

Banco de Bogotá



2Q-2019 Consolidated Results Conference Call

FULL IFRS

Aug 27th, 2019

Banco de Bogotá is an issuer of securities in Colombia and, as such, it is required to comply with periodic reporting requirements and corporate governance practices. As a financial institution, the Bank is subject to inspection and surveillance from Colombia's Superintendency of Finance.

The financial information included in this report was prepared with unaudited consolidated financial information, in accordance with IFRS as currently issued by the IASB. Details of the calculations of Non GAAP measures such as ROAA and ROAE, among others, are explained when required in this report.

The Colombian peso/dollar end-of-period annually and quarterly devaluation as of June 30, 2019 was 9.4% and 1.0% respectively. In this report, calculations of growth, excluding the exchange rate movement of the Colombian Peso, use the exchange rate as of June 30, 2019 (COP 3,205.67).

Banco de Bogotá has adopted IFRS 16 retrospectively from January 1, 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening Condensed Consolidated Statement of Financial Position on January 1, 2019. Consequently, quarterly results for 2019 are not fully comparable to previous periods.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, Banco de Bogotá, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets, and lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.

Previously reported figures for 2Q18 have been adjusted for presentation purposes to reflect the treatment of provision charges to stage 3 loans as described under IFRS 9 and detailed in KPMG's practical guide to IFRS standards, whose content we learnt post the 2Q18 conference call and which clarifies the methodology that needs to be used to fully adopt this new standard.

This report includes forward-looking statements. In some cases, you can identify these forward-looking statements by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these and other comparable words. Actual results and events may differ materially from those anticipated herein as a consequence of changes in general, economic and business conditions, changes in interest and currency rates and other risk factors. Recipients of this document are responsible for the assessment and use of the information provided herein. Matters described in this presentation and our knowledge of them may change extensively and materially over time but we expressly disclaim any obligation to review, update or correct the information provided in this report, including any forward looking statements, and do not intend to provide any update for such material developments prior to our next earnings report. The content of this document and the figures included herein are intended to provide a summary of the subjects discussed rather than a comprehensive description.

In this document we refer to trillions as millions of millions and to billions as thousands of millions. "Excluding FX" refers to the impact of the exchange rate on our Central American operation.

Attributable Net Income for the period was \$723.9 billion pesos, which represented a 33.7% increase versus 2Q18.

Key Metrics

Commentary

Profitability

- ROAA: 2.0% / ROAE: 15.6%
- Net Interest Margin: 6.0%
- Fee Income Ratio: 36.1%
- Efficiency Ratio: 49.1%

- ROAA increased 37 bps. ROAE increased 225 bps.
- NIM increased 26 bps.
- Fee income increased 14.3%.
- Efficiency improved 399 bps.

Balance Sheet

- Gross Loans: \$109.9 Ps. trillion
- Total Deposits: \$107.4 Ps. trillion
- Deposits / Net Loans: 1.03x
- Deposits % Funding: 78.2%

- Gross Loans increased 7.0%; excluding FX, growth was 2.7%.
- Total Deposits increased 9.9%; excluding FX, growth was 5.4%.
- Deposits / Net Loans has remained stable.

Credit & Capital

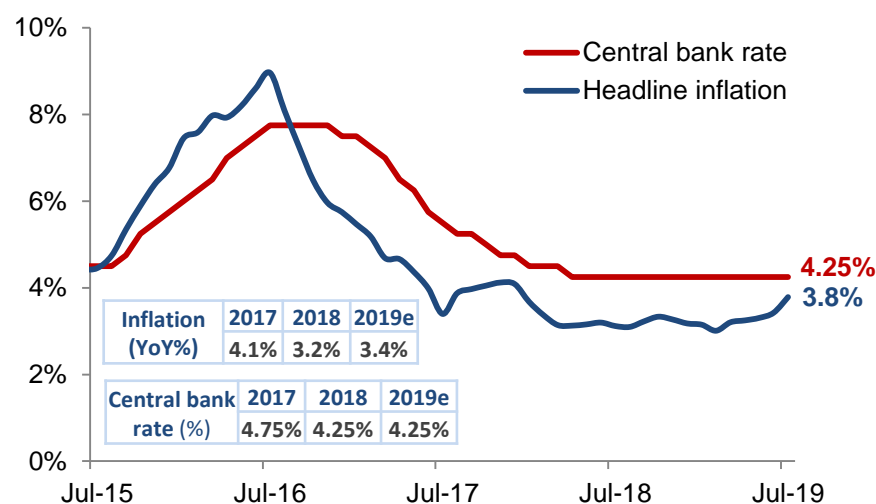
- 90+ Days PDL Ratio: 3.0%
- Net Cost of Risk: 2.2%
- Tier 1 Ratio: 9.5%
- Total Solvency: 13.2%

- 90+ Days PDL Ratio, increased 24bps.
- Net Cost of Risk, increased 27 bps.
- Tier 1 and Total Solvency ratios are both well above regulatory minimums.

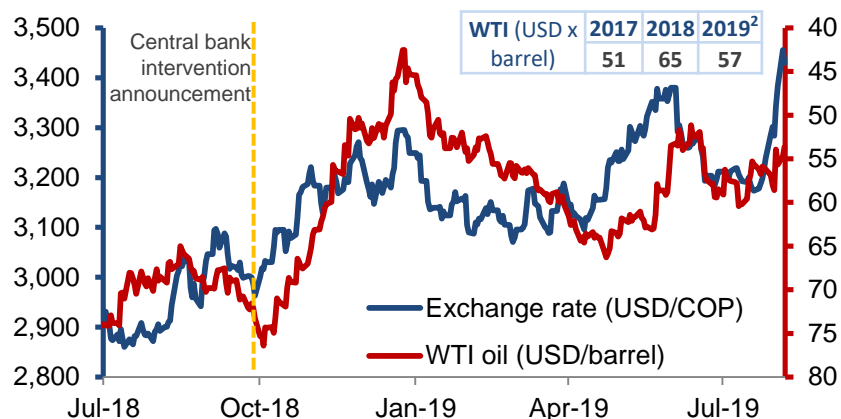
GDP¹ (YoY %, 12-month)



Inflation vs. Central bank rate (YoY%, %)

