,364.8	26,033.7	26.1	2,254.0	9.5	-331.1	-1.3
Mortgages and housing leases	10,427.8	11,411.1	11,286.7	11.3	858.9	8.2	-124.5	-1.1
Microcredit loans and leases	381.9	389.7	387.2	0.4	5.3	1.4	-2.5	-0.6
Loans & leases operations and receivables portfolio	90,417.0	97,009.3	96,251.1	96.6	5,834.0	6.5	-758.2	-0.8
Interbank & overnight funds and others	2,241.1	2,532.0	3,421.4	3.4	1,180.3	52.7	889.4	35.1
Total loans & leases operations and receivables portfolio	92,658.2	99,541.3	99,672.5	100.0	7,014.3	7.6	131.2	0.1
Allowance for loans & leases operations and receivables	-2,144.7	-2,371.8	-2,501.0	NA	-356.4	16.6	-129.3	5.5
Allowance for commercial loans & leases	-1,111.7	-1,206.4	-1,261.5	NA	-149.8	13.5	-55.1	4.6
Allowance for consumer loans & leases	-939.4	-1,044.5	-1,114.9	NA	-175.5	18.7	-70.4	6.7
Allowance for mortgage loans & leases	-42.3	-59.0	-60.4	NA	-18.1	42.8	-1.4	2.3
Allowance for microcredit loans & leases	-51.3	-61.8	-64.3	NA	-13.0	25.3	-2.5	4.0
Total loans and leases portfolio at amortised cost	90,513.5	97,169.5	97,171.4	NA	6,657.9	7.4	1.9	0.0

As of March 31, 2017, 56.6% of Banco de Bogotá's Consolidated loans are in Colombia and 43.4% are foreign loans (reflecting BAC Credomatic operations in Central America). Domestic loans increase 1.2% quarterly and 6.7% annually. Total foreign loans grew at 6.2% annually and decreased

3.3% quarterly; this loan portfolio, in US Dollars, grew 10.4% annually and increased 0.6% quarterly.

Domestic and Foreign Loans ⁽¹⁾ - Banco de Bogotá Consolidated								
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16		Δ 1Q17/4Q16		
				Abs.	%	Abs.	%	
Domestic								
Commercial loans and leases	39,403.2	40,972.8	41,278.8	1,875.6	4.8	306.0	0.7	
Consumer loans and leases	9,191.1	10,001.4	10,246.7	1,055.5	11.5	245.3	2.5	
Mortgages and housing leases	2,085.6	2,453.5	2,562.3	476.7	22.9	108.8	4.4	
Microcredit loans and leases	381.9	389.7	387.2	5.3	1.4	-2.5	-0.6	
Total domestic loans	51,061.9	53,817.4	54,475.0	3,413.2	6.7	657.6	1.2	
Foreign								
Commercial loans and leases	16,424.5	17,870.8	17,264.7	840.2	5.1	-606.1	-3.4	
Consumer loans and leases	14,588.6	16,363.5	15,787.0	1,198.5	8.2	-576.4	-3.5	
Mortgages and housing leases	8,342.1	8,957.6	8,724.3	382.2	4.6	-233.3	-2.6	
Total foreign loans	39,355.2	43,191.9	41,776.1	2,420.9	6.2	-1,415.8	-3.3	
Total loans	90,417.0	97,009.3	96,251.1	5,834.0	6.5	-758.2	-0.8	

(1) Does not include Interbank & Overnight Funds and Others.

The ratio of 30 days past due loans to total gross loans is 3.3% for the 1Q2017 vs 2.7% for 4Q2016 and 2.7% for 1Q2016. The ratio of 90 days past due loans to total gross loans was 2.0% 1Q2017. Excluding extraordinary past due from Electricaribe, those ratios were 2.9% and 1.7% for 1Q2017. CDE Loans to total gross loans was 4.7% at 1Q2017 Vs 4.4% in 4Q2016 and 4.0% in 1Q2016.

As of March 31, 2017 coverage ratio of allowance over 30 days PDLs stands at 78.6%; coverage ratio over 90 days PDLs stands at 128.7%. Excluding the extraordinary past due of Electricaribe, these ratios were 89.3% and 149.1% for 1Q2017, respectively.

