

Banco de Bogotá



1Q-2020 Consolidated Results Conference Call

FULL IFRS

May 21st, 2020

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 quarterly devaluation as of March 31, 2020 was 23.7%. In this report, calculations of growth, excluding the exchange rate movement of the Colombian Peso, use the exchange rate as of March 31, 2020 (COP 4,054.54).

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 \$738.8 billion pesos, which represented a 2.2% and 6.0% increase versus 4Q2019 and 1Q2019, respectively.

Key Metrics

Commentary

Profitability

- ROAA: 1.6% / ROAE: 14.3%
- Net Interest Margin: 4.9%
- Fee Income Ratio: 34.9%
- Efficiency Ratio: 51.5%

- NIM results for the quarter were led by our NIM on loans of 6.1%.
- Fee income grew 9.6% by Banking Services and Pension Fees.
- Efficiency ratios deteriorated 242 bps, but cost to assets ratio improved by 16 bps.

Balance Sheet

- Gross Loans: \$134.8 Ps. trillion
- Total Deposits: \$143.6 Ps. trillion
- Deposits / Net Loans: 1.11x
- Deposits % Funding: 80.8%

- Gross Loans increased 24.4%; excluding FX, growth was 10.0%.
- Total Deposits grew 34.9%; excluding FX, growth was 19.5%.
- Deposits / Net Loans increased from 1.03x to 1.11x.

Credit & Capital

- 90+ Days PDL Ratio: 2.9%
- Net Cost of Risk: 2.1%
- Tier 1 Ratio: 9.6%
- Total Solvency: 12.3%

- 90+ Days PDL Ratio, grew 2 bps.
- Net Cost of Risk, decreased 8 bps.
- Tier 1 and Total Solvency ratios are both well above regulatory minimums.

In addition to focusing on our operating results, our priority is our primary stakeholders



Our People

- 95%+ of administrative employees working remotely.
- Social distancing and increased protection measures for employees working in our offices and branches.
- 457 (85%) of our branches are operating, up from 272 at the beginning of lockdown.



Our Customers

- Grace periods of 2 months on loan payments for clients less than 60 days past due.
- Free ACH transfers via digital platforms, free transactions via call center and up to 3 free ATM withdrawals for all clients.
- Active intermediation of government funds from Fondo Nacional de Garantías (FNG), Bancoldex, Finagro, and Findeter.
- Up to \$1.8 trillion reserved of \$ 5.0 trillion payroll lending program focused on preserving employment with a FNG's 90% guarantee.
- At May 15th, 28% of our total loans in Colombia and 46% of our loans in Central America have implemented a relief measure.



Our Community

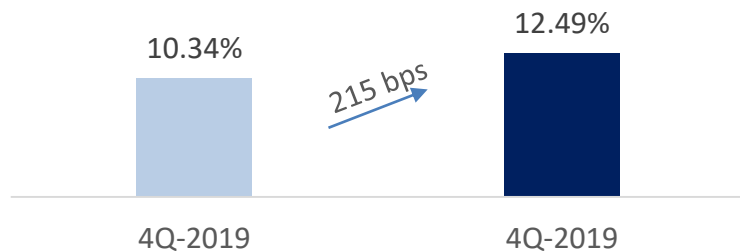
- Reduced days payable to SME suppliers to help with cash flow.
- Supported donations made by Organización Luis Carlos Sarmiento Angulo to increase health system's capacity and aid most vulnerable populations.
- Supported the City of Bogota through mayoral donation campaign.

Acquisition Rationale

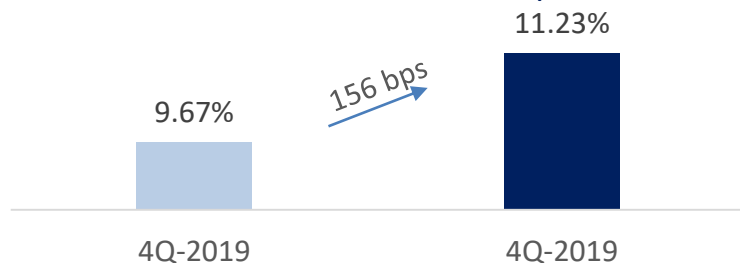
- Strengthened position as the leading financial group in Central America; loan portfolio market share above 12%.
- Increased scale in Panama. 2nd largest bank in the country in terms of assets.
- Complements BAC's franchise, which is particularly strong in consumer lending.
- Cost synergies, from *middle* and *back* office, maintaining MFG's client relationships.
- Multibank is rated as investment grade by S&P and Fitch Ratings.
- BdB has demonstrated success creating value via bolt-ons in Central America (Reformador in Guatemala and BBVA in Panama).

Enhancing our competitive position in Central America

Proforma Market Share Loans



Proforma Market Share Deposits



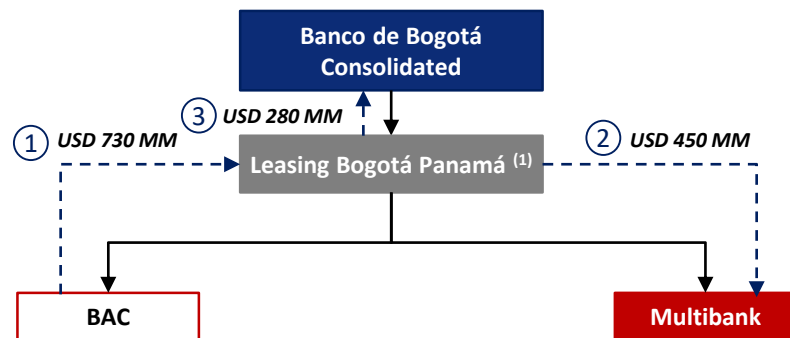
■ Actual Market Share ■ Proforma Market Share

Main Modifications to the Purchase Agreement

Given that conditions precedent to close the transaction were not met prior to April 28 / 2020, the parties agreed to modify the transaction, as described below:

1. **Purchase price: 39%** reduction on the initially agreed upon price, moving from **USD \$730 MM** to **USD \$450 MM** for 100% of MFG's common shares.
2. **Estimated P/BV multiple:** given these adjustments and the total estimated equity value of the company, a **P/BV** acquisition multiple is estimated at approximately **0.85x**. If calculated with common equity, **P/BV** is **~1.07x**.
3. **Generation of Goodwill** of approximately **USD \$35MM**.
4. **Closing Date:** expected closing date is May 2020, with the possibility for minority shareholders to adhere and sell by June 2020.

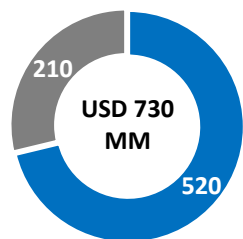
Transaction Structure



- ① BAC distributes a **USD \$ 730 M** dividend to Leasing Bogotá Panama
- ② Leasing Bogotá Panamá acquires Multibank for **USD \$ 450 M**
- ③ The remaining **USD \$280 M** will be distributed to Banco de Bogotá – Colombia.