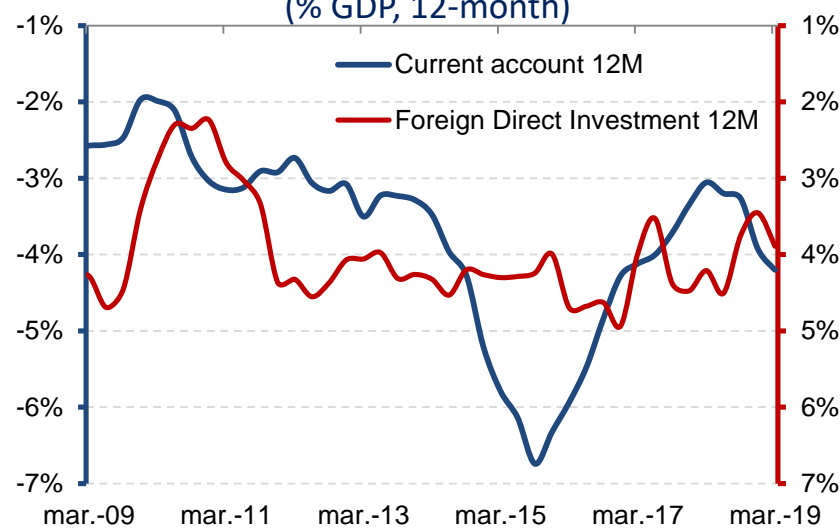


Exchange rate vs. WTI oil (USD/COP, USD x barrel)



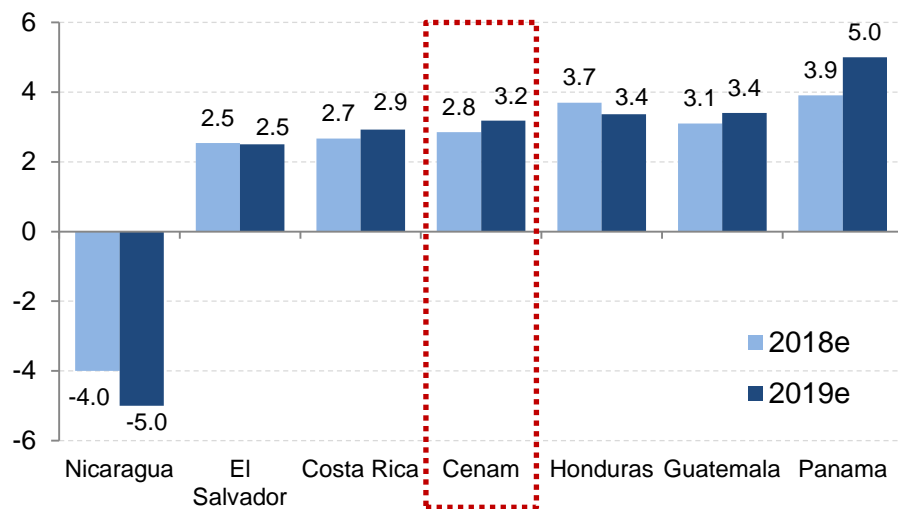
Exchange rate (USD/COP)	2Q			Year		
	2017	2018	2019	2017	2018	2019e
End of period	3,050.4	2,930.8	3,205.7	2,984	3,250	3,300
Average	2,920.3	2,839.0	3,242.4	2,951	2,956	3,200

Current account vs. Foreign Direct Investment (% GDP, 12-month)

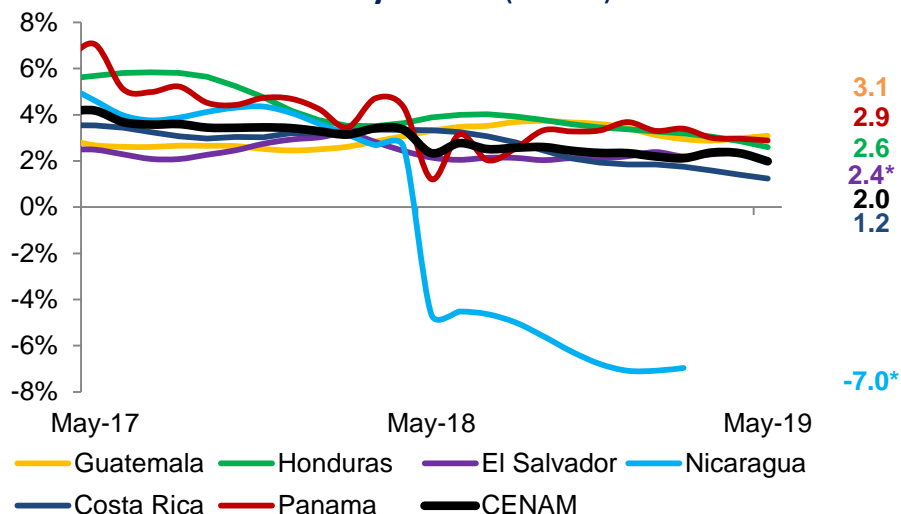


Source: DANE, Banco de la República, Bloomberg, Economic Research Banco de Bogotá. 1. Original series. 2. Average year-to-date.

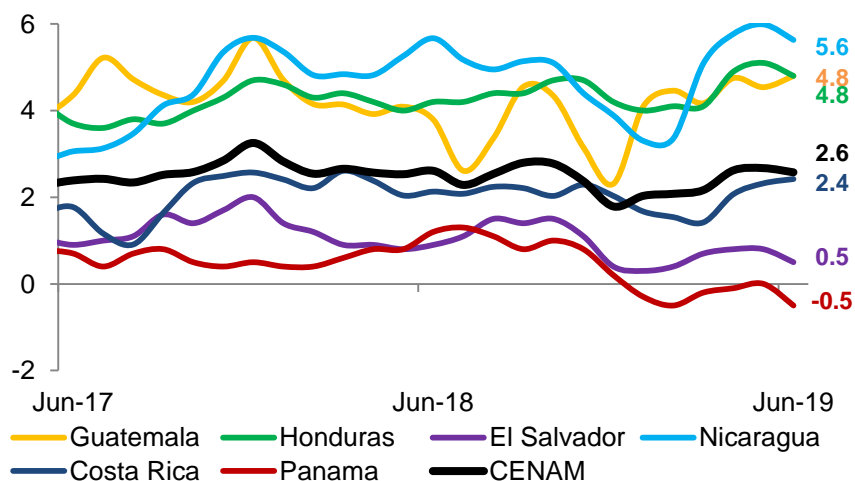
GDP¹ (YoY %)



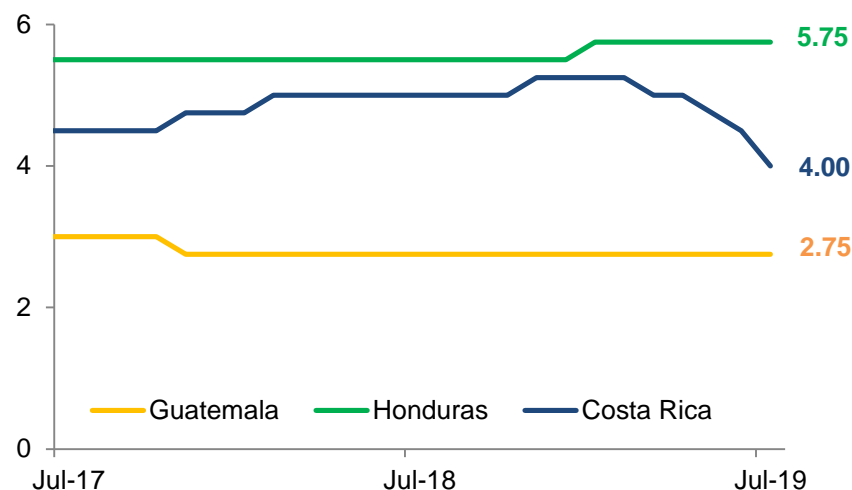
Activity Index² (YoY %)