Net provision expense to average total loans was 2.0% in 1Q2017 improving from 2.1% in 1Q2016. Charge-offs to 90 days PDLs was 0.80x in 1Q2017 Vs 0.96x in 4Q2016 and 1.17x in 1Q2016; excluding the extraordinary effect from Electricaribe, this ratio was 0.86x for 1Q2017.

The following table outlines the distribution of the loan and leasing portfolio, based on risk classifications according to the standards of the Colombian Superintendency of Finance ⁽⁴⁾.

(4) The Superintendency of Finance prescribes the minimum risk classifications for loans and financial leases. Management assigns loans and financial leases to these classifications on the basis of models developed by management and reviewed by the Superintendency of Finance. These models incorporate both subjective and objective criteria.

Category A — “Normal risk”: Loans and financial leases in this category are appropriately serviced. The debtor’s financial statements or its projected cash flows, as well as all other credit information available to us, reflect adequate paying capacity.

Category B — “Acceptable risk, above normal”: Loans and financial leases in this category are acceptably serviced and guaranty-protected, but there are weaknesses which may potentially affect, on a transitory or permanent basis, the debtor’s paying capacity or its projected cash flows, to the extent that, if not timely corrected, would affect the normal collection of credit or contracts.

Category C — “Appreciable risk”: Loans and financial leases in this category have debtors with insufficient paying capacity or relate to projects with insufficient cash flow, which may compromise the normal collection of the obligations.

Category D — “Significant risk”: Loans and financial leases in this category have the same deficiencies as loans in category C, but to a larger extent; consequently, the probability of collection is highly doubtful.

Category E — “Risk of non-recoverability”: Loans and financial leases in this category are deemed uncollectable.

Consolidated Distribution and Quality of Loans & Financial Leases					
	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16 (%)	Δ 1Q17/4Q16 (%)
Billion COP					
'A' Normal Risk	84,541.3	90,112.4	88,476.4	4.7	-1.8
'B' Acceptable Risk	2,276.5	2,645.8	3,245.8	42.6	22.7
'C' Appreciable Risk	2,131.9	2,605.7	2,842.6	33.3	9.1
'D' Significant Risk	999.8	1,111.0	1,090.6	9.1	-1.8
'E' Unrecoverable	467.7	534.5	595.6	27.4	11.4
Loans & leases operations and receivables portfolio	90,417.0	97,009.3	96,251.1	6.5	-0.8
Interbank & Overnight Funds and Others	2,241.1	2,532.0	3,421.4	52.7	35.1
Total Loans & Leases Operations and Receivables Portfolio	92,658.2	99,541.3	99,672.5	7.6	0.1
"C", "D" & "E" Loans / Total Loan Portfolio	4.0%	4.4%	4.7%		
PDLs over 30 days / Total Loan Portfolio	2.7%	2.7%	3.3%		
PDLs over 90 days / Total Loan Portfolio	1.6%	1.7%	2.0%		
Allowance / "C", "D" & "E" Loans	59.6%	55.8%	55.2%		
Allowance / PDLs over 30 days	87.9%	92.1%	78.6%		
Allowance / PDLs over 90 days	150.0%	142.5%	128.7%		
Allowance / Total Loans	2.4%	2.4%	2.6%		
Impairment loss, net of recoveries of charged-off assets/ "C", "D" & "E" Loans	52.8%	40.9%	43.3%		
Impairment loss, net of recoveries of charged-off assets/ PDLs over 30 days	78.0%	67.5%	61.6%		
Impairment loss, net of recoveries of charged-off assets/ PDLs over 90 days	133.0%	104.5%	100.9%		
Impairment loss, net of recoveries of charged-off assets/ Average Total Loans	2.1%	1.8%	2.0%		
Charge Off / Average Total Loans	1.8%	1.6%	1.5%		

1.2 Investments.

Banco de Bogotá's consolidated net investment portfolio came to COP 13,820 billion at March 31, 2017, with annual increase of 2.0% and quarterly increase of 9.7%. Out of total investments, COP 12,257 billion are fixed income investments, with annual increase of 2.8% and quarterly increase of 9.6%. Investments in equity securities totaled COP 1,226 billion, increasing 13.4% Vs March 31, 2016 and 5.5% Vs December 31, 2016.