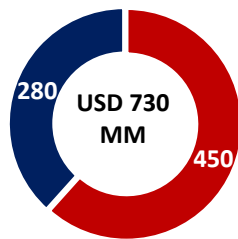
Funding Structure

1. Source of Funds



■ AT1 BAC ■ Securitization

2. Use of Proceeds



■ MB Acquisition ■ IbdB Dividends

1. Source of Funds:

- **USD \$210 M**, already declared as dividends, financed through a loan securitization carried out by BAC in 2019.
- **USD \$520 M** from the issuance of an AT1 instrument (*high trigger* at the BAC level and double trigger to provide capital treatment at BdB consolidated level). Subscribed 100% by Grupo Aval.

2. Use of Proceeds:

- **USD \$450 M** will be used to fund Multibank's acquisition.
- The remaining **USD \$280 M** will be distributed in the form of dividends to Banco de Bogotá - Colombia.

Proforma Capitalization Ratios⁽²⁾ @ mar-20 – Figures in COP Billions

Regulatory Capital	Actual	Acquisition	Proforma
Tier 1	15,869.4	1,966.5 ⁽³⁾	17,835.9
Tier 2	4,465.8	-	4,465.8
Total Regulatory Capital	20,335.2	1,966.5	22,301.6
Total RWA	165,974.0	11,493.1	177,467.1

Capital Adequacy Ratios	Actual	Acquisition	Proforma
Tier 1 Ratio	9.56%	0.49%	10.05%
Tier 2 Ratio	2.69%	-0.17%	2.52%
Total Capital Ratio	12.25%	0.31%	12.57%

(1) Leasing Bogotá Panamá controls 100% of BAC, directly and indirectly. (2) TRM @ March 31th, 2020 \$4,054.54. (3) Goodwill generation of \$ 141 MM and AT1 issuance of \$2.1 BN

Coming into 2020 the economic conditions in Colombia and Central America were improving

Colombia

- Best GDP performance in last five years
- Inflation within central bank's target
- Controlled and improving fiscal situation
- Technocratic government



Central America

- Recovery of GDP growth
- Controlled inflation in most countries
- Gradually improving fiscal situation
- Political and social stability



While COVID-19 poses a challenge in the jurisdictions where we operate, governments, central banks and regulators have implemented measures to mitigate the economic consequences



Government Measures

- Mobility restrictions and health system investments.
- Fiscal packages to mitigate health, social and economic effects (1.4% - 3.3% of GDP).
- Subsidized, guaranteed or funded credits to businesses.



Monetary Measures

- Intervention rate cuts of 75 / 100 bps in Colombia, Costa Rica, Guatemala and Honduras
- Easing of REPO requirements
- Reduction on banks' reserve requirements.

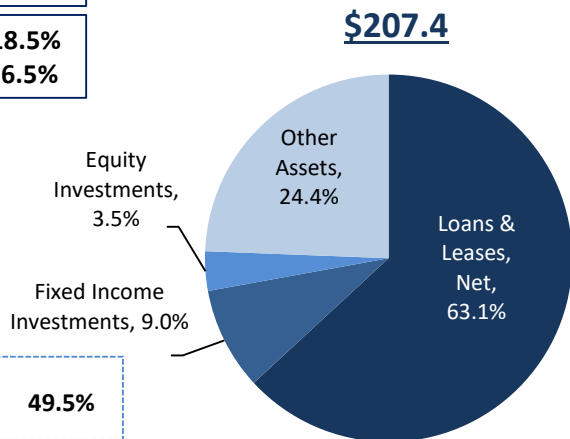


Regulatory Measures

- Decried special actions to allow relief programs for customers.
- Limit on interest rates' revisions and prohibition on increasing new loans' rates.
- Authorization to use general and counter-cyclical provisions.

Figures in Ps. Trillions

Total Assets Breakdown



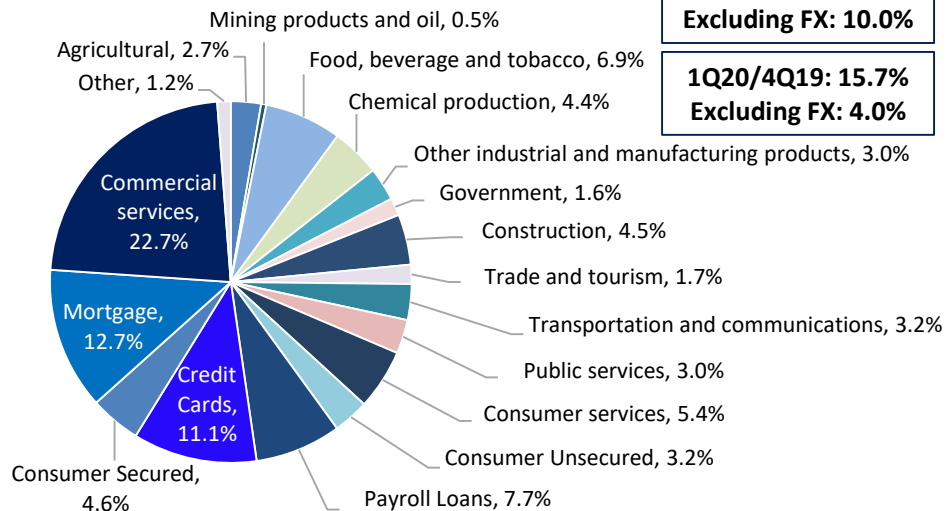
1Q20/1Q19: 29.3%
Excluding FX: 14.1%

1Q20/4Q19: 18.5%
Excluding FX: 6.5%

Colombian Operation 49.5%

Foreign Operation 50.5%

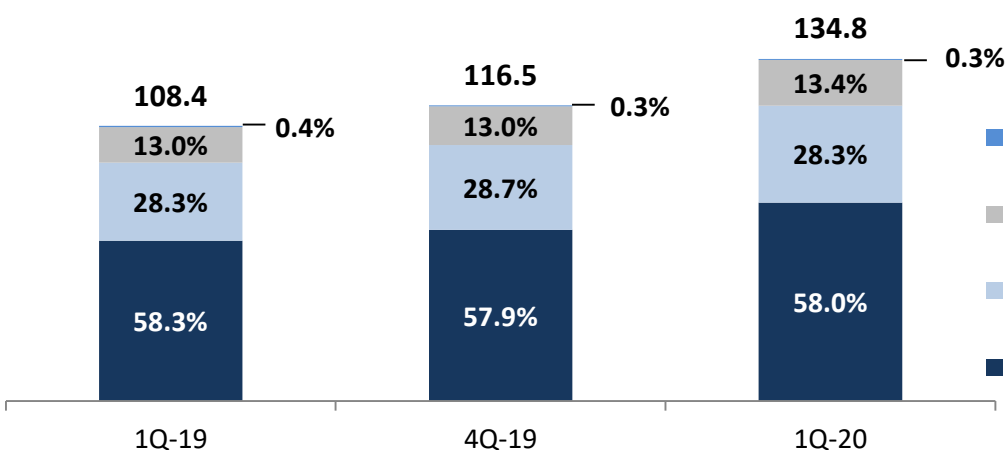
Total Gross Loan Portfolio Structure



1Q20/1Q19: 24.4%
Excluding FX: 10.0%

1Q20/4Q19: 15.7%
Excluding FX: 4.0%

Gross Loan Portfolio Breakdown (2)