Inflation (YoY %)



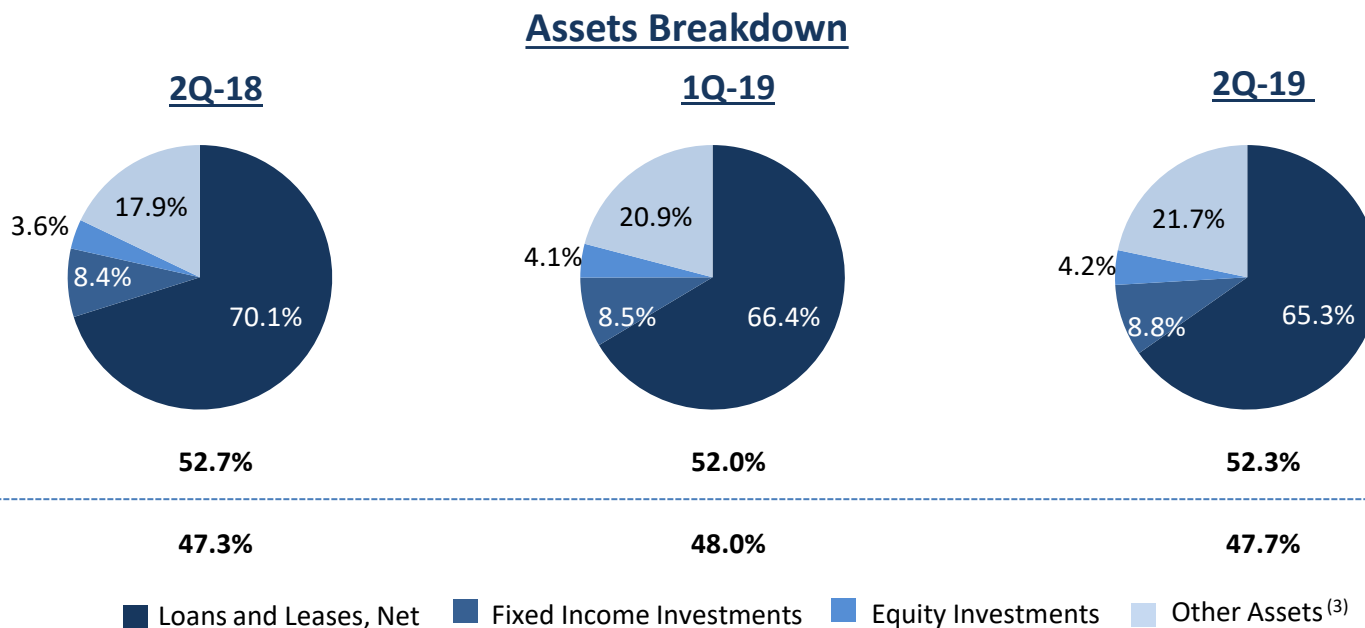
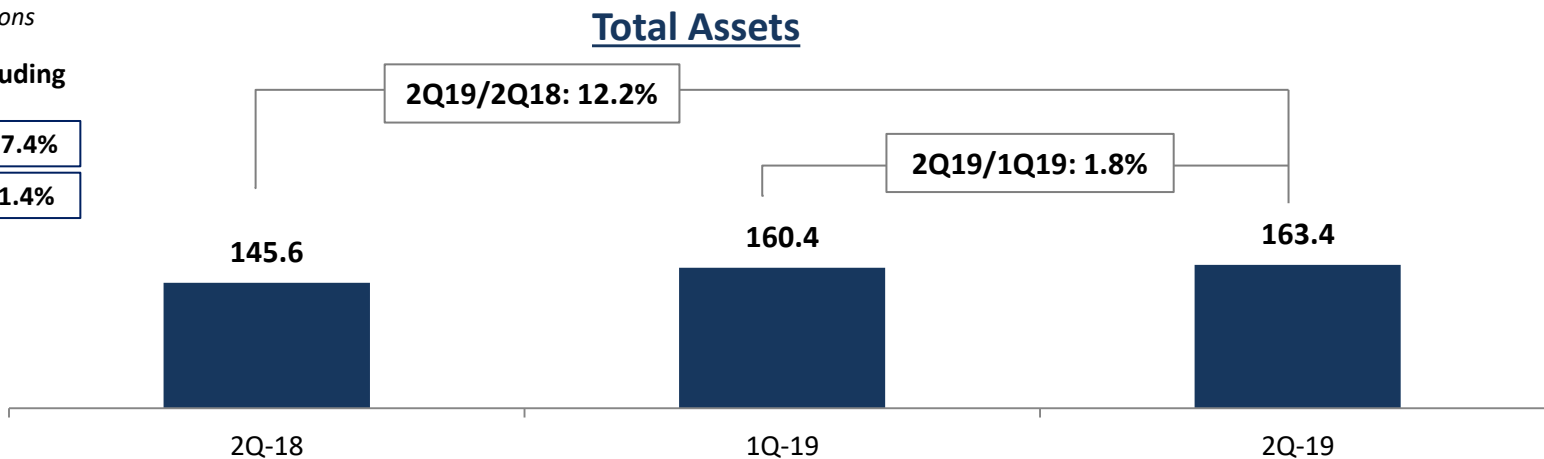
Central bank interest rate (%)



Source: IMF, Bloomberg, SECMCA, Economic Research Banco de Bogotá. CENAM: Central America. 1. IMF projections and estimations. 2. Monthly activity trend indicator (IMAE-TC). Nicaraguan data is available only until February and Salvadoran data until April. CENAM growth is calculated with available data.

Figures in Ps. Trillions

Growth excluding FX
2Q19/2Q18: 7.4%
2Q19/1Q19: 1.4%



(1) Includes Banco de Bogotá in Colombia, Porvenir, Fidubogotá, Almaviva, Banco de Bogotá Panamá, Finance, Ficentro and Megalinea.