NIM on investment securities⁽⁵⁾ was 0.9% in 1Q2017 increasing from -0.1% in 1Q2016 and from 0.4% in 4Q2016

Banco de Bogotá's consolidated total investments are shown in the following table:

(5) Includes held for trading through profit or losses, available for sale and held to maturity

Total Assets Held for Investment					
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16 (%)	Δ 1Q17/4Q16 (%)
Financial assets held for trading					
Fixed income investments	1,269.7	764.7	1,100.4	-13.3	43.9
Equity investments	1,052.0	1,161.5	1,225.3	16.5	5.5
Derivatives for trading	557.9	253.2	338.5	-39.3	33.7
Total financial assets held for trading	2,879.5	2,179.4	2,664.2	-7.5	22.2
Financial assets available for sale					
Fixed income investments	9,583.0	9,157.0	9,878.5	3.1	7.9
Equity investments	28.9	0.2	0.2	-99.4	-9.2
Total financial assets available for sale	9,611.9	9,157.2	9,878.6	2.8	7.9
Held-to-maturity investments	1,064.3	1,256.6	1,277.7	20.1	1.7
Other financial assets at fair value through profit or loss	0.0	0.0	0.0	NA	NA
Allowance for financial assets held for investment	0.0	0.0	0.0	NA	NA
Total financial assets held for investment	13,555.7	12,593.2	13,820.5	2.0	9.7

1.3 Cash and cash equivalents.

As of March 31, 2017, cash and balances at central banks totaled COP 18,971 billion, with 16.7% and 9.0% annual and quarterly increases, respectively.

1.4 Goodwill.

Goodwill as of March 31, 2017 was COP 5,436 billion, decreasing 3.2% Vs March 31, 2016 and Vs December 31, 2016. These variations are attributable to the effect of the peso/dollar exchange rate, which affects goodwill in USD when converted to COP.

2. Liabilities.

Banco de Bogotá reported COP 127,249 billion in total consolidated liabilities as of March 31, 2017, with 7.3% and 2.5% annual and quarterly increases. Excluding Colombian peso movement effect, liabilities increased 9.1% annually and 4.2% quarterly.

The Bank's main source of funding comes from customer deposits, which represent 78.6% of total funding. This funding is complemented by financial obligations, interbank & overnight funds and bonds, which represent 21.4% of total funding.

The average cost of funds⁽⁶⁾ at the end of 1Q2017 was 4.2%, Vs 4.4% in 4Q2016 and 3.9% in 1Q2016.

2.1 Deposits.

Banco de Bogotá's Consolidated deposits were COP 95,810 billion at March 31, 2017, increasing annually by 7.5% and quarterly by 2.3% (9.2% annual increase and 4.0% quarterly, excluding the Colombian peso movement effect).

(6) Cost from interest bearing liabilities, annualized / Quarterly average of interest bearing liabilities.

As of March 31, 2017, time deposits contributed with 42.7% of total deposits, increasing 15.8% from 1Q2016 and 6.4% vs 4Q2016. Saving accounts contribute 29.2% of the mix, while current accounts reached 27.7% of the mix. Our deposits breakdown has also remained relatively stable over the course of the year, though there has been a slight shift towards increased time deposits Vs savings and checking accounts.

The following table contains a breakdown of Banco de Bogotá's consolidated deposits:

Consolidated Deposits							
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16		Δ 1Q17/4Q16	
				Abs.	%	Abs.	%
Checking Accounts	25,478.6	27,025.8	26,576.5	1,097.9	4.3	-449.3	-1.7
Time deposits	35,334.7	38,444.5	40,905.6	5,571.0	15.8	2,461.1	6.4
Saving deposits	28,076.7	27,983.7	27,941.5	-135.2	-0.5	-42.2	-0.2
Other	247.1	222.7	386.2	139.1	56.3	163.5	73.4
Total Deposits	89,137.0	93,676.7	95,809.9	6,672.8	7.5	2,133.2	2.3

As of March 31, 2017, 53.3% of the Bank's consolidated deposits come from Banco de Bogotá in Colombia and 41.6% from BAC Credomatic's operation in Central America. The remaining 5.1% is mainly represented by deposits in Banco de Bogotá Panamá, as detailed below.