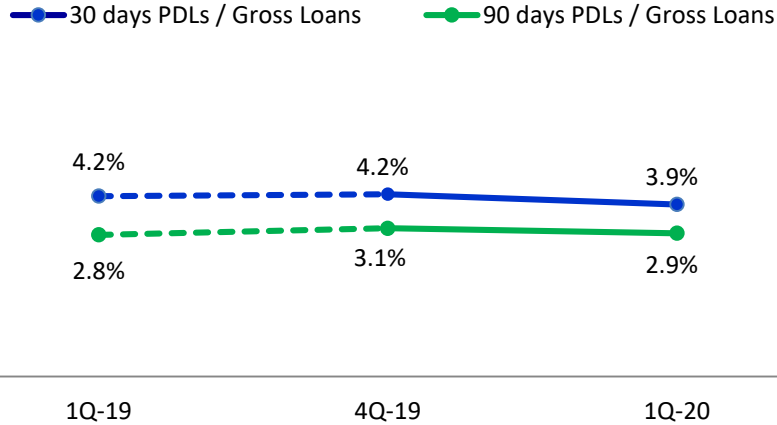


	Growth (%) 1Q20/1Q19	Growth (%) Excluding FX 1Q20/1Q19	Growth (%) 1Q20/4Q19	Growth (%) Excluding FX 1Q20/4Q19
Microcredit	-2.0	-2.0	-1.6	-1.6
Mortgage	28.7	6.8	18.9	1.3
Consumer	24.2	6.2	14.1	-0.3
Commercial	23.6	12.9	15.9	7.0

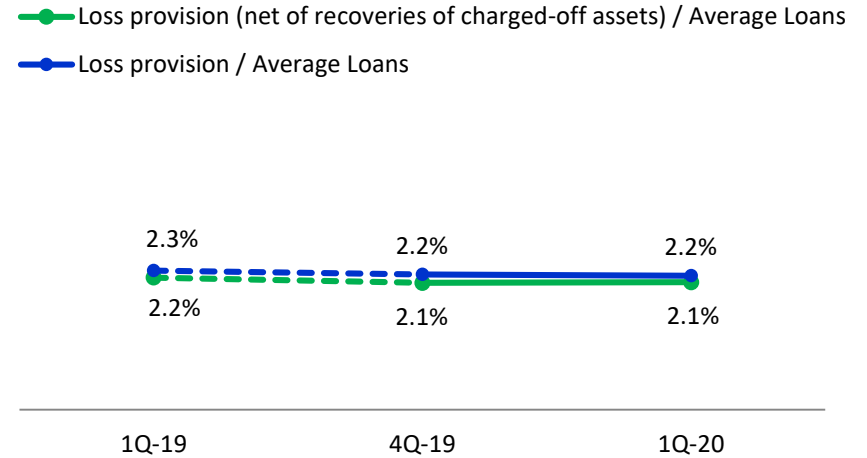
(1) Other Assets: Cash and balances at Central Bank, Derivatives, Allowance for financial assets held for investment, Other financial assets at fair value through profit or loss, Non-current assets held for sale, Tangible Assets, Intangible Assets, Other Accounts Receivable, Derivatives used for hedging, Other Assets and Income Tax Assets (Deferred Tax Asset and Liability are included on a net basis).

(2) Gross Loans exclude Repos & interbank funds.

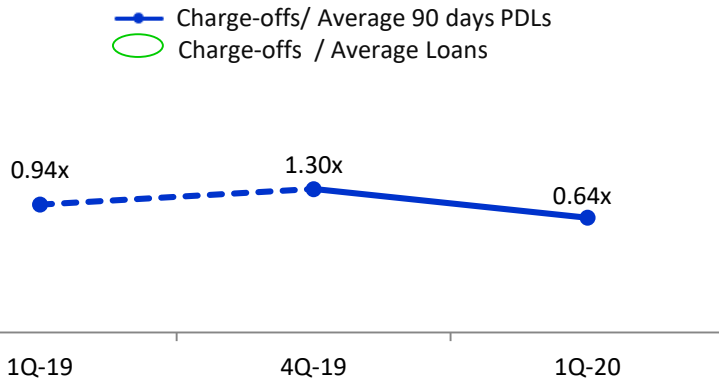
30 days PDLs / Gross Loans 90 days PDLs / Gross Loans



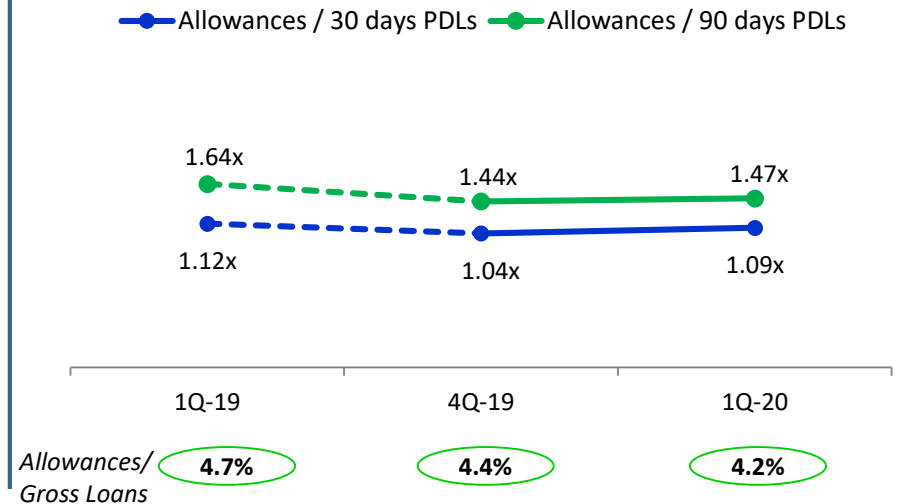
Cost of Risk ⁽¹⁾



Charge-offs ⁽¹⁾ / Average 90 days PDLs



Coverage



Charge-offs / Average Loans

Allowances / Gross Loans

(1) Annualized.