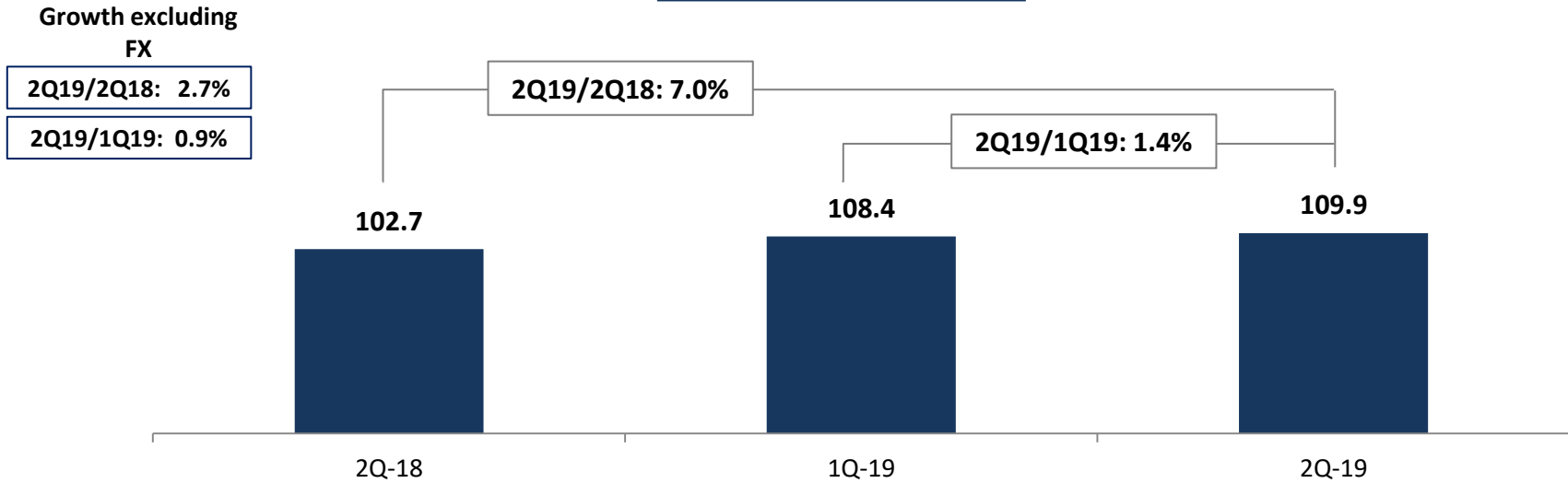
(2) Foreign operations reflect BAC Credomatic operations in Central America.

(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, Other Accounts Receivable, Derivatives used for hedging, Other Assets and Income Tax Assets (Deferred Tax Asset and Liability are included on a net basis)

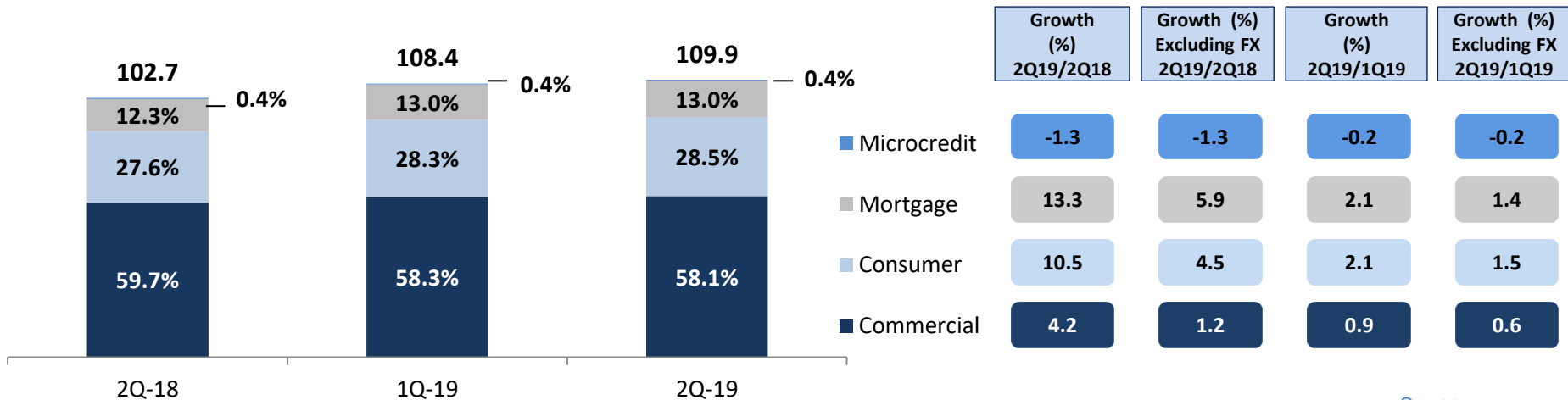
Consolidated Loan Portfolio Breakdown by Business Segment

Figures in Ps. Trillions

Gross Loan Portfolio (1)

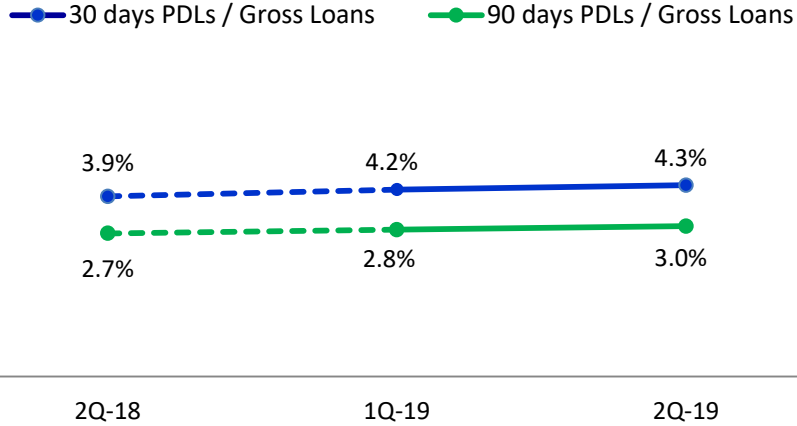


Gross Loan Portfolio Breakdown

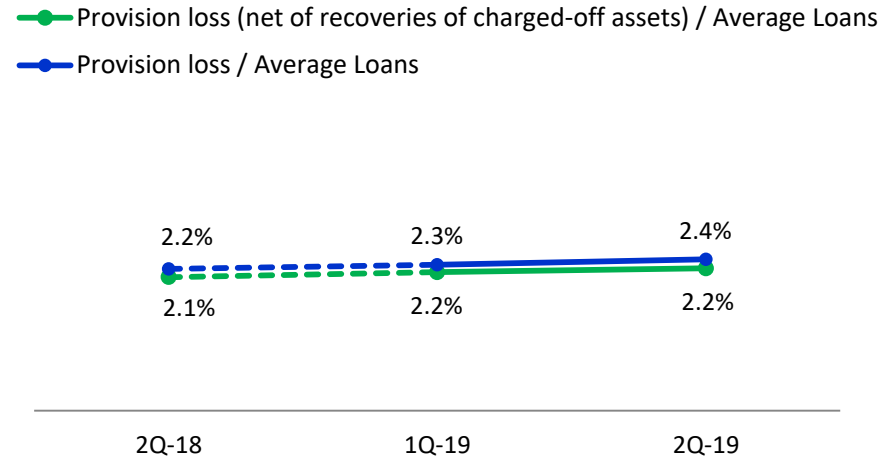


(1) Gross Loans exclude Repos & interbanks

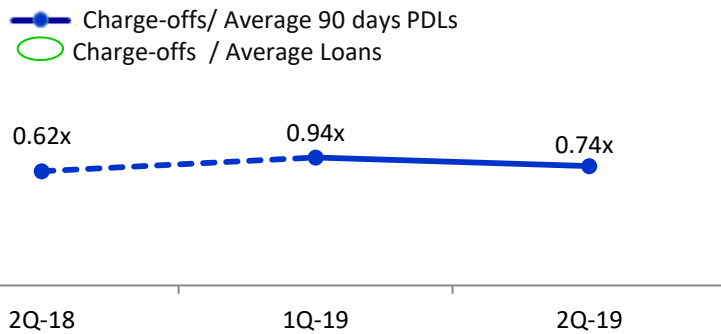
30 days PDLs / Gross Loans 90 days PDLs / Gross Loans