Deposits - Banco de Bogotá Consolidated and Main Subsidiaries							
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16		Δ 1Q17/4Q16	
				Abs.	%	Abs.	%
Banco de Bogotá (Operation in Colombia)	47,341.1	49,258.6	51,040.6	3,699.5	7.8	1,782.1	3.6
BAC Credomatic (Operation in Central America)	37,309.4	39,893.4	39,844.4	2,535.0	6.8	-49.0	-0.1
Others ⁽¹⁾	4,486.6	4,524.7	4,924.8	438.3	9.8	400.1	8.8
Banco de Bogotá Consolidated	89,137.0	93,676.7	95,809.9	6,672.8	7.5	2,133.2	2.3

(1) Includes Deposits from Other Subsidiaries and Eliminations.

2.2 Borrowings from Banks and Others (includes borrowings from developments entities)

Borrowings from Banks and Others reached COP 16,667 billion for 1Q2017, decreasing 6.0% annually and increasing 1.4% quarterly (annual decrease of 3.7% and quarterly increase 4.2%, excluding FX).

2.3 Bonds

At March 31, 2017, Banco de Bogotá's outstanding bonds totaled COP 6,040 billion, increasing 27.5% Vs March 31, 2016 and decreasing 26.4% Vs December 31, 2016 (increase of 28.8% annually and decrease 25.9% quarterly, excluding FX). Of total outstanding bonds, COP 5,916 billion are represented by subordinated debt denominated in foreign currency (USD 1,600 million). The balance is represented mainly by subordinated debt issuances in the Colombian market.

3. Non-Controlling Interest.

Non-controlling interest in Banco de Bogotá reflects: (i) the minority stakes that third party shareholders hold in each of its directly consolidated subsidiaries (Porvenir, Almaviva, Fiduciaria Bogotá, Megalínea, Banco de Bogotá Panamá, Finance and Ficentro), and (ii) the minority stakes that third party shareholders hold in the consolidated subsidiaries at the entities level (Pizano, Gestión & Contacto). As of March 31, 2017 Non-controlling interest was COP 819 billion, with a 13.5% increase Vs March 31, 2016.

4. Total shareholders' Equity and Regulatory Capital.

Banco de Bogotá's consolidated equity at 1Q2017, was COP 16,632 billion increasing 3.1% compared to 1Q2016. Due to dividend distribution, consolidated equity decreased 3.5% compared to 4Q2016.

Consolidated capital adequacy ratio was 13.9% at March 31, 2017, above the 9.0% regulatory requirement in Colombia. Consolidated Tier 1 Capital Ratio, ratio of core equity to risk-weighted assets was 9.2% at close of 1Q2017.

The table below summarizes the Bank's main consolidated capital adequacy figures:

Consolidated Capital Adequacy ⁽¹⁾			
Billion COP	1Q-2016	4Q-2016	1Q-2017
Technical Capital	16,745	16,236	15,977
Core Capital (Tier I)	12,229	10,456	10,639
Additional Core Capital (Additional Tier I)	0.1	0.0	0.0
Additional Capital (Tier II)	4,516	5,780	5,338
Risk-weighted Assets	122,019	116,745	115,355
Credit Risk-weighted Assets	111,915	110,307	108,940
Market Risk-weighted Assets	10,104	6,439	6,415
Capital Adequacy Ratio ⁽²⁾	13.7%	13.9%	13.9%
Tier I Capital Ratio ⁽³⁾	10.0%	9.0%	9.2%

(1) Calculations based on the IFRS Consolidated Financial Statements, applying exceptions specified by the Regulator (Superintendencia Financiera de Colombia).

(2) Technical Equity / Risk-weighted Assets.

(3) Core Capital / Risk-weighted Assets. The minimum required is 4.5%, according to Decree 2392, 2015.

Consolidated Income Statement.

Net income attributable to shareholders for 1Q2017 was COP 558 billion, a 50.9% increase from COP 370 billion in 1Q2016. Core earnings increased: net interest income increased 7.9% and net fee and other services income grew 3.1% while income tax expense decreased 28.8%.

1. Net Interest Income.

Consolidated net interest income totaled COP 1,628 billion in 1Q2017, increasing 7.9% when compared to 1Q2016 and 0.8% Vs 4Q2016, as detailed below:

Consolidated Net Interest Income							
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16		Δ 1Q17/4Q16	
				Abs.	%	Abs.	%
Interest income:							
Interest on loans and leases	2,451.5	2,712.7	2,727.5	276.0	11.3	14.8	0.5
Interests on fixed income investments at amortized cost	93.9	114.0	106.9	13.0	13.9	-7.1	-6.2
Total interest income	2,545.4	2,826.7	2,834.4	289.0	11.4	7.7	0.3
Interest expense:							
Checking accounts	63.1	54.9	83.0	19.9	31.4	28.1	51.1
Time deposits	439.3	538.7	536.1	96.7	22.0	-2.7	-0.5
Saving deposits	239.9	304.0	299.8	60.0	25.0	-4.2	-1.4
Total interest expenses on deposits	742.4	897.6	918.9	176.5	23.8	21.2	2.4
Borrowings	294.5	314.2	287.9	-6.6	-2.2	-26.3	-8.4
Interbank and overnight funds	58.8	36.9	22.4	-36.4	-61.9	-14.5	-39.3
Borrowings from banks and others	133.7	128.0	142.2	8.5	6.4	14.2	11.1
Bonds	73.6	115.2	98.3	24.7	33.5	-16.9	-14.7
Borrowings from rediscount banks	28.4	34.1	25.0	-3.4	-11.8	-9.0	-26.5
Total interest expense	1,036.9	1,211.9	1,206.8	169.9	16.4	-5.1	-0.4
Net interest income	1,508.5	1,614.9	1,627.6	119.1	7.9	12.8	0.8

This result is mainly explained by:

- Total interest income for 1Q2017 increased 11.4% Vs 1Q2016, reaching COP 2,834 billion.
- Loan portfolio interest income totaled COP 2,728 billion at 1Q2017 and grew 11.3% from 1Q2016, consistent with the aforementioned loan portfolio growth trends.
- Interest income from investments in debt securities (which includes trading and held-to-maturity fixed income investments) increased 13.9% Vs 1Q2016.
- In 1Q2017, consolidated interest expense reached COP 1,207 billion, increasing 16.4% Vs 1Q2016 primarily explained by higher volumes in time deposits and saving accounts.
- Banco de Bogotá's consolidated total net interest margin⁽⁷⁾ stood at 6.0% in 1Q2017, increasing from 5.8% in 1Q2016.

⁷ Calculated as: Net interest Income for the period, annualized / Average Productive Assets for the period (Interest Earning Assets).

2. Impairment loss on financial assets.

Net provision expense increased 3.6% Vs 1Q2016 and 12.1% Vs 4Q2016, reaching COP 494 billion. Ratio of Net provision expense to average loans stood at 2.0% for 1Q2017 Vs 1.8% in 4Q2016 and 2.1% in 1Q2016.

Total Net Provisions for Losses on Loans and Other impairments								
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16		Δ 1Q17/4Q16		
				Abs.	%	Abs.	%	
Impairment loss on loan portfolio and accounts receivable	494.8	497.8	512.5	17.8	3.6	14.8	3.0	
Impairment loss on other financial assets	1.2	5.4	3.5	2.3	190.9	-1.9	-35.8	
Recovery of charged-off assets	-19.4	-62.8	-22.4	-3.0	15.5	40.4	-64.3	
Impairment loss on financial assets, net	476.6	440.4	493.6	17.0	3.6	53.2	12.1	

3. Total non-interest income.

Total non-interest income in 1Q2017 was COP 1,176 billion, decreasing annually 4.0%. Net Fee Income increased 3.1% annually mainly explained by higher income in pension and severance fund management. On the other hand, Other Operating Income decreased 16.9% annually due to the extraordinary income from the sale of our investment in CIFIN in 1Q2016.

The following table provides details on Banco de Bogotá's consolidated total non-interest income:

Total non-interest income								
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16		Δ 1Q17/4Q16		
				Abs.	%	Abs.	%	
Fees and other services income								
Trust activities	34.3	39.2	38.4	4.2	12.2	-0.8	-2.0	
Pension and severance fund management	213.1	192.7	240.3	27.2	12.8	47.6	24.7	
Commissions from banking services	458.1	493.8	447.9	-10.2	-2.2	-45.9	-9.3	
Credit and debit card fees	229.8	264.5	238.6	8.8	3.8	-25.9	-9.8	
Checking fees	9.8	9.3	8.7	-1.1	-11.0	-0.5	-5.7	
Other commissions	0.0	0.0	0.0	0.0	NA	0.0	-100.0	
Branch network services	6.2	6.0	5.9	-0.3	-5.4	-0.1	-2.3	
Bonded warehouse services	27.9	33.2	28.8	1.0	3.6	-4.4	-13.1	
Total income from commissions and fees	979.2	1,038.7	1,008.6	29.5	3.0	-30.0	-2.9	
Expenses from commissions and fees	86.4	90.3	88.3	1.9	2.2	-2.0	-2.2	
Total income from commissions and fees, net	892.7	948.4	920.3	27.6	3.1	-28.1	-3.0	
Profit or loss from financial assets or liabilities for trading, net	28.8	154.7	3.4	-25.4	-88.2	-151.3	-97.8	
Net gain/loss on investments	60.6	52.1	81.5	20.9	34.4	29.4	56.4	
Net gain or loss on financial derivatives for trading	-44.9	45.1	-105.3	-60.5	-134.7	-150.5	-333.4	
Net gain in hedging	13.0	57.5	27.3	14.2	109.3	-30.2	-52.6	
Other operating income								
Foreign exchange gains (losses), net	156.1	7.8	169.2	13.1	8.4	161.4	2,075.2	
Net gains on sales of investments	55.3	3.9	2.6	-52.7	-95.3	-1.3	-33.5	
Income from sales of non-current assets available for sale	1.9	4.1	4.2	2.4	127.7	0.1	2.1	
Dividends and Equity method	37.4	-14.2	32.9	-4.4	N.A.	47.1	-332.5	
Other income	52.8	204.6	43.3	-9.5	-18.0	-161.3	-78.8	
Other operating income	303.5	206.3	252.3	-51.2	-16.9	46.0	22.3	
Total fees and other operating income	1,225.0	1,309.4	1,176.0	-49.0	-4.0	-133.4	-10.2	

4. Total Other Expenses - Efficiency.

Total Other Expenses in 1Q2017 reached COP 1,482 billion, decreasing 3.8% Vs 1Q2016. Efficiency Ratio, excluding the wealth tax⁽⁸⁾ improved from 48.2% in 1Q2016 to 47.6% in 1Q2017.

Efficiency, measured as annualized operational expenses to average total assets, was 3.7% for 1Q2017 Vs 3.8% in 1Q2016.

5. Non-controlling interest.

Non-controlling interest included in Banco de Bogotá's consolidated statement of income, originates primarily from AFP Porvenir, with a minority interest of 63.49%. Main variations in this line come from AFP Porvenir, whose results showed an increase in 1Q2017.

⁸ Ratios are excluding the wealth tax for 1Q2016 and 1Q2017. Including this tax, efficiency ratio were 54.0% and 49.8% , respectively.