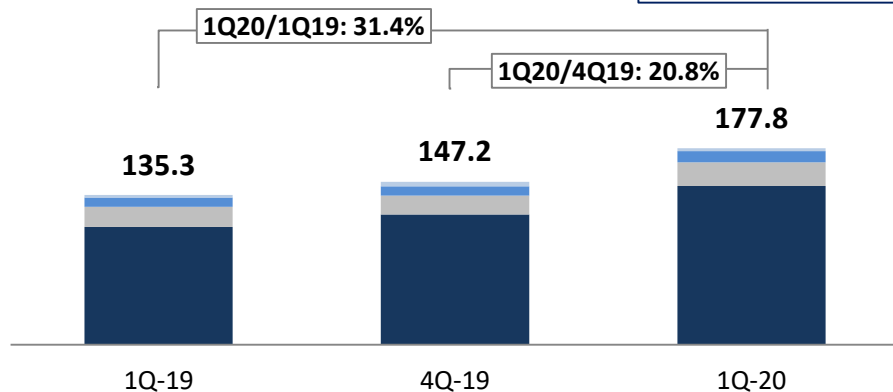
Figures in Ps. Trillions

Total Funding

Growth excluding FX

1Q20/1Q19: 16.5%

1Q20/4Q19: 9.1%

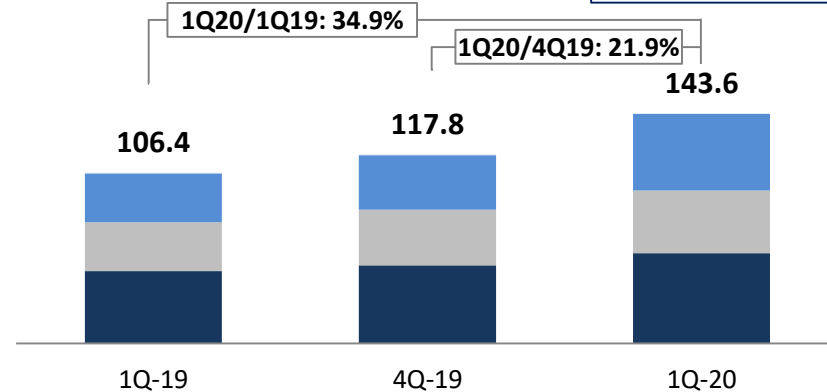


Total Deposits

Growth excluding FX

1Q20/1Q19: 19.5%

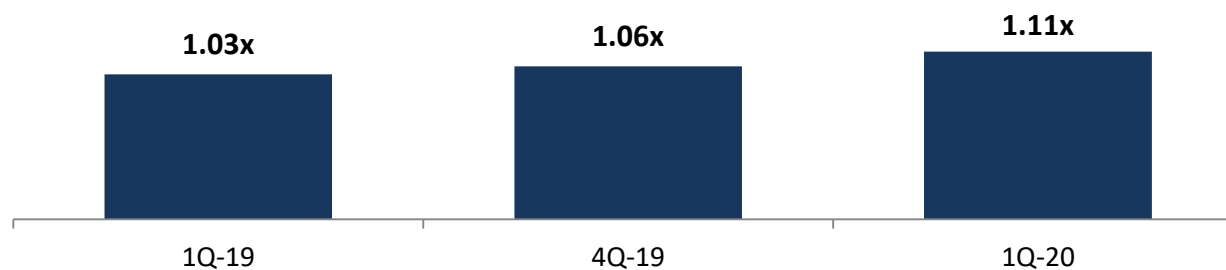
1Q20/4Q19: 9.5%



%	1Q-19	4Q-19	1Q-20
Deposits	78.6	80.0	80.8
Banks and others	13.6	11.6	12.0
Long Term Bonds	6.0	5.7	5.7
Interbank Borrowings	1.7	2.6	1.5

%	1Q-19	4Q-19	1Q-20
Time Deposits	42.4	41.4	39.2
Saving Accounts	28.8	29.5	27.4
Checking Accounts	28.5	28.9	33.3
Others ⁽¹⁾	0.4	0.3	0.2

Deposits / Net Loans (%)⁽²⁾

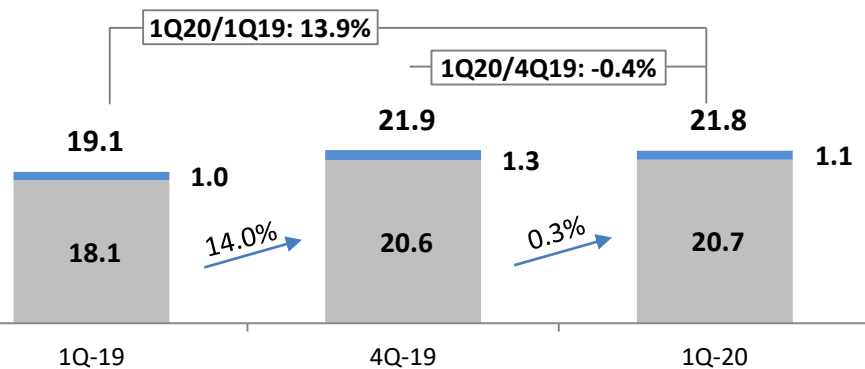


(1) Other Deposits include: Deposits from other Banks and Correspondent Accounts, Banking Services Liabilities, Collection Banking Services and Other Deposits.

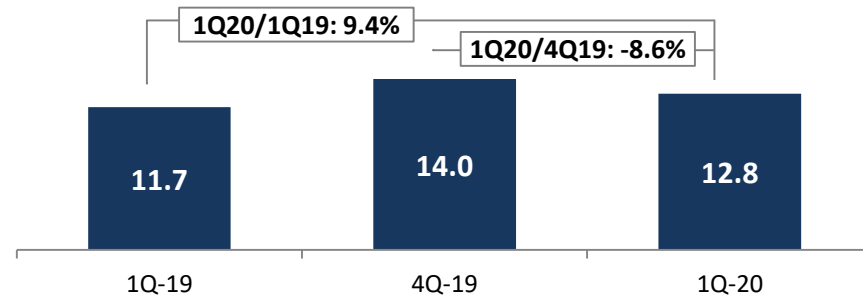
(2) Net Loans include commercial, consumer, mortgages, microcredit and allowances. Deposits include checking, and savings accounts, time deposits and other deposits.

Figures in Ps. Trillions

Attributable Equity + Minority Interest



Tangible Common Equity



■ Shareholders' Equity

■ Non-controlling interest

Period	1Q-19	4Q-19	1Q-20
Total Equity / Assets	11.9%	12.5%	10.5%
Tangible Capital Ratio ⁽¹⁾	8.3%	9.0%	7.0%