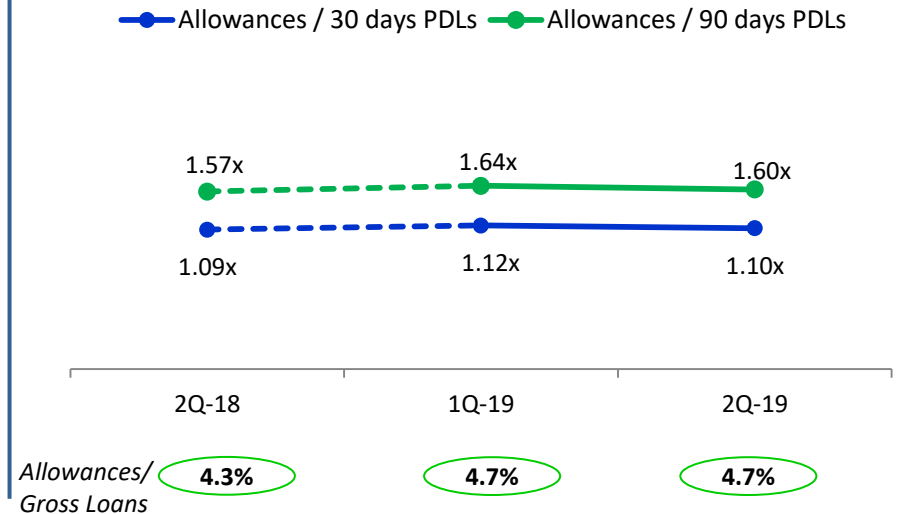
Cost of Risk ⁽¹⁾



Charge-offs ⁽¹⁾ / Average 90 days PDLs



Coverage



Charge-offs / Average Loans

Period	Charge-offs / Average Loans
2Q-18	1.6%
1Q-19	2.7%
2Q-19	2.1%

Allowances / Gross Loans

Period	Allowances / Gross Loans
2Q-18	4.3%
1Q-19	4.7%
2Q-19	4.7%

(1) Annualized

	<u>Colombia COP</u>			<u>Central America USD</u>		
	<u>2Q-18</u>	<u>1Q-19</u>	<u>2Q-19</u>	<u>2Q-18</u>	<u>1Q-19</u>	<u>2Q-19</u>
Delinquency Ratio						
30 day PDLs / Gross Loans	4.9%	5.1%	5.2%	2.7%	3.1%	3.3%
90 day PDLs / Gross Loans	3.9%	4.1%	4.2%	1.3%	1.5%	1.6%
Cost of Risk						
Provision Loss, net of recoveries of charge-off	2.1%	2.1%	2.2%	2.1%	2.3%	2.2%
Charge-Off Ratio						
Charge offs / 90 days PDLs	0.4x	0.8x	0.5x	1.5x	1.4x	1.4x
Charge offs / Avg Loans	1.5%	3.4%	2.1%	1.8%	1.9%	2.2%
Coverage						
Allowance / 30 days PDLs	1.1x	1.2x	1.2x	1.0x	1.0x	1.0x
Allowances / 90 days PDLs	1.4x	1.5x	1.5x	2.2x	2.1x	2.0x
Allowances / Gross Loans	5.5%	6.0%	6.1%	2.8%	3.1%	3.2%

	<u>30 days PDLs</u>			<u>90 days PDLs</u>		
	<u>2Q-18</u>	<u>1Q-19</u>	<u>2Q-19</u>	<u>2Q-18</u>	<u>1Q-19</u>	<u>2Q-19</u>
Commercial	3.2%	3.5%	3.7%	2.8%	3.1%	3.2%
Consumer	5.6%	5.3%	5.4%	2.9%	2.5%	2.7%
Mortgage	3.4%	4.2%	4.2%	1.8%	2.2%	2.4%
Microcredit	14.8%	16.1%	17.0%	10.6%	11.8%	12.5%
Total Loans	3.9%	4.2%	4.3%	2.7%	2.8%	3.0%
Coverage Ratio	1.1x	1.1x	1.1x	1.6x	1.6x	1.6x