STATEMENT OF FINANCIAL POSITION - BANCO DE BOGOTÁ CONSOLIDATED							
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16		Δ 1Q17/4Q16	
				Abs.	%	Abs.	%
ASSETS							
Cash and cash equivalents	16,262.1	17,400.7	18,971.3	2,709.2	16.7	1,570.6	9.0
FINANCIAL ASSETS INVESTMENT:							
Financial assets held for trading:							
Fixed income investments	1,269.7	764.7	1,100.4	-169.3	-13.3	335.6	43.9
Equity investments	1,052.0	1,161.5	1,225.3	173.3	16.5	63.9	5.5
Derivatives instruments	557.9	253.2	338.5	-219.4	-39.3	85.3	33.7
Total financial assets held for trading	2,879.5	2,179.4	2,664.2	-215.3	-7.5	484.8	22.2
Financial assets available for sale:							
Fixed income investments	9,583.0	9,157.0	9,878.5	295.5	3.1	721.5	7.9
Equity investments	28.9	0.2	0.2	-28.7	-99.4	0.0	-9.2
Total financial assets available for sale	9,611.9	9,157.2	9,878.6	266.8	2.8	721.5	7.9
Held-to-maturity investments	1,064.3	1,256.6	1,277.7	213.4	20.1	21.1	1.7
Other financial assets at fair value through profit or loss	0.0	0.0	0.0	0.0	NA	0.0	NA
Total financial assets held for investment	13,555.7	12,593.2	13,820.5	264.9	2.0	1,227.4	9.7
Loans & leases operations and receivables portfolio:							
Commercial loans and leases and Other Receivables	58,068.8	61,375.6	61,964.9	3,896.1	6.7	589.3	1.0
Commercial loans and leases	55,827.6	58,843.6	58,543.5	2,715.9	4.9	-300.1	-0.5
Interbank & overnight funds and others	2,241.1	2,532.0	3,421.4	1,180.3	52.7	889.4	35.1
Consumer loans and leases	23,779.7	26,364.8	26,033.7	2,254.0	9.5	-331.1	-1.3
Mortgages and housing leases	10,427.8	11,411.1	11,286.7	858.9	8.2	-124.5	-1.1
Microcredit loans and leases	381.9	389.7	387.2	5.3	1.4	-2.5	-0.6
Total loans & leases operations and receivables portfolio	92,658.2	99,541.3	99,672.5	7,014.3	7.6	131.2	0.1
Allowance for loans & leases operations and receivables portfolio	-2,144.7	-2,371.8	-2,501.0	-356.4	16.6	-129.3	5.5
Total loans and leases portfolio at amortized cost	90,513.5	97,169.5	97,171.4	6,657.9	7.4	1.9	0.0
Other accounts receivable	1,439.9	1,464.0	1,177.6	-262.3	-18.2	-286.4	-19.6
Hedging Derivatives	349.2	123.0	188.7	-160.6	-46.0	65.6	53.4
Non-current assets held for sale	107.6	210.7	200.1	92.5	85.9	-10.6	-5.1
Investment in associates and joint ventures	3,379.0	3,354.6	3,408.8	29.8	0.9	54.3	1.6
Tangible assets	2,173.3	2,171.1	2,094.7	-78.6	-3.6	-76.4	-3.5
Intangible assets	5,993.6	6,050.3	5,864.4	-129.2	-2.2	-186.0	-3.1
Income tax assets	645.7	523.0	632.5	-13.3	-2.1	109.5	20.9
Other assets	257.3	370.6	351.1	93.9	36.5	-19.5	-5.3
Total Assets	134,676.9	141,430.7	143,881.1	9,204.1	6.8	2,450.3	1.7
LIABILITIES							
Financial liabilities at fair value	483.1	329.3	358.4	-124.8	-25.8	29.0	8.8
FINANCIAL LIABILITIES AT AMORTIZED COST:							
Deposits from clients at amortized cost							
Checking accounts	25,478.6	27,025.8	26,576.5	1,097.9	4.3	-449.3	-1.7
Time deposits	35,334.7	38,444.5	40,905.6	5,571.0	15.8	2,461.1	6.4
Saving deposits	28,076.7	27,983.7	27,941.5	-135.2	-0.5	-42.2	-0.2
Other deposits	247.1	222.7	386.2	139.1	56.3	163.5	73.4
Borrowings	24,680.8	25,863.3	26,067.5	1,386.7	5.6	204.2	0.8
Interbank borrowings and overnight funds	2,218.0	1,221.3	3,361.1	1,143.0	51.5	2,139.7	175.2
Borrowing from banks and others	16,173.1	14,902.8	15,092.8	-1,080.3	-6.7	190.0	1.3
Bonds	4,736.6	8,203.1	6,039.8	1,303.2	27.5	-2,163.3	-26.4
Borrowings from developments entities	1,553.1	1,536.1	1,573.9	20.7	1.3	37.8	2.5
Total liabilities at amortized cost	113,817.9	119,540.0	121,877.4	8,059.5	7.1	2,337.4	2.0
Hedging derivatives	149.3	44.4	46.6	-102.7	-68.8	2.1	4.8
Provisions	314.2	240.0	258.9	-55.3	-17.6	18.9	7.9
Income tax liabilities	438.5	369.4	594.3	155.8	35.5	224.9	60.9
Employee benefits	483.8	515.3	545.1	61.3	12.7	29.8	5.8
Other liabilities	2,861.2	3,154.1	3,568.2	707.0	24.7	414.1	13.1
Total Liabilities	118,548.1	124,192.6	127,248.8	8,700.7	7.3	3,056.2	2.5
Shareholder's equity attributable to shareholders	15,406.6	16,409.7	15,812.9	406.3	2.6	-596.9	-3.6
Non-controlling interests	722.2	828.4	819.4	97.2	13.5	-9.0	-1.1
Total Shareholders' Equity	16,128.8	17,238.2	16,632.3	503.5	3.1	-605.9	-3.5
Total Liabilities and Shareholders' Equity	134,676.9	141,430.7	143,881.1	9,204.1	6.8	2,450.3	1.7