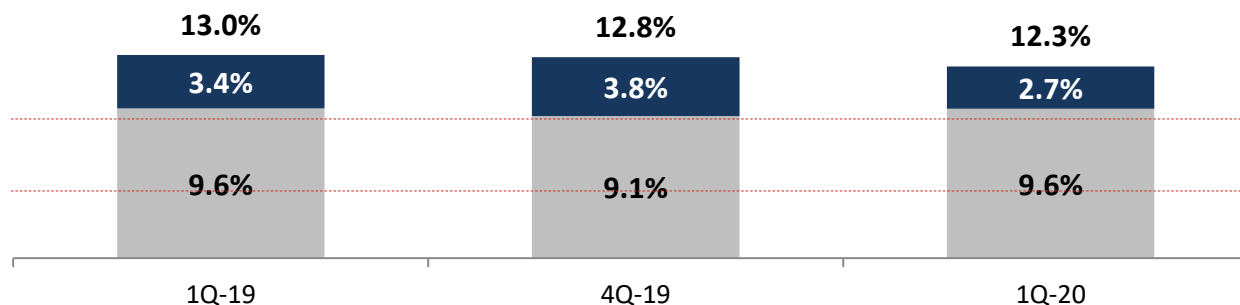
Consolidated Capital Adequacy⁽²⁾

■ 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

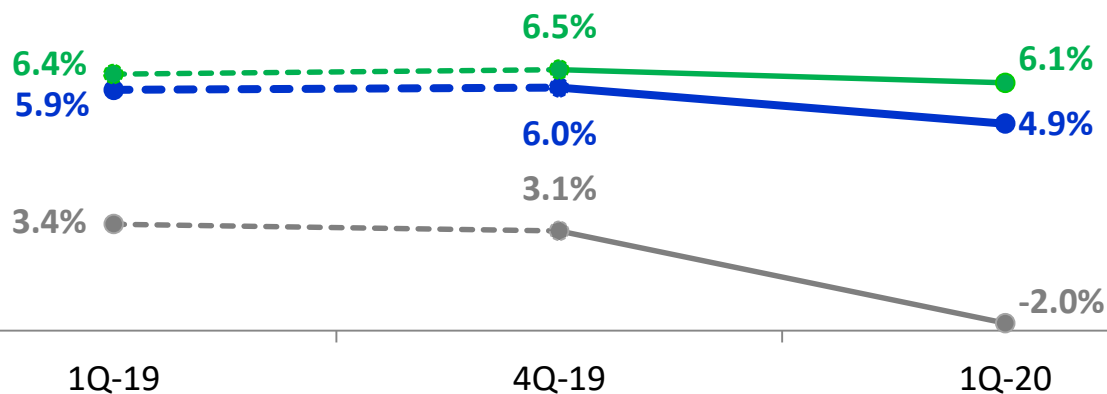
Growth excluding
FX

1Q20/1Q19: 5.1%

1Q20/4Q19: -0.2%

Net Interest Income (Billions of COP)					
			Growth Rate		
1Q-19	4Q-19	1Q-20	1Q20/1Q19	1Q20/4Q19	
1,791.3	1,970.9	2,008.7	12.1%	1.9%	

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



Yield on loans

10.0%

10.2%

9.6%

Yield on fixed income
(includes Interbank Funds)

7.0%

6.8%

1.5%

Average Funding
Cost / Total Int.
Bearing Funding

3.7%

3.7%

3.4%

1Q-19

4Q-19

1Q-20

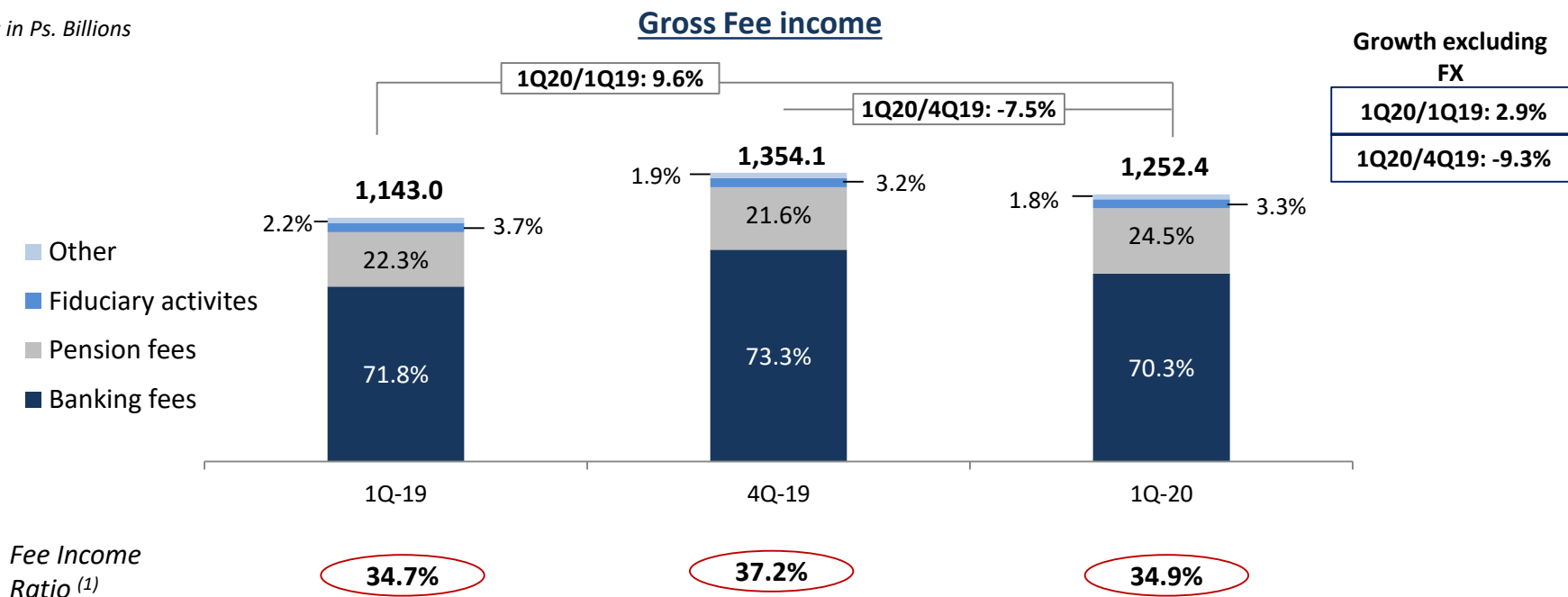
Source: Banco de Bogotá. Consolidated Figures.

(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

	1Q-19	4Q-19	1Q-20
Derivatives and foreign exchange gains (losses), net	53.9	83.3	299.1
Gain (loss) on investments, net (2)	131.7	83.2	(194.3)
Other Income(3)	80.1	92.2	106.6
Equity method income from associates, dividend income(4)	151.6	127.5	164.9
Total Other Operating Income	417.3	386.2	376.4

(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) Includes: Net gain on sale of investments, earnings on the sale of non-current assets held for sale, net gain on asset valuation and other income.

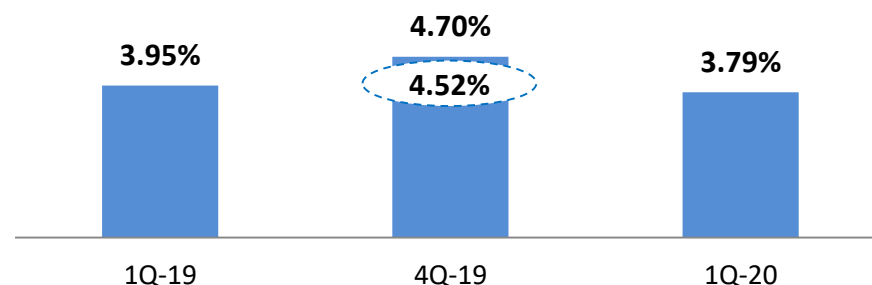
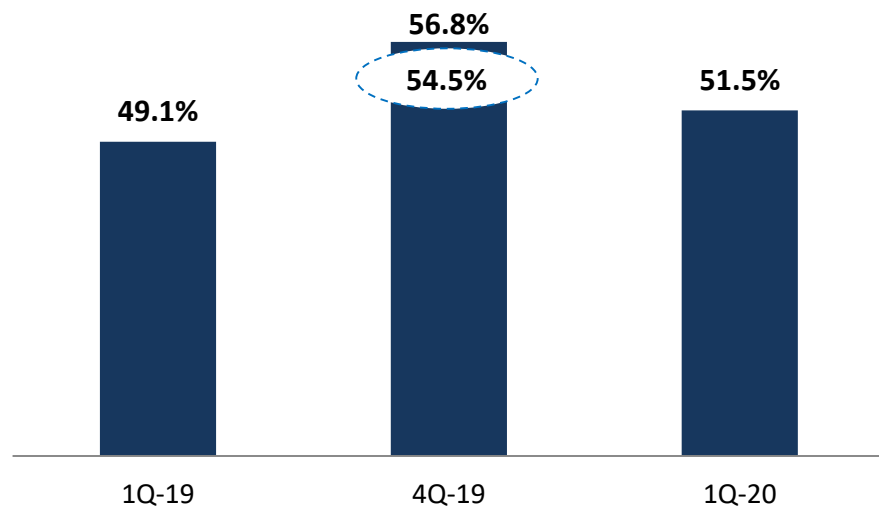
(4) Equity method income from associates includes Corficolombiana, Casa de Bolsa, Pizano and ATH.