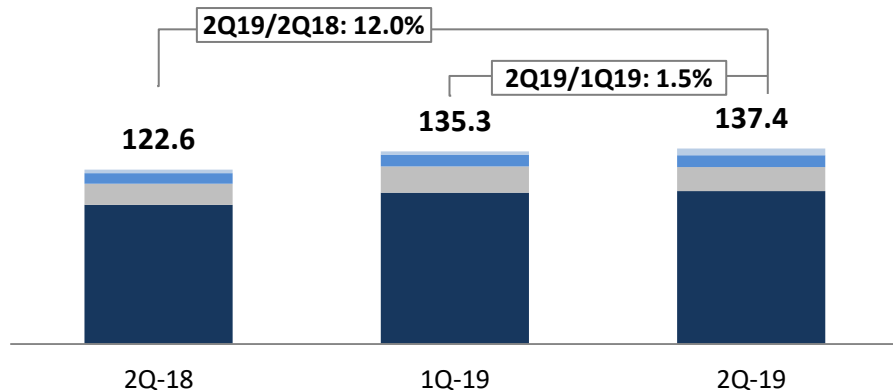
Figures in Ps. Trillions

Total Funding

Growth excluding FX

2Q19/2Q18: 7.4%

2Q19/1Q19: 1.1%

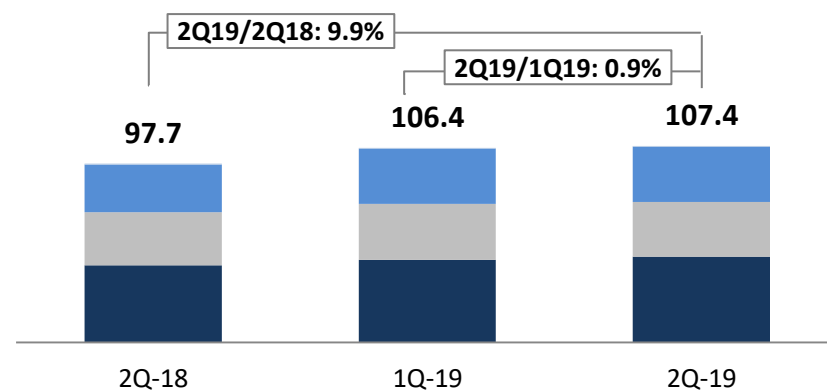


Total Deposits

Growth excluding FX

2Q19/2Q18: 5.4%

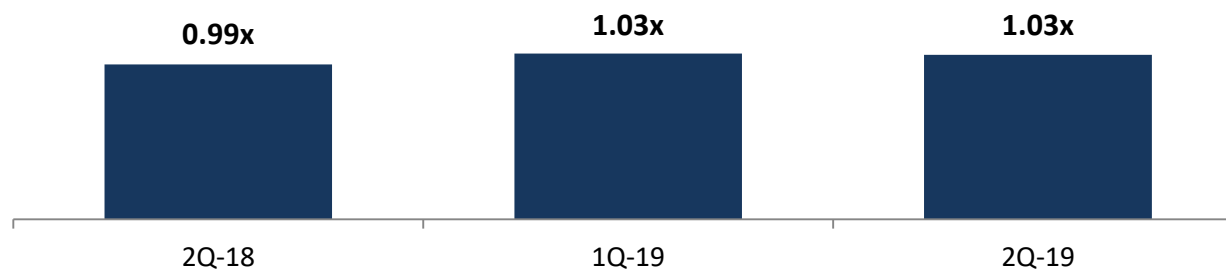
2Q19/1Q19: 0.5%



%	2Q-18	1Q-19	2Q-19
Deposits	79.7	78.6	78.2
Banks and others	12.1	13.6	12.3
Long Term Bonds	6.1	6.0	6.0
Interbank Borrowings	2.1	1.7	3.5

%	2Q-18	1Q-19	2Q-19
Time Deposits	43.1	42.4	43.7
Saving Accounts	29.8	28.8	27.7
Checking Accounts	26.7	28.5	28.2
Others ⁽¹⁾	0.4	0.4	0.4

Deposits / Net Loans (%)⁽²⁾

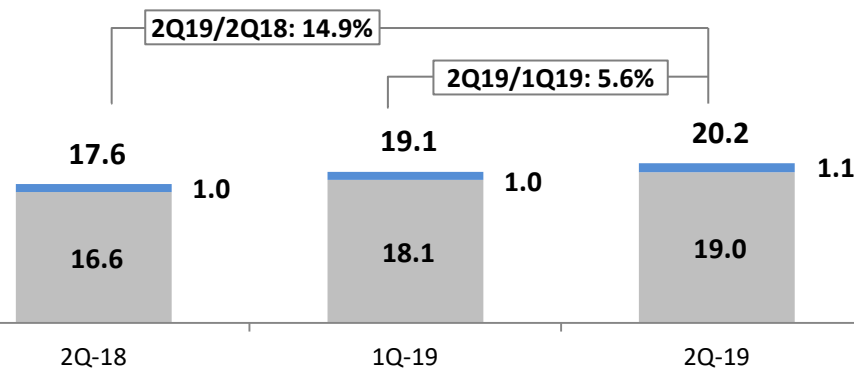


(1) Other Deposits include: Deposits from other Banks and Correspondent Accounts, Banking Services Liabilities, Collection Banking Services and Other Deposit.

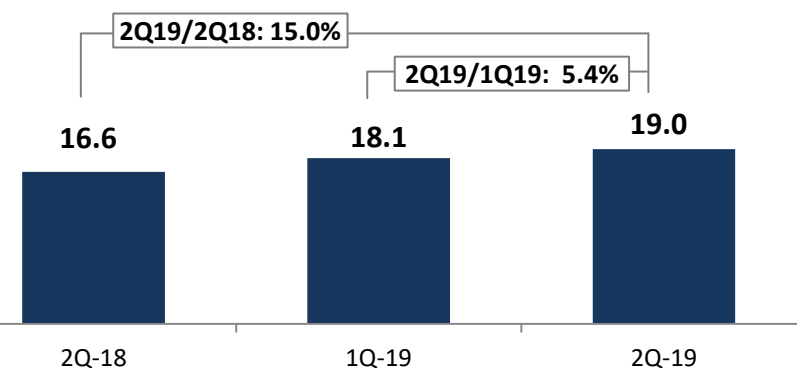
(2) Net Loans include commercial, consumer, mortgages, microcredit and allowances. Deposits include checking, savings, time deposits and other deposits.

Figures in Ps. Trillions

Attributable Equity + Minority Interest



Shareholders' Equity



■ Shareholders' Equity

■ Non-controlling interest

Total Equity / Assets

12.1%

11.9%

12.4%

Tangible Capital Ratio⁽¹⁾

8.3%

8.3%

8.7%

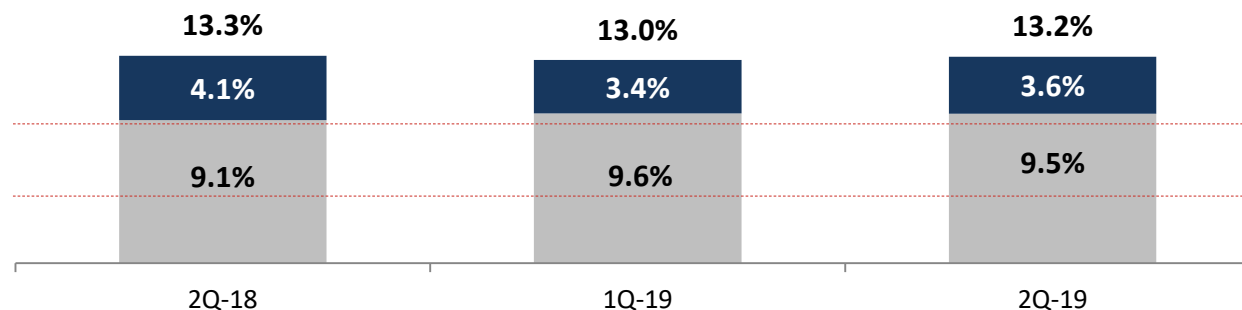
Consolidated Capital Adequacy⁽²⁾

■ Tier I ■ Tier II

Regulatory Minimum:

Total: 9.0%

Tier I: 4.5%



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

(2) Capital Ratios are calculated under the methodology of the Colombian Superintendency of Finance.