STATEMENT OF INCOME - BANCO DE BOGOTÁ CONSOLIDATED					
Billion COP	1Q-2016	4Q-2016	1Q-2017	Δ 1Q17/1Q16 %	Δ 1Q17/4Q16 %
Interest income:					
Loan portfolio interest	2,451.5	2,712.7	2,727.5	11.3	0.5
Interests on fixed income investments at amortized cost	93.9	114.0	106.9	13.9	-6.2
Total interest income	2,545.4	2,826.7	2,834.4	11.4	0.3
Interest expense:					
Checking accounts	63.1	54.9	83.0	31.4	51.1
Time deposits	439.3	538.7	536.1	22.0	-0.5
Saving deposits	239.9	304.0	299.8	25.0	-1.4
Total interest expenses on deposits	742.4	897.6	918.9	23.8	2.4
Borrowings	294.5	314.2	287.9	-2.2	-8.4
Interbank and overnight funds	58.8	36.9	22.4	-61.9	-39.3
Borrowings from banks and others	133.7	128.0	142.2	6.4	11.1
Bonds	73.6	115.2	98.3	33.5	-14.7
Borrowings from developments entities	28.4	34.1	25.0	-11.8	-26.5
Total interest expense	1,036.9	1,211.9	1,206.8	16.4	-0.4
Net interest income	1,508.5	1,614.9	1,627.6	7.9	0.8
Provisions for losses on loans and other impairments					
Impairment for loan portfolio and accounts receivable	494.8	497.8	512.5	3.6	3.0
Impairment for other financial assets	1.2	5.4	3.5	190.9	-35.8
Recovery of charged-off assets	-19.4	-62.8	-22.4	-15.5	-64.3
Impairment loss on financial assets, net	476.6	440.4	493.6	3.6	12.1
Net interest income after impairment loss on financial assets	1,032.0	1,174.5	1,134.0	9.9	-3.4
Fees and Other Services Income					
Trust activities	34.3	39.2	38.4	12.2	-2.0
Pension and severance fund management	213.1	192.7	240.3	12.8	24.7
Commissions from banking services	458.1	493.8	447.9	-2.2	-9.3
Credit and debit card fees	229.8	264.5	238.6	3.8	-9.8
Checking fees	9.8	9.3	8.7	-11.0	-5.7
Other commissions	0.0	0.0	0.0	NA	-100.0
Branch network services	6.2	6.0	5.9	-5.4	-2.3
Bonded warehouse services	27.9	33.2	28.8	3.6	-13.1
Total Income from commissions and fees	979.2	1,038.7	1,008.6	3.0	-2.9
Expenses from commissions and fees	86.4	90.3	88.3	2.2	-2.2
Total income from commissions and fees, net	892.7	948.4	920.3	3.1	-3.0
Profit or loss from financial assets or liabilities for trading, net	28.8	154.7	3.4	-88.2	-97.8
Other Operating Income					
Foreign exchange gains (losses), net	156.1	7.8	169.2	8.4	2,075.2
Net gains on sales of investments	55.3	3.9	2.6	-95.3	-33.5
Income from sales of non-current assets available for sale	1.9	4.1	4.2	127.7	2.1
Equity method	35.7	-14.2	29.4	-17.8	-306.7
Dividends	1.6	0.0	3.5	118.0	7,009.9
Other income	52.8	204.6	43.3	-18.0	-78.8
Total Other Operating Income	303.5	206.3	252.3	-16.9	22.3
Other expenses					
Losses from sales of non-current assets available for sale	0.4	0.7	1.7	N.A.	100.0
Personnel expenses	640.0	679.9	633.9	-1.0	-6.8
Termination expenses	12.9	24.8	12.0	-7.1	-51.6
Bonus plan payments	32.7	22.2	31.7	-2.9	42.6
Salaries and employee benefits	594.4	632.9	590.1	-0.7	-6.8
Administrative expenses	806.6	765.7	741.3	-8.1	-3.2
Depreciation and amortization	78.4	108.3	88.5	12.9	-18.3
Other operating expenses	16.2	11.0	17.0	4.8	54.5
Total other expenses	1,541.6	1,565.6	1,482.4	-3.8	-5.3
Income before tax expense	715.4	918.3	827.6	15.7	-9.9
Income tax expense	296.7	330.2	211.3	-28.8	-36.0
Income from continued operations	418.7	588.1	616.3	47.2	4.8
Non controlling interest	-48.7	-40.4	-57.9	18.9	43.4
Net income attributable to shareholders	370.0	547.7	558.4	50.9	2.0