Efficiency (Billions of COP)							
				Growth Rate		Excluding FX	
	1Q2019	4Q2019	1Q2020	1Q20/1Q19	1Q20/4Q19	1Q20/1Q19	1Q20/4Q19
Total operating expenses	1,599.8	1,967.1	1,809.4	13.1%	-8.0%	5.6%	-9.9%
Total income	3,259.3	3,608.2	3,512.9	7.8%	-2.6%	1.5%	-4.5%

Excluding Porvenir and Credivesa

Cost to income ⁽¹⁾

Cost to Assets ⁽²⁾



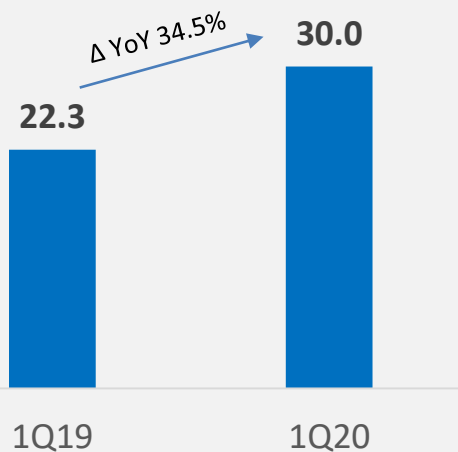
(1) Calculated as Total other expenses, divided by net interest income, net income from commissions and fees, net trading income, net income from other financial instruments mandatory at FVTPL and total other income.

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

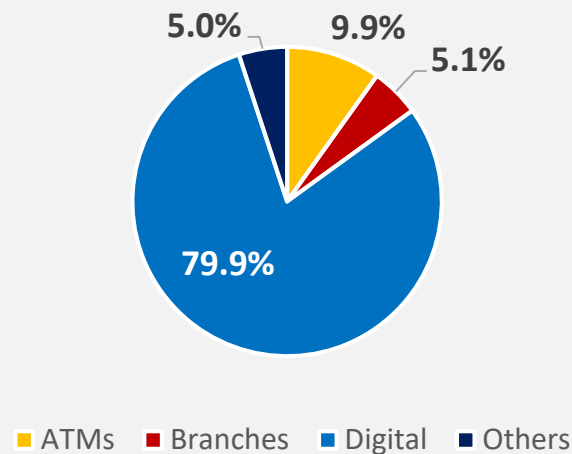


Transactionality

Total Monetary Digital Transactions (MM)

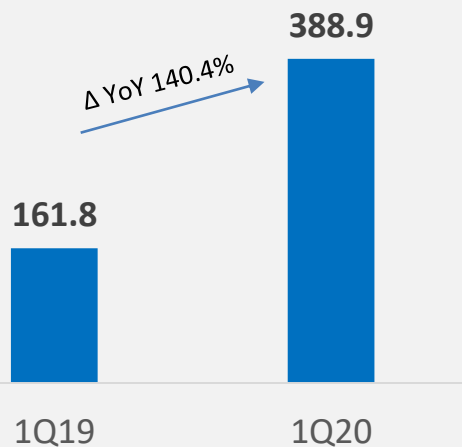


Total Transactions Share 1Q20 (%)

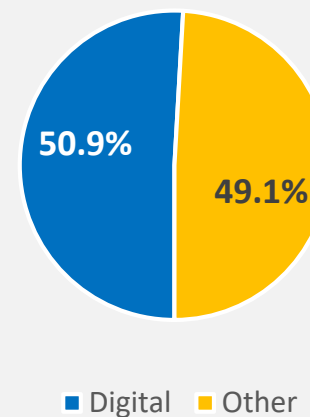


Digital Sales

Total Digital Sales (Thousands)

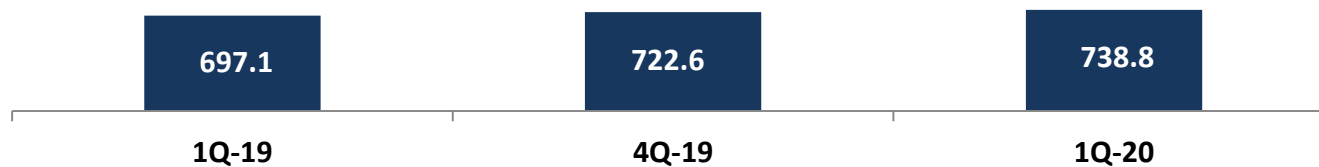


Consumer Sales Share 1Q20 (%)

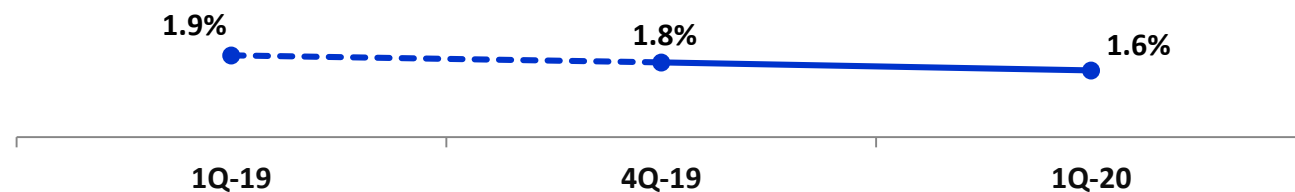


Figures in Ps. Billions

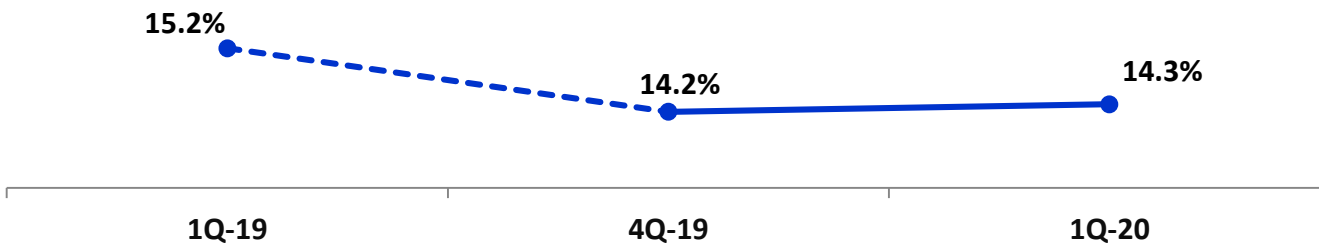
Net Income attributable to controlling interest



ROAA (1)



ROAE (2)

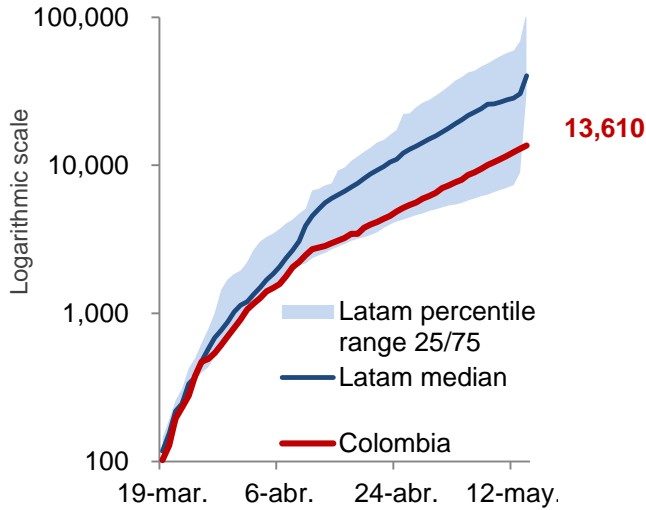


(1) ROAA for each quarter is calculated as annualized Net Income divided by average of total assets.