Quarterly Net Interest Margin

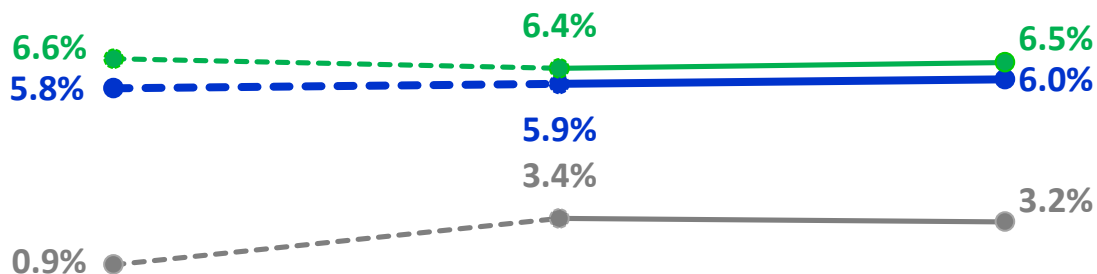
Growth excluding
FX

2Q19/2Q18: 2.4%

2Q19/1Q19: 1.1%

Net Interest Income (Billions of COP)					
			Growth Rate		
2Q-18	1Q-19	2Q-19	2Q19/2Q18	2Q19/1Q19	
1,681.9	1,791.3	1,843.1	9.6%	2.9%	

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



	2Q-18	1Q-19	2Q-19
Yield on loans	10.2%	10.0%	10.3%
Yield on fixed income (includes Interbank Funds)	4.4%	7.0%	7.0%
Average Funding Cost / Total Int. Bearing Funding	3.7%	3.7%	3.8%

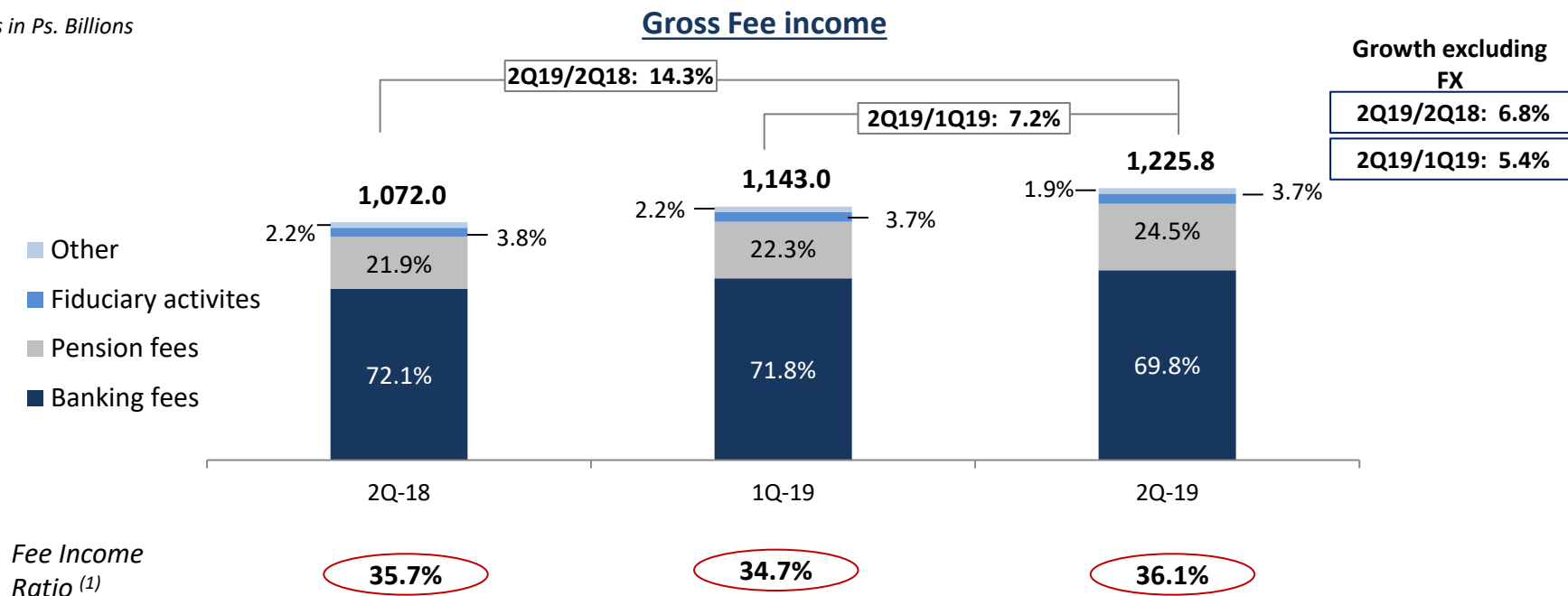
Source: Banco de Bogotá. Consolidated Figures.

(1) Net Interest Income + Net trading income from investment securities held for trading + Net income from Central American hedging activities for the period, annualized / Average interest earning assets.

(2) Loans Net Interest Margin: Net Interest Income on Loans for the period, annualized / Average loans and financial leases.

(3) 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 + Net income from Central American hedging activities for the period, annualized / Average securities + Interbank and overnight funds.

Figures in Ps. Billions



Other Operating Income

	2Q-18	1Q-19	2Q-19
Derivatives and foreign exchange gains (losses), net	139.2	53.9	54.9
Gain (loss) on investments, net ⁽²⁾	28.9	131.7	101.5
Other Income ⁽³⁾	62.9	80.1	133.5
Equity method income from associates, dividend income ⁽⁴⁾	61.1	151.6	132.8
Total Other Operating Income	292.0	417.3	422.7

(1) Fee Income ratio is calculated: Gross Fee income / Net interest income before provision + Gross fee income + Total Other Operating Income, net (excluding others).

(2) Gain (loss) on investments, net includes: Net trading income from investment securities held for trading.

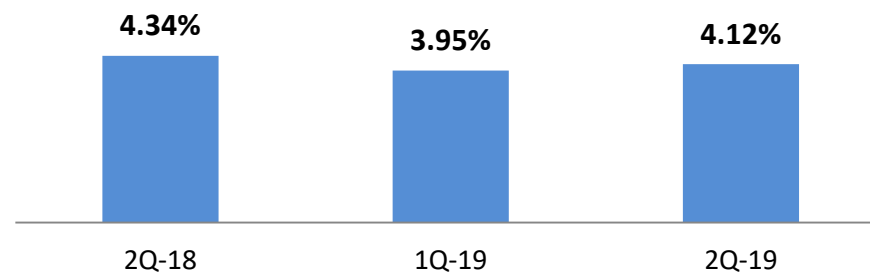
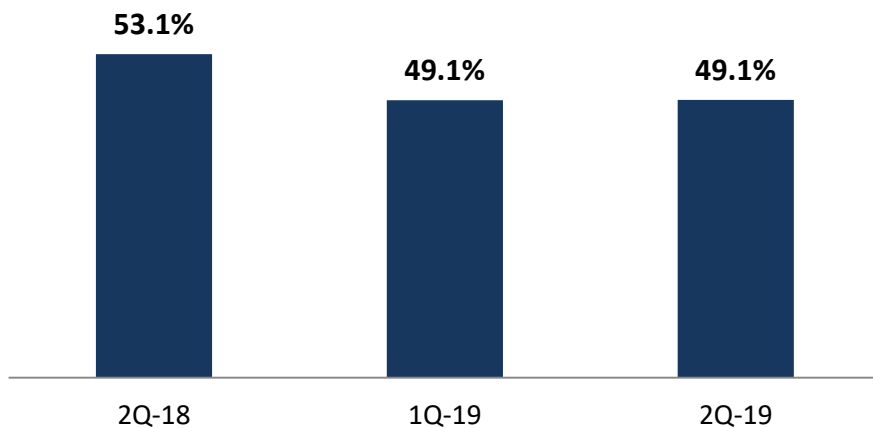
(3) Other income includes: Net gain on sale of investments, earnings on the sale of non-current assets held for sale and other income.