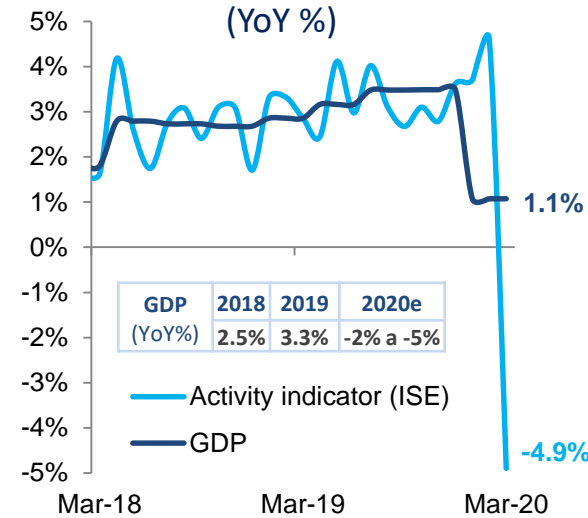
(2) ROAE for each quarter is calculated as annualized Net Income attributable to shareholders divided by average attributable shareholders' equity.

Annexes

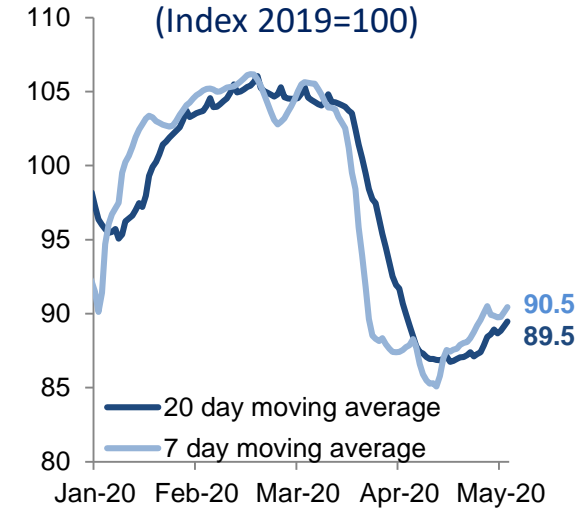
COVID-19 cases (Cumulative total)



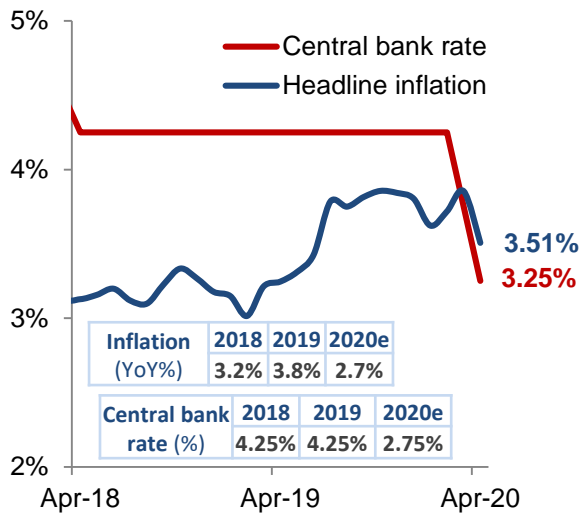
Monthly activity indicator vs. GDP¹



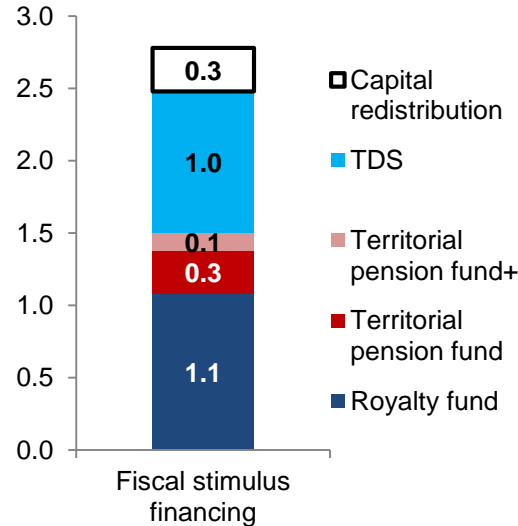
Daily energy demand



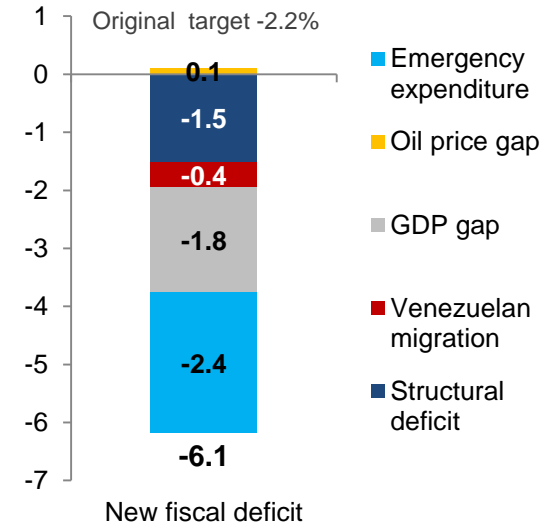
Inflation vs. Central bank rate (YoY%, %)



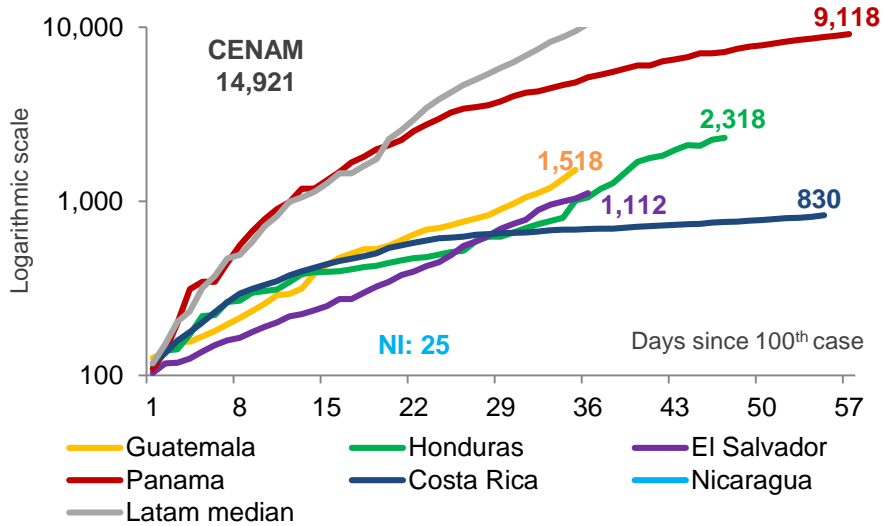
Fiscal stimulus financing (% GDP)



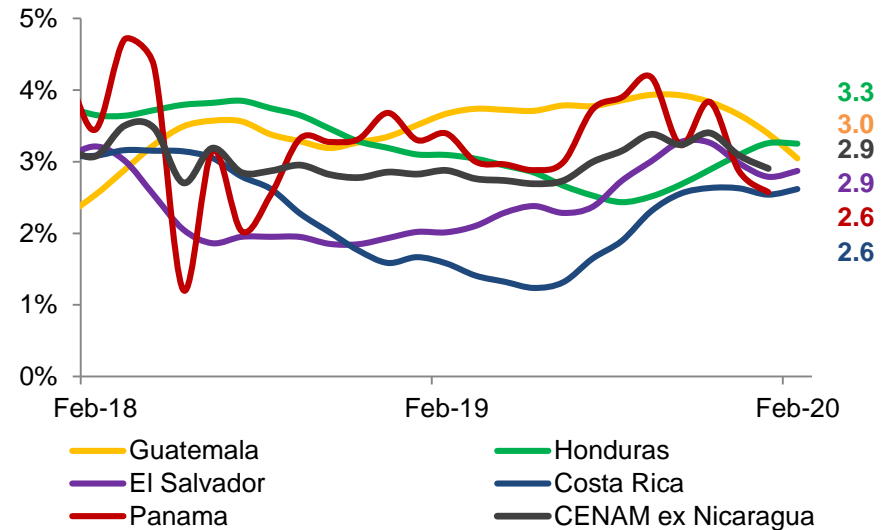
Deficit established by Fiscal Rule (% GDP)



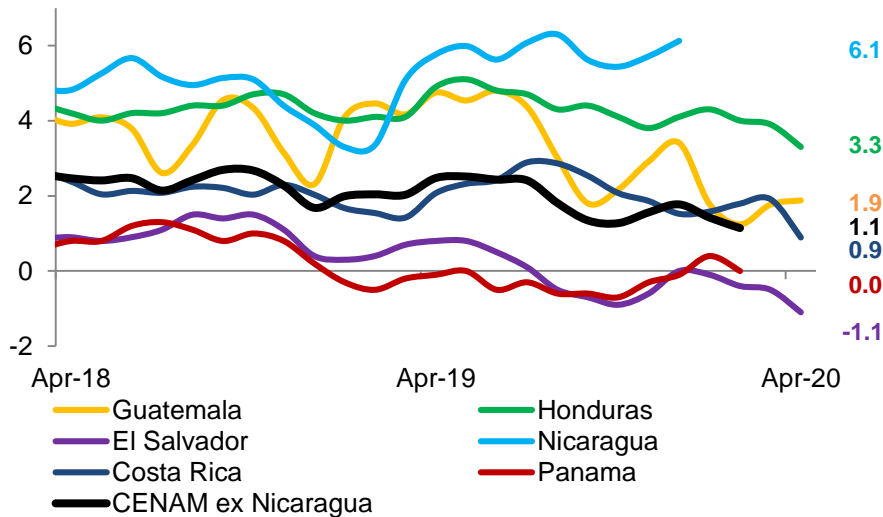
COVID-19 cases (total since 100th case)



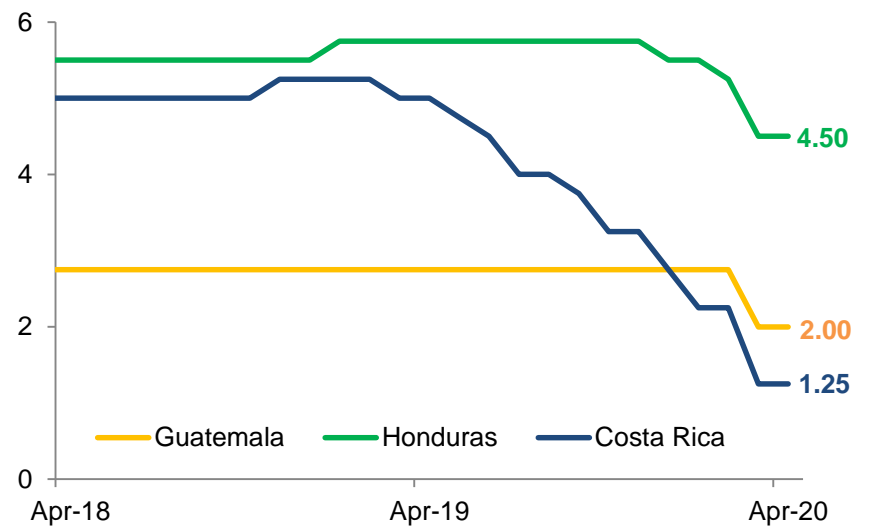
Activity Index¹ (YoY %)



Inflation (YoY %)



Central bank interest rate (%)



Source: JHU, Bloomberg, SECMCA, Economic Research Banco de Bogotá. CENAM: Central America. 1. Monthly activity trend indicator (IMAE-TC). CENAM information is shown excluding Nicaragua because activity information is only available up to February for this country.

	Colombia COP			Central America USD		
	1T19	4T19	1T20	1T19	4T19	1T20
Delinquency Ratio						
30 day PDLs / Gross Loans	5.1%	5.2%	5.1%	3.1%	3.1%	2.7%
90 day PDLs / Gross Loans	4.1%	4.4%	4.3%	1.5%	1.6%	1.5%
Cost of Risk						
Provision Loss, net of recoveries of charge-off	2.1%	1.9%	2.4%	2.2%	2.3%	1.8%
Charge-Off Ratio						
Charge offs / 90 days PDLs	0.8x	1.3x	0.4x	1.4x	1.4x	1.5x
<i>Excluding Electricaribe</i>		0.5x				
Charge offs / Avg Loans	3.4%	5.4%	1.6%	1.9%	2.3%	2.3%
<i>Excluding Electricaribe</i>		1.9%				
Coverage						
Allowance / 30 days PDLs	1.2x	1.1x	1.1x	1.0x	1.0x	1.1x
Allowances / 90 days PDLs	1.5x	1.3x	1.3x	2.1x	1.9x	1.9x
Allowances / Gross Loans	6.0%	5.7%	5.6%	3.1%	3.0%	2.9%

	<u>30 days PDLs</u>			<u>90 days PDLs</u>		
	<u>1Q-19</u>	<u>4Q-19</u>	<u>1Q-20</u>	<u>1Q-19</u>	<u>4Q-19</u>	<u>1Q-20</u>
Commercial	3.5%	3.5%	3.6%	3.1%	3.2%	3.0%
Consumer	5.3%	5.2%	4.3%	2.5%	2.7%	2.5%
Mortgage	4.2%	4.7%	3.9%	2.2%	2.9%	2.8%
Microcredit	16.1%	18.2%	15.3%	11.8%	13.7%	14.5%
Total Loans	4.2%	4.2%	3.9%	2.8%	3.1%	2.9%
Coverage Ratio	1.1x	1.0x	1.1x	1.6x	1.4x	1.5x

Banco de Bogotá