(4) Equity method income from associates includes Corficolombiana, Casa de Bolsa, Pizano and ATH.

	Efficiency (Billions of COP)						
	2Q-18	1Q-19	2Q-19	Growth Rate		Excluding FX	
				2Q19/2Q18	2Q19/1Q19	2Q19/2Q18	2Q19/1Q19
Total operating expenses	1,569.7	1,599.8	1,667.8	6.2%	4.2%	-1.1%	2.3%
Total income	2,955.7	3,259.3	3,395.5	14.9%	4.2%	7.4%	2.5%

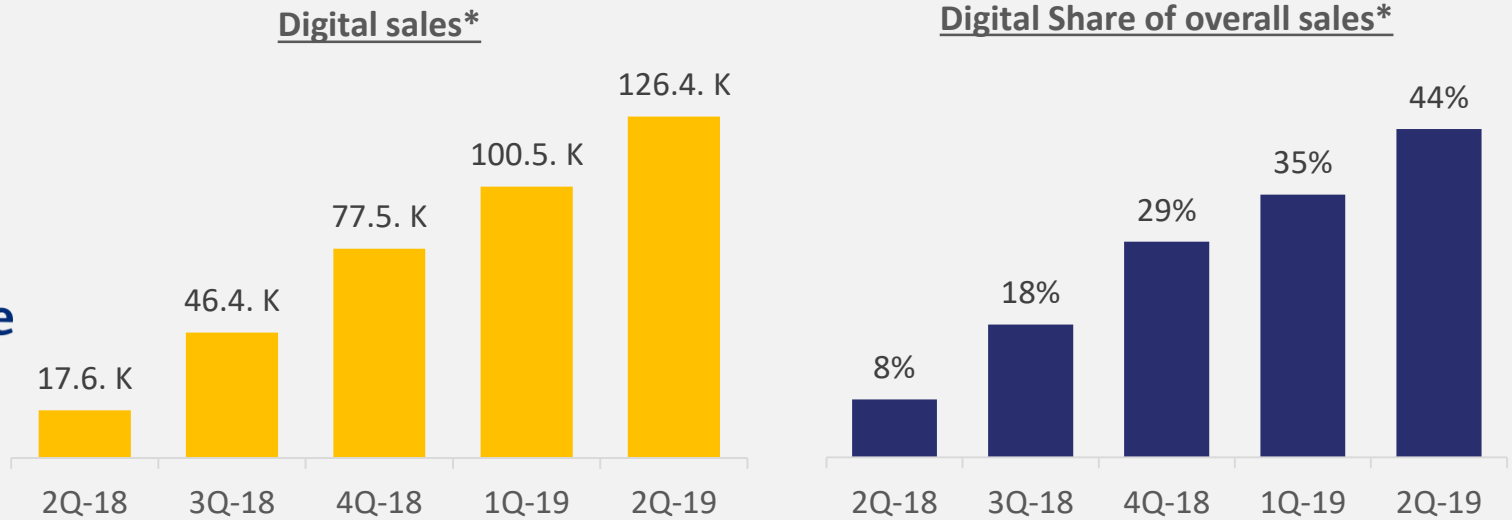
Cost to income ⁽¹⁾

Cost to Assets ⁽²⁾



(1) Calculated as Total other expenses, divided by net interest income, net income from commissions and fees, net trading income, net income from other financial instruments mandatory at FVTPL and total other income.

(2) Calculated as annualized total operating expenses divided by average total assets.



618% increase in digital sales, Y-o-Y

40% Digital adoption BdB total users



The Banker's 2019 "Tech Project Award"



"Virtual Bank" new online banking platform



New concept branch Digital omni-channel experience



52% Growth More than 124,000 products sold online

+205K New customers using our digital platforms

20% Digital usage growth Y-o-Y



Customized content and process automation

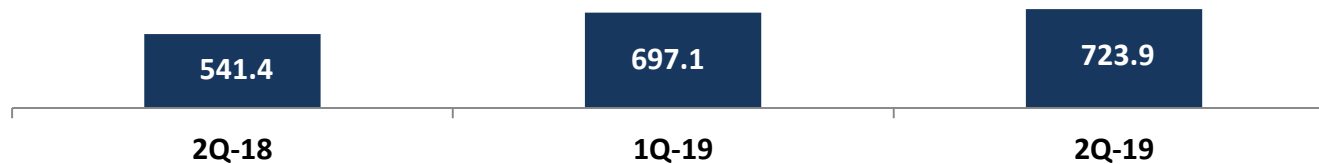


Focus on enhancing digital platforms

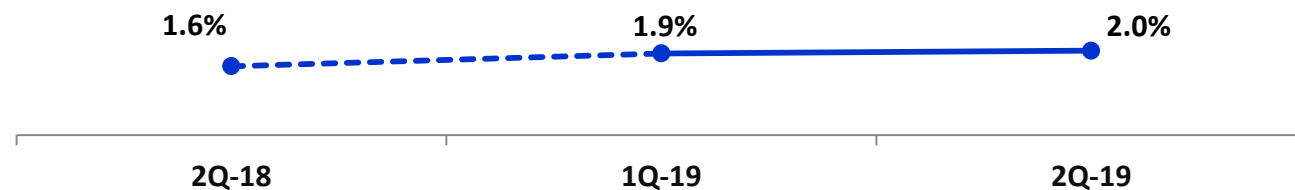
*Products: Savings Accounts, Credit card and unsecured term loans

Figures in Ps. Billions

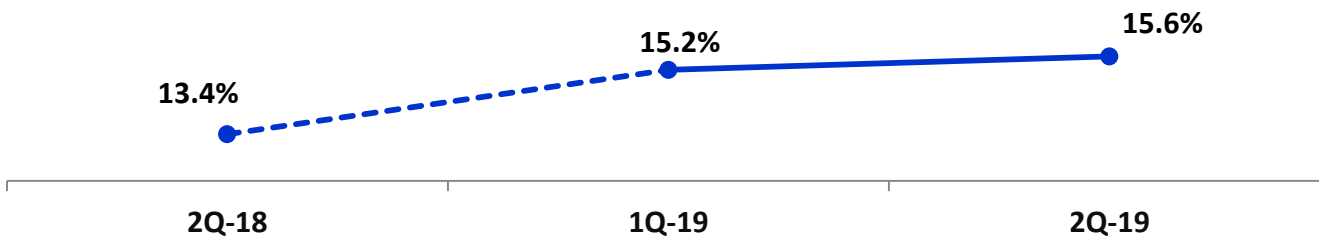
Net Income attributable to controlling interest



ROAA (1)



ROAE (2)



(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.

Banco de Bogotá

